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## SCOTT ELECTRIC PERMANENTLY ENJOINED FROM SELLING COUNTERFEIT SQUARE D® PRODUCTS

**PALATINE, III.** - May 9, 2006 – Square D, best known in the United States as the flagship brand for Schneider Electric’s North American Operating Division, announced today that on April 7, 2006, it filed suit against Scott Electric Company of Greensburg, Pennsylvania, and a local retailer in the United States District Court located in Pittsburgh, Pennsylvania. Continuing efforts by Square D to track down potential counterfeiters and protect intellectual property rights revealed that Scott Electric had sold certain counterfeit electrical products. The lawsuit asserts that Scott Electric participated in false advertising, product disparagement and trademark infringement in violation of Federal and State law, and seeks monetary and injunctive relief to prevent Scott Electric from its false advertising and to stop both Scott Electric and the local retailer from selling or marketing counterfeit products. The suit specifically claims that Scott Electric sold counterfeit QO® circuit breakers bearing the Square D trademarks and copying Square D designs. As alleged in the lawsuit, testing by Square D Company has shown that counterfeit electric distribution products pose serious health and safety hazards to innocent customers.

“Square D is committed to enforcing its trademark and property rights and to prevent the sale and importation of counterfeit products bearing its trademarks or designs. Square D will also take appropriate action to prevent product disparagement and false advertising,” said Bill Snyder, vice president channel development for the Schneider Electric North American Operating Division.

On April 28, 2006, Scott Electric signed a Consent Order for Permanent Injunctive and Other Relief to promptly resolve the matter and prevent the sale of counterfeit products. In the short-term, the Consent Order requires Scott Electric to submit to immediate inspection of its entire Square D inventory, including all allegedly counterfeit QO circuit breakers described in the suit. Square D representatives shall conduct the inspection, and identify and take possession of any counterfeit products. Scott Electric has also represented that it intends to recall any counterfeit Square D products.

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Scott Electric is permanently enjoined from knowingly marketing, selling or distributing any counterfeit Square D product. Through April 12, 2008, Scott Electric has agreed to notify Square D if it suspects that it is in possession of counterfeit Square D product and fully cooperate with a Square D inspection. If Scott Electric complies with all of the terms of the Consent Order, Square D will dismiss its lawsuit against Scott Electric with prejudice.

According to Snyder, "The swift handling of this lawsuit demonstrates how determined and serious Square D is about putting an end to the counterfeiting of its products. There will be many more battles as part of the larger war Square D intends to wage on counterfeiters."

In that vein, one of the more far-reaching terms of the Agreed Consent Order requires Scott Electric to provide Square D with a list identifying all of Scott Electric's suppliers of Square D inventory for the past thirty-six months. "Armed with Scott Electric's supplier list, Square D has every intention of pursuing counterfeiters up and down the distribution chain. We'll stop at nothing to preserve the integrity of our products and protect innocent customers from the serious health and safety hazards associated with counterfeit products," said Snyder.

In order to prevent the potential purchase of counterfeit products, customers should continue to purchase their Square D products from authorized Square D distributors. Authorized distributors have the skill, expertise and know how to provide customers with authentic Square D products and services that meet their needs and specifications.

In order to resolve the false advertising claims, Scott shall permanently refrain from the advertising practices that were the subject of the complaint. In addition, Scott is barred from making "comparative or critical representations about Square D or its distributors, business practices, products, prices or pricing policies." Scott is further barred from representing that it is an "unauthorized Square D distributor."

Square D is a market-leading global brand of Schneider Electric for National Electrical Manufacturing Association (NEMA) type electrical distribution and industrial control products, systems and services. Square D products are found in all types of residential, commercial and industrial construction, in a wide range of manufacturing and processing facilities, and in or on the products of other manufactures.

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A copy of the lawsuit and Agreed Consent Order for Permanent Injunctive and Other Relief are available by calling the Square D Legal Department (847) 397-2600. Any inquiries relating to the lawsuit should be directed to the Vice President & General Counsel, Square D Company, Palatine, Illinois.

Headquartered in Palatine, Ill., the North American Operating Division of Schneider Electric had sales of \$2.8 billion (U.S.) in 2005. The North American Operating Division is one of four operating divisions of Schneider Electric, headquartered in Paris, France, and markets the Square D, Telemecanique and Merlin Gerin brand products to customers in the United States, Canada and Mexico. In the United States, Schneider Electric is best known by its flagship Square D brand, with Telemecanique becoming increasingly known in the industrial control and automation markets and supported by many Square D distributors. For 100 years, Square D has been a market-leading brand of electrical distribution and industrial control products, systems and services. Schneider Electric is a global electrical industry leader with 2005 sales of approximately \$14.5 billion (U.S.). Visit Schneider Electric on the Internet at:

- Corporate – <http://www.us.schneider-electric.com>
- Telemecanique Products – <http://www.us.telemecanique.com>
- Square D Products – <http://www.us.squared.com>
- Merlin Gerin Products – <http://www.us.merlengerin.com>

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