

## **Anti-counterfeit news**

### NXP Win Sends Strong Message About MIFARE Trademark Infringement

In a legal action for MIFARE trademark infringement, filed against Global Card Systems Co., Ltd. (GCS) of Zhuhai, Mainland China, NXP has won a significant settlement that goes beyond current MIFARE infringements to cover any and all future infringements of NXP's extensive portfolio of trademarks and intellectual property rights.

The settlement, enforceable by a Chinese court, includes the requirement that GCS immediately stops the MIFARE infringement which prompted the action, and pays NXP a substantial fine in compensation. In addition, further fines will be imposed if GCS violates any obligations of the settlement, including any infringement of NXP patent or trademark rights, now or in future. The additional fine applies per infringement event, meaning repeated occurrences multiply the fine.

The settlement is a signal that NXP is highly motivated to protect all of their trademarks and intellectual property rights globally, and will take proactive measures to do so. Companies that infringe on the MIFARE brand, for example by offering counterfeit ICs or cloned smartcards for sale, can be certain that NXP will respond with swift legal action that seeks substantial penalties.

The NXP win also reflects NXP's material efforts to protect the MIFARE brand. As a result, customers can rely on genuine MIFARE products to deliver the high levels of security, interoperability, stability, and reliability that have made MIFARE technology the recognized leader in contactless IC applications worldwide for more than 25 years.

# 5 Cases of MIFARE Trademark Right Infringement in Turkey: Successfully Resolved by NXP

NXP took legal actions against five cases of trademark infringement incidents in Turkey over the past years. The multi-year cases are now closed and demonstrate NXP's determination to take action against trademark infringements.

As concluded in the court's decisions, MIFARE is a registered trademark that is valid and acknowledged globally including Turkey. The MIFARE brand is not a generic term and these cases reinforce NXP's actions to protect the MIFARE IP rights.

NXP is committed to protecting the value of its NXP and MIFARE brands as well as supporting companies using genuine MIFARE products through its strong anti-counterfeit activities. Learn more about the value of genuine MIFARE products in our <u>brochure</u>.

## NXP Successfully Settles Another Case of MIFARE Trademark Infringement in China

To avoid a court procedure over trademark infringement and unfair competition, a major Chinabased semiconductor company offering smart cards for use in access control and transportation agreed to compensate NXP in December 2020 for economic loss resulting from the promotion of non-genuine MIFARE products.

As part of the settlement, the Chinese semiconductor company agreed to pay an undisclosed amount and acknowledged respect for the legal rights enjoyed by NXP with regard to MIFARE trademark rights.

This court case and the resulting settlement are yet another indication of NXP's willingness to take quick legal action when it comes to protecting the MIFARE brand.

### NXP Wins Long-Fought Case of MIFARE Trademark Infringement in UK

In the United Kingdom, where the number of counterfeit MIFARE® smart cards is known to be high, NXP has won a trademark infringement case six years in the making.

In 2013, using a third party to buy and test MIFARE branded smart card products to confirm authenticity, NXP revealed that one of UK's leading ID card suppliers was selling products that contained MIFARE counterfeit products and infringed on NXP's MIFARE trademark rights.

NXP took legal action immediately following the incident, but two years later, in 2015, test purchases from the ID card supplier again included counterfeit products. Because this was the second infringement, the case was taken to the next level. The infringing company was found to be uncooperative, and as a result, the case made its way to the Intellectual Property Enterprise Court in London in 2016.

On July 31st, 2019, after roughly three years of litigation, the Intellectual Property Enterprise Court decided that the ID card supplier infringed on NXP's MIFARE trademark rights. NXP was willing to keep damages within the limit of the Small Claims Track, provided the ID card supplier would only sell original MIFARE products moving forward, applying the MIFARE trademark and branding guidelines, and pay NXP's costs related to the case.

The multi-year case demonstrates NXP's determination to take action against trademark infringements, so as to protect our customers and maintain the integrity of the MIFARE brand. The judgment comes as MIFARE celebrates its 25th year as a trusted brand representing quality, security, and convenience.

### NXP Successfully Settles Another Case of MIFARE Trademark Infringement in China

In September 2018, to avoid a court procedure over trademark infringement and unfair competition, China-based Shenzhen Jianhe Smart Card Co., Ltd., a company offering smart cards for use in access control, transportation, education, finance, and other sectors, agreed to compensate NXP for economic loss resulting from the promotion of non-genuine MIFARE products.

