

INTRODUCTION ON TAKEDOWN ACTIONS AGAINST COUNTERFEITING PRODUCTS BASED ON IPRS ON MAINSTREAM E-COMMERCE PLATFORMS IN CHINA

As of June 2020, the number of internet shoppers in China reached 749 million. Policies regarding e-commerce have become more inclusive in recent years in China. Apart from the amendment of *E-Commerce Law*, more free trade areas have been established in many coastal towns to reduce costs for cross-border commerce. In September, the State Council just released a general strategic plan for free trade areas located in the Greater Bay Area that comprises nine towns in Guangdong Province, Hong Kong, and Macau.

Before this background, launching business on a mainstream e-commerce platform is widely regarded as one of the first and essential steps of business operation in China for international corporations. However, as many exporters have painfully learned, counterfeiting products that infringe their IPRs spread on these platforms just as rapidly as their business expands. In line with other e-commerce platforms in the world, mainstream platforms in China meanwhile also provide their own mechanism for IP right holders to raise complaints against infringement. Comparing to administrative and/or court actions, a takedown action against those counterfeiting products directly on the platform can provide an effective means for fast elimination of infringement, if the right holder knows how to do it properly.

There are certain situations encountered by IP holders where a takedown action is the preferable course of action. For instance, it usually takes 1-2 weeks on average to procure a takedown decision whilst it takes 4-6 months for an IP administrative authority to make a decision and 6-12 months for a court to decide a case. However, oftentimes, the online vendors who offer counterfeiting products on the platforms are not the manufacturer. It may take plenty of time for the IP right holders to identify such manufacturers. Therefore, whilst conducting investigations for identifying the manufacturers, a takedown action on the platform may be one tool in the box that helps to reduce losses quickly. On the other hand, conducting test purchases from those online vendors, which will be elaborated below, may help locate the warehouse of the counterfeiting products as well.

Accordingly, we hereby introduce the procedures on how to initiate takedown actions on the basis of your IPRs in these platforms.

Step 1: Register an Account and Upload Your IPRs

Each platform operates its own independent website for takedown actions against infringement. Taking the Alibaba Group for reference, the group operates four platforms, respectively: Taobao, Tmall, Alibaba, and AliExpress. When an IP right holder registers an account on the website, he can initiate takedown actions against infringement on all four platforms. Currently, valid Chinese trademarks, patents, and copyrights are all eligible for being the legal basis to institute a takedown action if counterfeiting products appear on any platform.

Step 2: Make Strategic Preparations Before Initiating a Takedown Action

It has to be understood that an e-commerce platform provider possesses no judiciary enforcement right. Their decisions with respect to takedown actions against infringement are made solely according to the opinions of their in-house IP experts. Therefore, when encountering complex IP matters, more supporting documents and evidence may be requested by the Platform.

Thus, preparations for collecting evidential materials of infringement prior to takedown actions are important and may become a deciding factor for the outcome of a takedown action. Among others, test purchase of the counterfeiting products from the online vendors is an effective means. After obtaining the physical object of the counterfeiting products, drafting and submitting a tailor-made set of supporting documents in line with the practice and requirements of the relevant platform significantly increases the chances for a successful takedown action. This supporting documentation should be drafted by IP experts who understand both the product and the relevant practice in China.

Step 3: Initiate the Takedown Actions

After collecting evidential material, a takedown action may be initiated. Upon the initiation of the takedown, the opposing party will be granted a 3-7 day responding period based on the complexity of the case, after which a decision will be made within 3-7 days if facts and grounds are clear. If infringement is confirmed, the links for offering counterfeiting products will be deleted. In the cases handled by us recently, we have seen a very good success rate.

For this topic, we are happy to answer your further questions, or to provide customized support for your case. Please feel free to contact us for questions or more information at: snbip@snblaw.com.