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#ITTAKESCOURAGE



# EXPERIENCE SHARING – ONLINE TO OFFLINE IPR PROTECTION

NOVEMBER, 2018





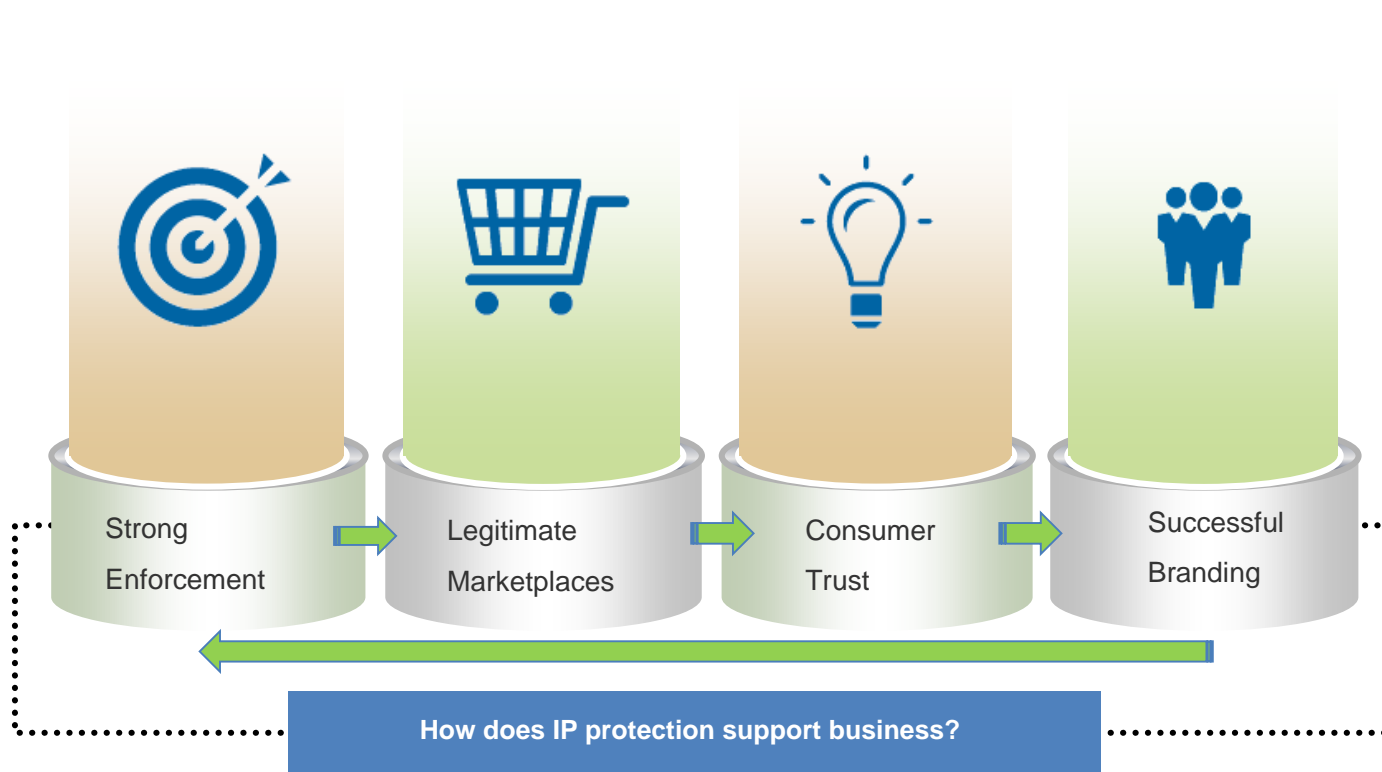
## LUXOTTICA GROUP INTRODUCTION

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- Luxottica Group was founded in 1961 with the headquarter in Milan, Italy.
- A leader in the design, manufacture and distribution of fashion, luxury, sports and performance eyewear.
- A strong and well-balanced brand portfolio includes:
  - proprietary brands such as Ray-Ban, Oakley, Vogue Eyewear, Persol, Oliver Peoples, Alain Mikli and Arnette
  - prestigious licensed brands such as Giorgio Armani, Burberry, Bulgari, Chanel, Dolce&Gabbana, Ferrari, Michael Kors, Miu Miu, Prada, Tiffany & Co., Valentino, Versace, etc.
- The Group's global wholesale distribution network covers more than 150 countries and with an extensive retail network of approximately 9,000 stores.

