

Alibaba's Enhanced IP Protection Platform Now Eliminates Fake Listings in Less than 24 hours

Further significant progress in brand protection efforts also shared with 180 brand representatives at Alibaba's Brand Rights Holders Day

Beijing, August 10, 2017 – At its Brand Rights Holders Day in Beijing, Alibaba Group (NYSE: BABA) today unveiled enhancements to its Intellectual Property Protection (IPP) Platform. In the first month since the "express" technology enhancements were made, almost all cases submitted by rights holders were handled and closed within 24 hours, among which more than 80% of the listings were also taken down. Alibaba's IP Protection Platform is used by brands and IP owners to flag and request the take down of counterfeit or IP-infringing product listings.

Key highlights of Alibaba's IP Protection Platform technology upgrades include:

- A single entry point across all Alibaba e-commerce platforms and streamlined process to assess the validity of complaints;
- A more-automated complaints-processing, analysis, and product-authentication system powered by new algorithms and data models:
- A dedicated team of IPR professionals to reduce response time for inbound inquiries, as well as proactive outreach to new IPP users and those with more complicated IPR cases;
- Broader brand-protection technological capabilities, for instance, multi-lingual trademark-recognition;
- Improved search engine optimization (SEO) for easier discovery of and access to the IPP platform.

Of the complaints received, 96% were handled and closed within 24 hours, among which 83% of the listings were also taken down. The remaining 17% were declined mainly for reasons such as insufficient evidence to prove infringement or a mismatch between the complained listing and IP documents filed.

To ensure continuous improvements to the IPP Platform, Alibaba will conduct regular satisfaction surveys and invite rights holders to provide feedback about their user experience.

Building Trust with Brands and Rights Holders

At the Brand Rights Holders Day, Alibaba engaged with the 180 brand representatives to discuss ways to further improve online and offline IP protection and build up mutual trust.

"Brand trust is core to our mission," said Jessie Zheng, Alibaba's chief platform governance officer. "Our enhanced platform, along with significant progress in other important initiatives all showcase the industry best practices Alibaba is creating for the benefit of all our stakeholders."

The Brand Right Holders Day event and platform upgrade received positive feedback from participating brands, who said they gained more in-depth knowledge and understanding about the IP-protection tools at their disposal.

"As a long-standing partner of Alibaba's, I'm impressed with the technology upgrades to the platform we saw today, and appreciate Alibaba's openness about its processes and willingness to seek our input on how to better work together. As a brand, I learned a lot, which instills our continued trust in Alibaba to protect our IP," said Jessica Guo, Senior Legal Manager, Spalding.

Additional Significant Progress in IP Protection Reported

The operator of the world's largest online and mobile marketplaces also shared recent progress made in furthering brand and stakeholder collaboration, law-enforcement partnerships and legal action against IPR infringers. Highlights included:

- A significant agreement by <u>Alibaba Group and French luxury group Kering</u> last week to cooperate
 in efforts to protect intellectual property and take joint enforcement actions online and offline against
 infringers.
- Vendors Day in July, where Alibaba and IPR agencies who work on behalf of rights holders to
 protect their IP met to share experiences, best practices and discuss how to best work together to
 protect rights holders' IP.
 - "The willingness to cooperate, to talk directly with customers...and find real solutions to the problems we face, this is something hard to find in other marketplaces," said Joan Porta, online brand protection manager at Red Points. "Having someone you can talk to, bring your problems to and get effective responses from, Alibaba is clearly in a top position among marketplaces."
- Creation of the <u>Alibaba Anti-Counterfeiting Alliance (AACA)</u>, a collaboration between Alibaba and 30 international and Chinese brands that leverages big data and the latest technologies to enable a cooperative, global, 24-hour anti-counterfeiting network. Members include Louis Vuitton, Samsung, Amway and Mars, among others. Since its formation in January, the AACA has met twice and is making tangible progress towards its goals. Another meeting is scheduled for September.
- Formation last month of the "Cloud Sword Alliance," a partnership with provincial governments of 13 Chinese provinces, providing law-enforcement bodies with data to track down and prosecute criminal rings and activities. This broader alliance grew out of a single, four-month cooperative investigation with provincial law-enforcement authorities in 2015. The technology behind Cloud Sword involves complex algorithms and machine learning from Alibaba's technological ecosystem. The technology is able to track not just illegal transactions, but also trace them upstream to the production source.
- A <u>legal victory</u> against a seller of fake cat food on Taobao, with a Shanghai court last month ordering
 the IPR infringer to pay damages. The case was one of three civil suits Alibaba has lodged against
 IPR violators on its platforms so far this year. At the start of the year, Alibaba sued two Taobao vendors
 for selling <u>fake Swarovski watches</u>. And in May, Alibaba went to court to seek damages against a
 Taobao vendor who was previously convicted of trademark violation by selling <u>fake Wuliangye-branded spirits</u>.
- Proactive monitoring for improper use of branded keywords. Since last year, Alibaba has focused
 on cracking down on merchants who attempt to mislead consumers through misappropriation of
 branded keywords in the titles of product listings. Alibaba continues to use advanced algorithms to
 identify, block and remove them and root out repeat offenders, and results are showing. Valid
 complaints about misuse of trademark keywords decreased 84% through July this year from a year
 earlier.

About Alibaba Group

Alibaba Group's mission is to make it easy to do business anywhere. The company aims to build the future infrastructure of commerce. It envisions that its customers will meet, work and live at Alibaba, and that it will be a company that lasts at least 102 years.

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