

Alibaba Group

**2021 Annual Report on
Intellectual Property
Protection**

Introduction

Innovation is the primary driving force of development and prosperity, and a healthy intellectual property (IP) industry is key to promoting innovation. To effectively protect IP, in 2021 Alibaba continued its years-long IP protection strategy to invest in technology, develop new cooperative partnerships, and improve the understanding of IP in society.

Alibaba is fortunate to have a wide network of stakeholders who support and share the same goals. This network encompasses IP rights holders, law enforcement, industry associations, consumer groups, academics and other stakeholders. Online enforcement is complimented with offline enforcement. This includes governance of online transactions, but also in-depth crackdowns against counterfeiters offline, and the ability to disrupt whole supply chains covering production to distribution. Cooperative activities in China and abroad have been increasingly effective in protecting IP collaboratively.

In 2021, Alibaba continued to set international best standards for online governance. By December we had over 640,000 individual IP rights registered for enforcement on our IPP Platform, on which 98% of takedown requests were processed within 24 hours during business days. We upgraded proactive monitoring capabilities once again, working with brands to enable intelligent algorithms to enhance efforts against misuse of digital assets, as well as physical products.

Alibaba's offline investigators worked tirelessly with global rights holders and law enforcement, effecting successful raids and breaking up criminal organizations engaged in the manufacture and sale of counterfeits. In 2021, Alibaba supported public security bureaus across China on a total of 2,685 cases, achieving estimated case values totaling RMB 3.8 billion (roughly US\$600 million). This resulted in the arrest of 1,968 suspects, and serves as a powerful deterrent against counterfeiters.

The Alibaba Anti-Counterfeiting Alliance (AACA) is an industry-leading, collaborative effort by Alibaba and rights holders. By the end of 2021, over one thousand brands from companies around the world were welcomed into the AACA. Through offline investigations, collaboration on proactive measures, and with over 100 authors contributing to *AACA New Insights* articles, Alibaba and AACA members developed and promoted anti-counterfeiting best practices.

2021 also saw Alibaba investing resources in technologies and activities to support the whole of society. This included: expanding our AI-powered Virtual Model tool, to provide 14,000 sellers with authorized images for use; generating 760,000 unique digital copyright identifiers (DCIs) for businesses; working with governments and associations around the world on small and medium-sized enterprises (SME) enablement; supporting anti-piracy crackdowns within the movie industry through our invisible watermarking technology; driving new solutions within specialized fields such as geographical indicators and Olympic Games IP assets; and ramping up IP awareness and education for small businesses and the general public.

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01

Leading Industry Best Practices and Driving Standards for IP Protection

Alibaba has built an all-inclusive, multi-faceted IP protection system to support entrepreneurship, improve innovation, protect the integrity of the online business environment, and foster high-quality economic and social development.

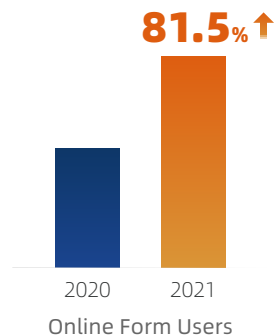
01

Optimizing our Notice and Takedown System, Benefiting a Record Number of Rights Holders

Alibaba attaches great importance to rights owners' online notice and takedown experience on our platforms. That is why we have built and continuously optimized the industry's leading mechanisms for Notice and Takedown, which consider the wide variety of needs from rights holders around the world. These mechanisms include the Alibaba Intellectual Property Protection Platform (IPP Platform), and our easy-to-use online form for takedown requests. By the end of 2021, over 580,000 rights holder accounts had been registered on the IPP Platform, hitting a new high. And the enhanced Alibaba online form enjoyed an 81.5% year-over-year increase in user accounts.

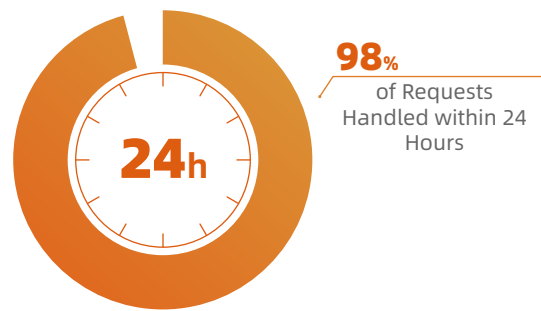


Rights Holder Accounts Registered on IPP Platform



Online Form Users

As the number of rights holders making use of Alibaba's IP protection resources stepped up, for its part, Alibaba spared no effort to improve protection and efficiency. During 2021, 98% of submissions on the IPP Platform were handled within 24 hours during business days.



IP Takedown Requests

The efficient processing of these submissions helped to protect a remarkable breadth of IP rights. By the end of 2021, the IPP Platform recognized and validated more than 640,000 individual IP rights, including trademarks, copyrights and patents.



The Alibaba IPP Platform Has Protected over 640,000 IP Rights

In order to encourage best practice and optimize user experiences for our IP protection resources, during 2021 Alibaba undertook a comprehensive upgrade of the Good Faith Takedown Mechanism. The recent upgrade features a data-rich dashboard to help rights holders improve their digital management capabilities, as well as customized support and targeted guidance. The upgraded mechanism seeks to meet the diversified needs of rights holders and improve the efficiency and success of their IP protection efforts.

Through our ongoing engagement and exchanges with rights holders, Alibaba became aware that certain sellers used falsified documents or other materials to improperly contest takedown requests submitted by rights holders. To address this, Alibaba worked with rights holders through our Anti-Appeal System Abuse cooperation program, utilizing brand knowledge and insights to identify and crack down on the use of forged documents in seller counter-notices.

Case Example: Hegii joined the Anti-Appeal System Abuse program to jointly crack down on counter-notice abuses

In 2021, Hegii Sanitary Wares identified certain instances where sellers were using forged authorization letters, purportedly by Hegii subsidiaries, to contest takedown requests. Alibaba and Hegii, working together, identified different forged documents using noticeably similar form and content, which raised suspicions that the same criminal actor was behind a large number of the forged documents. The Alibaba offline investigations team and Hegii provided information and assistance to law enforcement, leading to raids of the criminal operation's premises. During the raid, law enforcement seized thousands of counterfeits, brand user manuals, registration certificates, and carton packaging that infringed upon Hegii's rights, but could not find where the forged authorization letters were made. However, using intelligence gathered at the initial raid, the operation expanded to a further raid on a premises in Loudi, Hunan province, where the criminal actors forged Hegii authorization letters.

Case Example: Assisting crackdown against forged department store seals

In a separate case, while reviewing materials used to contest takedown requests, Alibaba found a large number of suspicious sales receipts issued by a well-known department store. After determining that the relevant seals and documents were fraudulent, Alibaba referred the matter to law enforcement and assisted the subsequent investigation. In September 2021, Hangzhou City Yuhang police arrested two suspects and found 12 counterfeit company "chops," or seals, during a search of their premises. The result was the breakup of a criminal enterprise that specialized in supporting counterfeiters by forging seals, sales receipts, and other documents relating to a number of department stores.

