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Intellectual Property Rights 11/16/2012

Texas business owner sentenced in counterfeit circuit breaker scheme

JACKSONVILLE, Fla. — An Austin, Texas, man was sentenced Wednesday to 12 months and one day in federal prison for mail fraud and trafficking in counterfeit goods and services. He was also ordered to pay \$59,653.97 in restitution to the victims of the offenses, following an investigation by U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI).

According to court documents, from 2008 until April 2010, Elod Tamas Toldy used his Austin-based electronics firm, Pioneer Breaker and Control Supply, to market counterfeit circuit breakers on eBay. Undercover HSI special agents purchased numerous counterfeit circuit breakers from Toldy bearing the names Zinsco and Stab-lok. Zinsco is a trademark held by Connecticut Electric Inc. Stab-lok is a registered trademark held by American Circuit Breaker Corporation.

On April 21, 2010, HSI special agents executed a federal search warrant at Pioneer Breaker and Control Supply and seized more than 20,000 counterfeit electronic products. Toldy consented to an additional search in Laredo, Texas, where HSI special agents seized an additional 77,000 counterfeit circuit breakers and 60,000 counterfeit labels bearing the trademark UL for Underwriters Laboratories. The manufacturer's suggested retail price for the genuine circuit breakers and electronic products is more than \$4.7 million.

"Trafficking in counterfeit goods is a serious problem. In this particular case, an individual was marketing counterfeit circuit breakers to unsuspecting consumers, which poses significant safety implications," said Sue McCormick, special agent in charge of HSI Tampa, which oversees the agency's Jacksonville office. "The holiday shopping season is right around the corner. I urge consumers to protect themselves. Buy from legitimate retailers. Otherwise, you may put your health and safety at risk."

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