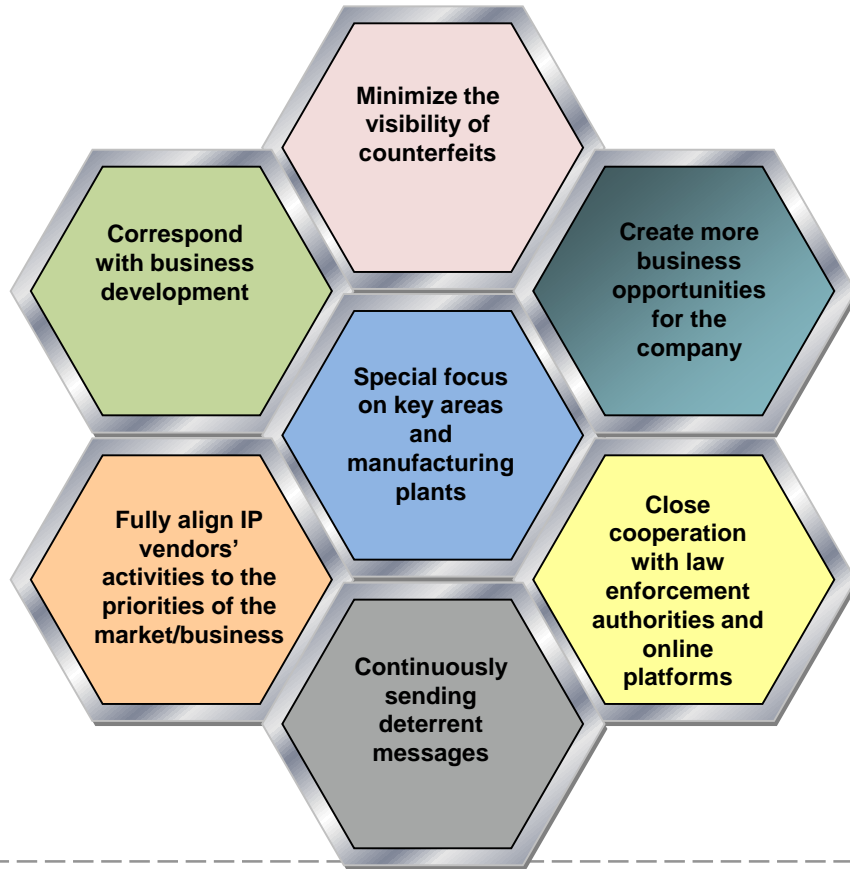


## ANTI-COUNTERFEITING PROGRAM OF LUXOTTICA



## ANTI-COUNTERFEITING PROGRAM OF LUXOTTICA

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**Online and offline IP protection enforcement**

## CASE 1.1

### - ONLINE TO OFFLINE ENFORCEMENT AGAINST A SHENZHEN BASED TRADING COMPANY

#### Investigation

1. The target was found of selling both own and 'branded' glasses online.
2. Foreign investigator were engaged for test purchases.
3. 8 connected addresses were checked.
4. The operating office and 2 warehouses were identified after months' of investigation.
5. Alibaba assisted PSB in big data analysis

