

ALIBABA'S INDUSTRY-LEADING IP PROTECTION PROGRAM

In 2017, Alibaba enhanced its collaboration with rights holders, law enforcement, industry associations and other stakeholders, and further advanced its IP protection program. Alibaba looks forward to even more success in 2018.

ALIBABA'S IP PROTECTION PROGRAM DELIVERING RESULTS

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



17% **YoY** increase in the number of registered accounts on Alibaba's IPP Platform



42% **YoY** decrease in takedown requests

PROACTIVE TAKEDOWNS ENABLED BY TECHNOLOGY

27x more listings were proactively removed than were reactively taken down in response to requests from rights holders

97% of all proactive takedowns were removed before a single sale occurred

24-HOUR TAKEDOWN NOW THE NORM

Significant advancements in Alibaba's IP protection programs and technologies resulted in expedited processing of notice and takedown requests.

95% of takedown requests were processed within 24 hours*

Representing a **68%** reduction in processing time**

*From June 2017 to December 2017

**Average processing time compared to 2016

SHUTTING DOWN STORES AND KICKING OUT BAD ACTORS

240,000 TAobao STORES WERE CLOSED

SUPPORTING LAW ENFORCEMENT CRACKDOWNS

Alibaba supported law enforcement investigations in 23 Chinese provinces to crack down on the sale of fake goods.

1,910 number of leads provided to the police

1,606 number of arrests made based on Alibaba referrals

1,328 number of illicit locations closed down by law enforcement

4.3 BILLION RMB total estimated value of goods involved

ROBUST TEST-BUY PROGRAM

Alibaba used innovative technology to target potentially problematic products and sellers in its test-buy program.

~100 MILLION RMB average Alibaba spending on test-buy program each year

>100,000 average number of test purchases each year

TAKING INFRINGERS TO COURT

Alibaba worked with brands to take the unprecedented step of pursuing civil litigation.

During 2017 Alibaba filed 12 legal proceedings in Chinese courts against counterfeiters:

- In January 2017, Alibaba sued two counterfeit Swarovski watch sellers
- In July 2017, Alibaba won a civil lawsuit, filed in March, against a seller infringing upon Mars Inc.' products
- In December 2017, Alibaba and Bioderma joined forces to file twin suits in Shanghai and Hangzhou against vendors of counterfeit skincare 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



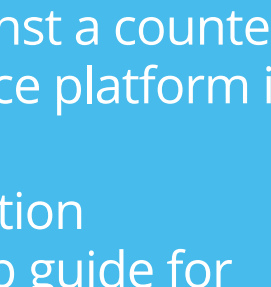
Making it easier to find the Intellectual Property Protection Platform



Standardizing responses to takedown requests to ensure consistent and clear communication



Broadening the IACC MarketSafe® Expansion program to include more SMEs at no charge



Participating in the US Patent and Trade Office's Roadshows nationwide to educate SMEs on our IP protection programs

2017 MAJOR MILESTONES

01

JANUARY

Alibaba sued two counterfeit Swarovski watch sellers, the first-ever instance of an e-commerce platform taking a counterfeiter to court in China

02

FEBRUARY

Alibaba issued a public appeal calling for tougher laws, stricter enforcement and stiffer penalties in China for sellers of counterfeit goods

Alibaba and the International AntiCounterfeiting Coalition (IACC) launched the IACC MarketSafe® Expansion Program

03

MARCH

Alibaba Group Founder and Executive Chairman Jack Ma appealed to Chinese legislators to strengthen the laws and toughen penalties for counterfeiting

Alibaba filed a civil lawsuit in China against a seller infringing upon Mars Inc.'s products. In July, Alibaba won the lawsuit – the first legal victory against a counterfeiter by an e-commerce platform in China

Alibaba published its IP Protection Handbook, a clear step-by-step guide for rights holders

06

JUNE

Alibaba introduced Express IPP to significantly reduce notice and takedown processing time

Alibaba assisted the police in dismantling the largest known Louis Vuitton counterfeit ring in recent years.

07

JULY

Alibaba hosted a Vendors Day to foster deeper engagement with online service providers hired by rights holders to help protect their IP

08

AUGUST

Following the first Rights Holders Day hosted in March in Shanghai, Alibaba unveiled further enhancements to its IPP Platform at its August event in Beijing

Alibaba formed a partnership with Kering to protect intellectual property online and offline

The Cloud Sword Alliance, an intellectual property task force set up by Chinese law enforcement and supported by Alibaba Group, expanded to 13 government entities

09

SEPTEMBER

The AACA established an advisory board to enable members to provide feedback on IP-related policies and procedures and share best practices

11

NOVEMBER

Alibaba held two conferences in Geneva and Milan to engage directly with international rights holders

ONGOING BRAND EDUCATION

Alibaba engaged with more than 30 industry associations representing the interests of thousands of companies from around the world

Alibaba launched courses with public security authorities in 31 Chinese provinces and held a total of 21 sessions of the "Law Enforcement IP Workshops" to exchange information with nearly 700 public security officers

Alibaba co-sponsored both the INTERPOL and EUROPOL IP Crimes Conferences