



PLEASE READ THIS IMPORTANT MESSAGE ABOUT GRAY MARKET GOODS AND SERVICES

BEFORE YOU PURCHASE MITEL PRODUCTS ONLINE

What are Gray Market Goods?

Gray market goods are products that were legally manufactured for sale but are being sold by unethical methods to avoid the manufacturer’s distribution chain and sell the goods at prices lower than the MSRP. Unauthorized dealers obtain the gray market products they sell as “new” and “genuine” in a variety of ways. Companies with worldwide sales often manufacture products for different countries or markets intending the products to be sold into those specific marketplaces. Companies, like Mitel, enter into distribution agreements with authorized dealers to help avoid the issue of sales into parallel markets, however, third parties find ways to purchase products in bulk or at lower prices in other markets and profit significantly through resale in higher cost markets. Gray marketers may also buy products cheaply in clearance sales or returns from authorized dealers. The goods may also have been transshipped by an authorized dealer to another for resale, in contravention of Mitel’s distribution agreement. The goods may also have been stolen from the brand owner’s normal distribution channels.

Gray market goods are not considered counterfeits, but they are also not considered legitimate products. They are sold outside of Mitel’s approved distribution channel and without Mitel’s knowledge or consent.

Unauthorized dealers were harder to find before the Internet. They were mostly located in large cities and shoppers would have to physically go to their shop to see that they offered discounted branded items. The explosion of the Internet as an online marketplace changed all that. Today, unauthorized dealers prosper on websites like Amazon.com and eBay.com, which has led to a tsunami of online dealers potentially infringing Mitel’s intellectual property rights and causing confusion in the marketplace. Furthermore, while e-commerce was a thriving industry prior to the COVID-19 pandemic, social distancing and other measures brought an unprecedented number of shoppers to online marketplaces. This new demand has seen a rise in gray market activity as more-and-more third-party sellers look to capitalize on the world’s shift to e-commerce over brick-and-mortar retail.

What are Gray Market Services?

Gray market services are repairs and/or professional services on the original manufacturers (OEM) products that are done

by non-authorized third parties. Often, these gray market service providers are not familiar with the OEM’s products, are not properly trained in the OEM’s repairs, and many times are not legitimate companies.

Mitel requires its authorized dealers to participate in product training and only at this time can a partner be a Certified Technician. Certified repairers and services’ partners are fully compliant to Mitel’s required standards and only use genuine manufacturer’s parts (new and refurbished).

Gray market service providers do not have access to Mitel’s genuine parts and may be using inferior or counterfeit spare parts. Any repair or service made by unauthorized service providers to Mitel’s hardware equipment will invalidate the Mitel warranty and Mitel will not be held responsible for the damage resulting from such repairs and services.

Why are Gray Market Goods and Services Harmful?

Brand owners like Mitel invest significant effort, money, and R&D in creating high quality, unique products for our end-users. Gray marketers compete unfairly and are essentially “free riders.” They have minimal overhead and do not invest significantly in customer service, showrooms, quality, or advertising. Nevertheless, these unauthorized dealers reap the benefits of the efforts of Mitel and its extensive network of authorized dealers. By not having the same overhead, the gray marketer can undercut Mitel’s authorized dealers on price, thereby driving prices down with their unfair advantage and making it difficult for authorized dealers to compete.

As the buyer, it is imperative that you know the risks of buying gray market goods or having genuine Mitel products serviced by gray marketers.

Since “new” Mitel products sold on the gray market are outside Mitel’s authorized distribution channel, you cannot know exactly what you’re getting, but Mitel can tell you what you *won’t* get:

- You won’t get Mitel’s warranty and in fact, addition of gray market goods into your Mitel system may void the warranty of your entire Mitel enterprise system.
- You won’t get authenticated Mitel user guides or manuals. These important documents are often missing, incomplete, or photocopied (which is copyright infringement of Mitel’s rights), and they may even be in a different language than what you expect.



- You won't get guaranteed compatibility as gray market products may have been intended for sale in a country other than where you are located and may not meet your country's regulatory requirements. You may then be responsible for necessary modifications to meet local standards, that can add significant costs, assuming modifications are now even possible.
- You won't get the expertise of a Certified Mitel Technician to assist with selection of the system for your needs. Even if the gray marketer advertises that they or their technicians are "Mitel certified" they are not. Only authorized Mitel dealers have Mitel Certified Technicians.
- You won't get technical support because only end users with authorized purchases of Mitel products can receive technical support directly from Mitel.
- You won't get Mitel Software Assurance. Gray market purchases are ineligible to obtain Mitel's Software Assurance for updates, upgrades, and support of Mitel's software offerings.
- You won't get continuity of service and support. Mitel has been in business for over 50 years and is an industry leader. A gray marketer is merely a website on one of many online marketplaces with hopefully a phone number and may not even be in business the day after your sale.
- You won't get genuine Mitel parts and expert service providers that extend the Mitel standard warranty.

You will not be breaking the law if you buy gray market goods or use non-authorized service providers. However, in some cases there could be an infringement of Mitel's intellectual property rights that results in the seller/service provider being prosecuted. As the consumer, you or your company might find yourself out of pocket if the infringing goods: (i) are seized and taken away from you; (ii) invalidate the Mitel warranty; and (iii) do not work properly or worse, cause harm to yourself or others.

How do I know if I am purchasing Gray Market Goods or Services?

Unauthorized dealers often look the same as authorized dealers to consumers. The first visible difference is the lower price. The biggest difference is the sale of Mitel products from online marketplaces which is never permitted by the Mitel distribution channel. If you are buying from Amazon.com, eBay.com, or one of the many other online marketplaces, the sale is not sanctioned by Mitel.

An unauthorized repair or services company may not openly advertise warranty or use of genuine OEM parts on their websites.

Here are some additional ways to identify gray market goods and gray market sellers:

- Products are advertised with a limited warranty from the seller, not the manufacturer.
- The price will be much lower than what your authorized dealer has quoted you.
- The serial numbers have been changed or even removed by the seller.
- Check the seller's reviews and determine if they appear to be genuine.
- Look for copies of images of Mitel's phones that appear to be stock photos "lifted" from Mitel's website.
- Locate where the product is being "shipped from and sold by" which is stated clearly in the header.
- Check Mitel's website for the list of Mitel Authorized Dealers and verify the seller or service provider is listed.

Always Purchase Mitel Products and/or Services from an Authorized Mitel Dealer/Repair Center!

Please protect yourself, your company, and your Mitel system by ensuring that you only purchase Mitel products or services from an Authorized Mitel Dealer/Repair Center.

Before you invest your company's money, ask yourself if you are willing to accept the risk of buying gray market goods or services.

For a list of Authorized Mitel Dealers, please go here: <https://www.mitel.com/find-a-partner>.