#### Enforcement

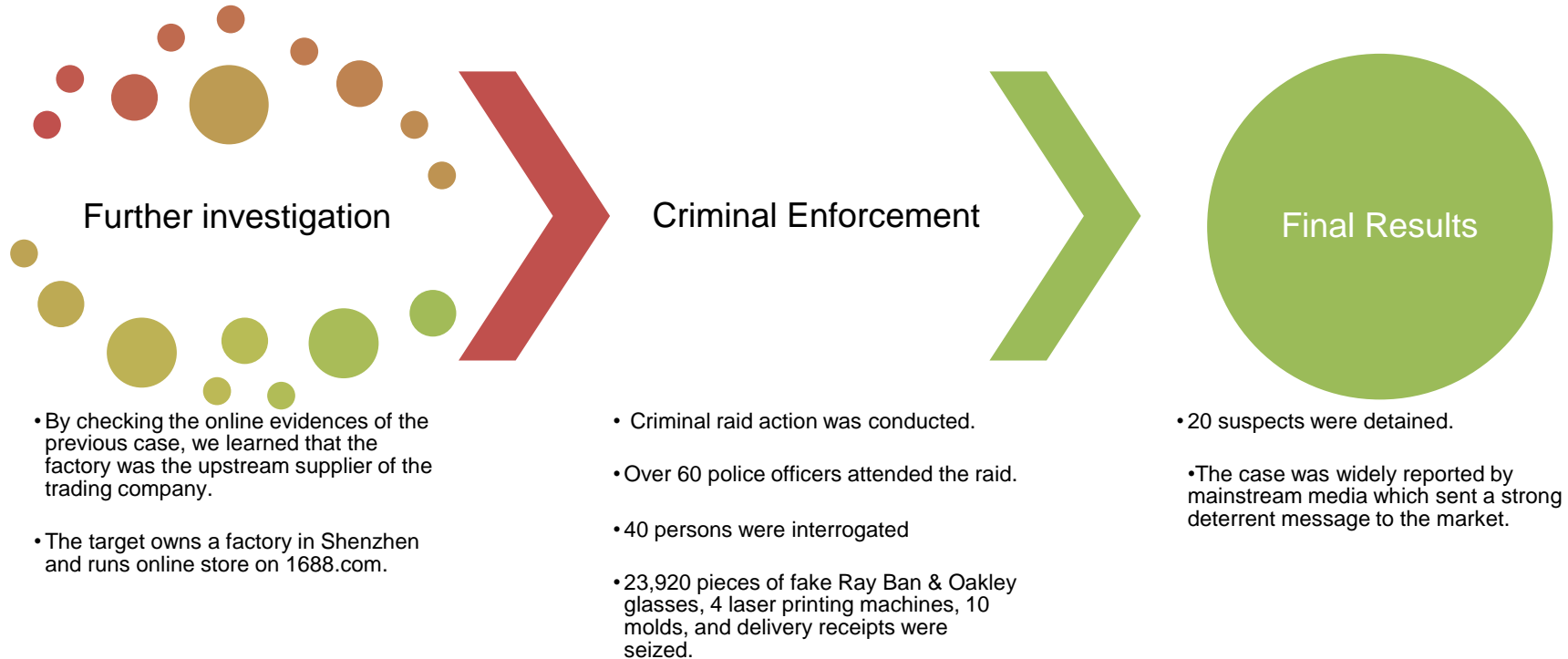
1. Criminal raids against the 3 locations were conducted in August.
2. Over 40 police officers attended the raid.
3. 25 persons were interrogated by the police.
4. 13,080 pcs of glasses and 3,218 pcs of packaging with Ray Ban and Oakley trademarks were seized.

#### Outcome

1. 7 suspects out of the 25 were detained.
2. The case is under criminal procedure.

## CASE 1.2

### - FURTHER ENFORCEMENT AGAINST THE UPPER-STREAM FACTORY



## CASE 1.2 - PUBLIC AWARENESS

The case has been widely reported by domestic mainstream media including Tencent, Sina, NetEase, Sohu and many others...



