



Arrest in trademark case

British police hold man accused of using ABRO name on products.

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LIVINGSTON, La. -- British law enforcement has arrested a Chinese national wanted for more than a year in Louisiana on two counts of illegal use of trademarks belonging to a company in South Bend.

London's Metropolitan Police Service Extradition Unit arrested Yuan Hongwei, 52, as he arrived at Heathrow Airport at 5:30 a.m. Friday, Scotland Yard officials said in a statement.

British and Louisiana authorities had received a tip that Yuan, who rarely leaves China for fear of arrest, was en route to London on a flight from Hong Kong, British and Livingston Parish officials said.

He is in British custody.

Yuan owns a Chinese chemical company -- Hunan Magic Power Industrial Company Ltd. -- that has been the focus of trademark complaints for selling, between January 2001 and March 2006, cleaning, lubricant, adhesive and other products using the brand name of South Bend-based ABRO Industries.

ABRO Industries is not connected with Yuan or Hunan Magic, said Peter Baranay, president of ABRO Industries.

In March and October 2005, Yuan's Hunan Magic Power shipped more than \$22,000 in material under a counterfeit ABRO label to undercover Livingston Parish deputies who have been working the case since 2004, the Sheriff's Office said.

The shipments resulted in a March 16, 2006, warrant for Yuan's arrest, Sheriff's Office deputies said.

Deputies photographed the counterfeit products, which are being stored as evidence.

ABRO Industries' battle with Hunan Magic has drawn national attention, including stories in the Wall Street Journal and by Voice of America. VOA is a U.S. government-funded news agency to foreign nations.

ABRO officials also testified earlier this year before Congress.



Tribune File Photo

ABRO Industries is headquartered in South Bend. A Chinese businessman was arrested Friday in the illegal use of ABRO's trademarks.



"This is identity theft on a corporate level. Absolutely identity theft on the corporate level," Baranay said.

ABRO, which is privately held, has suffered tens of millions of dollars in losses from Hunan Magic's counterfeiting, Baranay and Livingston Parish deputies said.

ABRO had about \$125 million in sales last year, Baranay said.

ABRO's claims of huge losses may be an important factor under state counterfeit laws, which parish deputies said are among the nation's strictest.

A person convicted of a counterfeit charge in Louisiana faces a fine not to exceed three times the gross value gained or three times the gross loss caused, whichever is greater, deputies said.

An attempt Monday to reach Hunan Magic officials in China by telephone got only a busy signal.

Calls to the Chinese Embassy in Washington, D.C., and its Houston consulate general were unanswered or answered by persons who could not speak English and hung up.

A VOA story in June cited an unidentified Hunan Magic source who said the company stopped making products under the ABRO label in April under pressure from "authorities."

Hunan Magic, with headquarters in Liuyang City, Hunan province, first caught ABRO officials' attention in 2002 at the Canton Trade Fair in Guangzhou, China.

A distributor reported finding a Hunan Magic booth packed with ABRO-labeled products.

"Literally, he (Yuan) had a booth with ABRO products on display and the ABRO name up there and he was representing that he was ABRO," Baranay said.

In the VOA stories, the focus has been the impact on U.S. jobs. U.S. suppliers, for example, make the products that ABRO sells in 165 countries around the world, except in the United States, Baranay said.

ABRO has fought to block Hunan Magic's attempt to register ABRO as its trademark and won \$64,000 in damages in a separate suit filed in a Chinese court, Baranay told a congressional committee.

Hunan Magic has appealed those decisions, he said.

ABRO distributors have successfully petitioned authorities in China, Peru, Ecuador and Cameroon to seize and destroy Hunan Magic products using the ABRO name, Baranay said.

Yuan was scheduled to appear in the Westminster Magistrates Court in England early Friday afternoon, Scotland Yard said.

A Scotland Yard spokesman didn't know the result of that hearing Monday, but Livingston Parish deputies said Yuan is planning to fight extradition.

If he is sent to the United States, Yuan would be tried in Livingston Parish's 21st Judicial District Court.