Testimonial

We were very glad to see that features of forged materials which we identified for the Anti-Appeal System Abuse program have been successfully applied to both online and offline cooperation. Facing the problem of false appeal materials, Alibaba is proactive fighting back, strengthening cooperation with rights holders online, and assisting law enforcement agencies offline to catch the counterfeiters. The crackdown in this case was of great significance. Especially against the background of the Covid-19 pandemic, a special thanks must go to Alibaba for its strong support of IP protection, which even includes hazardous offline investigations and meetings, which are necessary to get the upper hand over criminals in a timely manner. We look forward to continuing to work side-by-side to protect IP rights, and together ensuring a healthy platform ecosystem.

—Hegii Sanitary Wares Co., Ltd.

Voice

02

Upgrading Proactive Monitoring, Protecting Digital Assets

In a digital economy, digital assets are a growth engine. New challenges have emerged regarding the legal application and protection of various forms of digital assets, especially with the rapid development of e-commerce and the rise of new business models. Accordingly, rights holders have increasingly shifted the focus of IP protection efforts to issues such as digital images used for brand advertising and digital store front decorations.

Alibaba continued strengthening its technology-driven proactive monitoring efforts in 2021 to protect IP across its platforms. This included a series of scenario-specific anti-counterfeiting initiatives, and the use of online governance techniques, to crack down on the misuse of digital assets such as unauthorized image use. Working closely with rights holders, we incorporated more brand knowledge than ever into our intelligent algorithms. In 2021, the volume of brand knowledge provided by rights holders increased by 319% compared to the previous year, and included incorporation of over 22,000 images.



Brand Knowledge Provided by Rights Holders for Intelligent Algorithms
Increased by 319%, Including 22,000 Images

Through collaboration with rights holders, who provide brand knowledge, Alibaba has become increasingly effective at customizing its proactive monitoring algorithms around each rights holder. Through deep and ongoing engagement with these rights holders, in 2021 Alibaba was able to calibrate, recalibrate, and optimize its algorithms to maximize their accuracy and effectiveness. Suspected infringing samples identified by the algorithms are delivered to rights holders for their review and verification, and where appropriate, action is immediately taken to remove the infringing products or content with a single click.

Testimonial

Xiaomi and Alibaba have been cooperating on proactive monitoring for several years. Since the program's latest upgrade this year, together we have been able to curb infringement even more effectively, greatly reducing the cost of enforcement for rights holders, and supporting the healthy development of our business.

—Cynthia Liu, Director of Legal Department, Xiaomi Inc

The recent improvements to Alibaba's online brand protection platform, including its enhanced proactive monitoring mechanism and revamped AACA IP Protection Portal, have significantly strengthened its ability to efficiently and effectively collaborate with brand owners, and enforce against infringers. We look forward to continuing to collaborate closely with Alibaba on effective approaches to combat IP infringement in the online space.

—Treasury Wine Estates

Testimonial

Thanks to this interactive cooperation model, we were able to calibrate algorithms in a targeted way around certain infringement characteristics. This was smart cooperation, achieving desired results with half the effort.

—Legal Department, Spin Master

We are very pleased to see that proactive monitoring program continues to be upgraded, and the extension to cooperate on image piracy governance provided a new avenue for our work. We look forward to continuing to combine our professional experience with Alibaba's intelligent algorithm technology to improve the efficiency of online intellectual property protection cooperation.

—APM Monaco

03

Supporting Law Enforcement, Creating Powerful Anti-Counterfeiting Deterrents

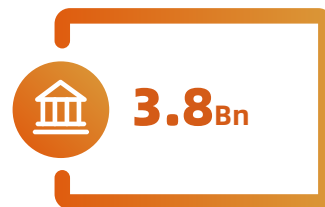
To fundamentally curb the production and sale of counterfeits, Alibaba utilizes intelligent algorithms to support both criminal and administrative law enforcement agencies engaged in IP enforcement. In 2021, Alibaba helped public security departments across China to combat counterfeits offline. A total of 2,685 counterfeit cases were cracked, with estimated case values totaling RMB 3.8 billion (roughly US\$600 million). This resulted in the arrest of 1,968 criminal suspects. During 2021, Alibaba also invested significant resources in special anti-counterfeiting activities for product categories related to consumer health and safety.



Alibaba Supported Police on a Total of 2,685 Offline Cases



Resulting in 1,968 Arrests



Covering a Total Case Value of RMB 3.8 Billion (Roughly USD 600 Million)

Cracking down on counterfeit auto parts to ensure transport safety

Counterfeit and shoddy auto parts naturally threaten public safety as well as IP rights, and aggressive action to crack down in matters of public safety is of paramount importance. In 2021, law enforcement agencies in Zhejiang and Guangdong provinces, with the help of Alibaba, Ford, Honda, Geely, Jaguar Land Rover, and other automobile brands, successfully investigated a number of cases involving the sale of counterfeit auto parts, including wheels, tires, and windshields, across several e-commerce platforms.

Case Examples: Contributing to pharmaceutical and aesthetic medicine safety

In 2021, under the supervision of the Food, Medicine, and Environment Crime Investigation Office of Guangdong Provincial Public Security Department, Alibaba carried out operations to take down 30 large-scale counterfeit medicine and mold production sites, leading to the arrest of 43 criminal suspects. A large number of counterfeit medicines and semi-finished medicines, including Pien Tze Huang, An Gong Niu Huang Wan, and Dong-E-E-Jiao, were seized during the raid. Officials also seized molds, packages, and packaging equipment. The estimated case value totaled almost RMB 120 million (roughly US\$19 million).

On November 25, the Ministry of Public Security announced a crackdown on the illegal production and sale of aesthetic medicine products. Alibaba held two online seminars with rights holders, including Allergan, Johnson & Johnson, Novo Nordisk, Imeik, and Thermage, as well as law enforcement agencies in Shanghai, Jiangsu, Zhejiang, Henan, to discuss how applicable laws could be utilized for offline cases, as well as regulation around aesthetic medicine products. On the back of these exchanges, Alibaba successfully assisted law enforcement agencies in Guangdong, Jiangsu, Anhui, and Jilin provinces with the execution of six criminal cases in a coordinated campaign.

Case Example: Cross-border cooperation against counterfeit bicycle accessories

Using a test-purchase strategy to determine counterfeiting of their bicycle brand, Specialized shared with Alibaba that it had discovered multiple sellers offering large quantities of fake carbon fiber bike frames and helmets across several e-commerce platforms. Alibaba's offline investigation team cooperated with Nanjing police to carry out analysis of elements relating to its own platforms, and together mapped out the syndicate's entire supply chain and sales network. In March 2021, Nanjing police launched a series of raids against four facilities in Dongguan City responsible for the production, spray painting, assembly and distribution of the counterfeit products. 25 criminal suspects were arrested, and police seized over 1,000 fake helmets and finished carbon fiber frames, 800 semi-finished frames, and more than 2,000 other carbon fiber components. The estimated case value was RMB 10 million (roughly US\$1.5 million).

Case Example: Investigating illegal food workshops to ensure public health

In September 2021, a medium-sized food brand based in Guangzhou found that someone was selling counterfeits of its branded corn syrup products. When the brand owner tried to negotiate the cessation of the counterfeiting activity with the online vendor, it discovered that the vendor's business license was forged. The company came to Alibaba's offline investigations team for help. The Guangzhou administrative law enforcement body prioritized the case because of its public health implications, and with assistance from Alibaba, raided the criminal business just one week after receipt of the report. The case showed that determined collaboration between multiple parties leaves even the most determined counterfeiters with nowhere to hide.

