Trust is essential for the health and sustainability of Alibaba’s business, and consumers and merchants place tremendous trust in our online marketplaces. Authentic, quality products are at the heart of this trust and no other e-commerce platform matches the sophisticated technological tools that Alibaba employs to identify and remove potentially problematic listings. While there is still much work to do, 2017 made clear that Alibaba’s collaboration with domestic and international rights holders, industry associations, government officials, and law enforcement personnel yielded tangible results and demonstrable progress in intellectual property rights (“IPR”) protection. As a leading company in China, and the world, Alibaba remains unwavering in its commitment to the protection of IPR.

Throughout 2017, Alibaba’s technology and ability to derive insights from platform activities continued to underpin the company’s efforts and helped to break new ground in IPR protection for both Alibaba and its partners. Alibaba’s real-time information scanning capabilities enabled the company to proactively remove 27 times more listings than those flagged by rights holders. Among those listings proactively removed by Alibaba, 97% were eliminated before a single sale took place. Due to these proactive and other efforts, rights holder takedown requests declined by 42% in 2017 even though the number of accounts registered through the Alibaba IP Protection (“IPP”) Platform increased by 17%. As for takedown requests that were submitted by rights holders, following the launch of the Express IPP initiative in mid-2017, 95% of takedown requests were processed within 24 hours which represented a 68% reduction in processing time. During 2017, participation in Alibaba’s Good-Faith Takedown Mechanism significantly expanded as did collaboration with industry associations and rights holders. The Alibaba Anti-Counterfeiting Alliance (“AACA”), an industry first, was established to foster transparency and communication among stakeholders and provide a forum for coordinating offline investigations and referrals to law enforcement. Throughout 2017, Alibaba continued to work with law enforcement and helped in cases that led to the arrest of 1,606 suspects and the closure of 1,328 facilities.

As a leading technology company, Alibaba understands that e-commerce marketplaces are critical drivers of economic growth and that the protection of IPR is indispensable for technological innovation and economic viability. Alibaba remains firmly committed to the protection of IPR and we will continue to work to make it even tougher for those who seek to profit from the violation of IPR.
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Throughout 2017, Alibaba continued its consumer and IPR protection efforts by using technology to gain insight into platform activities and by partnering with rights holders, industry associations and law enforcement. Below are statistics that illustrate the success of those efforts.

### Express IPP

#### Dramatically Reduced Takedown Processing Time

- 95% of all takedown requests were processed within 24 hours during business days.
- 68% decline in processing time.

In June 2017, Alibaba introduced Express IPP, which was a significant technological undertaking to increase the speed with which rights holder takedown requests were processed. Enhanced algorithms and data modeling allow for greater automation in the analysis and processing of submissions. As a result, during the second half of 2017 95% of legitimate IPR takedown requests submitted through the IPP Platform were processed within 24 hours during business days. This represented a 68% reduction in average processing time compared to 2016.
Alibaba’s ability to screen potentially problematic listings before they are posted online remains one of its most powerful enforcement mechanisms. In 2017, the number of listings proactively removed by Alibaba was 27 times greater than the number of listings removed as a result of requests by rights holders.

Importantly, 97% of proactive removals occurred before a single sale took place. Moreover, Alibaba’s ability to proactively identify and remove potentially problematic listings will continue to improve as rights holders further collaborate and exchange information about their IPR and online infringement trends.
Alibaba’s proactive efforts to identify and remove potentially problematic listings in 2017 contributed to a 42% decline, compared to 2016, in the number of notice and takedown requests submitted by rights holders. This decline is particularly striking given the 17% increase in accounts registered through Alibaba’s IPP Platform during 2017.

