

AGMA IDENTIFIES SERVICE ABUSE AS YET ANOTHER SIGNIFICANT THREAT TO INFORMATION TECHNOLOGY MANUFACTURERS AND CHANNEL PARTNERS

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Representatives from High Tech Companies also Meet in London at European Chapter Meeting; Focus on Brand Protection, Parallel Imports

HOUSTON, Texas, June 01, 2009 – The Alliance for Gray Market and Counterfeit Abatement (AGMA), a non-profit organization dedicated to addressing the gray marketing and counterfeiting of technology products around the globe, is continuing its efforts to raise awareness through sponsoring studies and quarterly meetings.

Service Abuse is a Major Threat to the IT Industry

AGMA warns Information Technology (IT) OEMs and the channel of the dangers posed by service abuse, a relatively unknown issue that is a growing problem for the IT sector. Service abuse is defined as the use of services and support without proper entitlement or authorization including, actual equipment replacement, technical support and/or software without proper warranty or entitlement contract - generally with the intention to benefit from defrauding the provider. In other words, service abuse is service usage by a party that is not entitled to receive the service. For example, use of Return Merchandise Authorization (RMA) service or receiving support on products that are not under warranty or covered under a service agreement/entitlement is classified as service abuse.

“Service abuse is a large and growing global problem that is disruptive to businesses and is perpetrated by increasingly innovative means,” noted AGMA president Ram Manchi. “This has a significant financial impact on the IT industry. The consequences of service abuse can include degradation of customer confidence and company reputation, increased operating costs, loss of service revenue, increased gray market activity, loss of new product sales, and increased R&D costs.”

Currently, service abuse is not an issue that is considered to be a prominent one by the IT industry. AGMA is concerned that this growing threat may be flying under the radar for many companies. In an effort to raise awareness, as well as offer strategies, programs and effective processes to help address the problem, AGMA is working with PricewaterhouseCoopers to study this issue for the IT industry. AGMA welcomes participation in a survey related to the topic of service abuse. The results of the survey will be published this summer. To participate in the AGMA sponsored survey, please contact Jonathan Kurtz of PricewaterhouseCoopers LLP at jonathan.kurtz@us.pwc.com.

AGMA Hosts EMEA Chapter Meeting in London

On May 14, AGMA held a meeting of its European chapter, hosted by Cisco in London. The focus of this meeting was to provide an open forum to discuss trends, issues and intellectual property protection. The topics of the day included end user verification, leveraging contracts to strengthen terms and procedures, parallel imports, and the benefits of partnering with the World Customs Organization. AGMA members in attendance learned that registering their trademarks with customs is a free, effective resource to protect brand owners' intellectual property rights. Along with leveraging contracts to cover tracking, audits and warranties, AGMA members discussed effective best practices and current European Union regulations to combat parallel imports.

AGMA uses a variety of avenues to raise awareness and encourage positive change in the marketplace including, event speaking, educational initiatives, benchmark studies, whitepapers, industry guidelines, and, as appropriate, public policy advocacy in areas like law enforcement and customs. To learn more about AGMA's initiative or to become a member, please visit www.agmaglobal.org.

About AGMA

AGMA is a non-profit organization comprised of influential companies in the technology sector including, founding members Cisco Systems, Hewlett-Packard and Nortel. Incorporated in 2001, AGMA's mission is to address gray market fraud, parallel imports, counterfeiting, software piracy, and service abuse of technology products around the globe. The organization's goals are to protect intellectual property and authorized distribution channels, improve customer satisfaction and preserve brand integrity.

AGMA welcomes any technology manufacturer that owns a branded IT product. Aiming to educate a wide audience about the growing IT counterfeit, gray market fraud and service abuse threats, AGMA uses a variety of avenues to cultivate change in the marketplace including, event speaking, educational initiatives, benchmark studies, industry guidelines, and, where appropriate, public policy advocacy. To learn more about AGMA's initiatives or to become a member, please visit www.agmaglobal.org.

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