Over several years, Alibaba has been increasing its cooperation with rights holders on product authentication. The goal is expansion of offline case development. As of the end of 2021, we now have capacity for authenticating products relating to over 700 different brands. This network, combined with Alibaba's intelligent algorithms for lead development, continued to facilitate new opportunities for offline crackdowns in 2021 together with law enforcement agencies.



Product Authentication Cooperation with Rights Holders Now Facilitates Verification for over 700 Different Brands

Case Example: Product authentication cooperation to tackle Ordos trademark infringement

Through our product authentication program, Alibaba identified suspected infringing goods of the apparel company Ordos. Once reviewed and confirmed by Ordos as infringing, the sellers were reported to the Tongxiang and Chenzhou Market Supervision and Administration Bureaus. Bureau officials conducted raids and seized over 5,000 infringing clothing products bearing trademarks including ORDOS, as well as packaging materials and accessories. The value of the seized goods in the two cities totaled over RMB 2 million (roughly US\$300 thousand). In this case, early cooperation between Alibaba and the brand owner on product authentication led quickly to highly productive raids, maximizing the resources of law enforcement.

Case Example: Red Bull product authentication cooperation

As a result of close collaboration and exchanges with the energy drink brand owner TCP Group, Alibaba's intelligent algorithms were able to detect a suspected counterfeit seller, and provided the suspected counterfeit product listings to TCP for product authentication. On November 27, with the help of TCP Group and Alibaba, the Public Security Bureau raided and dismantled a production, supply, and sales network of counterfeit Red Bull energy drink products. More than ten suspects were arrested, and the case value was estimated to be in excess of RMB 10 million (roughly US\$1.5 million). The successful action also marked the brand's first criminal case against a complete beverage can packaging production line in China.

Testimonial

In recent years, Jaguar Land Rover has been strengthening its brand protection. It has carried out a comprehensive crackdown on infringement from various angles and levels, effectively standardizing the after-sales auto parts market of Jaguar Land Rover and improving the business environment, by cleaning up the market, strengthening investigation in key areas and digging out large-scale counterfeit sellers and source manufacturers. Our comprehensive cooperation through AACA has once again successfully proved the efficiency of the joint governance system: "law enforcement agencies + brand rights holders + Alibaba." This cooperation model can successfully integrate anti-counterfeiting technologies and resources of all parties and upgraded the anti-counterfeiting rights protection capabilities of rights holders to a new level.

——Shen Yaqing, Deputy IP Manager of Jaguar Land Rover (China) Co., Ltd.

Our offline case, so far the most successful in the cycling industry, is exemplary of the close collaboration between right holders, e-com platforms, and law enforcement.

——Andrew Love, Brand Security and Global Investigations and Legal Enforcement,

We were pleased that in 2021 Alibaba continued to embrace the principle of technology-enabled governance for IP cooperation. Due to this approach, we succeeded in identifying a number of infringers together. Alibaba's authentication cooperation test purchases together with subsequent data analysis played an essential role in developing O2O leads, particularly in supporting police crack downs in Liaoning and Jiangsu provinces against criminal networks involving production and distribution of counterfeit personal care products. Entering the Year of the Tiger, we look forward to continuing this high-tech, collaborative approach to IP protection as Alibaba's supporting partners.

——Brand Protection Unit, Beiersdorf AG

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Voices

02

Investing in Technology to Boost Capabilities

In 2021, as in years past, Alibaba invested heavily to create innovative IP technologies. As a front-runner in industry technologies, Alibaba has managed to continue to improve our IP protection capabilities amid the challenges presented by new business models, and unique situations, contributing to creating a better and more innovative environment.

01

IP Rights Protection Tech Brain: Continuously Upgrading Core Anti-Counterfeiting Technology

The goal of developing IP technologies is to better unleash the value of IP rights (IPR). In 2019, Alibaba publicly detailed key features of its core anti-counterfeiting technology — IPR Protection Tech Brain. It is an algorithmic technology system that incorporates a wide range of online and offline anti-counterfeiting features, and leverages the extensive anti-counterfeiting experience accumulated by Alibaba over the past 20 years. In 2021, Alibaba continued to introduce innovative technological breakthroughs in IPR Protection Tech Brain, such as image recognition and multi-modal recognition, and apply these new features in business practices.

In 2021, the "Image model with limited data" technology won two international championships — the ICCV 2021 VIPriors Image Classification and ICCV 2021 VIPriors Object Detection Challenge. Emergent or new problems encountered in real-life business situations often arise due to time and resource limitations. It is challenging to collect sufficient sample data to train algorithms in a short period of time. To address this challenge, the competitions explore how to improve the learning efficiency and detection accuracy of algorithms when only a few training samples are available. The technical features incorporated in the solutions for the competitions have been applied to serve hundreds of enterprises in wide-ranging business scenarios.

Alibaba does not just focus on its own interests or the business needs of its platforms. For example, Alibaba also proactively invests resources to help the academic community and related industries achieve breakthroughs and innovations in cutting-edge technologies. In 2021, Alibaba, the Institute of Computing Technology of the Chinese Academy of Sciences, and Tsinghua University hosted a competition called "Tracking Robust Defense Object Detection", the first of its kind in the world. 36,000 teams from 600 institutions and enterprises around the world participated in this competition. This endeavor helps boost the ability both to defend against online infringements, and also to detect and identify trademarks as used in various online business scenarios.



Tracking Robust Defense Object Detection Competition, with 600 Institutions and Enterprises Taking Part

02

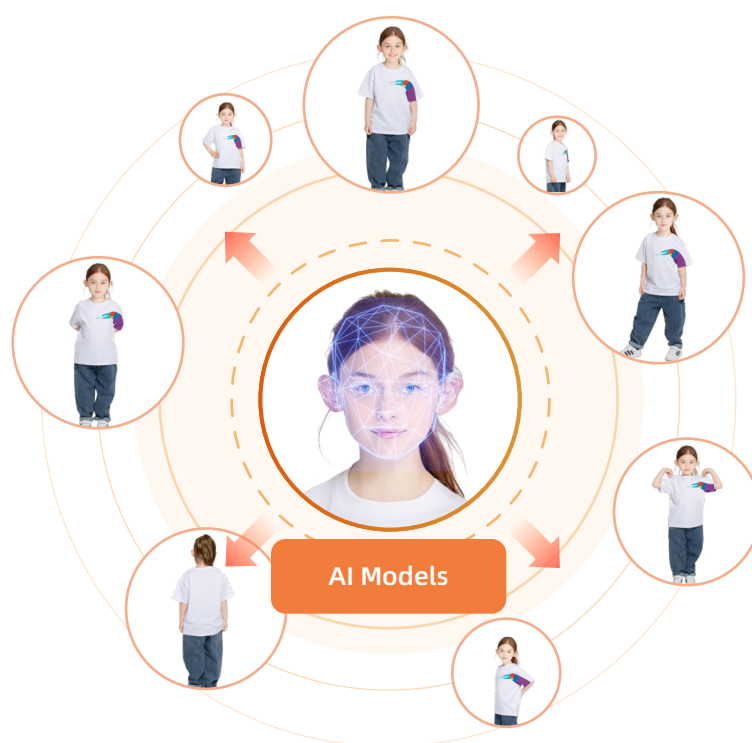
The AI-powered Virtual Model: Inspiring Innovation with New Technology

In late 2020, Alibaba launched China's first AI system for creating photos of virtual models wearing apparel, Virtual Model, on our Original Designs Platform. The related algorithms have been included in top international academic conferences such as CVPR, ACM MM, and AAAI, and Alibaba has applied for five national invention patents for this AI system. Virtual Model was independently developed by Alibaba to provide fashion-model static photo solutions for apparel sellers. It is available for free on Taobao, Tmall, 1688, and Alibaba.com, thus reducing the labor and financial investment required for new product releases. In addition, it discourages photo misuse by providing an innovative solution to product photo needs. As of December 31, 2021, more than 14,000 merchants had used Virtual Model, and the system had generated more than 270,000 virtual model images.