Alibaba leverages technology to gain greater insight into activities on our platforms, including targeting potentially problematic products and sellers for its test-buy program. On average, Alibaba spends nearly RMB 100 million conducting more than 100,000 test purchases each year. Cases involving products confirmed to be counterfeit, or of otherwise inferior quality, result in immediate penalties imposed by Alibaba against the responsible sellers. In 2017, Alibaba closed 240,000 stores suspected of selling illicit goods.
During 2017, consumer satisfaction continued to show significant improvement year over year. On Taobao, for example, the total rate of refunds due to suspect products declined by 29%.
In 2017, Alibaba supported local police in 23 provinces and cities throughout China in their efforts to crack down on the sale of counterfeit or otherwise inferior quality goods. During the year Alibaba referred 1,910 leads to law enforcement authorities that helped in the arrest of 1,606 suspects, the closure of 1,328 facilities and which involved a total of RMB 4.3 billion in estimated case values.
In 2017, Alibaba subjected those exhibiting online counterfeiting behaviors to strict sanctions that resulted in substantial deterrence. Alibaba’s ability to identify potentially infringing activity through the use of advanced technology continued to be a major driver of the success. The Statistical Overview provided in Section 1 above makes clear how, in 2017, Alibaba not only enhanced its IPR protection capabilities online, but further elevated its support for offline enforcement actions. These accomplishments are the result of not only Alibaba’s technological innovation, but also its collaboration with rights holders and law enforcement. The statistics provided above make it clear that in 2017 rights holders enjoyed greater IPR protection on Alibaba’s platforms and consumers likewise benefited from the enhanced protections.

A. Enhanced Notice and Takedown

IPP Platform Enhancements

During Alibaba’s August 2017 Brand Rights Holders Day in Beijing, enhancements to the IPP Platform were unveiled. Highlights of the IPP Platform upgrades included:

- A single point of entry for enforcement on all Alibaba e-commerce platforms in order to provide a smoother and more streamlined registration and takedown process for rights holders;
- Greater technology and automation for processing takedown requests, which significantly reduced average processing time;
- A dedicated team of IPR-focused professionals who work to reduce the response time for inbound inquiries and who provide proactive outreach to rights holders new to the IPP Platform or that may have more complicated IPR cases; and
- More robust technological capabilities for IPR protection such as multilingual trademark recognition.

Express IPP

In June 2017, Alibaba launched its trial run of Express IPP. Express IPP utilizes the IPP Platform and data-driven technology to enhance IPR protection capabilities and provide an improved IPR protection experience on Alibaba platforms.
The pilot program was a success and Express IPP officially launched two months later. From June to December 2017, 95% of all legitimate IPR takedown requests were processed within 24 hours during business days, which represented a remarkable 68% reduction in average processing time compared to 2016. The overall IPP Platform improvements, and particularly the Express IPP enhancements, benefited rights holders and allowed for more efficient reporting and faster processing of IPR takedown requests.

“Alibaba’s IPP reform has made reporting faster and easier. Many of the complaints were processed within one day.” — Liu Zihan, Yellow Brand Protection, Asia Regional Operation Manager

Regarding the impact of Alibaba’s online reporting system, “You get fast, thorough results. Issues are very rare.” — Jon Azrielant, Director of Marketing at Jewelry.com

B. Cutting-Edge Technology for Proactive Monitoring

Alibaba’s state-of-the-art technologies remain an indispensable part of its success in IPR protection, including the significant reduction in rights holder takedown requests and processing time. Highlighted below are nine major technological tools used by Alibaba in 2017 for IPR protection:

**Product Intelligence:** Automatically learns from available information on Alibaba’s platforms and identifies, evaluates and processes potential IPR infringements from among nearly two billion product listings.

**Screening Model:** Relies on deep learning capabilities and conducts daily scans of Alibaba platforms to detect and remove potentially counterfeit and problematic product listings (the scope of this effort is equivalent to the workload of 5,000 virtual servers).

**Image Recognition Algorithms:** Applied each day to 600 million product images, the optical character recognition (OCR) functionality of the algorithms can scan over 23 million characters in images per second with an accuracy of 97.6%.

**Semantic Recognition Algorithm:** Utilizes vocabulary and product information to analyze and assess the meaning and context behind the characters identified by OCR.

