

LifeScan Awarded Maximum Damages in Counterfeit Test Strip Case

\$3.3 Million Judgment and Permanent Injunction against Distributors that Sold Counterfeit LifeScan Products into the United States

Milpitas, CA, Aug 20, 2013 – LifeScan, Inc., the maker of the market leading OneTouch® Blood Glucose Monitoring Systems announced today that the United States District Court for the Eastern District of New York entered a permanent injunction against Pakistani distributors of counterfeit OneTouch® Test Strips and awarded the company damages of \$3.3 million for trademark infringement and false designation of origin stemming from the distributors' role in a far-flung 2006 scheme to manufacture, import and distribute counterfeit test strips in the United States.

The judgment against Azam International Trading, Hamid Butt and five related defendants is significant because it is the first time that a federal court awarded the maximum statutory damages under the Lanham Act because of the "real danger to consumers" posed by willful counterfeiting of healthcare products.

The judgment is the latest success in an ongoing, aggressive effort by LifeScan to see to it that the companies and individuals responsible for the scheme involving the distribution of counterfeit blood glucose test strips are held accountable for their actions. It follows last year's sentencing of Jacques Duplessis, a Florida distributor of the counterfeit test strips, to five years of probation, restitution and fines; the entry by the same U.S. district court of 13 permanent injunctions against distributors of counterfeit test strips; and the sentencing in 2007 by a Shanghai court of a Chinese businessman to 3-1/2 years in prison and additional penalties for distributing the counterfeit test strips.

No counterfeit test strips have been detected in the U.S. market since LifeScan began its aggressive efforts to stop the introduction of counterfeit test strips into the U.S. market in 2006.

"This decision emphasizes the importance of pursuing civil enforcement actions as a way of deterring and punishing those who distribute counterfeit healthcare products, particularly those that can cause serious injury or death. We hope that this judgment and permanent injunctions will act as a deterrent to those that would compromise patient health, the security of our supply chain, and the reputation of our brands," said Roy Albani, Director, Global Brand Protection. "Our primary concern is patient safety. In addition to ongoing legal actions, LifeScan has implemented a comprehensive Global Brand Protection program to help protect people with diabetes from counterfeit products."

The program includes market monitoring to detect counterfeit products; the institution of overt and covert features to readily distinguish genuine from counterfeit products; and distributing genuine products to its customers only through a secure supply chain to ensure the delivery of only authentic LifeScan blood glucose test strips to patients.

"The judgment against the Azam International defendants should be a warning to counterfeiters, distributors and retailers that LifeScan is vigilant about pursuing those that counterfeit its products and that trafficking in fake products carries great risk to them," Albani concluded.

About LifeScan:

With a shared vision of "creating a world without limits" for people with diabetes, LifeScan is a part of Johnson & Johnson Diabetes Solutions Companies, a cross-company collaboration that reflects an ongoing commitment to better serve the diabetes community with integrated solutions that meet the needs of people with diabetes across the continuum of care. In the U.S. LifeScan is the leading blood glucose monitoring company and is recommended by more endocrinologists, primary care physicians and pharmacists than any other brand. Globally, more than 10 million people depend on LifeScan's OneTouch® Brand products for simple testing and accurate results to help them manage their diabetes. For more information visit: www.OneTouch.com.