



Business Action to Stop Counterfeiting and Piracy (BASCAP) is a cross border initiative that connects all business sectors worldwide in the fight against counterfeiting and piracy.

Launched by the International Chamber of Commerce (ICC) it aims to support individual company and organizational efforts and amplify business messages with national governments and inter-governmental organizations in tackling the crime.

This global and united approach is vital in identifying and addressing intellectual property rights (IPR) issues more efficiently. It gives the industry a stronger voice when petitioning for greater commitments by local, national and international officials in the enforcement and protection of intellectual property rights.



BASCAP goals:

- **Increase public and political awareness** and understanding of counterfeiting and piracy activities and the associated economic and social harm
- **Compel government action** and the allocation of resources towards improved IPR enforcement
- **Create a culture change** where intellectual property is respected and protected

BASCAP CHINAG Working Group is established in 2018

- Secure support for BASCAP positions on China specific legislative and enforcement issues
- Leverage ICC China's relationship with its government "parent", CCPIT, to get Government awareness and action on BASCAP priority issues and recommendations.
- Leverage the membership of Alibaba and other Chinese platforms in ICC China to get further BASCAP's relationship with the platforms and gain support for BASCAP's positions on best practice recommendations.
- Seek to improve the protection afforded to intellectual property rights holders under the Chinese copyright law and Penal



强生(上海)医疗器材有限公司
Johnson & Johnson Medical (Shanghai)Ltd.

强生(中国)医疗器材有限公司
Johnson & Johnson Medical (China) Ltd.

Johnson & Johnson Vision Care (Shanghai) Limited

强生 视力健商(上海)有限公司

强生(苏州)医疗器材有限公司
Johnson & Johnson Medical (Suzhou) Ltd.

广州倍绣生物技术公司

西安杨森制药有限公司
Xian-Janssen Pharmaceutical Ltd.

Johnson & Johnson (China) Ltd.
强生(中国)有限公司

Shanghai Johnson & Johnson Ltd.
上海强生有限公司

上海强生制药有限公司
Shanghai Johnson & Johnson Pharmaceuticals, Ltd.

北京大宝化妆品有限公司
Dabao

Proactive Online Monitoring on Pharm Online Sales in China

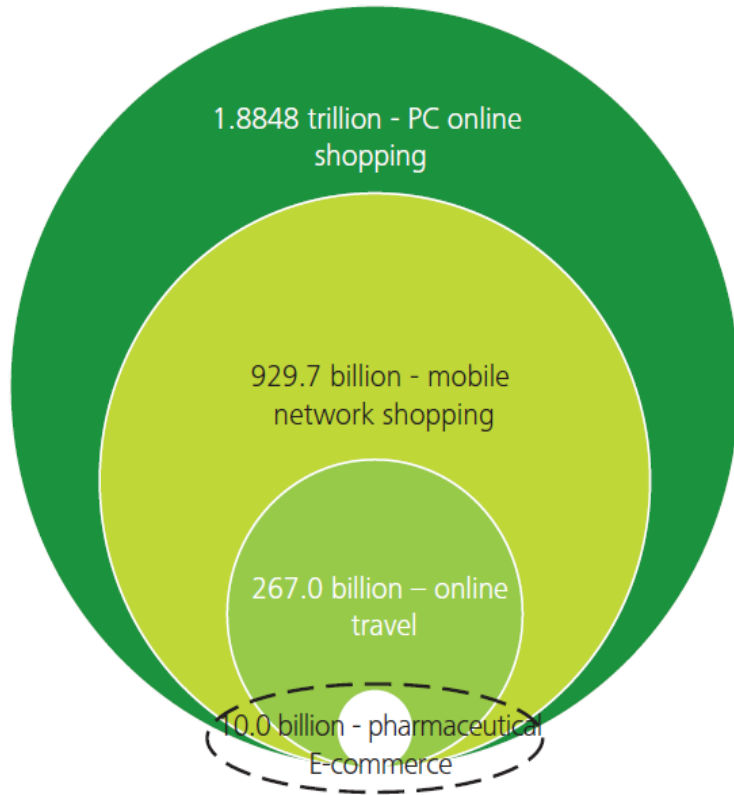
Alan Liu

APAC Dir, Global Brand Protection

Transformation of Pharm E-commerce market in China



Currency:RMB



Hospital terminal (1302.5 billion)	In-patient drugs (50%, 781.5 billion)	Out-patient RX (34%, 521.0 billion)
		Injection (13%, 208.4 billion) Non-injection (13%, 208.4 billion)
Retail terminal (240.8 billion)		Out-patient OTC (7%, 104.2 billion)
Network terminal (10.0 billion)	RX (6%, 96.3 billion)	OTC (9%, 144.5 billion)
	OTC (0.6%, 10.0 billion)	