**Product Information Library:** An enormous database that standardizes, redefines and structures the vast amount of complex information found in product listings into a more usable format that allows for faster execution by Alibaba systems.
Recognizing that it is difficult, if not impossible, to succeed in eliminating online counterfeiting without also attacking offline sources, Alibaba has not limited its efforts to online enforcement and protection. Alibaba’s Anti-Counterfeiting Special Task Force uses technology-enabled capabilities to detect potentially infringing activity and support law enforcement agencies in identifying criminals and their manufacturing and distribution facilities. Currently, Alibaba’s Anti-Counterfeiting Special Task Force has joined law enforcement authorities in 23 provinces across the nation (see the following infographic) to help combat offline counterfeit production and sales, and has signed agreements to foster collaboration and provide strategic support to public security authorities in 12 provinces (Shanghai, Tianjin, Jiangsu, Shandong, Hebei, Liaoning, Hunan, Shaanxi, Chongqing, Yunnan, Heilongjiang, and Shanxi).

C. Unprecedented Success Supporting Law Enforcement

Using these cutting-edge technologies, Alibaba is able to apply real-time risk assessments to intercept potentially problematic listings and detect problematic sellers and stores for rapid removal and punishment.

Real-Time Interception System: Operates in real-time to conduct risk assessment scans within microseconds of a product’s listing or editing to identify and intercept potentially problematic listings.

Real Person Verification: Biometric technology widely applied to newly registered Alibaba platform sellers, this technology utilizes seller reviews, password changes, risk assessment modeling, and other triggers to help ensure the reliable identification of sellers.

Data Sampling Model: This smart filtering technology identifies product listings to target for additional scrutiny through test purchases.

Law Enforcement Support: Alibaba has developed a process to more quickly support law enforcement requests for evidence connected with offline investigations in China.

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In addition, the Cloud Sword Alliance is an IPR task force set up by Alibaba and a number of provincial law enforcement authorities to provide concentrated collaboration on investigations to better assist in the arrest of online merchants who infringe IPR. The Cloud Sword Alliance utilizes algorithms and insights into Alibaba’s technological ecosystem to locate potentially unlawful transactions and, where possible, track leads upstream. The analysis by Alibaba is shared with law enforcement authorities to provide them with the necessary information to shut down illegal production facilities. Up from five provinces in the previous year, 13 government offices of the Office of the National Leading Group on the Fight Against IPR Infringement and Counterfeiting participated in the 2017 Cloud Sword Alliance. The government offices included the provinces of Anhui, Fujian, Guangdong, Guangxi, Guizhou, Hainan, Hunan, Jiangsu, Jiangxi, Sichuan, Yunnan, and Zhejiang as well as the municipality of Shanghai. In August 2017, the Cloud Sword Alliance met in Hangzhou to discuss plans and strategies to protect IPR.

Collaboration with law enforcement in 2017 involved support for online as well as offline cases. During the year, Alibaba’s efforts to combat online counterfeit sales saw unprecedented success and were augmented by major efforts from China’s Public Security Bureaus (PSB), Administrations for Industry and Commerce (AIC), the China Food and Drug Administration (CFDA), General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), among other law enforcement authorities. In 2017, Alibaba collectively provided the PSB, AIC, CFDA, AQSIQ and other agencies with 2,337 offline and online leads to aid enforcement efforts. “Red Shield Net Blade” was a 2017 cooperation between Alibaba and administrative law enforcement
authorities in Zhejiang to investigate and prosecute online IPR violations. During the project, Zhejiang province authorities prosecuted 3,819 cases online and closed 2,638 of the cases. Among the cases were 1,320 major cases with a combined value approaching RMB 348.7 million, and which resulted in administrative penalties totaling RMB 46.8 million. Eighty (80) incidents were referred to provincial law enforcement bureaus, and 13,349 illegal online stores and independent websites were closed as a result of the Red Shield Net Blade initiative.

