



Square D hunts knockoffs

Counterfeit circuit breakers from China could be fire hazard

December 17, 2007 By Bob Tita

Electrical hardware maker Square D Co. is hunting down hundreds of thousands of counterfeit circuit breakers that bear its logo and could cause explosions in household electrical systems.

The Palatine-based company estimates that at least a half-million of the knockoff breakers have entered the U.S. market since 2005, depriving Square D of several million dollars in sales.

In a lawsuit, it accuses a Chinese manufacturer, Jiangxi Sunhong Electric Co. Ltd., of making the knockoffs and illegally using Square D's imprimatur, as well as the certification mark of Northbrook-based Underwriters Laboratories Inc. Square D also has filed a dozen lawsuits against distributors around the United States, seeking to block sales of the knockoffs.

About 250,000 of the fakes, which were sold through contract distributors and independent wholesalers, have been retrieved. The remaining breakers either are scattered around the supply chain or have been installed in homes — a dangerous proposition given that, in testing, power overloads have caused them to explode.

"Some of these products are still in inventories," says Brian Lewis, a Chicago-based attorney representing Square D. "I think some have already been installed, and I would imagine there are people in Illinois and in Chicago that ended up with these things" in their homes.

Circuit breakers are designed to cut off electricity when the power demand on wiring becomes too great. If the breakers don't trip, electrical lines can overload, which can lead to fires or explosions. It's not known whether the fake Square D breakers have caused any fires.

'SAFETY ISSUE'

"We take this very seriously," says John Drengenberg, global consumer manager for Underwriters Laboratories. "Anytime the UL mark is involved in a counterfeit, it's a safety issue."

Because they're inexpensive and fairly simple to make, circuit breakers have become a favorite of counterfeiters, many based in China. "These things don't cost very much, but you make them in huge volumes," says Clark Silcox, general counsel for the National Electrical Manufacturers Assn., a Virginia-based trade group.

Mr. Silcox says the counterfeiters often cut corners on materials and engineering to keep prices down. Square D says Jiangxi Sunhong sold circuit breakers to importers for 54 cents to \$2.50 each. Square D's breakers wholesale for about \$6 to \$28. Jiangxi Sunhong didn't respond to calls or e-mails.

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Square D, a unit of Paris-based Schneider Electric S.A., the world's largest maker of circuit breakers, had 2006 sales of \$3.7 billion, which accounted for 22% of Schneider's \$17.2 billion in revenue last year.

The company says it first learned about the counterfeits about 18 months ago when it found an electrical supply distributor in Pittsburgh advertising Square D circuit breakers at well below typical prices. Square D purchased breakers from the firm and discovered some were fakes.

The Consumer Product Safety Commission ordered the distributor, Scott Electric Co., in October 2006 to initiate a recall of the breakers. Scott Electric did not return phone calls seeking comment. Square D says the contractors and the public can avoid knockoffs by buying Square D-branded items through company-authorized distributors or at big-box home improvement retailers.

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