

CLONES AND NEW BUILTS - CAN YOU REALLY AFFORD THEM?



In very recent years the European market has seen an influx of new built and clone cartridges, particularly since the USA very blatantly clamped down on manufacturers of compatible printer supplies that contravened patent law - and rightly so!

Consequently however, these manufacturers have set their sights on Europe and with some significant success, given the diversity and complexities of territories within Europe, especially within the less developed countries of Eastern Europe where respect of intellectual property is less likely to feature prominently.

CLOVER
Innovative Environmental Solutions

To explain briefly what is available in the market in terms of product categories we classify the product into 5 different types:

1 ORIGINAL - ORIGINAL EQUIPMENT MANUFACTURER (OEM)

A new toner cartridge manufactured by the same manufacturer of the printer.

2 NEW BUILT/COMPATIBLE

A new toner cartridge manufactured by a company, other than the printer manufacturer and sold under that company's name

3 REMANUFACTURED

A used OEM cartridge that has been remanufactured with the following general process:

- Disassembled
- Cleaned
- Filled with toner
- More than 75% of the internal components are replaced with a new components e.g. new drum
- Assembled and tested.

4 REFILLED

An OEM or compatible toner cartridge that has been filled with toner and resealed:

- Poor quality cleaning process, if at all
- No new internal components
- Generic ink refilling.
- Unverified print quality

5 COUNTERFEIT/CLONE

A new toner cartridge manufactured by a company, other than the printer manufacturer and sold under the OEM brand name

Undeniably, Compatibles and Counterfeit toner cartridges are very cheap but you must ask the question:

HOW ARE THEY SO CHEAP AND IS SAVING A FEW EURO WORTH THE VERY BIG RISKS INVOLVED....?

1. Substantial risk of IP infringement

Most new built and clone cartridges are simply a copy of the OEM which is illegal practice if patents or copyright trademarks are infringed. This not only puts the manufacturer at risk of legal action but also the distributor or dealer who is selling the illegal cartridges. For example in 2012 HP sent 40+ cease and desist letters to European importers, distributors and resellers of infringing product with some serious consequences for those involved.

2. Fraudulent selling and false labelling

- a. Packaging often does not mention the true nature of the cartridge inside
- b. Clones and new built can often be sold as remanufactured items by some resellers thereby misleading the customer into thinking he/she is buying an environmentally sustainable cartridge
- c. False labelling is a criminal offence across Europe

3. Negative impact on environment

- a. It is very rare to see a recycling programme attached to the sale of clones or new built and so the most probable end of life solution is landfill. Bear in mind that the plastic used in each toner cartridge takes up to one thousand years to decompose.
- b. Environmental regulatory obligations are often ignored

4. Poor quality

To sell as cheap as possible is the ultimate goal for a clone or new built product so the pressure to build the product as cheaply as possible is paramount. As a result product quality will often suffer with little or no technical or aftersales support.



HOW TO IDENTIFY BETWEEN A REMANUFACTURED PRODUCT AND A NEW BUILT OR CLONE:

- 1. **Price** - is the biggest giveaway for non-remanufactured product - they are typically quite low cost!
- 2. **New product availability** - remanufacturers can rarely source enough of OEM cores within the first 12 months of the OEM launch to enable consistent remanufacturing as the OEM product will not have had enough of time to flow through the system. Therefore if large volumes of non-OEM product becomes available within this time frame then its most likely to be new built or counterfeit.
- 3. **Appearance** - subtle differences in form and shape due to the plastic moulding process will often indicate if a cartridge is remanufactured or a new built.



REMANUFACTURED CARTRIDGES

Remanufactured cartridges have been recycled and reprocessed from an original equipment manufacturer (OEM) empty core. The process differs by manufacturer and materials used with varying results in quality and page yields. Clover remanufactured cartridges are produced to stringent quality control standards, using lab-tested components to ensure consistent OEM-equivalent performance.

A typical production process includes inspection and replacement of key components as needed such as the OPC (Organic Photo Conductor) drum, wiper blade, PCR (Primary Charge Roller) and magnetic roller. One of the most critical parts of a cartridge is the OPC Drum. New aftermarkets are made specifically for remanufacturers to have a harder and more durable surface than the OEM cartridge. We use only new drums in our cartridges to ensure OEM equivalent results.

Each of the cartridges undergoes rigorous testing throughout the production process including print testing in order to ensure that performance, quality and productivity are exceptional. Clover cartridges are supported by numerous quality and environmental certifications such as ISO 90001, ISO14001, STMC, Nordic Swan, Blue Angel, LGA

Clover has the largest and most technically advanced manufacturing facilities in the Industry with automation and robotics a prominent feature of our facilities. We have 7 manufacturing plants worldwide based in North America, Latin America, Asia and Europe. All of our facilities are ISO 9001:2008 certified and each facility has the unyielding objective of producing products that meet or exceed OEM page yield, performance and quality. Many remanufacturers are willing to sacrifice quality for cost - not at Clover. Its Clover's efficient and streamlined manufacturing processes that enables us to produce superior quality product while still maintaining value pricing.



CLOVER'S INTELLECTUAL PROPERTY (IP) POSITION

Over the past decade, Clover has proactively taken many steps and made sizeable infrastructure investments to guarantee that both Clover products and customers are protected from potential litigation. Clover has built an entire R&D and Engineering team dedicated to ensuring that OEM patents are not infringed upon and that every product Clover produced is IP-cleared. Clover is so confident in the integrity of our products that customers who sell Clover products are fully indemnified against any product IP litigation.

Jim Cerkleski, CEO Clover Holdings Inc. recently commented *"We fully expect the OEMs to continue with their aggressive defense of intellectual property in 2013. While some may identify this as an obstacle for the remanufacturing industry, we at Clover see it as a positive development. The imaging industry as a whole is healthier when everyone respects the intellectual property of others. The aggressive defense of intellectual property by the OEMs will help to identify and prevent infringing products from entering the market and damaging the reputation of the legitimate remanufacturing industry. Eliminating these products from the marketplace will create opportunities for the remanufacturers, like Clover, that are committed to producing products that respect the intellectual property rights of others and have built the required scalability into their operations."*

Clover welcomes the trend towards stronger OEM action against infringement at a time when counterfeits and new builds are further damaging the aftermarket and OEM industry. It also represents an opportunity for legitimate remanufacturers, such as Clover, who has made the investments to excel and grow in an environment fraught with challenge and change. Just as importantly, it differentiates between those suppliers of aftermarket products who genuinely care about respecting the industry and their customers and those who do not.

THE CLOVER DIFFERENCE:

- Clover respects OEM patents and ensures all products are IP-cleared
- All resellers are fully indemnified against product IP litigation
- Clover products are guaranteed to meet or exceed OEM performance for page yield and print quality
- Products are 100% remanufactured
- Comprehensive 2 year warranty
- Innovative and customised cartridge recycling programmes designed to protect the environment
- Efficient after sales support - technical, marketing and sales support
- Manufactured in the most technologically advanced, ISO 9001:2008 and STMC certified manufacturing environments in the industry
- Real cost savings over the OEM equivalent
- Using Clover produced products will not violate your printer warranty

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