

## About Ninestar

Founded in 2000, Ninestar has been focusing on inkjet cartridges, toner cartridges and ribbons' development, manufacture and sales for more than seventeen years. Headquartered in Zhuhai, Ninestar has established branches, warehouses and logistic platforms in Holland, the USA, Italy, Malaysia and Japan to offer quick local response. Quality products and services are distributed to over 100 countries and reach over 200 million end users. In 2014, Ninestar publicly traded on the Shenzhen Stock Exchange under stock code 002180. One year later, the purchase of Static Control Components (SCC) gave Ninestar access to SCC's vast production center as well as more assets to expand its innovative R&D efforts. In 2016, the merger of Lexmark International with Ninestar fundamentally changed Ninestar's place in the industry. Ninestar has become the only compatible consumable manufacturer with OEM background in aftermarket. So far, Ninestar holds a total of 3,650 patents worldwide, far more than any other company marketing third-party supplies.

G&G, a global brand of professional printing solutions supported by Ninestar, has set the industry's gold standard in terms of performance. Today, Ninestar's G&G-branded products are recognized around the world for their superior performance and reliability.

Ninestar regards loyalty, perseverance, innovation and win-win as the enterprise's core values. Just as it has done since 2000, Ninestar will continue innovating to ensure its customers' future success.



[www.ggimage.com](http://www.ggimage.com)   [info@ggimage.com](mailto:info@ggimage.com)

**Ninestar** |  **G&G**

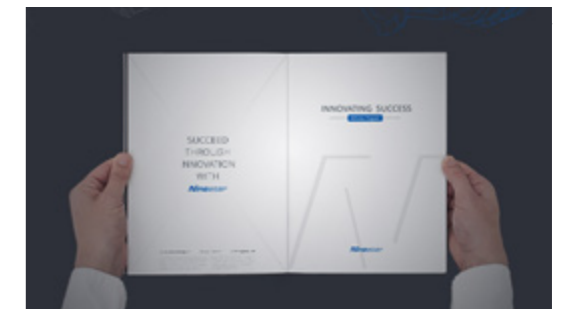
# CO-INNOVATING TOMORROW

## MEDIA REPORT 2017

W O R K   F O R   T H E   B E S T   I M A G E

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*Never Forget  
Why You Started*

W O R K F O R T H E B E S T I M A G E



\* Mr. Jason Wang, Senior Vice President of Ninestar Corporation & GM of Ninestar Image, received Patent Achievement Award on behalf of Ninestar.

\* Mr. Daniel Hu, Vice GM of Ninestar Image, received award on behalf of Mr. Jackson Wang.

# NINESTAR BIG WINNER IN RT MEDIA GLOBAL IMAGING AWARDS

Ninestar received two awards in the 2017 RT Media Global Imaging Awards.

The company dominated the **“Patent Achievement Award”** for “rapidly moving into the leadership position of holding more patents as an aftermarket company with its portfolio of 3,650 worldwide patents”.

Ninestar also earned gold in the **“Global Brand Award”** for “successfully increasing its brand to industry”. While investing heavily into technology and IP, Ninestar’s brands were well recognized by customers.

Mr. Jackson Wang, the Chairman of Ninestar Corporation, was honored **“Diamond Pioneering Award”** for “his vision in this industry”. The company he founded, Ninestar Corporation, has become the largest supplier of aftermarket in this world, the first OEM printer manufacturer in China, and the acquirer of iconic global brands including Static Control Components and Lexmark, thus permanently altering the divide between OEM and the Aftermarket in the imaging industry.



On October 30, Ninestar Corporation announced its financial results for the third quarter of 2017. In Q3, Ninestar's revenue totaled CNY 5.129 billion, with year-on-year growth of 554.53%. The net profit of Q3 is CNY 598 million, with year-on-year growth of 1964.24%.

It's said that after completing the acquisition of Lexmark and its related assets, Ninestar's business is in steady progress. The company focuses on the integrated circuit (chip) business and the printer industry supply chain business, which includes laser printers and MFPs, the laser printing original supplies business, the aftermarket printer supplies business, the printer supplies parts business, and the managed print services (MPS) business; in the meantime, the company speeds up to integration between Lexmark and Ninestar to achieve synergy.

# NINESTAR'S Q3 NET PROFIT INCREASE

Source: [http://www.cs.com.cn/ssgs/gsxw/201710/t20171030\\_5543343.html](http://www.cs.com.cn/ssgs/gsxw/201710/t20171030_5543343.html)



## NINESTAR CARTRIDGES APPROVED BY CROATIAN LAB

The company has revealed that its Croatian distributor organised a laboratory page yield testing of its G&G toner cartridges.

Ninestar announced that its exclusive Croatian distributor, Taurus Info D.O.O. "has made a great effort in the past two years" and set up a laboratory page yield testing of Ninestar's G&G toner cartridges.

The toners which were tested are accredited under ISO/IEC 17025 and ISO/IEC 19752, 19798. The

toners are the G&G NT-PH279C and the colour toners NT-PH201K,C,M,Y (CF400A series).

As a result of the testing in the Croatian laboratory, it was discovered that Ninestar "produces high quality toners" and reveals that G&G toners "are comparable to" those produced by OEMs.

<https://www.therecycler.com/posts/ninestar-cartridges-approved-by-croatian-lab/>



## CORPORATE SOCIAL RESPONSIBILITY: MAKE A BETTER WORLD



Ninestar is devoted to company development without ignoring social responsibility by participating in volunteer activities. Ninestar believes a company should take social responsibility and initiative to benefit the society and community.

- Since 2007, Ninestar has set up a fund named "Ninestar Angel" to support the poor children with leukemia. Up to now, 61 children with leukemia and 1 children with congenital heart disease were benefited from the fund. The grants amounted to 2 million yuan.

- In the meantime, partnered with Society of Entrepreneurs & Ecology, Ninestar devotes itself to planting trees in desert to prevent desertification. The grants amounted to 9 thousand yuan.

- The grants that amounted to 50 thousand yuan was used for Ya An Earthquake to delivering love and care to the victims in the affected areas.

Ninestar will continue to make a meaningful difference for the world we live in.