Over 14,000 Merchants Used the Virtual Model System, Seeing
Alibaba's AI Producing More than 270,000 Authorized Photos

Throughout 2021, Virtual Model underwent continuous upgrading, with a focus on entrepreneurship and innovation in the apparel industry. Developments in 2021 focused on three main areas. First, upgrades provided a wider variety of uses for virtual models, including virtual models for children's clothing. Second, the system expanded to be available for use on a wider range of clothing categories and styles. By improving algorithm technology, the system incorporated capabilities to reproduce alternative clothing styles and materials, benefiting more sellers than ever before. Third, an added feature helps sellers of original works shorten the design process. A designer only needs to upload a draft pattern vector diagram to see how the apparel concept would look on a virtual model. This helps accelerate the process from product design to incubation.



Low Cost and High Efficiency Generation of AI-Rendered Model Images

In addition to existing static photo solutions, Alibaba will next explore the use of the technology in short video and live-streaming in order to offer the Virtual Model technology to sellers in more business scenarios. These efforts will aim to leverage technology to reduce operational costs, unlock greater productivity, boost competitiveness, enhance the consumer experience, and add diversity to the ecosystem of the entire industry.

It is difficult and expensive for merchants to engage professional models and photographers for photo shoots at the rate necessary to keep pace with new product releases, especially during peak sales seasons. Many SMEs are forced to compromise quality in order to reduce costs and produce product photos in a timely fashion. Some sellers use photos of models provided by service providers. While accurate, and authorized, these photos are used by dozens of stores, which reduces their uniqueness and value. However, hiring professional models and photography teams to shoot a set of original photos can cost RMB 500 to 2,000 (US\$80-300), and annual cost of model photos can range from RMB 200,000 to 1,000,000 (US\$30,000-150,000). Posting photos featuring only the product, and without models, likewise reduces costs and time, but similarly lacks uniqueness and place the merchants at a disadvantage. In short, consumers want to see how the apparel looks on a model, and products photos with models lead to better sales. Faced with these choices, too many sellers opt for a less than ideal consumer experience or use unauthorized photos, despite the legal risks.

Seller Story

Mr. Lv, an owner of an apparel store on Taobao, was among the first to test Virtual Model after it first launched in late 2020. Now he uses Virtual Model to generate images for all his products. He says Virtual Model is easy to use, as he only needs to take "flat-lying" photos of the apparel, and after uploading to Virtual Model, he can get ready-to-use model photos within just one day. The generated model photos are satisfying, and the service is available for free. In the peak sales season, rapid updates are required and a large number of products need to be processed, so Virtual Model can meet his business needs even during the peak sales seasons. "Virtual models are well-suited for showcasing our apparel characteristics. And the Virtual Model system is easy to use and makes it faster to launch new products. This way, we can focus more on design."

Cooperation to Prevent Image Theft and Copying of Stores

An unfortunate trend that has recently attracted industry attention is cases in which bad actors copy popular product images and storefront designs from stores from one e-commerce platform, and use them to open imitation stores on another platform. Typically, the bad actors imitate the original stores, and sell similar products at lower prices made with cheap materials. It not only misleads consumers, but also damages the legitimate rights and interests of others, and even reduces the space and enthusiasm for innovation.

Alibaba officially launched the Original Design Platform in 2018, providing a one-stop, in-platform, solution for original design recordation and protection within our platforms. Many forms of original works are protected within the platform, and it helps merchants to conduct preliminary verification of product image and short video originality, and enforce corresponding recorded priority of rights. And now having incorporated the AI Virtual Model technology, the platform also provides original image generation solutions for apparel merchants, directly reducing their operating costs.

The trend of misappropriating photos and copying e-commerce storefronts, creates new challenges as there are limits to what any one individual platform can do alone. Meanwhile, small, medium and micro businesses which have their images stolen and stores mimicked often find they are unable to file takedown requests between platforms. As such, small online businesses have been appealing to major e-commerce platforms and regulatory authorities to come together and take measures to effectively govern and crack down on such behavior.

In 2021, the Market Supervision and Administration Bureaus of Zhejiang, Jiangsu, Fujian, Hebei and Shenzhen investigated and cracked down on several cross-platform anti-unfair competition case related to online stores, marking a fresh determination by market supervision officials to use the Anti-Unfair Competition Law to regulate cross-platform copying by e-commerce sellers. Alibaba will actively cooperate with regulators on such cases in the future, and develop solutions to the challenging new trend of cross-platform copying. We call on all relevant stakeholders to step up governance and communication, exploring new models that are conducive to high-quality commercial development and the protection of original ideas and designs.



Invisible Video Watermarking: A New Line of Defense for Multimedia Copyright Protection

Unauthorized "camcording" in cinemas for illegal online distribution, and screenings of theatrical release movies in "movie bars," are unfortunately both common these days. These activities not only infringe the lawful rights and interests of the right holders of the films, but also disturbs the market for sales of film copyrights, further harming the film industry.

In April 2020, invisible video watermarking, a core technology in Alibaba's intellectual property protection program, successfully passed nearly 100 blind test projects launched by Hollywood's authoritative testing company. This was the first time that a technology team from China has obtained this certification. Video watermarks cannot be deleted or modified, and early warning is automatically triggered when a pirated film work recorded by camera or mobile phone is published. The copyright owner can then extract the watermark information and trace the source to protect the IP.

Digital watermarking has a broad application prospect and great economic value, and provides a robust defense against movie piracy. The need for an effective method of copyright protection is seen as essential for multimedia digital products such as images, audio files, and video files amid the accelerated development of digitalization in all walks of life.

Case Example: Combating film piracy and safeguarding copyright for Spring Festival films

To protect the IP rights of films screened around the 2021 Spring Festival, the Food- and Drug-Related Crime Investigation Bureau of the Ministry of Public Security, together with the National Copyright Administration and the Film Administration of the Publicity Department of the CPC Central Committee, carried out operations to combat the unauthorized camcording and illegal dissemination of cinema films. Their investigation revealed that a number of Spring Festival films were screened illegally in brick-and-mortar movie bars. Between February 15 and March 27, the Jinhua Public Security Bureau, with the aid of Alibaba's core technologies, effectively cracked down on film piracy associated with the Spring Festival — camcording of cinema films, unauthorized transactions and distribution, screening of pirated films in movie bars, and illegal dissemination online. Nineteen criminal suspects from twelve cities in eight provinces were arrested. This was one of ten model cases of IP criminal enforcement successes highlighted by the Ministry of Public Security in 2021.