### 小心！上千元买的奥克利、雷朋眼镜，可能是假货

文章来源：深圳新闻网 发布时间：2018/8/24 16:58:00

导读：2018年8月初，南山警方在阿里巴巴“打假特战队”的协助下，掌握到一条线索：有人在网上销售假冒品牌太阳眼镜及光学镜。根据线索，南山警方迅速开展案件侦查工作。经过调查和实地踩点，办案民警迅速掌握了一家位于宝安区的制售假冒眼镜窝点的运作方式、销售模式及人员架构，一个线上线下全链路的售假犯罪团伙浮出水面。

打着“伪单”、“工厂直销”的旗号，以较低的价格售卖奥克利、雷朋等知名品牌太阳眼镜，这样的好事你信吗？小心，有些商品，可能来自制假工厂。近日，深圳南山警方在阿里巴巴“打假特战队”的协助下，破获一起生产销售假冒注册商标的商品案，对生产销售假冒伪劣产品的下家公司和上家工厂进行全链条打击，现场控制涉案嫌疑人54名，刑事拘留27人，缴获假冒品牌眼镜36000余副，涉案金额高达7000余万元人民币。



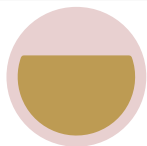


## CASE 2 - ONLINE TO OFFLINE ENFORCEMENT AGAINST A 1688 SELLER



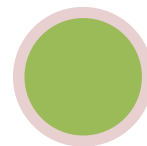
### Background

- The target was found on 1688.com.
- Nanjing PSB purchased 10 pcs of frames from the shop and asked us for verification.
- The estimated sales record of the shop was up to 1 million RMB in the last one year
- 7 suspicious locations were found from online data



### Investigation

- Though further investigation, it is found that the suspect runs 1 offline shop in an optical market and 2 warehouses in Guangzhou City.
- The shop enjoys great popularity amongst foreign traders.



### Enforcement

- Joint action done by Nanjing and Guangzhou PSB.
- 24,214 pieces of counterfeit products bearing Ray Ban trademarks were seized and sealed.
- 5 suspects were detained.
- All relevant evidences, including note books, shipping lists, memory cards, mobile hard disks, mobile phones, computers, were seized for further investigation

经典明星款太阳镜T.Y3025/26炫彩镀膜复古反光男女时尚蛤蟆大框墨镜

镜片颜色	素颜 (55副)	素颜 (58副)	素颜 (62副)
经典红镜112/69	50.00元	992副可售	- 0 +
经典金镜112/68	50.00元	999副可售	- 0 +
经典绿镜112/19	50.00元	1000副可售	- 0 +



## CASE 3

### - ONLINE TO OFFLINE ENFORCEMENT AGAINST A WECHAT SELLER

#### Background

- ✓ The target was found on posting and selling a large number of Ray Ban glasses on Wechat.
- ✓ He has been doing counterfeit eyewear business for 8 yrs and is also the supplier of many other Wechat vendors.

#### Pre-raid Preparation

- ✓ By sample purchase and field visits, we located the actual warehouse and assembling den.
- ✓ The stock was estimated to be 4,000 pcs.
- ✓ Sufficient communication with the local PSB.

#### Enforcement

- over 10,000 pcs of counterfeit Ray Ban glasses and packaging materials were confiscated.
- The key suspect was detained.

## A FEW THOUGHTS

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- Online to offline coordination.
- The importance of test purchases aiming to
  - ✓ identify high-profile counterfeit sellers;
  - ✓ locate actual offline addresses.
- Sufficient and proper communication with the law enforcement and understand how to better support each other.
- Enhance the collaboration with law enforcement and online marketplaces to leverage all possible sources and technologies.
- Leverage the intelligence found on the documents/devices seized for further investigation.