## INKJET PRINTING: FROM BOOM TO BUST AND BACK AGAIN

By Jarek Yang, Senior Product Manager, Ninestar

From ancient China's movable type printing and 1950s' modern inkjet printer prototype to 1970s' rapid development of inkjet printing, we can see that inkjet printing was booming. 2008 was a turning point for the inkjet printing industry due to the global financial crisis. After experiencing a sharp downturn, the inkjet printing industry seemed to be withering away. However, as printing technology continues to improve, inkjet printing is entering a new age. The

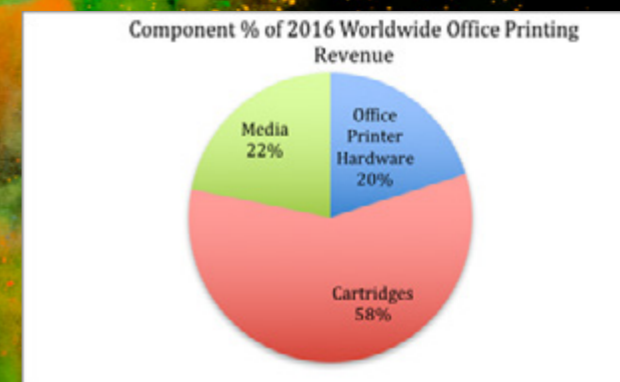
improvement of manufacturing capacity allows the print head to print larger; and the increase of inkjet printing speed makes it possible to compete with laser printing. For the well-known printer manufacturer Epson, breaking through the technology bottleneck means a new profitable market. Let's take a look at the developing trend of OEMs' business inkjet printers.

Year	2008	2011	2012	2014	2015	2016
Epson	Epson B series	EPSON WorkForce Pro WP-4000series		Epson WorkForce Pro WF-5000	Epson WorkForce Pro WF-6000/8000 /R5000	
HP			HP officejet Pro 400/500Series			HP officejet pro/Pagewide Pro300/400 /500/700
Canon				Canon Maxify IB/MB Series		
Brother						Brother INKvestment

From above chart we can see that the business inkjet printing market is thriving. Different OEMs joined this battlefield at different times.

From the figures shown above we can see that the total inkjet cartridge revenue is increasing from 2013 to 2020. The consumer inkjet cartridge revenue is decreasing while business inkjet cartridge revenue is on the rise. From the component of 2016 worldwide office printing revenue, we can see that cartridges take up 58% of it. It's expected that there's space for business inkjet printing to grow.

For business office users, what



\*Data comes from [https://en.wikipedia.org/wiki/Inkjet\\_printing](https://en.wikipedia.org/wiki/Inkjet_printing) & <http://members.photizogroup.com/39723-2/>



are they looking for? These are my thoughts:

1. Rapid and efficient printing. Most OEMs have solved this problem with the improvement of printing technology. However, to perfectly solve this problem and satisfy office users' printing demands, the ink used in business inkjet printers should be fast-drying.

2. Coffee, water and other such liquids are often seen in the office. To preserve office documentation, the ink used in business inkjet printers should be water proof.

3. For both end users and channel users, reducing maintenance is an important way to save cost. This means the ink used in business inkjet printers should be reliable and stable.

4. Business and office users require the preservation of office documentation. The ink used in business inkjet printers should help preserve office documentation.

As we know, PageWide printing technology is an emerging

technology. This new technology has a higher requirement of product structure and ink formula which means the old ink system doesn't match the new technology. How is this problem solved? With over 17 years' of professional ink developing experience, Ninestar offers a professional ink solution for business and office users—Everbrite Office.

1. High quality ink formula ensures reliable printing without clogging and provides virtually maintenance-free operation.

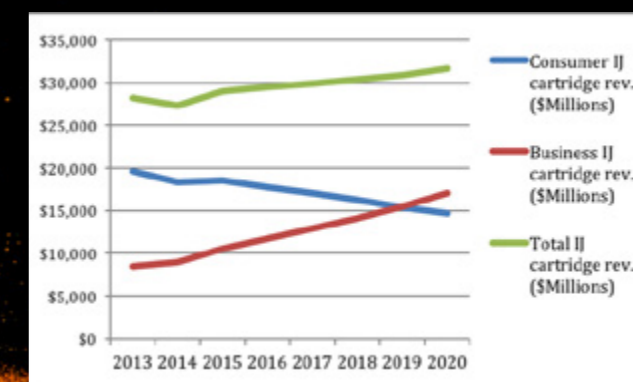
2. Water resistant and scratch resistant features help preserve office documentation.

3. Fadeless for 100 years under normal atmospheric conditions.

4. Brilliant color performance to satisfy your many printing demands

For more information related to Everbrite Office, please contact us.

Thanks.





# MR. JASON WANG WAS NAMED 2017 DIFFERENCE MAKER



Mr. Jason Wang, the Senior Vice President of Ninestar Corporation and the General Manager of Ninestar Image, was named 2017 The Difference Maker of the Document Imaging Industry by ENX magazine.

According to ENX magazine, The Difference Makers are “individuals who have made in impact on the industry. Some are innovators, and others are leaders.”

Mr. Jason Wang was named as a difference maker because of “Wang’s unique industry insight and professional expertise have been a key reason why

Apex Microelectronics—with its thousands of first-to-market products—has consecutively won the Best Market Performance Prize for five years running. That recognized performance played a big part in the Apex and Ninestar group’s ability to acquire Static Control Components and complete the merger with Lexmark.”

Charles Brewer, President of Actionable Intelligence said, “I first met Jason in Shanghai in 2007 when he was establishing Apex Microelectronics as China’s leading producer of inkjet cartridge chips. I followed Apex as he expanded its business in

the laser chip market and the firm emerged as a global player. Jason then grew Apex to be the replacement chip industry’s market leader with the 2015 acquisition of Static Control Components. Heading a group of investors last year, Jason led one of the office imaging industry’s most notable acquisitions with the purchase of Lexmark International, a move that transformed Apex and its Ninestar affiliate, where Jason is now the General Manager, into a leading hardware manufacturer.”

Congratulations to Mr. Jason Wang!