Case Example: Protecting copyrighted works on toys

Alpha Entertainment, China's first publicly listed animation company, discovered that toy products suspected of infringing its copyrights were being sold on several e-commerce platforms, including Alibaba's, and contacted our offline investigation team for help. In 2021, with the support of Alpha and Alibaba, the Raoping County and Chenghai Public Security Sub-Bureaus simultaneously raided eight criminal operations producing and selling infringing toy products, a highly successful effort enabled by both cross-city and multi-party collaboration. Authorities seized over 90,000 infringing toys worth more than RMB 7 million (over US\$1 million).

03

Driving New IP Solutions for Specialized Industry Sectors

In 2021 Alibaba actively explored new in-depth solutions and pilot cooperation programs in emerging and specific fields, in a bid to foster comprehensive and accessible IP protection.

01

Supporting Geographical Indication Protection and Development

As the brand effect and market influence of geographical indications (GIs) continue to grow, international exchanges, cooperation, and related best practices for the protection of GIs also continue to increase. Alibaba is committed to the protection of GIs and improving the market environment for businesses making products which rely on GIs.

Alibaba offered professional services to help enterprises learn about the latest IP tools and practices on its platform, reduce their costs, and improve IP rights protection efficiency. As of December 2021, Alibaba has protected 79 geographical indicators from around the world.



Geographical Indicators Protected

Case Example: Protecting the brand awareness and reputation of “Yanling Yellow Peach”

Yanling Yellow Peach was certified as a National GI for China in 2016 and an Agricultural Product GI in 2020. Yanling Yellow Peach is now a resounding business card for the region’s specialty agriculture, cultural tourism, and health industries. To better protect the “Yanling Yellow Peach” GI rights, Alibaba joined an IP rights protection working group formed by the local market supervision departments of Zhuzhou City and Yanling County and the Yanling County E-Commerce Association.

Off the back of the working group meetings, Alibaba also set up a dedicated channel to handle infringement cases and complaints for Yanling Yellow Peach more efficiently and conveniently.



The First Digitalized Production-Supply-Sales Platform Has Helped 40,000 Peach Farmers Increase Their Income

Case Example: Fueling Hong Mei Ren tangerines' IP development

In 2021, the Alibaba Digital County initiative extended its partnership with the Xiangshan government, started in 2020, to enhance the online brand recognition and value of Xiangshan tangerines. Since then, Alibaba also supported the rights holders of the regionally well-known "Xiangshan Tangerines" and "Xiangshan Hong Mei Ren" GIs, to successfully make use of Alibaba's IPP Platform, filing takedown requests and effectively combating all infringing listings found. The farmers from Xiangshan also formed close ties with professional cooperatives, and products were sold to Alibaba's high-tech supermarket chain Freshippo. Through online and offline marketing together on Freshippo, the high-quality tangerines sold at competitive prices, bringing well-earned profits for farmers. By understanding digital tools, the farmers were able to effectively protect their rights in this traditional industry, and grow their business. In the future, Alibaba will continue to explore new ways to leverage digital technology to help farmers, from brand management and IP application services to production and sales optimization.



Signing Ceremony of Cooperation between Xiangshan County Citrus Industry Alliance, Alibaba Digital County, and Regional Economy IP



Hong Mei Ren Tangerines Harvest in Xiangshan

Case Example: Combating counterfeit geographical indications for Bordeaux red wine

Alibaba supported the Jiaxing Public Security Bureau crack down on criminal gangs manufacturing and selling counterfeit red wine from Yantai City, Huai'an City and Jiaxing City that infringed the geographical indications for the Bordeaux region of France. The Bordeaux Wine Council (CIVB) manages the protection program for all Bordeaux GIs. The Jiaxing Public Security Bureau seized 6,000 bottles of red wine and over 12,000 labels that infringed the GI of Bordeaux. The estimated case value reached RMB 5 million (around USD 800 thousand).

Case Example: Cooperation on Italian Geographical Indicators

Alibaba works with industry associations and government officials around the world to provide special protections to GIs. Such efforts include long-standing cooperation with the Italian Central Inspectorate for Food Quality and Fraud Repression. With valuable input from the Central Inspectorate, Alibaba is able to help protect 42 of Italy's most iconic and valuable exports protected by GIs, such as Mozzarella di Bufala Campana, Aceto Balsamico di Modena, Tuscan Extra Virgin Olive Oil, and Prosecco, and Chianti Classico wines.

Testimonial

We have a long-standing collaboration with Alibaba Group in fighting infringing geographical indications in the agri-food sector. This is an extremely relevant compartment for the country's economy and for which Italy is renowned worldwide and we are deeply committed to protecting operators and consumers alike. We have found a relevant partner in Alibaba on this. We have been working successfully with Alibaba for 6 years and using their reporting system, the IPP Platform, which is a very easy and effective tool.

—Felice Assenza, Chief of the Italian Central Inspectorate for Food Quality and Fraud Repression



Supporting the Winter Olympics and Major Sporting Events

In 2021, Alibaba and the Organizing Committee for the Beijing 2022 Winter Olympic and Paralympic Games signed a Brand Protection Cooperation Memorandum to support the Committee in protecting IP related to the Olympic brands and official merchandise. Creating fast and efficient communication channels, Alibaba guaranteed a response time of 24 hours for requests relating to Winter Olympics IP. We also conducted publicity and awareness activities regarding Olympic IP protection across all Alibaba platforms to improve understanding and appreciation for the Olympic brand.

Alibaba also set up a special initiative to drive offline actions in support the Olympic Games, working closely with local public security bureaus on crackdowns against related IP violations. Through lead development by the Alibaba offline team, we assisted police in several cities, including Beijing, Quanzhou, and Nanjing, to carry out a coordinated campaign. Forty leads developed to Alibaba to assist the police, led to offline crackdowns spanning more than ten cases. The cases concluded in taking down over 20 facilities, including production sites, storage warehouses and premises used for sales. Over 200,000 goods were seized, including dolls, as well as more than 200,000 infringing trademarks labels. The estimated case value was RMB 200 million (roughly US\$ 31 million).

Case Example: Case Example: Protecting national team Olympic Games uniforms

Alibaba's offline investigations team played an essential role in protecting the IP of Olympic products and merchandise during the Winter Olympics. This included assisting the Fujian Provincial Public Security Bureau in carrying out a special crackdown on counterfeits related to medal-ceremony and national team competition uniforms. On October 25-26, 2021, Fujian police executed raids across China, including in Sichuan, Shandong, Henan, and Chongqing. They detained 12 suspects and shut down ten counterfeit production sites, six storage facilities and 11 premises involved in sales.

Testimonial

Alibaba has been incredibly supportive of Danish rights holders, when intellectual property protection issues are raised. For instance, during Denmark's successful run at the Euro football competition last summer, Alibaba took special efforts to protect the rights of official branded sportswear sold online. We thank Alibaba for always being available to protect the rights of Danish enterprises.

