



## NEWS RELEASE

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For more information, contact:

Scott Drake  
Office: (608) 839-1013  
[scott.drake@pfsteco.com](mailto:scott.drake@pfsteco.com)

### Court-Issued Permanent Injunction related to Brazilian Plywood

**Cottage Grove, WI** (May 31, 2022) — In September 2019, a group of US plywood manufacturers filed a complaint in the Southern District of Florida concerning PFS TECO's work as an accredited third-party agency in Southern Brazil. The complaint alleged that the PFS TECO certification mark should be considered false advertising because their group believes it is not possible for plywood made from pine grown in Southern Brazil to meet the requirements of US DOC Product Standard 1 (PS 1).

PFS TECO has tested and certified plywood in Brazil for over 20 years. PFS TECO has been accredited and reaccredited by International Accreditation Services, Inc. as an inspection and testing agency and Standards Council of Canada as a certification agency. The third-party certification system for building products involves the manufacturer taking responsibility for their product while the third-party agency's role is to be the impartial link between the manufacturer and the local building official's review of the application of the product. The certification mark is intended to inform the building official that the manufacturer has demonstrated they have the capability to comply with the product standard and they had third-party oversight at the time the product was manufactured. The referenced product type and grade in the mark are then used during the building official's inspection.

On May 23, 2022, PFS TECO and the U.S. Structural Plywood Integrity Coalition agreed on the terms of a permanent injunction to settle the ongoing dispute between them. On the following day, according to the terms agreed by the parties, the Judge issued a permanent injunction under which PFS TECO exits the certification market for PS 1 rated plywood in Southern Brazil. The case was settled before the jury trial took place and/or the Court has made any determination on the case's merits. Therefore, the federal district court has not made any determination concerning the accuracy of the plaintiffs' allegations concerning the "strength" of the Brazilian plywood bearing the PFS TECO stamps or what "wholesalers and retailers" must or should do regarding existing stocks of the labeled product.

Indeed, the injunction does not prohibit, limit, or restrain the sale and/or use of the products labeled with PFS TECO mark on or before May 31, 2022. The Injunction entered by the Court addresses only the future actions of PFS TECO. The Injunction was made without any findings of fact about the products that have been labeled. The injunction specifically does not order the removal or obliteration of any label applied to the product on or before May 31, 2022. The relevant injunction language states:

"IT IS ORDERED AND ADJUDGED that, within seven (7) days of the entry of this Judgment, PFS TECO is ordered to revoke all of the PS 1 certificates and grade stamps that PFS TECO has issued to plywood mills located in southern Brazil by emailing a notice of PS 1 certificate revocation to each Brazilian licensee and to remove all revoked PS 1 certificates from the PFS TECO website."

The PS 1 standard is premised upon the third-party label as a representation of the producing mills that have produced the products under the approved quality control process. Nothing in the instant injunction revokes the legitimacy of product labeled/stamped under the trademark of PFS TECO through May 31, 2022. PFS TECO continues to stand behind the work it did in Brazil for the last 20 plus years and denies any wrongdoing or fault.

The demand for housing and remodeling in North America relies on both a domestic and international supply of building products. PFS TECO's role as an independent third-party certification and testing agency is to offer an impartial service to manufacturers that can demonstrate their capability to comply with the product standard, regardless of where they are located.

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*PFS TECO is a 100% employee-owned, independent third-party certification, inspection, and testing agency for manufacturers of structural and non-structural panel products, engineered wood and mass timber products, building components, hearth products, adhesives; and is an approved IPIA/DAPIA for HUD-code manufactured housing, providing plan review and factory inspection services to approximately 120 HUD-code and modular building factories.*

*PFS TECO is based in Cottage Grove, WI; has a regional office in Pennsylvania; and operates test laboratories in Cottage Grove, WI, and Springfield and Clackamas, OR, to support clients in the US, Canada, and more than twenty other countries.*