“Zhuhai Apex Technology Corporation Limited” is now “Ninestar Corporation”

# ANNOUNCEMENT OF CORPORATE NAME CHANGE

In the first session of the fifth board meeting of Zhuhai Apex Technology Corporation Limited (hereinafter referred to as “the Company”) held on August 30th 2016, and the fifth shareholder’s general meeting held on September 20th 2016, the motion of the change of corporate name and registration address was upheld. According to the motion, the corporate name will be changed to “Ninestar Corporation” from “Apex Technology Co. Ltd.”, with the company stock code remaining the same.

By far the company’s business domains cover the entire printer industry chain, starting from IC chips, to printer cartridge

components and parts, compatible print consumables, OEM print consumables, laser printer, and managed print service (MPS). Ninestar was the original name used at the creation of the company, and also a recognized name in the printing industry. Ninestar, which in Chinese means “embrace the diversity of thoughts and achieve common dreams”, reflects the company core value of Win-Win. The decision of the change of corporate name aligns more closely with the company’s new strategic positioning.

The corporate name is changed from “Zhuhai Apex Technology Corporation Limited” to “Ninestar Corporation”, with the stock name

changed from “Apex” to “Ninestar” and the stock code “002180” remaining the same. The new company name and the stock name take effect as of May 26th , 2017.

With the support of Ninestar Corporation’s integrated strength, Ninestar Image will continue to provide quality products and service for customers through the integration of components and printer technology.



## Ninestar Releases New White Paper Detailing the Firm's History of Innovation

Zhuhai, Guangdong, PRC (July 11, 2017)—Ninestar Corporation is proud to announce the release of its latest white paper, Ninestar—Innovating Success. The report provides readers with a detailed overview of how the company grew to be the market leader by consistently breaking new technical ground and being the first in the industry to release the latest high-quality, non-infringing digital imaging supplies.

“Since our company opened in 2000, we have focused intensely on our ability to innovate and quickly bring to market the highest quality products,” says Ninestar Corporation Senior Vice President Jason Wang. He explains that by investing in innovation, the company has been able to offer its customers a comprehensive line of ink, toner, and ribbon cartridges that it markets under the G&G brand. Thanks to our commitment to innovation, G&G are recognized around the world for the superior performance and reliability.

Ninestar—Innovating Success, provides readers with a study of Ninestar’s many

technical achievements and outlines how the company grew to be the world’s largest third-party supplies vendor with over 200 million end users in more than 100 countries. The report provides insights into some of the company’s proprietary technologies and describes how these inventions allowed Ninestar to release its most important products. In addition, Ninestar—Innovating Success explains how through its recent acquisitions, including the purchase of Static Control Components and Lexmark International, Ninestar is pioneering a hybrid business model that combines the strengths and competitive advantages of a hardware manufacturer and a consumables vendor.

“With a deep pool of proprietary inventions and thousands of patents to draw from, Ninestar is better able to quickly provide its customers with non-infringing G&G products today than ever before,” says Mr. Wang confidently. As competition in the market grows increasingly intense, Ninestar’s customers can rely on us to continue to

innovate and add even more value to our G&G-branded products. In a market that is experiencing ongoing commoditization, he says Ninestar’s dealers know G&G products retain their value and deliver the premium quality that end users depend on.

**“We’re publishing Ninestar—Innovating Success because we want the industry to understand how Ninestar became the company that it is today and explain how we will continue to grow in the future,” says Mr. Jason Wang. “As we have done since Day One, rest assured that Ninestar will continue to lead the industry by innovating.”**

**\*Go to [www.ggimage.com/Uploads/file/WhitePaper.pdf](http://www.ggimage.com/Uploads/file/WhitePaper.pdf) to learn more.**



**Dr. Katja Dauster**  
Patent Attorney at Ruff,  
Wilhelm, Beier, Dauster &  
Partner mbB

Ever since Ninestar was established in 2000, Ninestar has invested large human, material, and financial resources in its Research and Development (R & D) Department as well as in its Intellectual Property (IP) Department.

The aftermarket for printer consumables can be a profitable business and attracts many players. However, OEMs are not willing to let this business go. For protecting their business, mechanical, optical, and electronic keying features are added to cartridges and printers. Copying these features is often restricted as they are protected using intellectual property rights, such as patents, design rights, and trademarks.

Developing cartridges, which satisfy the interest of the consumers in cheaper high-quality alternatives instead of high-priced OEM cartridges, is a challenging task. Hence, many manufacturers attracted by the apparently profitable business survived only for a short period.

Unlike these short-lived manufactures, Ninestar developed a large range of compatible products, many of which are protected by patents filed and owned by Ninestar. I believe that the investment in R&D and IP and the support for their customers allowed Ninestar to become the world’s largest aftermarket firm. Reading Ninestar’s White Paper “Innovating Success” I feel vindicated that there is still more to come.

## HEARD IN THE INDUSTRY



**David Connett**, Creative  
Partner at Connett & Unland  
GbR

Innovation is at the heart of all imaging technology, and the brands that are no longer on the market all have one thing in common; They stopped innovating. To be successful size doesn’t matter. Innovation does. The Ninestar white paper sets out their journey in the office imaging sector and is well worth reading.



**Gary Hnath**  
Partner at Mayer Brown LLP

Ninestar is to be commended for its outstanding track record of bringing new and improved products to the market at an affordable price, to the benefit of consumers around the world. Its growth and the expansion of its product lines in such a short period of time, and the company’s unwavering commitment to quality, innovation and respect for intellectual property rights, as chronicled so compellingly in this white paper, are truly impressive. Let me offer my congratulations to Ninestar for these outstanding achievements and a bright future ahead!



**David Gibbons**, Vice  
General Manager and Senior  
MGT at RT Media

The old English proverb, “Necessity is the mother of invention” is a reality for all of us living in 2017. Ninestar now owns 3,650 patents and has 1,350 patents pending in the USA, European Union, China, India and Japan among other places. This fine company is demonstrating by its leadership that innovation that delivers non-infringing, quality products is at the core of the future for this industry.