Alibaba’s 2017 support for law enforcement also included educational efforts. In cooperation with the People’s Public Security University of China, Alibaba created “Law Enforcement IP Workshops” to discuss online counterfeit investigation experiences. In addition, Alibaba launched courses with public security authorities from 31 provinces in Mainland China to share practices for combating counterfeiters. Furthermore, during 2017 Alibaba held 21 sessions of its “Training & Sharing School” to exchange information with nearly 700 public security officers.

Law Enforcement Case Study:
Counterfeit Factory Owner Captured After Initial Escape

In 2017, after six months of investigation, the Alibaba Anti-Counterfeiting Special Task Force assisted police in dismantling the largest known Louis Vuitton (LV) counterfeit ring in recent years. In late 2016 Alibaba’s Anti-Counterfeiting Special Task Force assisted police in the successful raid of a factory counterfeiting LV products; however, the owner escaped arrest. Based on further leads provided by LV, Alibaba’s Anti-Counterfeiting Special Task Force further investigated the case and helped the PSB track down another counterfeit production site in Foshan where the owner was captured. Three machine processors and 15 rolls of printed leather were seized. Concurrently, police were investigating counterfeiting activity involving LV products in Yongzhou, Hunan and Guangzhou, Guangdong, which were part of a common network. On June 6, 2017, the police simultaneously raided factories, warehouses, logistics sites, and wholesale portals in Yongzhou and Guangzhou, and more than 10 suspects were arrested. The cases involved RMB 216 million.
In November 2017, the Chinese Ministry of Public Security announced that Sino-U.S. police successfully cracked an extremely large number of cross-border criminal IPR infringement cases. The success culminated a two-year investigation in which luxury brand owners sought assistance from Alibaba. The Alibaba Anti-Counterfeiting Special Task Force determined that the criminal enterprise had initially tried to sell counterfeit goods through a Taobao store. However, the online store was terminated so the criminal enterprise established an independent website, www.pursevalley.cn, to sell counterfeit goods to the U.S. and Europe. With the help of Alibaba, police discovered the domain name registrar was a Guangdong company, but the website server was located in the U.S. Law enforcement organizations in the Guangdong Province coordinated
raids at production, logistics, packaging and warehousing facilities and also communicated with customs officials at the Baiyun Airport International Logistics Center. The actions resulted in 36 arrests, the destruction of 7 counterfeiting locations, and the interception of parcels intended for international express delivery. The criminal enterprise utilized an overseas customer service team as well as a domestic operations team to translate customer orders, place production orders, and provide after-sales support and website marketing. Logistics companies were used to transport the illicit goods, clear customs and ship packages overseas. Western payment services were used to support payment in U.S. Dollars, Euros and other currencies. The enterprise had accumulated sales amounting to RMB 100 million. U.S. law enforcement agencies simultaneously conducted investigations on their domestic websites.

“I want to express my heartfelt gratitude to Alibaba Group, and the platform control department! In the future, I hope to make more contributions by reinforcing the partnership between the police and corporations to fight the online sale of counterfeit products and defend market order.” -- Guangzhou police in a letter of gratitude sent to Alibaba after the closure of the case.

Law Enforcement Case Study:
A Successful Herbalife Nutrition Case

In a concentrated effort from May to November 2017, the Guangdong Provincial Food and Drug Administration (FDA) and the Public Security Department of Guangdong Province solved 808 cases resulting in administrative penalties of more than RMB 38 million. In 68 cases, involving a total value of RMB 280 million, 236 criminal suspects were arrested, and 72 counterfeiting facilities were destroyed. Two cases involved more than RMB 100 million each, four cases involved more than RMB 10 million, and 22 cases exceeded RMB 1 million. At a press conference to report on the internet food and drug crimes and successes for the year, the Deputy Director of the Guangdong FDA, Lu Junqiang, introduced the counterfeit Herbalife case as illustrative of Alibaba’s support. After months of work, authorities were able to destroy a chain involving offline counterfeit production, online sales, and shipment of counterfeit products to consumers. Multiple warehouses and shipment sites were used to conceal the activity. With the help of Alibaba’s analysis, criminal suspects and upstream production facilities were identified.