—Jesper Herold Halle, Commercial Consul, Consulate General of Denmark in
Shanghai


03

Book Copyright Protection Program 2.0: Supporting the Revitalization of Culture and Education

In 2021, Alibaba continued to fulfil its commitment to protect copyrighted books, building on a years-long effort. The formal initiative started in 2018, when Alibaba launched a Book Copyright Protection program in partnership with the Anti-Piracy Alliance of Beijing publishers. Alibaba and other signatories committed to the protection of copyrighted books, and agreed to promote the availability of authentic books for purchase and enjoyment by consumers, thereby contributing to the revitalization of this important sector for culture and education. Following the demonstrable success of the 2018 undertaking, in October 2021, Alibaba and the Anti-Piracy Alliance gathered at the China International Copyright Expo and jointly announced an upgraded initiative, the Book Copyright Protection Program 2.0.



Alibaba and the Anti-piracy Alliance of Beijing Publishers
Released the Book Copyright Protection Program 2.0



According to Program 2.0, Alibaba has further upgraded its proactive monitoring and governance to protect copyrighted books. By working with the copyright holders, the program expanded the scope of cooperation from new books to all books on the market, especially classics and bestsellers. Alibaba's intelligent algorithms identify suspected infringing book listings for review by rights holders, who can take down the listings using a special one-click functionality. This feature not only reduces the time and costs for rights holders to find links to pirated copies, but also greatly cuts down the cost of filing complaints. Meanwhile, the combination of intelligent algorithms and rights holders' piracy identification capabilities has led to improved accuracy for Alibaba's proactive monitoring across its platforms.

04

Social Responsibility: Bringing Society's Stakeholders Together to Protect IP

Effective IP protection requires the participation of the whole of society, with each stakeholder group making a special contribution. Adhering to our ethos of joint governance, in 2021 Alibaba strengthened IP cooperation with a wide range of stakeholders, both in China and around the world.

01

Utilizing Innovative Public Initiatives

1. Harnessing the DCI System to Protect Copyrighted Works

In 2015, the Copyright Protection Center of China (CPCC), the national copyright public service institution, led the formulation of the industry standard for unique Digital Copyright Identifiers (DCI) (CY/T 126-2015), and promoted its elevation to a national standard in 2017. As both an innovation in digital copyright standardization and a form of authorized certification, the DCI System can ensure that every digital copyrighted work obtains a unique DCI code for use in cyberspace. It enables a whole set of applications, such as copyright ownership verification, rights licensing and transactions, and copyright protection and enforcement.

As mentioned above, in 2018, Alibaba launched its Original Designs Platform, allowing Taobao and Tmall merchants to record and protect their original works and product images after verification.

In August 2021, Alibaba Original Designs Platform was upgraded to incorporate the DCI System, and represented the official launch of DCI as a standardized copyright protection tool. It allows the merchants on our platforms to complete copyright ownership verification and obtain a DCI code when they upload photos of their original products taken by themselves.

By the end of 2021, the Original Designs Platform had extended copyright protection to over 700 million images, over 35 million short videos, and over 420,000 design drawings used by sellers on Alibaba's e-commerce platforms. With the assignment of more than 760,000 DCI codes, it has helped over 10,000 merchants running business on Alibaba.

An online store operator who has been on the Alibaba Original Designs Platform for several years said, "Getting copyright recordation confirmation easily greatly shortens the path for protecting original designs. Allowing small and medium-sized sellers to obtain a DCI code, provides a basis for subsequent rights protection and transactions. It can effectively solve the dilemma that we dare not put good original designs on the internet for fear of copying, or have no choice but to accept plagiarism."

Looking to the future, Alibaba will continue to come up with practical applications for technology to support IP protection, and will work closely with CPCC on the next iteration of the DCI System. We will also seek to ensure that DCIs find new practical applications, expanding copyright protection on the Internet and boosting development of the digital economy.

2. Government-Platform Initiatives to Support Local Business

On March 30, 2021, Baiyun District Bureau of Market Supervision & Administration in Guangzhou, together with the Cosmetics Industry Promotion Association of Baiyun District and brand representatives from the AACA SME Advisory Committee, held an online IP seminar. During this seminar, the Baiyun District Bureau of Market Supervision & Administration announced the "Spark Project." It aims to help enable SMEs protect their IPR through training and support. The project, collaboratively launched with Alibaba, assesses needs of SMEs, and with guidance of local government, devises and implement suitable solutions for SMEs, tracking the results as SMEs ramp up their IP capabilities.

Testimonial

To protect intellectual property rights is to protect innovation. It is not enough to crack down on counterfeit infringement by government departments alone. The key to solve the problem is that enterprises themselves need good intellectual property protection capabilities, forming a complete IP protection system together. In this process, Internet enterprises with social responsibility like Alibaba, need to provide relevant support for small and medium-sized enterprises to safeguard their intellectual property rights and create a good business environment. "Spark plan" is an innovation of government-enterprise cooperation to help small and medium-sized enterprises, which is very meaningful.

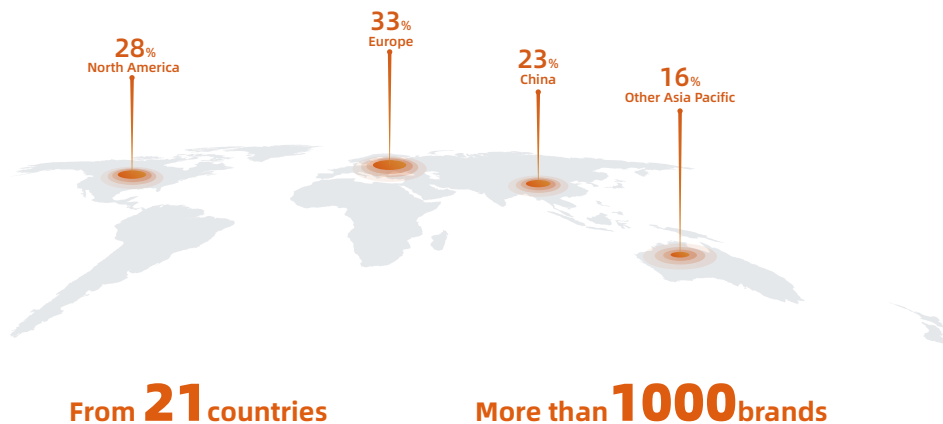
——Guangzhou Baiyun District, Market Supervision Bureau Fraud Repression

02

Cooperative Alliances Achieve New Scale, with AACA Covering 1,000 Brands

1. AACA Continued to Enhance its Industry Leadership, and the Impact of Joint Governance

The AACA has developed into a strong intellectual property community, and by the end of 2021 the alliance was comprised of 207 rights holder members, covering more than 1,000 brands, from around the world. Based on the concept of joint governance, these rights holders have shouldered equal responsibility in successful IP protection efforts. The membership of valued partners represents a trusted and inclusive collaboration coming from 21 countries, with European brands accounting for 33%, American 28%, Chinese 23%, and Asia Pacific 16% of the AACA membership. AACA has developed a sophisticated and widely accepted multi-party model which represents a novel approach to protecting IP.



