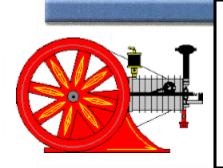


# The Line Shaft

The Official Newsletter of the

## NORTH JERSEY ANTIQUE ENGINE & MACHINE CLUB



**July 2020** 



President: Chuck Klim 973/903-3583

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973/222-7403

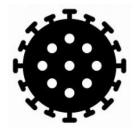
**Treasurer: Dave Betts** 

908/303-1994

Secretary: Mary Muys

973/534-6781

Founded on October 15th, 1979 by: Arthur Goble, Fred W. Westbrook, John Snook, Roy Bischoff & Lewis Quince



# No Meeting in JULY

All club events: including meetings, parades, Fairground participation, etc. are canceled for the immediate future!

Take care of you and yours and be SAFE!

Our Web Address: njaemc.org

67 Branchville Lawson Rd., Newton NJ 07860

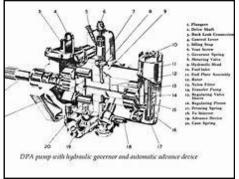


# Doing some PANDEMIC WORK (synonym for bored) on you Tractor... and buying some new aftermarket parts... Know what you are buying, before you buy them!

### **OEM...Counterfeit...Will-Fit**

Lets start by clearing up a general misconception: the "market" (or first market) is the original purchase of an automobile, truck or farm/construction equipment...and the word "aftermarket" describes "all" parts, services and products required thereafter to keep it running. We often hear it used to describe will-fit parts only. The suppliers themselves like to promote the use of the word, as it sounds better then either will-fit or nongenuine...but in reality, the word ATERMARKET covers all parts, services and products from any source.

For this article, and to cut down on some word redundancy, we will use the word "part" to cover <u>actual replacement parts</u>, <u>tires</u>, <u>oil</u>, <u>filters and all the commodities</u>, <u>services and products</u> that keep the machinery operational and constitute the aftermarket.



Some of you may remember Shell Oil's crack down on the Do-It-For-Me (DIFM) automotive oil change shops. Some of these shops advertised or insinuated that you were getting Shell, Pennzoil or Quaker State oils (all Shell products) and would charge accordingly, when in reality they were supplying "low-cost" bulk "bath-tub-blend" oils. Some "older" members may also remember the highly publicized 1980's FRAM FILTER scam, where old 14 oz. soup cans were modified, stuffed with rags and branded with FRAM's name. The most dangerous was the selling of phony CROSBY branded lifting hooks and shackles to the rigging industry, which failed at 40% of their labeled capacity!

These are all cases of people profiting from selling sub-standard materials and blatantly passing them off as quality OEM products...with criminal intent. However, there are shades-of-gray, including high quality products that are sold as counterfeit parts, commodities or supplies...also with criminal intent.

The club will certainly take issue with counterfeit parts, but we will discuss all three types of aftermarket parts: OEM, counterfeit and will-fit...OEM and will-fit being absolutely legitimate and counterfeit being criminal.

#### **OEM...Original Equipment Manufacturer**

An OEM part is a 1st market manufacturer's product that is retailed under their name. Whether referring to an automotive, truck or equipment part, the word OEM designates a replacement part, product or component designed and made by or for the manufacturer, built-under-license or purchased-under-contract and often, but not necessarily assembled into an end-product.

An OEM relies on their ability to produce a marketable product thru research, invention, development, purchasing savvy and/or power, and the ability to drive down the cost of production and retail pricing thru manufacturing efficiencies and economies of scale (volume).

OEM parts tend to be of a good quality...certainly within the quality level of their base product...and the manufacturers rarely tend to deceive anyone. If they use purchased components (think starters, generators/alternators, pistons, hydraulic pumps etc.), the actual manufacturers name plates generally remain.

#### Counterfeit parts or products



The counterfeiting of parts is the act of stealing another company's intellectual property and their rights to a "legal monopoly". It violates patent and trademark laws or infringes on design rights and/or trade secrets. Counterfeit parts are often referred to as knockoffs or copycat parts and are generally low quality reverse or re-engineered dimensional copies, but are sometimes the OEM's "own" parts (we will cover this later) and are also "illegal". The favored targets of the counterfeiters are "simple hard parts" or "high volume" parts. These parts are branded, part numbered, packaged and sold with at least the implication that they are genuine OEM parts. Often the packaging is of high quality to create the illusion of quality material within. Counterfeiters are out to defraud the buyer, who assumes a high level of performance, and the OEM, who spent a

large sum of money on R&D and expected a reasonable return for their effort. OEM profit generates further R&D and is good!