“The successful investigation and processing of this case was due to teamwork and close collaboration. We took full advantage of the expertise of the Food and Drug Administration, the investigation of the public security, big data from Alibaba, and fixed electronic evidence from Shenzhen Market Inspection Bureau.” -- Guangdong FDA
In August of 2017 the Foshan PSB announced it had successfully destroyed a counterfeit auto parts manufacturing and sales operation involving more than RMB 10 million and resulting in the arrest of 14 suspects. Through their investigation efforts police uncovered a warehouse in Guangzhou which prompted them to look upstream for a production source. With the help of Alibaba, authorities identified a manufacturing base in Wenzhou where the director of an automotive filter factory, in addition to producing filters for his own brand, manufactured counterfeit filters involving the brands of well-known companies. On July 14, more than 60 police officers were dispatched to Guangzhou and Wenzhou for coordinated raids and seizures. With the cooperation of local PSBs, police successfully seized a large number of counterfeit automotive parts, such as oil and air filters, as well as production tools.

“The success of this case demonstrates the zero-tolerance of Foshan law enforcement for inferior counterfeit automobile products. We also saw Alibaba’s full commitment and tireless efforts to protect IPR.” -- Zhang Lin, Senior Manager of the China Representative Office, German Association of the Automotive Industry

D. Calls for Tougher Laws Against Counterfeiters

No single company or party can end counterfeiting and piracy on its own. All stakeholders - brand owners, manufacturers, merchants, e-commerce marketplaces, law enforcement authorities, legislators and other government officials, and even consumers - have critical roles to play.

While China has made significant progress in protecting IPR in recent years, current penalties remain insufficient to effectively deter criminal infringement. In February 2017, Alibaba issued a public appeal calling for tougher laws, stricter enforcement and stiffer penalties for sellers of counterfeit goods in China.

The following month, during the 2017 National People’s Congress (NPC) and the National Committee of the Chinese People’s Political Consultative Conference (CPPCC), Alibaba Group Founder and Executive Chairman, Jack Ma, appealed to Chinese legislators to strengthen laws and toughen penalties for counterfeiting, and he urged the representatives of the NPC and CPPCC to treat counterfeiting with the same urgency they did in successfully cracking down on drunk driving years earlier.
Other business leaders also took up the call and both the China Entrepreneurs Club and Lenovo Group Ltd. founder Liu Chuanzhi issued statements echoing Mr. Ma’s call for better laws and stricter enforcement. (Mr. Ma is chairman of the China Entrepreneurs Club, founded in 2006 to nurture entrepreneurialism and business integrity, and Liu Chuanzhi is a former chairman of the private, non-profit group.)

Lenovo Chairperson Liu Chuanzhi said, “[Counterfeiting] not only destroys numerous industries, it destroys online shopping, credibility, and the foundations of China.”

Mr. Lei Jun, founder of Xiaomi, one of China’s leading smartphone makers, called fake goods, “a social cancer, a serious damage to the image of the country and consumer confidence” and said it was time to support efforts to get rid of them.

Mr. Ma’s appeal sparked public discussion among China’s legislators as well, including the Director of the State Administration for Industry and Commerce (SAIC), Mr. Zhang Mao, who at a press conference during the annual sessions of the NPC and CPPCC acknowledged calls by business leaders to fight harder against counterfeiters and pledged to strengthen anti-counterfeiting laws.

Current laws and associated penalties hamper the ability of police to successfully build cases against counterfeiters and limit the judiciary’s ability to impose meaningful penalties. The result is a low conviction rate that allows criminals to often escape legal consequences. Alibaba will continue advocating for change in this regard wherever it does business.
In conjunction with the public appeal for stricter enforcement of IPR laws in China, Alibaba was the first platform operator in China to bring civil lawsuits against merchants who misuse its services for the sale of counterfeit goods. Filing civil lawsuits against counterfeiters of brands such as Swarovski, Mars, Bioderma and Adidas, Alibaba Group’s Taobao platform sued multiple counterfeit sellers on the grounds of breach of contract and harm to reputation.