In 2021, Alibaba teamed with rights holders to work on the most urgent and difficult issues facing their industries, looking for new solutions as a team. The AACA Advisory Board, the Alliance's governing body, solicited input from its membership regarding the key needs of all rights holders involved. The Advisory Board set up special research groups and organized discussions on how to best drive key interests of the community. They discussed promoting China-wide standards on e-commerce IP protection and best practices for admission of electronic evidence in law enforcement proceedings.



Seminar on Admissibility of Electronic Evidence



Panel on IP Standards for E-commerce Platforms Protection

AACA and its members have jointly published the industry journal *AACA New Insights*, which is a periodical publication available as an open subscription. *AACA New Insights* shares the IP practices of members as well as relevant policy and research results with rights holders around the world. As of December 31, 2021, the *AACA New Insights* social media account has published more than 130 articles in total, and bilingual journal has published four issues. More than 100 authors from government, universities, rights holders, law firms and associations have shared experiences, and expressed opinions via *AACA New Insights*. 2021 topics included practical suggestions for both online and offline enforcement, the latest regulatory developments, legal trends around notice-and-take-down requirements, and how technology is being used in IP governance. By delivering both excellent content and profiling industry thought leaders, *AACA New Insights* has gradually become a platform of choice for IP practitioners who want to share their thoughts.



AACA New Insights Has Published More than 130 Articles, with over 100 IP Thought Leaders Sharing Experiences and Expressing Opinions

Established in 2020, the IP Eagle Awards have proven to provide rights holders and the IP practitioner community with a new avenue for exchanging best practices and sharing case studies. The awards season sees nominations, voting by members, and an awards ceremony. These processes and events have proven to be an effective way for members to learn and debate the strategies and tactics of other rights holders, and also to exchange views on how partnerships can lead to benefits for the whole industry. At the annual awards ceremony, held in Wuhan in October 2021, a total of 20 awards were announced, spanning three categories covering partnerships, practices and outstanding individuals.



2020-2021 IP Eagle Awards Ceremony

Award Name	Winners List
Outstanding Individuals	Johnson & Johnson Alan Liu
	Richemont Niklas Fu
	Joyoung Mao Yan
	Xiaomi Liu Yanxia
Best Practices	Uniqlo Civil Litigation Cooperation
	Erdos Amap Cooperation and Consumer Reporting
	Xiaomi Proactive Monitoring Cooperation
	Richemont Proactive Monitoring Cooperation
	Bandai Public Awareness Program
	Richemont Policy and Theoretical Study
	Johnson & Johnson Offline Case Cooperation
	Allergen Offline Case Cooperation
	Victoria's Secret Offline Case Cooperation
	Louis Vuitton Offline Case Cooperation
	Mattel Offline Case Cooperation
	Treasury Wine Estate Offline Case Cooperation
	Moët Hennessy Offline Case Cooperation
Luxottica Offline Case Cooperation	
Best Partnerships	Publishing & Software Industry Working Group
	Personal Care Industry Working Group

2. Enabling SMEs Through Inclusive Partnerships

"To make it easy to do business anywhere" is the mission of Alibaba Group. This includes IP protection. Alibaba protects the IP of SMEs just as strongly as large enterprises and businesses.

Alibaba's support for SMEs has included the development of special mechanisms, and new technologies, to better support SME enforcement efforts. In late 2020, Alibaba launched the Simp'Ali IPR Cooperation Program, which simplifies the notice and takedown processes for participating SMEs, strengthening support for them on the IPP Platform. In 2021, more than 600 enforcement accounts of SMEs were incorporated into Simp'Ali, saving time for SMEs and reducing the complexity of filing takedown requests.

In 2020, to further enhance direct communication with SMEs, AACA announced the establishment of the SME Advisory Committee (SAC). Through the in-depth cooperation, SAC aims to ensure that SMEs from around the world can work with Alibaba to develop better and more comprehensive IP services over time. As of December 2021, SAC has 11 Chinese members and 20 European and American members, spanning more than 10 industries.

SAC is an excellent forum to help ensure cooperation between Alibaba and SMEs. Alibaba, while helping SMEs improve their IP awareness and protection, learns more about the particular IP problems facing SMEs. In 2021, SAC held a number of professional forums and one-on-one dialogues to help SMEs learn about IP laws and regulations and to discuss common hot issues and pain points for SMEs in different industries experiencing rapid growth. These included: how to improve online IP capabilities; how to cooperate with law enforcement agencies to crack counterfeit industry chains; and understanding broader trends in online infringement and counterfeiting. SAC also invited brand representatives and academic experts from different industries in AACA to share experiences and suggestions with SMEs on how to effectively promote the joint governance for anti-counterfeiting.

Testimonial

Alibaba helped us a lot with online and offline rights protection, which is of special significance for the rapid development of SMEs. Through the cooperation with SAC, we acquired better knowledge about platform rules and cooperation projects, and greatly improved the efficiency of rights protection. At present, the pass rate of our complaints on the IPP Platform are close to 100%, and a series of large criminal cases have been cracked through cooperation with local law enforcement agencies and Alibaba. During the cooperation, the two sides have established an effective deterrent against counterfeiters.

——Fu Xushun, Legal Director of Yatsen Holding Limited

SMEs account for a large share of global economic activity. However, they are a very small part of brand protection. There are few resources for the specific needs of SMEs. Alibaba made an earnest promise to create a safe market for SMEs as it has recognized the central role they play in global economic growth.

——William Mansfield, IP Director, ABRO Industries Inc

Under the SAC framework, Alibaba and SMEs work together. In terms of online complaints, Florasis greatly improved the success rate and accuracy of complaints after joining the Simp'Ali mechanism. Alibaba also gave Florasis great support in cracking criminal cases and jointly helped law enforcement agencies to quickly target and destroy counterfeit production sites, which has a strong deterrent effect on criminal behavior.

——He Xu, Senior Rights Protection Manager of Florasis

Like many other SMEs, we didn't have the resources or knowledge to enforce the IP my mom worked so hard to obtain; we simply weren't prepared for this unforeseen fight. While other platforms are seemingly turning a blind eye to this pervasive problem, Alibaba is moving the industry forward and bringing SMEs with it by giving small companies like ours a voice.

——Ashley Gomez, Et Al Beauty

3. Strengthening Cooperation with IP Organizations to Promote Global Joint Governance

In 2021, Alibaba continued to advance exchanges and cooperation with IP stakeholders in China and around the world. We held activities with the International Anti-Counterfeiting Alliance (IACC), the European Federation of Pharmaceutical Industries and Associations (EFPIA), the Spanish Association for the Defense of Trademarks (ANDEMA), the Italian Association for the Protection of Intellectual Property (INDICAM), the China-Britain Business Council (CBBC), the Korea Trade-Investment Promotion Agency (KOTRA), the Intellectual Property Group in China (IPG), and the Quality Brands Protection Committee of China Association of Enterprises with Foreign Investment (QBPC). These promoted industry exchange of best practices, global joint governance, and enhanced international cooperation on IP.

In June 2021, AACA and IACC co-organized the SME Design Rights Workshop. Experts, officials, and scholars from the European Union Intellectual Property Office, IACC, Michigan State University, and more than 100 participants exchanged and discussed strategies and practical suggestions on design rights and related IP in the United States, Europe, and China.

In July 2021, QBPC and AACA held a joint seminar in Shanghai on legal practices related to the conflict between enterprise names and trademarks, a key issue in the challenge of copycat brands.