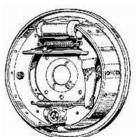
About 7% of world trade is in counterfeit goods and the counterfeiting of <u>automotive</u> parts costs the global parts industry \$12 billion...\$3 billion in the US alone. No one can estimate the exact amount of counterfeit truck, farm equipment or heavy equipment parts flowing into the aftermarket each year, but everyone agrees it is substantial. These parts, generally coming from off shore, add to our trade deficit and cost us sorely needed American jobs. According to the *International Anti-Counterfeiting Coalition*, if counterfeit goods were a stand-alone business, it would be the world's largest business. The FBI has labeled counterfeiting the "Crime of the 21<sup>st</sup> Century."

#### Will-fit or non-genuine parts:

On the other hand, will-fit parts fall into neither of the above categories and there is no attempt at disguise or deceit. The buyer assumes that what he is buying is compatible, but not original and is willing to risk that it may or may not perform as well. Operating completely with-in the law, these legitimate businesses and manufacturers produce reverse-engineered or self-designed products that are both laboratory and field tested. Also, the parts they produce are "not" protected by patents, are not stolen designs or trade secrets and they operate under their own brand names and/or trademark. They generally provide a lower cost alternative and in some cases an "upgrade to the OEM parts": (they find a "weak design or out-right flaw" in an OEM product and "fix" the problem) and make no attempt to represent their products as "real" or genuine OEM parts.

A major portion of "automotive" replacement parts come thru the will-fit, non-genuine market.

In many cases the OEM stops supporting "older" vehicles and equipment (a major club problem) or the OEM goes out-of-business...and will-fit, non-genuine is your only avenue to get a needed replacement part. On the flip side, some OEM's provide a 2<sup>nd</sup> tier (generally lower quality) line of replacement parts for their own products, often called *Classic Parts*, with the express purpose of capturing parts sales on <u>older product</u> normally lost to the will-fit suppliers or for markets where non-genuine is getting the bulk of the business.



Many parts manufacturers straddle the line between OEM and will-fit. Examples might be; Federal-Mogul and Mahle/Clevite engine parts found in many "OEM" first market engines, Iskra, Lucas and Delco electrics, Garret and Holset turbos, and ITM and Berco, both major undercarriage suppliers to the "OEM" crawler industry. In most cases they could be considered the OEM of their particular part or group of parts and their will-fit or interchangeable components are generally equal or of a similar quality...and ...in some cases better than. They are considered responsible manufacturers and <u>suppliers</u> to both the <u>OEM industry</u> and their own dealer network.

#### Where does the proliferation of "both" counterfeit and will-fit, non-genuine parts come from?

Today: reverse engineering products is far easier and requires less technical know-how, sophistication and investment (thank you computers) than in the past. With globalization and the industrialization of former 3<sup>rd</sup> world countries (India, China and the Balkans), the manufacture of reverse engineered parts has become easier and less costly and allows "lower volume" heavy-duty parts to be economically reproduced. Pre-computer, the low volume had been a partial shield against both counterfeit and will-fit parts. Also...in an effort to produce products with less environmental issues and lower labor costs, many OEM companies have moved production to these same countries. In so doing, they have exposed themselves to weaker patent infringement laws and to vendor and manufacturing managements with little to no allegiance and loyalty to the OEM or parent company. Inadvertently, these OEM's have entered the world of "over-run-production" or the 9 for you and 1 for "me" or 9,000 for you and 1,000 for "me", parts business. The extra "for me" OEM engineered parts, leave the factory by the "back door" and enter the market as "counterfeit" or "black market" OEM parts. These parts are as good as the OEM's because they are the OEM's.

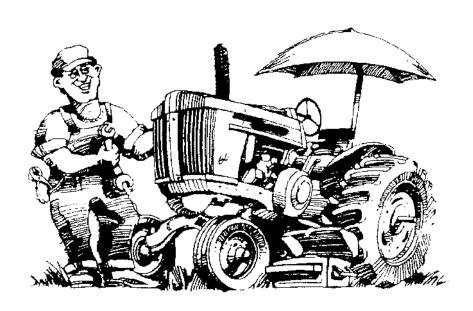
The growing trend to purchase replacement parts on-line and particularly thru e-commerce sites has accelerated an already wide-spread counterfeit and black market parts problem.

If you find or suspect counterfeit parts or products, the first step should be to contact the legitimate manufacturer and/or contact the US Government's STOP! Program at: 1-866-999-4258 or www.StopFakes.gov!

Caveat Emptor..."let the <u>buyer</u> beware"...and also be aware, "on the seller side", there are significant civil and criminal penalties for a parts or service provider, retailer, wholesaler, or distributor...who is trafficking in <u>counterfeit</u> parts.

# NJAE&MC—Upcoming Events

# **Check your email!**



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