In addition to being the first platform to file civil lawsuits against counterfeiters, Taobao was the first to successfully obtain a judgment in such a case. On March 8, 2017, Taobao filed a lawsuit against a merchant selling counterfeit Mars cat food based on a violation of Taobao’s terms of use, which prohibit counterfeit sales, as well as harm to Taobao’s reputation. Taobao requested RMB 2.67 million in compensation as well as a public apology. On July 20, the Shanghai Fengxian District People’s Court issued its verdict in the first instance holding that the defendant had infringed upon the legal rights of Taobao by selling counterfeit products on the Taobao platform, thus reducing consumer trust and damaging Taobao’s public image. The verdict established the precedent that counterfeit sellers can be liable to the platform whose services they misuse in connection with the sale of counterfeit goods. The presiding judge, the President of the People’s Court, ordered the defendant to pay RMB 120,000 in damages to Taobao.

In recognition of the precedent-setting nature of the claims, the case was nominated as a 2017 Top 10 Civil Proceedings in the People’s Court and included in the “2017 Top 10 Legal Advancement Cases” list compiled by the Supreme People’s Court and China Central Television (CCTV).
The Supreme People's Court lauded the case stating, “The court has fulfilled a demand for this type of case and set a great model and valuable reference for them in the future. This is a demonstration of the law's firm attitude towards new online business legal relations, and shall help the long-term healthy development of e-commerce platforms, and . . . affirms our legal force and determination in the fight against counterfeiting.”

During 2017, Alibaba filed 12 legal proceedings against counterfeiters, and two cases received successful verdicts.

**F. Anti-Counterfeiting Education and Philanthropy**

In addition to supporting criminal cases and administrative actions, and bringing civil actions, Alibaba has hosted charity events to encourage awareness and participation by consumers in IPR protection. In July 2017, Alibaba auctioned authentic products that were purchased through its test-buy program. The proceeds of the auction were donated to Shanghai Adream Charitable Foundation Limited to build the “Adream Center” for children.

In September, Alibaba along with China Youth Daily, China University Media Union and Shanghai Adream Charitable Foundation Limited, began a nationwide competition involving 799 universities across 21 provinces to solicit creative and environment-friendly ideas for destroying counterfeit products. The competition fostered anti-counterfeiting awareness among young people and allowed them to participate in IPR protection.

**G. Enhanced Rights Holder Relations**

In 2017, Alibaba continued its efforts to engage and strengthen relationships with domestic and international rights holders. During 2017, Alibaba engaged with over 30 industry associations which represent the interests of thousands of companies from around the world. In November 2017, Alibaba held two international rights holder conferences, in Geneva and Milan, to engage directly with international rights holders and share Alibaba’s technology, direction and initiatives related to IPR protection. Throughout the year Alibaba held one-on-one meetings with brand owners and their representatives to support their IPR enforcement efforts, answer questions regarding IPR protection on Alibaba platforms and help address any challenges or difficulties. During 2017, Alibaba was increasingly recognized for its efforts, transparency and collaboration:
“As a long-standing partner of Alibaba’s, I’m impressed with the technology upgrades to the platform we saw, and appreciate Alibaba’s openness about its processes and willingness to seek our input on how to better work together. As a brand, I learned a lot, which instills our continued trust in Alibaba to protect our IP.” — Jessica Guo, Senior Legal Manager, Spalding

“Cooperating with the China-Britain Business Council (CBBC) and Alibaba has made it quicker and easier for us to protect Dyson’s distinctive designs. Thanks to the CBBC-Alibaba collaboration on IP, we have been able to remove more fakes from e-commerce sites than ever before. Their support makes a real difference to our ability to protect consumers from poor quality imitation products.” — Gill Smith, Group IP Director at Dyson

H. Helping Small Businesses

Specific Measures Tailored for Small and Medium-sized Enterprises (“SMEs”)