# Ninestar's Patented Solution For Canon Dongle Gear: BlueDrive™ Technology

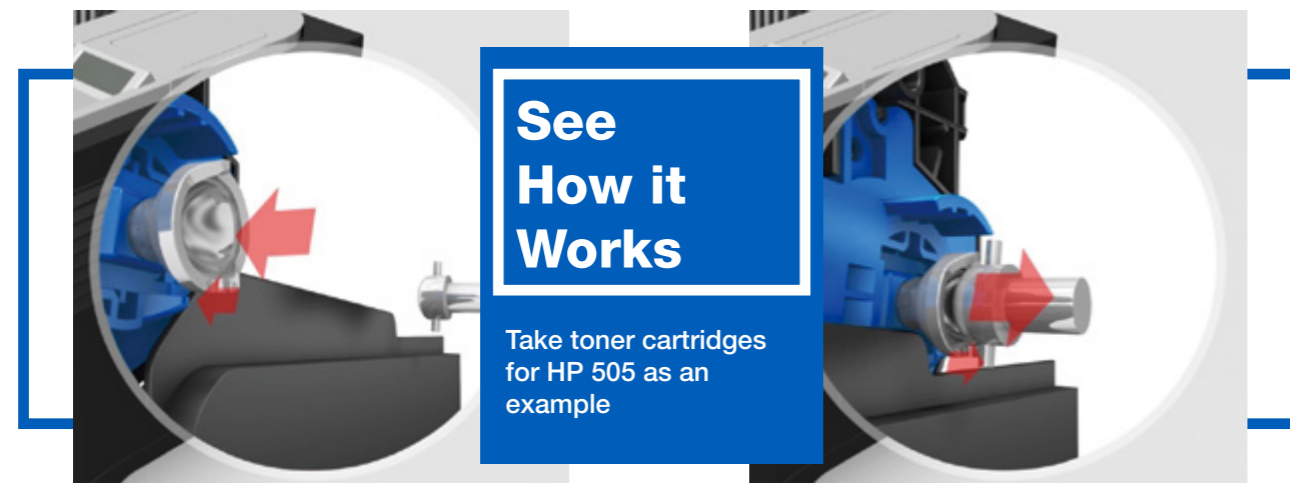


**B**lueDrive Technology is a patented design developed by Ninestar for Canon's dongle gear cartridges.

Instead of using a mechanism similar to a universal joint like the one Canon employs, Ninestar's BlueDrive technology uses a shaft that engages directly with a device's drive motor to rotate cartridge components like an OPC drum or developer roller. Canon's so-called dongle gear pivots on a hinge so

the coupling member is free to move when a cartridge is inserted into or removed from a device. When engaged, the hinged coupler operates at an incline as it transfers the rotational force from the motor to the cartridge components.

BlueDrive Technology is at the very heart of Canon Dongle Gear Cartridges solutions. With smooth installation and removal of cartridge, we guarantee your customers a good printing experience.



■ Employs button to couple the cartridge with the drive motor.

The bottom (blue) in Figure 1 is pressed by the printer's right guide rail and the coupling member (silver) retracts when the cartridge is inserted into the printer.

■ The coupling member will extend to engage with the driveshaft after the cartridge is in position in the printer.

The coupling member can be retractable along the axis of photosensitive drum to engage or disengage with the driveshaft without any inclination.

\*Go to [www.ggimage.com/BlueDrive](http://www.ggimage.com/BlueDrive) to learn more.

## Printing Just Got Smoother

- Special non-rotating gear design perfectly matches with printers
- Allows smooth installation and removal of cartridges
- Excellent printing performance



Special Non-rotating Gear Design



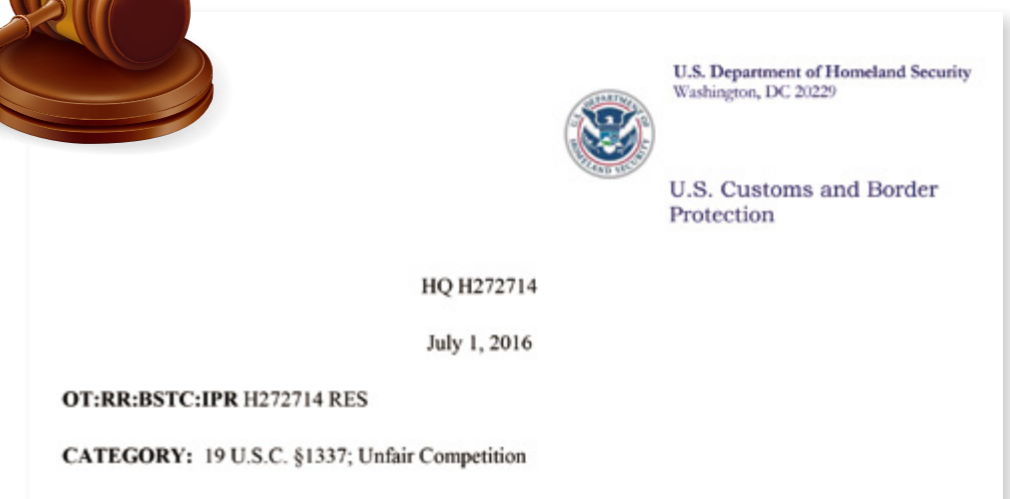
Excellent Printing Performance



Smooth Operation

## Patented and Safe

The U.S. CBP has decided that Ninestar's dongle-gear solution is not subject to exclusion from entry for consumption into the United States.





# THE RECYCLER

Trade magazine for the toner and inkjet remanufacturing industry ~ making waste work



Today we think of market disruptors as Airbnb, Uber and in the airline sector the likes of Easyjet and Ryanair that look at an established market and positively disrupt it, usually for the benefit of the consumer, but also for the disruptor. The casualties are usually the established or legacy market players.

## Imaging Disruptors

Photo: © Gutenberg-Museum Mainz

### The printer disruptor

Circa 1440 Johannes Guttenberg invented the printing press which helped change the world and would be one of the inventions of the last millennium. Unfortunately, as is often the case with inventors, Guttenberg didn't make a fortune from his invention and it was developed in an era when intellectual property was limited to royal warrants. His invention though was the precursor to a revolution that took printing away from monks writing manuscripts to a press mass producing books, newspapers and all manner of the printed word and less than fifty years ago the principles of the Guttenberg press could be seen in many printing presses.

### The modern disruptor

Did the office printer cause the demise of the traditional printing press? Probably not, because typewriters and duplicators were office standard equipment and the author can just about remember taking the handwritten copy to the typing pool and then having stencils typed up for use on a duplicator. But these devices were fast going out of fashion

as the computer and dot matrix and golf ball printers were entering into the office space. The computer revolutionised the office, out went the typing pools, in came the PC and dot matrix office printer. Soon to be upgraded to a laser printer.