The suit, brought by NXP, was prompted by a review of the company's online shop at www.alibaba.com, where non-genuine MIFARE products were promoted under the brand name of "NXP" and "MIFARE". As part of the settlement, Shenzhen Jianhe Smart Card Co., Ltd., agreed to pay an undisclosed amount and acknowledged respect for the legal rights enjoyed by NXP with regards to MIFARE trademark rights. The court case and resulting settlement are an indication of NXP's willingness to take quick legal action when it comes to protecting the MIFARE brand.

To help combat the sale of counterfeit MIFARE products, NXP offers several ways to check the authenticity of a MIFARE product. For example, developers can use dedicated functions in NXP's Android-based TapLinx development kit to authenticate MIFARE ICs before they go to market. In the supply chain, the NXP Originality Checker Reader, which works with a simple tap to a special reader connected to a desktop PC, verifies authenticity prior to sale. To learn more about these and other tools, please visit this page.

### MIFARE IC Suppliers A3M and Enzocard Join the Fight for Genuine MIFARE

NXP is pleased to announce that two leading European distributors of identification solutions based on MIFARE® ICs, A3M France and Enzocard Spain, embrace the opportunity to ensure genuine MIFARE ICs in their offering in order to guarantee all the benefits that verified and authentic MIFARE products deliver.

As prominent members of the MIFARE community, which is the largest network of companies providing contactless system solutions, A3M and Enzocard play an important role in Europe when it comes to educating the market about the risks of using unauthorized products – both, for system providers and individuals.

A3M and Enzocard rely on MIFARE ICs, as one of the world's leading choices for contactless smart cards and tickets. With more than 20 years of experience, MIFARE secures some of the largest transportation, access, and micropayment installations globally, and brings convenience and security to billions of end users daily. Counterfeit components and cloned cards do, on occasional bases, find their way into the supply chain. NXP supports its customers in the fight against counterfeits by offering tools that can help to verify the originality of MIFARE products, besides analyses in the lab.

Through joint agreements, A3M and Enzocard have committed to join activities against counterfeits, and, as a result, will be able to offer their customers a stronger guarantee of having genuine MIFARE components in their offering. They will also be able to help their customers recognize the risks of sourcing non-genuine products and find adequate authentic alternatives. This is especially important with respect to the upcoming "General Data Protection Regulation" (GDPR), formulating the European Union's data protection rules. A3M and Enzocard are well aware that unlike counterfeits, only genuine MIFARE chips can ensure the performance of the intended behavior. Insisting on genuine MIFARE products, which are available from a wide global network of authorized partners, provides all the benefits of ensured quality, reliability, performance, upgradability, and interoperability, while fostering end-user confidence. Learn more about the value of genuine MIFARE products in our brochure.

## NXP reinforces protection of MIFARE IP rights by winning major legal case in China

In May 2016, NXP B.V. brought a trademark infringement and unfair competition action against the China-based company Shenzhen Xinye Technology Development Co. Ltd (the Defendant) for providing contactless smart cards with fake chips in the brand name of NXP® MIFARE®. Based on NXP's request, the Shenzhen Longgang District Court accepted the trademark infringement and unfair competition case and passed a ruling in November 2016. The Defendant filed an appeal to Shenzhen Intermediate Court and in July 2017 the second and final instance court decision was released confirming the judgment – underpinning NXP's position.

As concluded in the court's decision, the sales of white cards with fake "MIFARE" branded chips inside through the company's online shop on ALIBABA represents a trademark infringement against NXP's trademarks "NXP" and "MIFARE" and the judge rejected the Defendant's "legitimate source defense" for its sales and sales offering of white cards.

Furthermore, the ruling states that the reference to the Defendant's strategic partnership with NXP, advertised on the website www.asisrfid.com, constitutes unfair competition. Thus, the judge sentenced the company to pay compensation to NXP for both infringements.

NXP is committed to protect the value of its NXP and MIFARE brands as well as supporting companies using genuine MIFARE products through its strong anti-counterfeit activities. Therefore, NXP offers several ways to examine the authenticity of MIFARE products which helps to minimize the risks of finding unauthorized MIFARE products in the supply chain, hence protecting customers and 3rd parties. The verdict recalls that solely genuine MIFARE products provide high levels of security, functionality, quality and a future-proof migration path.