- Providing a simple online form for submitting takedown requests
- Expediting takedown requests for all users
- Making it easier to find the IPP Platform
- Ensuring clear and consistent communications regarding takedown requests
- Broadening the IACC MarketSafe® Expansion program to include more SMEs at no charge
- Participating in U.S. Patent and Trademark Office Road Shows to educate SMEs on our IPR protection programs

In 2017, Alibaba implemented measures specifically intended to support the unique needs of SMEs. The following enhancements to Alibaba’s IPP Platform were implemented to help provide a positive overall experience with the IPP Platform and were tailored to help meet SME needs specifically:
• Search engine optimization to allow for easier discovery of Alibaba’s IPP Platform and IPR protection resources;
• Step-by-step English language instructions regarding use of the IPP Platform;
• A simple online form with pre-defined fields to assist in submitting takedown requests, which does not require registration on the IPP Platform;
• An improved email response system for IPR submissions which provides prompt, consistent and clearer messaging to rights holders;
• The MarketSafe® Expansion Program was launched, free of charge, with dedicated space for SMEs; and
• Alibaba’s IPR Protection Handbook which serves as an easy to understand ‘how-to’ guide. Link below:
https://ipp.alibabagroup.com/infoContent.htm?spm=a2o2l.8248579.0.0.64fe3c21EqfQMh&skyWindowUrl=notice/handbook-en

In addition, with the help and participation of government authorities, Alibaba conducted extensive outreach efforts to inform and educate SMEs about IPR enforcement on Alibaba platforms. For example, Alibaba presented its IPR protection programs to SMEs in Michigan, Indiana, Illinois, Colorado, Utah and Washington through the ‘China Intellectual Property Road Shows’ organized by the U.S. Patent & Trademark Office. Additionally, Alibaba incorporated an SME IPR component into its Gateway ‘17 event in Detroit, Michigan which was attended by over 3,000 small businesses.
In January 2017, Alibaba and 30 other leading domestic and international brand owners founded AACA, a first of its kind anti-counterfeiting alliance. AACA combines brand and industry knowledge with Alibaba’s e-commerce technology and platform insights in order to protect IPR more effectively.

Brands such as Procter & Gamble, Louis Vuitton, Mars, Adidas, Ford and Xiaomi (for the complete list of founding AACA brand members please refer to the infographic above) and Alibaba worked within AACA to foster communication and create a forum for coordinated and proactive IPR protection efforts. During AACA’s first year, members focused on several areas including online protection, offline enforcement, litigation tactics and industry collaboration.

AACA is currently comprised of 12 industry working groups (IWGs) that share, among other things, best practices in IPR protection and needs specific to their respective industries. In September 2017, Alibaba and member companies established an AACA Advisory Board comprised of representatives from each of the 12 IWGs. The Advisory Board functions as a strategic think tank within AACA and provides members with an established channel to help influence Alibaba IPR policies and practices.
Today, brand owners and e-commerce platforms are faced with counterfeiters who are more sophisticated, better funded, and more international than ever before. However, Alibaba’s partnerships and collaboration with law enforcement, rights holders, consumers and other stakeholders in 2017 led to demonstrable progress in the protection of IPR. Alibaba firmly believes that sustained, long-term efforts such as multi-industry collaboration, technology-driven insights, coordinated offline investigations, increased criminal penalties, and innovative approaches to civil litigation can lead to even more success in 2018.

Last year, Alibaba broke new ground in the protection of IPR. In 2018, stakeholders will see Alibaba file more lawsuits, particularly joint civil lawsuits with rights holders, to impose greater financial consequences on those who would profit from IPR infringement. Alibaba will also work to impose consequences on counterfeiters by continuing to support offline investigations by law enforcement. In the upcoming year Alibaba will also continue to expand its partnerships with industry associations and rights holders, including SMEs. The expansion of AACA will not only enhance industry participation and deepen subject matter expertise, but also increase our collective ability to educate the public and effect positive change.

Alibaba’s mission is to “make it easy to do business anywhere,” and our success is predicated on trust. We are wholly committed to our consumers and the protection of IPR.