### The HP disruptor

HP was pretty much the first disrupter in the office sector. In the 1980's we used typewriters to write the original document and then a Xerox copier to make the copies. During the 1960's and 1970's copiers had become more prevalent and were displacing the trusted duplicator.

Back in the day (circa 1980's) HP didn't make printers and computers, their focus was making probably the best test equipment used by electronic engineers and "techies". Its reputation, founded in a garage way back when, was of excellence knowing that when you used their equipment it worked superbly.

Then in the late 1980's along came computers and printers and HP saw the opportunity and jumped fully into selling PC's and printers and by the late 1990's test equipment was spun out of HP into Agilent Technologies. HP

had entered the office printer sector with a bang and was disrupting the established market for Xerox and a host of other copier manufacturers. By the early 1990's HP became a market disruptor with their Canon engine based office printers and consumables that did not need a service engineer. They bought printers from Canon and changed a few things and badged it as HP. It was all about building market share, sell the printers as cheap as you can, and make your profit on selling the consumer replaced cartridge.

### The remanufacturing disruptor

Then along came remanufacturing just as HP was getting market penetration. Typically small technically orientated entrepreneurs, saw a niche in the market to collect and refill the cartridges and in a matter of a few years remanufacturing was building a share of the HP consumables market and continues to be a significant part of the office imaging market.

### The OEM bandwagon

Just about every technology OEM developed their own range of printers. NEC, IBM, Apple, Kyocera, Xerox and just about everyone else. IBM read the market right and spun out their printer business and Lexmark was born and later spun out the PC business and sold it to China-based computer manufacturer Lenovo.

The OEM's saw the benefits that remanufacturing could deliver. Lexmark got into remanufacturing their own products in a big way. HP even ventured into remanufacturing and offered a remanufactured SX cartridge, but it was an unmitigated failure that never went beyond the first production run.

### The legal disruptor

The 1990's were a period of intense OEM competition with multiple brands fighting and challenging for market share and at the heart of this competitive environment, the lawyers were in full swing. Lexmark was top of the list for sending legal letters and any remanufacturer producing remanufactured IBM/Lexmark cartridges could expect the lawyers to be all over them like a rash. Lexmark challenged the aftermarket by suing Static Control to try and strangle the market, but ultimately the courts sided with Static Control. But Lexmark wasn't the only OEM on the legal bandwagon and OEM after OEM took every action they could to stop and frustrate the remanufacturing community.

Today many of the OEM names have long gone from the office printing market and many of the early remanufacturers have also gone, but remanufacturing has survived and faces its own disruptors.

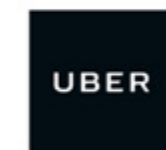
## “ Remanufacturing has survived and faces its own disruptors ”



### Current disruptors



Today we think of disruptors as Uber the ride-hailing service that owns no vehicles but is the largest player in the sector or Airbnb that owns no hotel rooms but has more reservations than most hotel chains.



Like most of us when traveling on business, we have a preferred hotel chain because the standard is good and it fits our budget. Once or twice a year we like to take off for a long weekend and use Airbnb and we have stayed in some amazing places.

Apart from being disruptors, they face some consumer resistance and a mountain of legal and regulatory barriers to growing their business. When you hail a ride from Uber how do you know the vehicle is roadworthy, taxed and insured? Has the driver trained and had their criminal record check? Country by country and city by city, Uber faces the regulatory challenges and threatens to displace hard working and poorly paid taxi drivers.

Airbnb faces similar challenges. Are the apartment owners legally entitled to rent out their properties? Are they paying taxes on their income? In some cities properties placed through Airbnb often mean that the apartment is not available for long term rental and this distorts the local rental market.

### Accounting disruptor

Ten years ago, the de facto accounting package was one version or another of Sage located on your server. You had a team of people working in accounts and you paid your auditor to do your annual accounts and even on a modest annual turnover of €1M, you might be spending around five percent of your turnover on accounting services. Then along comes the cloud and accounting packages like Xero and

## FEATURE: Imaging Disrupters

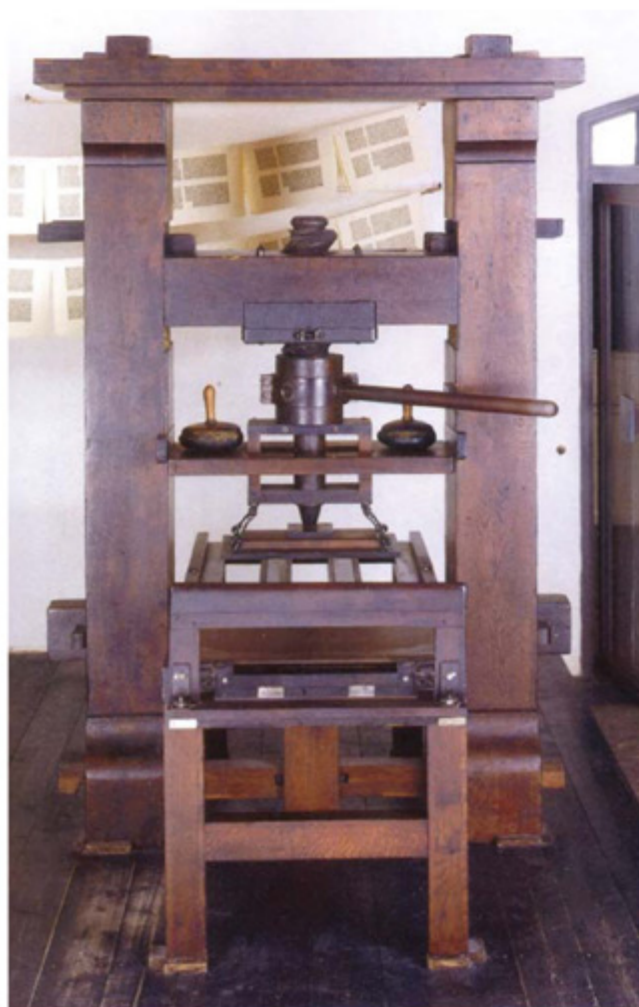


Photo: © Gutenberg-Museum Mainz

Kashflow enters the market providing low-cost cloud-based accounting with the added benefit that you could easily connect your cloud or server based CRM system and automate as much of the paperwork as you can. You can link your online bank account to your cloud based accounting package and you can reconcile your accounts almost instantly. Your costs are significantly reduced and you need fewer people handling paperwork and your accountant can log on and make any adjustments and prepare your accounts accordingly. The saving to the business can be significant and today you might only be spending one of two percent of your €1 million (\$1.12 million) turnover on accounting services.