# Verdict in Shenzhen Meihe law case – the next Milestone in NXP's MIFARE clone fight

NXP B.V. started trademark infringement and unfair competition law litigation for its MIFARE trademark in China against Shenzhen Meihe Induction Technology Co., LTd (hereinafter "Shenzhen Meihe") before the court in Shenzhen, China, last year. The Shenzhen court has recently concluded that both "NXP®" and "MIFARE®" trademarks were infringed by Shenzhen Meihe due to their involvement in selling unauthorized product copies using the NXP and MIFARE trademarks.

Following successful enforcement actions in Europe this verdict shows that NXP's ambitions in fighting trademark infringement pay off. In NXP's consideration only innovation and orderly competition are the energy and basis of the industry development. When companies offer unauthorized MIFARE product copies commercially, we are prepared to defend our intellectual property (hereinafter "IP") rights. This can be actions against manufacturers, OEMs, card makers and/or traders.

Legal steps are taken not only to protect NXP's IP rights and the MIFARE brand, but also to protect the business of our valued customers who are using genuine MIFARE products.

### 11 UDRP domain name disputes regarding MIFARE decided in our favor

Providing remedy against abusive registration of MIFARE domain names In February 2016, NXP B.V. initiated eleven MIFARE® domain name disputes under the so called 'Uniform Domain Name Dispute Resolution Policy' ("UDRP") at the <u>WIPO Arbitration and Mediation</u> <u>Center</u> – an administrative procedure which is an efficient remedy against the bad faith, abusive registration of general top level domain names ("gTLD"), such as .biz, .com, .net or .org, that infringe trademark rights.

As we identified several companies using the MIFARE trademark as part of their domain names, and these companies were not cooperative in transferring them to us via a rather informal way, together with the Online Service Provider Pointer Brand Protection and Research we took the next step and filed eleven UDRP complaints against different respondents. All eleven UDRP procedures were decided in our favor within two months only, with the following conclusion: Clear MIFARE trademark infringement as the disputed domain names were identical or confusingly similar to our well-known MIFARE brand. In addition, MIFARE.net Partners are not allowed to register domain names with the element 'MIFARE' based on the MIFARE.net Partner Agreement. As such, companies act abusively when registering these domain names under their names.

Such UDRP administrative proceedings have several advantages. Any individual person or company can file such a complaint, which is decided upon by independent international expert panelists in trademark and domain issues, within a reasonable time frame of 60 days only. The complaint can be also targeted on several domain names against one and the same respondent. Further, the costs for such UDRP procedures are manageable compared to the costs which might be incurred through regular litigation.

#### Law case against Shenzhen Ruiting Smart Card Co. Ltd. in France won

Proceedings for this case began when unauthorized MIFARE® product copies were seized from a Chinese company at CarteS 2013 in Paris. NXP took the necessary legal steps against Shenzhen Ruiting Smart Card Co. Ltd. in France. The French Civil Court in Paris ("Tribunal de Grande Instance de Paris"), reached the conclusion in October 2014 that Shenzhen Ruiting has infringed NXP's valuable MIFARE trademark rights.

As a consequence the Chinese company in question had to stop the infringement of NXP's MIFARE trademark rights immediately and had to pay a compensation for caused damages. This successful law suit is just one example of our ongoing legal initiatives on a global scale.

### Seizure of unauthorized MIFARE clones at CarteS 2013, Paris

In ongoing efforts to prevent unauthorized MIFARE® IC clones being available in the marketplace, React and NXP Semiconductors recently took steps against companies promoting the sale and availability of unauthorized copies of NXP's MIFARE contactless products. MIFARE products are the most widely used ICs for contactless cards and tickets worldwide. Only genuine NXP products guarantee high quality levels and interoperability with all major reader infrastructures worldwide.

At CarteS 2013, the world's leading exhibition on Security and Payment solution with 447 exhibitors and 25,000 visitors, React conducted a detailed assessment and monitoring activity regarding the promotion of unauthorized copies of smart card solutions based on MIFARE ICs. As a result several legal actions have been initiated and court orders for several seizures related to Asian exhibitors have been granted. The activity resulted in the removal of fake goods and the direct removal of promotional material and booth elements on location at the CarteS event. For NXP strong IP and trademark protection is very important to safeguard their customer base from non-genuine counterfeit products that do not meet basic requirements in security, quality and performance.

Following React's successful removal of online auctions this is another affirmative step to prevent the misuse of NXP MIFARE IP and trademark rights. React and NXP are committed to expand their cooperation to stop counterfeit MIFARE products.

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