

# Plastics News

## Progressive fights counterfeiters at Chinaplas

By STEVE TOLOKEN

Shanghai — U.S. mold equipment supplier Progressive Components Inc. came to the Chinaplas show in Shanghai with a very specific mission — cracking down on violators of its intellectual property.

And it won a small victory, getting the organizers of Chinaplas to order a Chinese competitor, Shenzhen Threup Mold Fittings Co. Ltd., to stop displaying counterfeit Progressive products at its booth.

The Wauconda, Ill.-based company makes specialized mold components designed to reduce downtime and improve manufacturing efficiency, and decided for the first time at a Chinese trade show to target a local firm it sees as counterfeiting its products.

“At this Chinaplas we learned of an egregious violator... not only selling online and through distributors, but being so bold as to set up a booth here at Chinaplas,” said Glenn Starkey, Progressive’s president, in an interview at the fair, which ran from April 25-28 in Shanghai.

Progressive filed a complaint April 26 with the Intellectual Property Rights Office for the fair, and staff there ruled against Shenzhen Threup, said Progressive’s Shanghai-based lawyer Eric Su, a partner in the firm HongFangLaw.



Steve Toloken

**Progressive Components Inc.'s Glenn Starkey in front of the booth of a Chinese firm that was displaying counterfeit Progressive parts at Chinaplas. Progressive was able to force the company to pull the parts from its display.**

“They agreed with our point that the infringement is quite apparent,” Su said.

Shenzhen Threup said it removed the items after trade show staff presented it with the complaint, and a Threup executive said in an April 27 interview in its small booth that it did not know the products, including mold counters, had intellectual property owned by Progressive.

Progressive gave Plastics News pictures it said were taken in the Threup booth that showed counterfeit products carrying the Progressive name and logo.

Shenzhen Threup General Manager Pan Shengfeng said her company did not manufacture the products, and was

only distributing them. The show was the first time the small company displayed the products, she said.

Pan said she did not know which company manufactured the counterfeit products, and speaking through a company translator, said the 10-person firm, which is based in Shenzhen, will not sell the products in the future and will become more familiar with legal requirements.

Starkey, however, said he found it “hard to believe” that Threup would not know what company manufactured the products for sale in its booth, and was skeptical that it would not know about Progressive’s Chinese patents.

A page in a Threup catalogue distributed at Chinaplas looks like the Progressive catalog page, but with patent numbers removed, he said.

“There’s no way they’re not aware of our [patent] protection,” Starkey said.

The U.S. executive said the action against Threup is the latest skirmish in a long-running fight against violations of both trademarks and patents the company has in China.

Chinaplas is the first time the company has filed a complaint at a trade show in the country, but he said they’ve taken other action for the past eight years, with mixed results.



Progressive Components Inc.

Progressive took these photos at Shenzhen Threep's Chinaplas booth, showing copycat parts which mimicked the look of Progressive parts.

"There's been countless violators for numerous products and we've spent a lot of time and resources on cease and desist letters and actions within their plants, but when it's all said and done, all we've really done is slow it down slightly," he said.

The company has "not really been able to halt an infringing practice like

you could in the rest of the world," he said.

Progressive said it did have some success at the German Euromold trade show, filing a complaint there five years ago after it found a Chinese company exhibiting infringing products.

During that show, Euromold organizers also forced the Chinese firm to remove the infringing products from its booth, Starkey said.

At Chinaplas, he said he was satisfied with the show's response but expected more problems with Threep.

"Maybe we've gotten their attention but just hiding one of several products for a couple of days won't be the end of this," Starkey said. "What we'll have to do is fight for the numerous products that they are violating our Chinese patents on."

He said Progressive believes there are three to five manufacturers of counterfeit Progressive products in China, and "countless" distributors.

There's a lot of lost potential business, he said.

"It's significant," Starkey said. "We have no official figures but our distributor in China says that the counterfeits

might be 80 percent of the market share, where the Progressive-developed product is 20 percent."

Starkey said Progressive has worked hard over the years to get large manufacturers and brand owners to specify its products in molds, and that's what the counterfeiters are trying to tap into.

"These are products that have taken a lot of development, a lot to get specified," he said. "But what could be purchased by the OEM suppliers is a copy with our name on it. We test these copies and they are incredibly inferior.

"The damage is more than just the loss of the sale of the component," he said. "It could jeopardize the specification."

He said Progressive is making more noise now partly because it's starting to see some counterfeiting firms beginning to market that they have newer, more sophisticated Progressive products, like a mold monitoring system that provides more detailed information about conditions inside the mold.

"We've got an entire mold monitoring platform that we've released in the last four years and our concern is we're starting to see inklings of that product copied," he said.

*Progressive Components is the only American owned, independently operated source for standard components, proprietary mold mechanisms, and maintenance and monitoring software for injection mold builders and molders.*

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## PROGRESSIVE COMPONENTS