How to Disrupt Online Counterfeiting?

Federation of the Swiss Watch Industry FH

Advisory Committee on Enforcement

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Summary

1. Where are we now?
2. Apply the intelligence cycle!
3. Conclusion
1. Introduction

- Consumers likely to buy counterfeiting online
- The counterfeit supply increases and diversifies (very profitable crime / late awareness by authorities)
- The fight against counterfeiting is becoming increasingly complex and sophisticated
Diversity of counterfeiting on the Internet

Dedicated websites

Online marketplaces

Social networks / medias

Apps and Mobile devices
Digital Convergence (or confusion ?)
Get familiar with new media

- New marketplaces available on mobile devices only
But the supply chain remains identical...
Evolution of ads withdrawals (incl. social)
2. Intelligence cycle

Operational

Decision maker

Impact

Strategic

Interpret

Influence
2. Intelligence cycle

Operational

Decision maker

Strategic

Impact

Interpret

Influence
Operational

Reduce the visibility of counterfeits

But also... collect data

- Stand alone websites
- Market places
- Social web and Apps
Dedicated websites (stand alone)

Key features

- Extensive number
- High volatility
Dedicated websites (stand alone)

Key features

- Extensive number
- High volatility
- Multi-site strategy
Over 15 consuming tasks are automated during investigation:

Key features
- Extensive number
- High volatility
- Multi-site strategy

Response
- Automatization

1. Visite et téléchargement des pages jusqu'à 3 niveaux
2. Détection des marques présentes dans les pages
3. Détection des adresses email présentes dans les pages
4. Classification du site dans une catégorie
5. Capture d'écran du site
6. Requête whois sur le nom de domaine
7. Extraction des données du Whois
8. Détermination de l'adresse IP
9. Géolocalisation de l'adresse IP
10. Requête whois sur l'adresse IP
11. Extraction des données du Whois IP
12. Création de fiches de protagonistes
13. Création d'action de mise en demeure
14. Envoi d'un email à l'hébergeur
15. Envoi d'un email au titulaire
16. Envoi d'un email au registrar
Dedicated websites (stand alone)

Key features

• Extensive number
• High volatility
• Multi-site strategy

Response

• Automatization
• Regular follow-up

More than 10'500 sites in the system

Each active site is re-investigated approx. every 4 days

Allows precise monitoring of the site's evolution
Dedicated websites (stand alone)

Key features

- Extensive number
- High volatility
- Multi-site strategy

Response

- Automatization
- Regular follow-up
- Network’s identification

The analysis of the collected data allows to generate relational schemas, helping networks' detection:
2. Marketplaces and social media

Key features

- Diversity of platforms
Marketplaces and social media

Key features

• Diversity of platforms
• Multiple languages and currencies
• Large number of ads

Response

• Flexible tool
• Harmonization, conversion
Marketplaces and social media

- **Key features**
  - Diversity of platforms
  - Multiple languages and currencies
  - Large number of ads

- **Response**
  - Flexible tool
  - Harmonization, conversion
  - Automatization
Marketplaces

Key features
- Platforms’ diversity

Response
- Flexible tool
2. Intelligence cycle

Operational

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Influence
Intelligence building from collected data

Strategic

Networks’ identification

Analytical tools

Operational tools
Exploitation of results

- Challenge: how to represent data in a comprehensible and usable form
- Solution: relational diagram
Results from Webintelligence
Websites hosted by companies based in the Netherlands

Target these three first!
2. Intelligence cycle

Operational

Decision maker

Impact

Interpret

Strategic

Influence
Take action according to intelligence

Decision makers

Internet stakeholders
- Cooperation
- Liability
- Legal framework

Enforcement authorities
- Awareness
- Partnership
- Legal framework

Public awareness campaigns
- Awareness
- Legal framework
Internet stakeholders / intermediaries

Essential to Internet Sales

- Result in physical contact
- Certain degree of monopoly (limited choice / few alternatives)
- High opportunity costs (to change)

Cooperation may result in the disruption of sales networks

- “Technical” intermediaries
- “Payment” processors (*follow the money*)
- Express shipping companies
Enforcement authorities

Operation In Our Sites
Project TransAtlantic II / Project American Icon

This domain name has been seized

*Operation In Our Sites-Project TransAtlantic II* is a coordinated effort by U.S. and European law enforcement agencies targeting websites and their operators that sell counterfeit goods.
Raising awareness: fraud report form

Raising awareness: Decoy website

[Image of a website selling replica Swiss watches]

www.replicaswisswatch.com
Awareness campaigns after domain name seizures

What happened to this website?

This domain was once used to sell counterfeit watches. To prevent the usurpation of the high reputation of Swiss watches and the deception of consumers by such websites, the trademarks mentioned below have decided to actively fight against counterfeiting.

Those trademarks, with the support of the Federation of the Swiss Watch Industry FH, have obtained the seizure of this domain name among others before the Southern District Court of Florida (read the decision) and will continue their battle against any website offering counterfeit products of their brands (replicas).

Counterfeiting is a crime and can lead to serious sanctions, for both the seller and the buyer.
Conclusion

A global approach

- There is no definitive solution

- Internet is under constant evolution: cope with it!

- Have a global approach: attack from several angles at the same time.

- Cooperation between stakeholders (public / private) is the issue: emergence of a global Internet “soft law”
Questions?

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