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**AGMA GATHERS TECHNOLOGY LEADERS TO EXAMINE GRAY MARKET  
AND IT COUNTERFEITING ISSUES**

**Best Practices, Case Studies and Cross Industry Brand Protection Programs  
Highlighted in Quarterly Meeting**

**FREMONT, Calif., May 9, 2007** – The Alliance for Gray Market and Counterfeit Abatement (AGMA), a leading technology industry forum focused on current black market and gray market fraud issues, today announced results of its second quarterly global members' meeting. The meeting was held on April 23 and 24 and was hosted by Sun Microsystems in Itasca, Illinois. AGMA's quarterly meetings provide an opportunity for members to share best practices, case studies, and expertise in the prevention of global product diversion and counterfeiting of branded merchandise.

The April quarterly meeting featured Cisco Systems consultant, Mark Lessler, who presented a case study demonstrating the key requirements that are essential in presenting law enforcement agencies with a strong case for criminal and civil prosecution. AGMA members have a long history of working with government agencies (specifically customs and other law enforcement) not only in the U.S. but around the globe. AGMA promotes the education of government entities on specific cases as well as the key issues of gray market fraud and counterfeiting.

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Also featured, AGMA vice president, Ram Manchi, delivered a presentation titled, "Service Abuse – Contribution to Gray & Counterfeit Markets." The presentation highlighted common types of service abuse and warranty fraud. Manchi shared the impact that enablers of service fraud have on IT companies and best practices specific to internal processes related to product returns, warranty entitlement, business policies and management consideration regarding recovery and/or prosecution.

AGMA members examined best practices in use by reviewing three actual service fraud cases prosecuted and convicted in civil courts in the first quarter of 2007. According to Manchi, "Service abuse is defined primarily as non-returns for replaced products, exchange of unlike parts, and unauthorized use of service. The result of service abuse on a business is severe and can negatively impact service revenues, cause an increase in gray market activity, increase operating costs and decreases customer confidence. It also increases R&D costs by distorting product failure rate."

In keeping with its charter to educate and offer best practices in fighting gray market fraud and counterfeit activity, AGMA sponsored a session on successful brand protection programs in other industries. The purpose was to make a direct comparison of the black market problem in the IT industry to leading office products and consumer goods companies and to highlight how these companies' structure brand protection teams to address the issues of the black market.

OpSec Security chief operating officer, Tom Taylor, presented preliminary findings from their survey of office products and consumer goods industries. The preliminary results of the survey showed that across various industries there isn't a unified approach to brand protection team structure and reporting. However, there are two key requirements common to all industries - strong executive support and commitment to funding brand protection efforts.

Always looking for successful cases by trademark owners who are enforcing their trademark rights, AGMA invited the Sun Microsystems team to share its insight around the recent win against parallel importer, Amtech Computer Corporation Ltd., in the U.K. The case was won on the basis of trademark infringement (unlawful import of SUN products into the European Economic Area without Sun's express consent) and sent a strong and reassuring message to SUN authorized resellers.

AGMA's true global focus is expressed through the establishment of the regional councils in Europe and Asia. The regional councils meet on a quarterly basis in Europe and Asia. Each region's distinctive viewpoints, as well as specific regional issues, are a unique contribution to AGMA's global understanding of the gray and black market problem.

### **About AGMA**

The Alliance for Gray Market and Counterfeit Abatement (AGMA) is a non-profit organization comprised of influential companies in the technology sector including founding members 3Com Corporation [NASDAQ: COMS], Cisco Systems, Inc. [NASDAQ: CSCO], HP [NYSE, Nasdaq: HPQ] and Nortel [NYSE/TSX: NT]. Incorporated in 2001, AGMA's mission is to mitigate trademark infringement, counterfeiting of and gray market fraud related to technology products around the globe. The organization's goals are to help members in their efforts to protect authorized distribution channels and intellectual property of authorized goods to improve customer satisfaction and preserve brand integrity. AGMA is open to any technology manufacturer that owns a branded IT product. For more information, please visit [www.agmaglobal.org](http://www.agmaglobal.org).

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