### Disruptors in common

Disruptors are about changing markets and that invariably means changing perceptions and as a result face huge challenges from the existing market players in the form of legal and IP actions. Only a few years back Apple and

Samsung were head to head in the courts about the simplest of features in their respective phones.

Disruptors change markets faster than regulators can keep up. Uber and Airbnb are moving so fast it presents city authorities and national governments with numerous regulatory challenges. Ultimately disruptors do change markets for the benefit of consumers.

Investors see the potential long-term profits and dividends that disruptors can generate and Uber and Airbnb and a host of other disruptors are attracting huge amounts of investment capital that provide the funding to redefine and change the market. Oh, to be a lawyer or investment banker working for Uber!

### Imaging disruptors

In the imaging sector, the early disruptors were HP and the OEM's who saw the market opportunities that office printing could generate and either developed their own printer brand or produced multi-brand consumables, or both. Hot on the tails of the OEM community was the new and entrepreneurially driven remanufacturing community who were all focused on carving a larger share of the monochrome laser market.

Inkjet printers then became the new battlefield for disruptors as the OEM's entered the SOHO space for the first time. HP had the print head as an integral part of the cartridge and this was adopted by Lexmark, while Epson and Canon had a tank and the print head in the printer. Refilling of HP and Lexmark ink cartridges took off, but the real growth was in making replacement tanks for the other printers and more market disruption ensured as aftermarket companies in Europe, North America, and Asia began producing compatible inkjet cartridges.

At its peak, the compatible ink tank market enjoyed a market share of 60%, especially in African and Asian markets, particularly for Epson products.

The OEM's used every tool in the book to defend its market. Lawyers to seek and sue, IP changes, design changes, but there were casualties along the way. Xerox and Lexmark exited the market and the battle was hard fought as company after company managed to carve a share. A leading aftermarket brand that won the largest share was the G&G brand by Zhuhai based Ninestar.



### G&G the aftermarket disruptor

The G&G brand emerged in 2000 and has been a presence in the market ever since and has a lot in common with today's Uber and Airbnb disruptors. It had, and has a vision for a market and has had to invest and engage to win market share. Developing IP, chip technology, inks and at the same time take on the legal challenges that the OEM's and regulators put in their path, with hardly a year going by without some sort of legal challenge from the OEM's or regulators. In 2006 they had become the leading aftermarket supplier of ink cartridges. Like other market disruptors it attracted investment from Legend Capital, part of the Lenovo Group, and the expansion continued with new patented inks and in 2010 the launch of the Pantum printer and the building of a new factory which opened in 2013.

In 2014 Apex went public and developed a full-colour 3D printer and also introduced the newly built toner cartridge that has captured a significant market share and still courts action from legacy OEM's as they fight for a share of the OEM consumables market. Each challenge, like the dongle gear used in Canon / HP-based cartridges, is met and overcome and sets a new paradigm for the company and the industry.

In 2015 Apex acquired Lexmark's nemesis Static Control Components and became the largest company in the aftermarket. And just a year later, successfully acquired OEM manufacturer, Lexmark.

### G&G today

The disruption continues apace as a team of over 650 in-house lawyers, technology and IP engineers supported by a network of 30+ law firms continues to navigate through a disruptive legal and regulatory environment, that over the years has defeated many in the imaging community. But G&G has successfully navigated its way through these

“The biggest change will come in the number of brands in the office imaging market.”



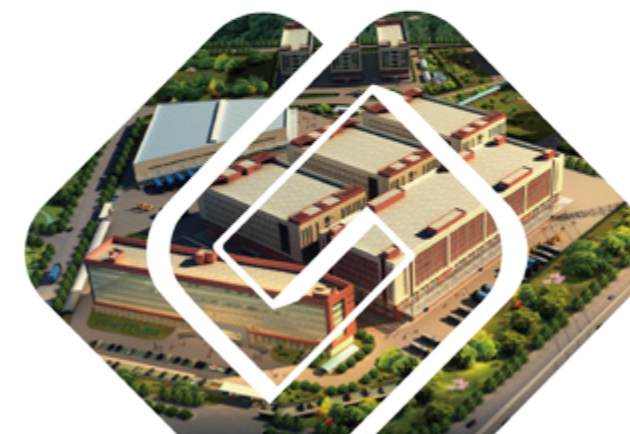
challenges and continues to bring leading edge products to market.

The group is a \$6 billion (€5.3 billion) company focused on OEM and aftermarket and well on target to be the leading provider of OEM and aftermarket solutions for the office imaging market.

### Future trends

There has been a popular demand for the printed word since Gutenberg's press in 1440 and while technology may change and reduce the need for print, documents will still need to be printed for the foreseeable future, though I wouldn't want to put a date on when or if a truly paperless office might come into being.

The biggest change will come in the number of brands in the office imaging market. Ten years ago, there were fifty plus printer brands, today there are around twenty-five or so. In another five years there could be fewer than ten brands, and two or three may well be small brands now, or even new disruptive brands, but all focused on office printing in its widest sense, but there are no guarantees that the office printer will last as long as the principles of the Guttenberg Press.





## THE 3RD G&G DISTRIBUTORS CONFERENCE WAS SUCCESSFULLY HELD IN ITALY

Themed “With Branding, Target the Top”, the 3rd G&G Distributors Conference was held in Stresa, Italy on May 19th. Over 70 EMEA distributors, guests and media friends were invited to join this party. This was a landmark occasion for all distinguished G&G family members in EMEA.

Mr. Jason Wang, General Manager of Ninestar Image, introduced the integrated pyramid strength of Ninestar and G&G in his welcome speech. He pointed

out that Ninestar gradually encompasses the industry core supply chain from “components to consumables, consumables to printers” by integration and optimization of resources after the acquisition of SCC in 2015 and the acquisition of Lexmark in 2016. That is the reason that Ninestar provides different printing solutions from low-end to high-end, with each product line satisfying different customer demands.

