Alibaba’s Practice on IPR protection as ISP

2014.3  Ni Liang
Overview of Alibaba Group

Alibaba Group was founded in 1999 by a team of 18 members led by Jack Ma, Mr. Ma aspired to help make the Internet accessible, trustworthy and beneficial for everyone.

1999

Personnel: 18
Office: Jack Ma’s apartment at Hangzhou

2013

Personnel: about 20,400
Office: Based in Hangzhou, has over 70 offices at great China area, Singapore, India, UK, and the US.
Development of “Taobao”

- Over 8 million registered sellers
- About 800 million product listings online
- Almost 500 million registered users
- Total GMV in 2013 exceeded 1 trillion RMB
- Over 60 million visitors every day
- 48 thousand products sold per minute on average
- Highest GMV of 35 billion RMB in a single day

*A free consumer-to-consumer transaction platform

*Besides Taobao, Alibaba family contains different types of E-business websites, including Tmall.com, alibaba.com, 1688.com etc.
# Data of IP Protection

<table>
<thead>
<tr>
<th>Perspective</th>
<th>2013</th>
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<tr>
<td>IP support employees</td>
<td>5000</td>
</tr>
<tr>
<td>Complaint Received</td>
<td>450K</td>
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<tr>
<td>Listing Deleted</td>
<td>119 million</td>
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<tr>
<td>Seller Involved</td>
<td>1.23 million</td>
</tr>
<tr>
<td>Offline cases</td>
<td>77</td>
</tr>
<tr>
<td>Fund Support</td>
<td>over 100 million RMB</td>
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Overview of Alibaba IP Protection

3rd Party Platform

Government
1. Government collaboration
2. Facilitate the off-line campaign on anti-counterfeit

Rights holder
1. Creating a transparent online complaint Channel
2. Customized anti-counterfeit cooperation

Seller
1. Developing platform Rules and Policies
2. IP Education
3. Proactive management on obvious counterfeits
4. Support for genuine goods sellers

Consumer
1. Creating a Consumer Protection System
2. Consumer safeguard scheme
Creating an Online IP Protection and Complaint System

- Setup mailbox dedicated to deal with complaints: 2002
- Launch Taobao IPR reporting system: 2011
- Launch the Alibaba Group IPP platform: 2013
- 2009 AliProtect
- 2012 Open SMEs overseas complaint gateway

- IPP platform site: http://ipp.alibabagroup.com/
- One-stop services for global rights holders
- Registered rights holders by 2013: 36,000
- Cooperation mechanism with global rights holders
Developing Appropriate Platform Policy

Improve the intellectual property rules system

**Education to the 1st offender**
- Combination of penalization and education in which first offenders will be admonished and warned and repeat offenders will be punished, 25% of counterfeit sellers no longer sell counterfeits.

**Enhance punishment against the Repeat offender**
- Twice infringement is defined as repeat offender, harsher policy to the repeat offender on the 3rd time.
Proactive Anti-counterfeit Measures

Control of Apparent Counterfeits/Piracy

- Pay close attention to the general characters of infringement
- Apparent counterfeits keywords, apparent piracy products
- Takedown 112 million listings proactively in 2013

“Mystery Test Buy” Mechanism

- Test Buy
  - Authentication test by brand owners
  - Quality test by qualified third parties
- Take action on the merchants
  - counterfeit
  - inferior quality
IPR Cooperation in different fields

Government Authorities

In-depth cooperation with government law enforcement agencies, including State General Administration of Press, Publication, Radio, Film and Television (GAPP), General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), State Intellectual Property Office, and State Administration of Industry & Commerce.

Brand Owners

By the end of 2013, Alibaba Group had cooperated with 1,060 brands for IP protection.

Trade Associations

- The Motion Picture Association of America (MPAA)
- The International Anti-Counterfeiting Coalition (IACC)
- Quality Brands Protection Committee (QBPC)
- Discussion with Korean IP Protection Association
In 2013, Alibaba worked with the Chinese criminal law enforcement authority to handle 77 IP infringement cases. 51 criminal groups were arrested. The value involved was 360 million RMB.
Guidance in IP Protection and Creating a Consumer Protection System

**Popular IP Education**
- IP Protection Handbook
- Offline investigation and survey

**Encouraging Innovation**
Alibaba encourages SMEs to create their own brands and technologies. For example, Tmall has opened a special space for "Tmall Original" brands.

**Legal-Product Support**
Promoting IP protection through positive measures and helping counterfeit sellers transform themselves into legal sellers also constitute an area of focus for Alibaba in IP protection.

**Consumer Protection**
Taobao.com devoted 200 million RMB to the "Refunding First" scheme. This will enhance consumer experience to a new level and help guide the whole industry towards healthy development.
Management Innovation of the 3rd party platform IP protection

1、Civil liability on infringers

2、Control and Interception of Illegal gain from Infringements
Difficulties and Challenges of Online IP Protection

Alibaba's objective is to build an e-commerce ecosystem, serve 10 million Small and Medium Enterprises (SMEs), create 100 million job opportunities, and serve one billion users worldwide. To provide an easy transaction platform for anyone in the world.

1. Different jurisdictions will have different focus and directions on IP protection.

2. Locally registered rights holders encounter problems when they claim rights in other jurisdictions.

Keep fighting, we're on the way!

Thank You

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