For years, Alibaba has had a rigorous program to protect the intellectual property ("IP") of brand owners around the world. The program has only gotten stronger over the last year, as we have introduced new measures and new technology in our effort to protect IP.

Alibaba’s IP protection program has one overriding objective – the reduction of illicit sales on the Alibaba platforms. All of the measures described below reflect our relentless pursuit of that objective.
# Alibaba’s Global Ecosystem

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<th>Core Commerce</th>
<th>Digital Media &amp; Entertainment</th>
<th>Local Services</th>
<th>Payment &amp; Financial Services</th>
<th>Logistics</th>
<th>Advertising</th>
<th>Data Management Platform</th>
<th>Cloud Computing</th>
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ALIBABA HAS ESTABLISHED INDUSTRY BEST PRACTICES IN IP PROTECTION

Some of the most valuable consumer brands on Alibaba include:

- Apple
- Toyota
- McDonald's
- Microsoft
- Amazon
- Coca-Cola
- Samsung
- Disney
- GE
- Intel

75% of the world’s most valuable consumer brands are now on Alibaba’s platforms.

Based on Forbes’ 2017 list of World’s Most Valuable Brands

Source: https://www.forbes.com/powerful-brands/list
CUMULATIVE EFFECTS OF ALIBABA IP PROTECTION PROGRAM IMPROVEMENTS

More rights holders are working with Alibaba and they are filing fewer complaints.

- 17% increase in the number of registered accounts in our IP protection system
- 42% YoY decline in takedown requests*

*In 2017
In 2017, more listings proactively taken down than removed reactively in response to requests from rights holders. 97% of those proactive takedowns were removed before a single sale.*

* In 2017
24-HOUR TAKEDOWNS NOW THE NORM

Significant improvements to Alibaba’s IP protection procedures and programs resulted in expedited processing of notice and takedown requests.

95% of all takedown requests were handled within 24 hours during business days.

68% Decline in processing time

* In 2017
SHUTTING DOWN AND KICKING OUT BAD MERCHANTS

More than 240,000 Taobao stores were closed*

* In 2017
In 2017, 1,910 numbers of leads provided to police*.

1,606 number of arrests made based on Alibaba leads*.

1,328 number of manufacturing and distribution locations closed down by law enforcement*.

* In 2017
TAKING INFRINGERS TO COURT

Alibaba worked with brands and took the unprecedented step of initiating civil litigation actions.

1. In January 2017, Alibaba sued two counterfeit Swarovski watch sellers.

2. In July 2017, Alibaba won a civil lawsuit in China against a seller infringing upon Mars Inc.’s products.

These are the first legal actions brought in China by an e-commerce company against infringing sellers on its platform.
MAKING IT EASIER FOR SMALL BUSINESSES

Alibaba has launched specific measures tailored for small businesses to protect their IP rights.

- Providing a simple online form for submitting takedown requests
- Expediting takedown requests for all users
- Making it easier to find the Intellectual Property Protection Platform
- Standardizing responses to takedown requests to ensure consistent and clear communication
- Broadening the IACC Market-Safe Expansion program to include more SMEs at no charge
- Participating in the US Patent and Trade Office’s Road Shows nationwide to educate SMEs on our IP protection programs
TRANSPARENT REPORTING ON BRAND PROTECTION

Alibaba leads the industry with our commitment to transparent reporting.

Published its ALIBABA GROUP 2017 IPR ANNUAL REPORT

... and an INTELLECTUAL PROPERTY RIGHTS PROTECTION HANDBOOK
Alibaba collaborates with many brands, industry associations, and IP vendors to identify ways to improve our IP protection program and foster better communication.

**BRANDS**
- Established the Alibaba Anti-Counterfeiting Alliance with 30 globally recognized brands
- Formed a partnership with Kering in August 2017 to protect intellectual property online and offline

**TRADE ASSOCIATIONS**
- International Anti-Counterfeiting Coalition
- Automobile Anti-Counterfeiting Coalition
- Motion Picture Association of America
- as well as many others…

**IP PROTECTION AGENCIES**
Hosted a Vendors’ Day to foster deeper engagement with 3rd parties – like law firms or other service providers hired by rights holders to help them protect their IP.