Mr. David Connett from Connett &

Unland GbR focused on imaging distributors. In his presentation, he presented the history of market disruptors from Gutenberg to the modern era. G&G was also recognized as a disruptor in the aftermarket. Mr. David Gibbons from RT Media gave a speech themed on Why You Need a Brand Not Just a Logo. He expressed that the logo is the tip of the brand iceberg. The invisible part such as product quality and service is more important.

During the conference, Ms. Helena Huang, the Marketing Director of Ninestar Image, announced the official launch of G&G’s new website. The new website, [www.ggimage.com](http://www.ggimage.com), offers better user experience and complete product information. In addition, a back-to-school marketing campaign was released for global G&G distributors. For further information about this campaign, please contact your sales manager. This was the first time that Lexmark & Pantum presented their 2017 business strategy & new product roadmap as a hardware printing solution under one company. Mr. Giovanni Giusti from DOXENSE was invited as a special VIP industry professional

expert to share his opinions about the acquisition. He believes that there will be more business opportunities moving forward with Lexmark. The acquisition will create value for both companies and more opportunities for resellers.



Today, G&G is trying its best to cover more ground to offer professional printing solutions to worldwide customers. G&G insists on technology innovation, respects IP, and dedicates itself to providing good products and good service to customers. So far, G&G is a brand with 16 years of history and is well recognized by worldwide customers. If you are interested



in G&G and would like more information on how to accelerate and expand your total imaging solution business, please contact us at [info@ggimage.com](mailto:info@ggimage.com) to learn more.

Our European branch Seine (Holland) B.V. focuses on supporting local EU countries agent in the past 16 years. Now it has become a top logistics & warehousing center for G&G



cartridges in European market. If you are interested in G&G brand distribution, please also can contact [europe@ggimage.com](mailto:europe@ggimage.com) or 0031-297-789-380.

## Isabel Wu



### How to Survive OEM Patent Weapons

**The only way to succeed is to have a clear vision and to innovate with IP in mind.**

Back in 2008, HP launched a series of printers that contained a novel little gadget. Little did anyone realize this invention by Canon and adopted by HP could cause so much grief. A tiny floppy gear that was originally from the auto parts industry found its way into printer cartridges. The movable joint that connects the OPC drum to the printer was designed to ensure easy insertion and removal of the cartridge while maintaining a smooth rotation of the drum/roll.

That floppy gear, also known as the “dongle gear,” would not only trip up many aftermarket companies, but also bring a crisis to the entire aftermarket industry. In 2014, Canon ruffled feathers by initiating a 337-918 investigation in the USA, bringing 33 aftermarket companies under investigation for allegedly infringing its various gear and drum patents. Companies such as Ninestar was among the respondents.

Many aftermarket companies panicked and became flustered over the wave of investigations. Ninestar, which had rapidly become a global, print consumables market leader in its short 14 years at the time, became an obvious target by Canon. Few would realize at the time this aftermarket company would not only survive the grueling legal battle with the OEM, but also to claim its place as the dongle gear technology solution provider.

Immediately after the suits were issued, the cartridge manufacturer replaced the products that allegedly violated the OEM’s dongle gear patents with a non-infringing work-around mechanism designed in its own lab that could work in the U.S. and other markets. Surprisingly, Ninestar’s new, non-infringing products were quickly welcomed by the market looking for a stable, dependable, reasonably-priced and non-infringing solution.

Many have asked how it was possible for Ninestar to react with such a lightning speed and turn what seemed at first glance as a market disaster into a feat of its own.

You have to wind the clock backwards three years to find the answer. Back in 2011 when the dongle gears started to be implemented, and not wanting to infringe the patents of others, Ninestar quickly put together a R&D team to find a dongle



gear solution. Many aftermarket players had seen the technological advancement of the dongle gear mechanism by Canon, and implemented heavily by HP in their printers, as a deliberate attempt to raise the threshold for replacement products.

A small-scale, pilot product launch of their self-developed mechanism in 2011 was met with a lukewarm reaction. Ninestar continued to search for alternative ways to bypass the technological barricade with lab engineers intensifying their efforts and ingenuity to create a better alternative to the OEM product. More and more man-power was added to the R&D team. In addition, the company also strengthened its legal team to ensure their eventual solution would work legally in the US, European and other global markets where the OEM had registered its patents.

The efforts finally paid off. The Canon case in 2014 was eventually settled outside court, and the print consumables

manufacturer picked itself up quickly to regain the confidence and sales both it and the market needed.

What I found unique about the case was that Ninestar had started building its R&D “dongle” gear solution team immediately after it found HP was using the infamous, “over-the-top” piece of technology. This was three years before a legal challenge would be mounted. It goes without saying that aftermarket companies are always vulnerable to attacks from the OEMs who are wanting to protect their own revenue streams. The OEMs are certainly not timid about their intentions to dominate their markets.

The only way to succeed is to have a clear vision and to innovate with IP in mind. Had Ninestar, back in 2011 been distracted with the market’s initial reaction to their pilot launch, and ceased its research and innovation, it would most certainly have fallen a victim during the 2014 Canon investigation.

The company cites its German-based patent attorney Dr. Katja Dauster on the front cover of the its corporate brochure: “The right choice is to implement technology and IP driven solutions from the very beginning.” The wall of Ninestar’s proud exhibition hall glorifies the cartridge manufacturer’s 16 years of achievements with hundreds of shiny patent plaques giving testimony to Ninestar’s commitment to respecting the intellectual property of others. ■

*Serving as the Editor-in-Chief, Isabel Wu leads a team of excellent writers that carry out daily news operations and editing of the best-selling magazines of the industry-Recycling Times. With an M.A. in History, Isabel hopes to enrich the industry with an edge sharpened by her historian’s acumen. <Isabel.Wu@rtmworld.com>*

## Right Choice for Aftermarket: Technology and IP Driven Solutions from the Beginning

By Dr. Katja Dauster



*Admitted as a German patent attorney since 2005 and as a European patent attorney at the European Patent Office, Dr. Katja Dauster is also registered as a European trademark attorney and European design attorney at EUIPO in Alicante.*

Printer OEMs try to monopolize the aftermarket for consumables by adding mechanical, optical, and electronic keying features to the cartridges and the printers, and protecting these features using intellectual property rights, such as patents, design rights, and trademarks. However, there is a legitimate interest of the consumers in the possibility to buy cheap alternatives instead of high-priced OEM cartridges. Unfortunately, many companies have responded to this interest by putting cheap cartridges of very poor quality on the market, which have been manufactured without respecting OEM intellectual property rights and which may even ruin the printer. Therefore, some people think of compatible consumables as “infringing products” or “poor quality products” or both.