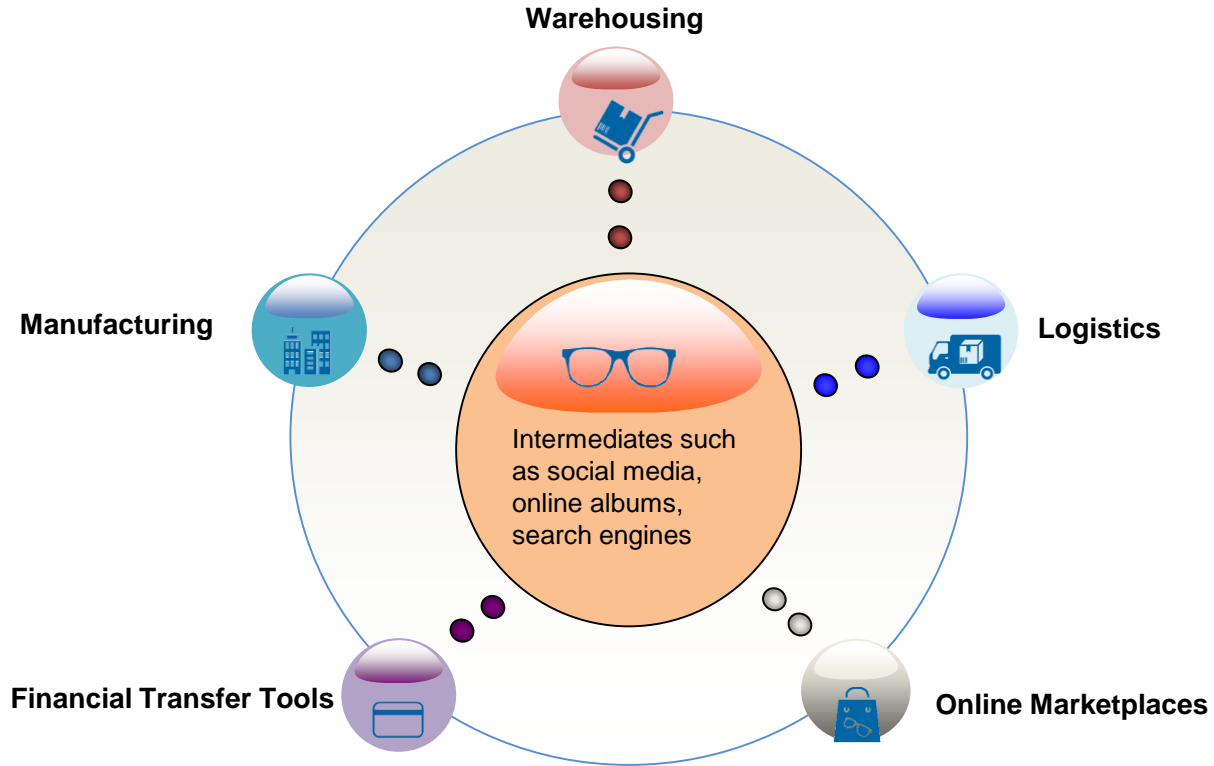
## TRENDS

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- Counterfeiting business moving from offline to online.
- Selling prices close to MSRP.
- Mixture of both genuine and counterfeit goods (oftentimes involving distributors).
- Forged/genuine supporting documents (e.g. invoices, receipts, etc.) provided by the infringers during Notice-take-down procedure.
- Social media platforms used for advertising, information publishing and facilitating counterfeiting business
- Infringers soliciting business on instant messengers

## E-COMMERCE COUNTERFEITING, A SYSTEMATIC INDUSTRY CHAIN...

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## CHALLENGES

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- Few stock in physical stores/warehouses.
- Operating addresses of infringers move from shops to private residences, making AIC enforcement and investigations difficult.
- Most of the cross-country online orders are shipped by small parcels with fake information on the waybills.
- Recognition of online sales records varies by areas.
- Low cost for counterfeiting crime in China.
- Time/money consuming to enforce and be prepared to reappear.

**Thank You!**

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**LUXOTICA**