Last year, Alibaba and KOTRA worked together to set up counterfeit identification training, where KOTRA and IP directors of 13 Korean companies introduced their brands, main products, infringement cases, and keys for product identification. The two parties discussed the IP enforcement challenges online, for which Alibaba presented solutions and suggestions.

Testimonial

The development of e-commerce not only provides convenience for people's life, but also is used by some bad merchants. The infringing goods appearing on major e-commerce platforms not only harm the interests of innovators, but also reduces their enthusiasm. AACA is a multi-party alliance founded by Alibaba in 2017. It is also the world's first 24-hour IP protection alliance, providing a good platform for rights holders to exchange opinions and cooperate. KOTRA has been cooperating with Alibaba for seven years, helping South Korean enterprises reduce the damage to interests caused by infringement, and promoting South Korean enterprises to strengthen cooperation with Alibaba, which is of long-term significance to the good development of South Korean enterprises in China. It is hoped that we can maintain this close cooperation, learn from each other on future IP issues and jointly protect the innovative spirit of rights holders.

——Bai Renji, Chief Representative of KOTRA
Shanghai Representative Office

Thanks to Alibaba for its continuous support of QBPC members' anti-counterfeiting and IP rights protection, and for sharing thoughts and practices on Internet IP protection many times in conferences or forums hosted by QBPC. In 2021, both sides continued to deepen cooperation and discussed together the industry hot topic of "copycat trade names". For the brand protection problems faced by members of both organizations, QBPC and AACA are able to work together, relying on our respective strengths, and making collective efforts to overcome difficulties.

——Legal Committee, QBPC,
China Association of Enterprises with Foreign Investment

03

Enablement of Sellers and Consumers to Protect IP Together

1. Seller Guidance: Advocating Integrity and Creating a Favorable Innovation Environment

Alibaba attaches great importance to guiding sellers to do the right thing. We provide sellers with information on all aspects of IP in business operations, and have a diverse range of channels for sellers to acquire IP knowledge and avoid confusion. For both daily sales activities and around special promotional seasons, Alibaba tailors its seller guidance for specific commodities and/or sellers, carries out large-scale campaigns to educate sellers about IP rights, relevant laws and regulations, infringement types, and common issues for new sellers. Alibaba uses novel methods such as illustrated cases, short videos, and live-streaming. In addition, Alibaba platforms provide targeted training for sellers who draw complaints on a repeated basis, aiming to enhance their IP awareness and guide them to operate in compliance with laws and regulations.



"Merchant IP Risk Protection" Training for the First Time through Live-Streaming, Supporting Sellers' Appreciation of IP Protection

In 2021, given the impact of the Covid-19 pandemic on the global economy and trade, Alibaba offered a set of online IPR training courses to sellers across several of its platforms, including a "Guide to AliExpress" and "Online Course of AliExpress University" for sellers seeking to reach more overseas consumers in the global market. These courses are designed to enhance sellers' awareness of global IP issues, improve their own IP rights development and protection capabilities, guide enterprises on innovation-driven development, and help more brands develop global trade.

2. Public Awareness: Jointly Promoting Original Brands and Appreciation for IP Rights

Alibaba works closely with rights holders to proactively disseminate educational materials to the general public, in order to increase appreciation for original brands, designs and ideas, as well as the importance of IP rights protection awareness.

Alibaba employs innovative approaches, such as the "Dada Star" online quiz game, and the "Inspector Meng" video series. The focus of these efforts is to deliver micro insights as well as common knowledge in a fun and accessible way, promoting awareness and abilities of consumers.

On the twenty-first World Intellectual Property Day in 2021, Alibaba and TEDx Hangzhou held a popular event called "Copy, right?" to spread IP awareness to the public. Chen Zexin, an IPR expert from the State Intellectual Property Office Research Center, delivered a speech entitled "What does Intellectual Property Mean?" which attracted over eight million views.

On February 2, 2021, AACA organized its first IP exhibition, entitled the "AACA Pop-up Museum," to spread IP knowledge to consumers via offline venue exhibitions and online games, aiming to focus more people's attention on IP rights protection. Alibaba partnered with more than 20 AACA member rights holders on the Pop-up Museum, an engaging and entertaining IP campaign, including on-site comparisons of authentic and fake items, IP knowledge dissemination, an online interactive quiz, and introductions to the Consumer Reporting System.



"AACA Pop-up Museum" Spreads IP Knowledge and Appreciation of Genuine Products to Consumers

3. Consumer Reporting System: A Novel Model to Engage Consumers, Brands, and Platforms in Anti-Counterfeiting

After more than two years of development, the Consumer Reporting System is now a mature cooperation mechanism, where consumers can provide rights holders with offline leads for enforcement. Alibaba is committed to continuously expanding the scope of cooperation to achieve the engagement of all aspects of society in anti-counterfeiting.

On October 16, 2021, with the support of the Quanzhou Market Supervision Bureau in Fujian Province, six local rights holders — Joeone, Seven, HongXing Erke, 361 Degrees, Lilanz, and Septwolves — joined Alibaba's Consumer Reporting System. Authorized brand stores of these companies were highlighted to consumers, meanwhile channels were offered to

report infringing brick-and-mortar stores, adding to the rights holders' existing offline-to-online (O2O) governance strategy. With the combination of all parties' efforts, consumers are engaging in protecting authentic products and their right to buy products without the risk of counterfeits.

To further supplement these efforts, the "China-Chic" marketing campaign this year achieved more than 200 million views on mainstream social media and over 200,000 interactions, raising awareness in consumers' minds of the importance of safeguarding authentic products.

In November 2021, the AACA Automotive Industry Working Group and the Intellectual Property Group of the Japan External Trade Organization (JETRO) set up a booth for "Consumer Reporting System — IP Protection" at the Guangzhou International Automobile Exhibition. The China Council for the Promotion of International Trade (CCPIT) Automobile Industry Branch, Japan Automobile Manufacturers Association (JAMA), and Japan Automobile Parts Industry Association (JAPIA) also supported this publicity campaign. During this campaign, consumers were informed of potential dangers posed by counterfeit auto parts, and car owners were encouraged to use the Customer Reporting System to report counterfeit parts to ensure safe car travel.



"Consumer Reporting System — IPR Protection" Booth at the 2021 Guangzhou International Automobile Exhibition

Reflections

As a foundation for society's economic development and prosperity, IP protection and technological innovation go hand in hand, providing incentives for high-quality business practices. During 2021, Alibaba has utilized policy frameworks to proactively respond to IP challenges posed by the constant development of new business models, and to protect innovation. Our concerted efforts are based on a sound, multi-party, comprehensive IP protection strategy, and represent international best standards.

In the future, Alibaba will continue to work with our partners to proactively pursue new IP protection technologies and solutions. There are evolving challenges which we will need to overcome together, including improving book, film and television copyright protection, trade secret protection, and cracking down on new types of counterfeiting which are challenging to detect. Our joint efforts will be crucial to foster the continued development of new IP.

As we reflect on the progress made in 2021, we are grateful for the trust placed in us by our partners and we are inspired by our joint successes outlined in this report. Appreciation of authentic products and original creations will remain at the heart of our efforts in 2022 as we continue to drive the industry forward.