Yet, the aftermarket has matured. In the recent years, several manufacturers of compatible cartridges have disappeared. Other manufactures are aware that developing a high-quality compatible cartridge is a challenging task and have invested in their Research and Development (R & D) Department as well as in their Intellectual Property (IP) Department.

One company that I know has invested large human, material, and financial resources in its R&D and IP Departments is the Ninestar company group (Ninestar). Ninestar has established a monitoring for OEM patents and patent applications. Hence, potentially relevant OEM patents are identified at an early stage and compatible cartridges are developed considering these patents. Independent patent law firms have been engaged to verify that the developed solutions do not infringe identified OEM patents. Ninestar grew quickly with their own innovations for compatible products, many of which are protected by patents filed and owned by Ninestar.

Recently, Ninestar acquired the American printer OEM Lexmark. I have reasons to believe that without the investment in high-quality compatible cartridges, Ninestar could not make an achievement like this.



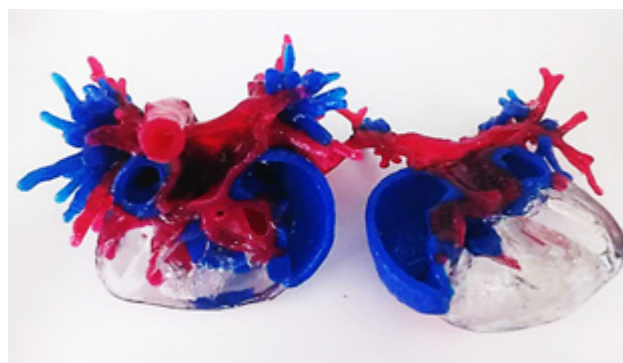
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3D printing in medicine is now more and more popular. With the help of 3D printer, medical models can be printed. Creating patient-specific models from CT and MRI scans expands from medical research



into practical application with the ability to prepare doctors for surgeries, thus drastically reducing surgery times.

Recently, Guangdong General Hospital and Zhuhai Seine Technology Co., LTD teamed up to form the first 3D printing joint laboratory of cardiovascular Medicine in China.

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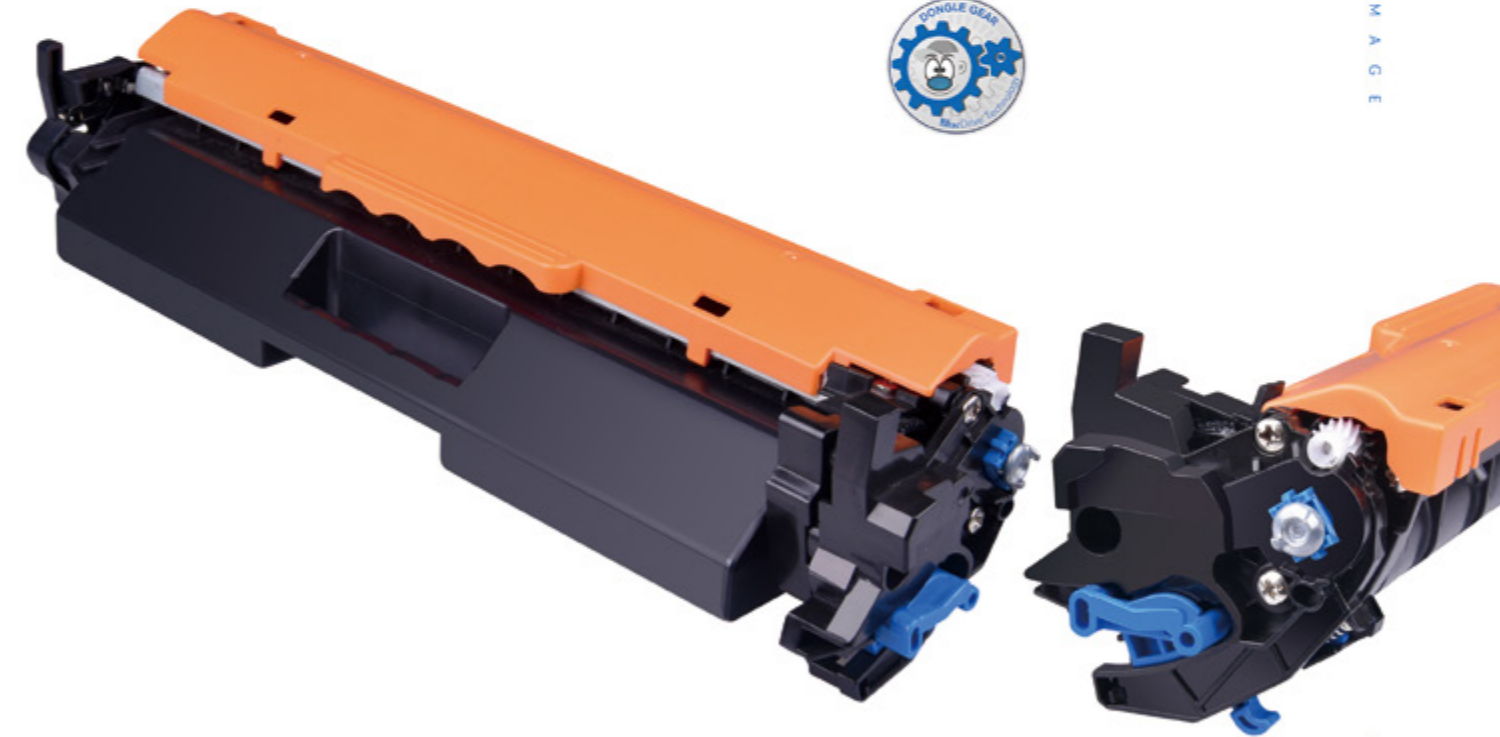


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