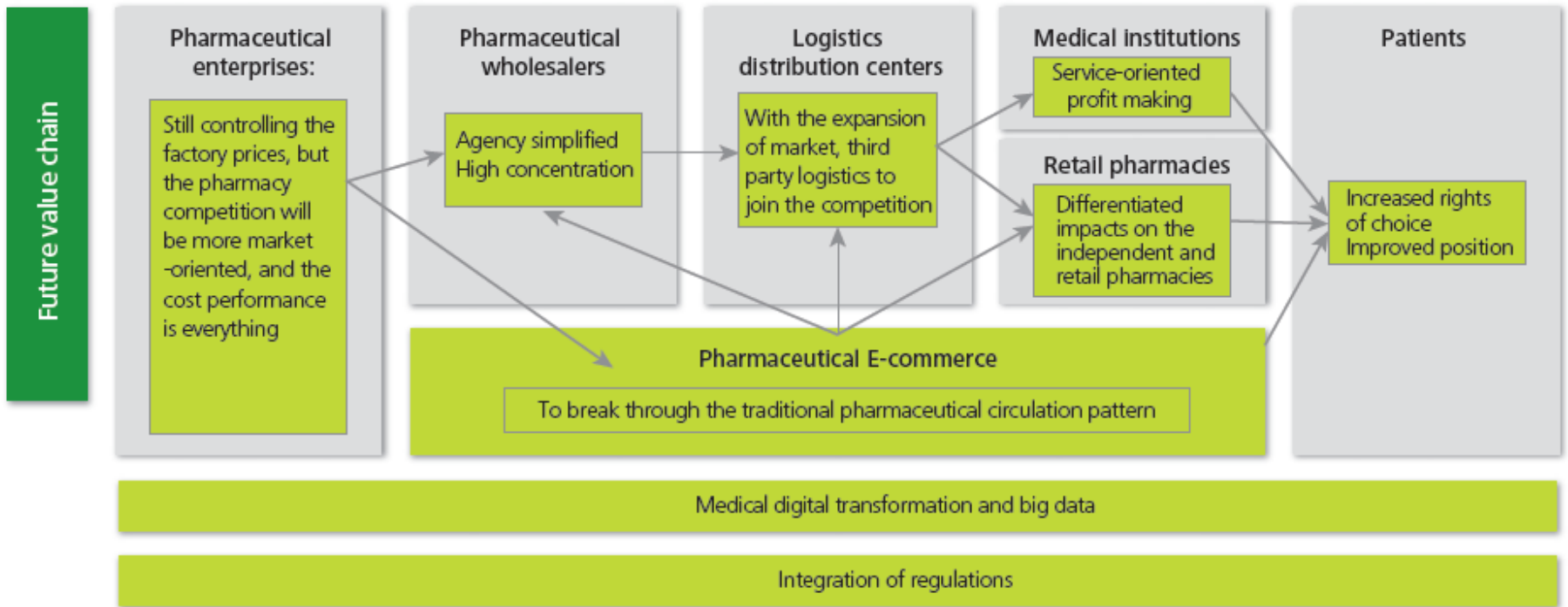


Hospital terminal (1087.7 billion)	In-patient drugs (50%, 781.5 billion)	Out-patient RX (20%, 306.2 billion)
		Injection (10%, 156.3 billion) Non-injection (6%, 99.9 billion)
Retail terminal (310.0 billion)		Out-patient OTC (3%, 50.0 billion)
Network terminal (155.6 billion)	RX (12%, 180.3 billion)	OTC (8%, 129.7 billion)
	RX (4.9%, 76.6 billion)	OTC (5%, 79.0 billion)



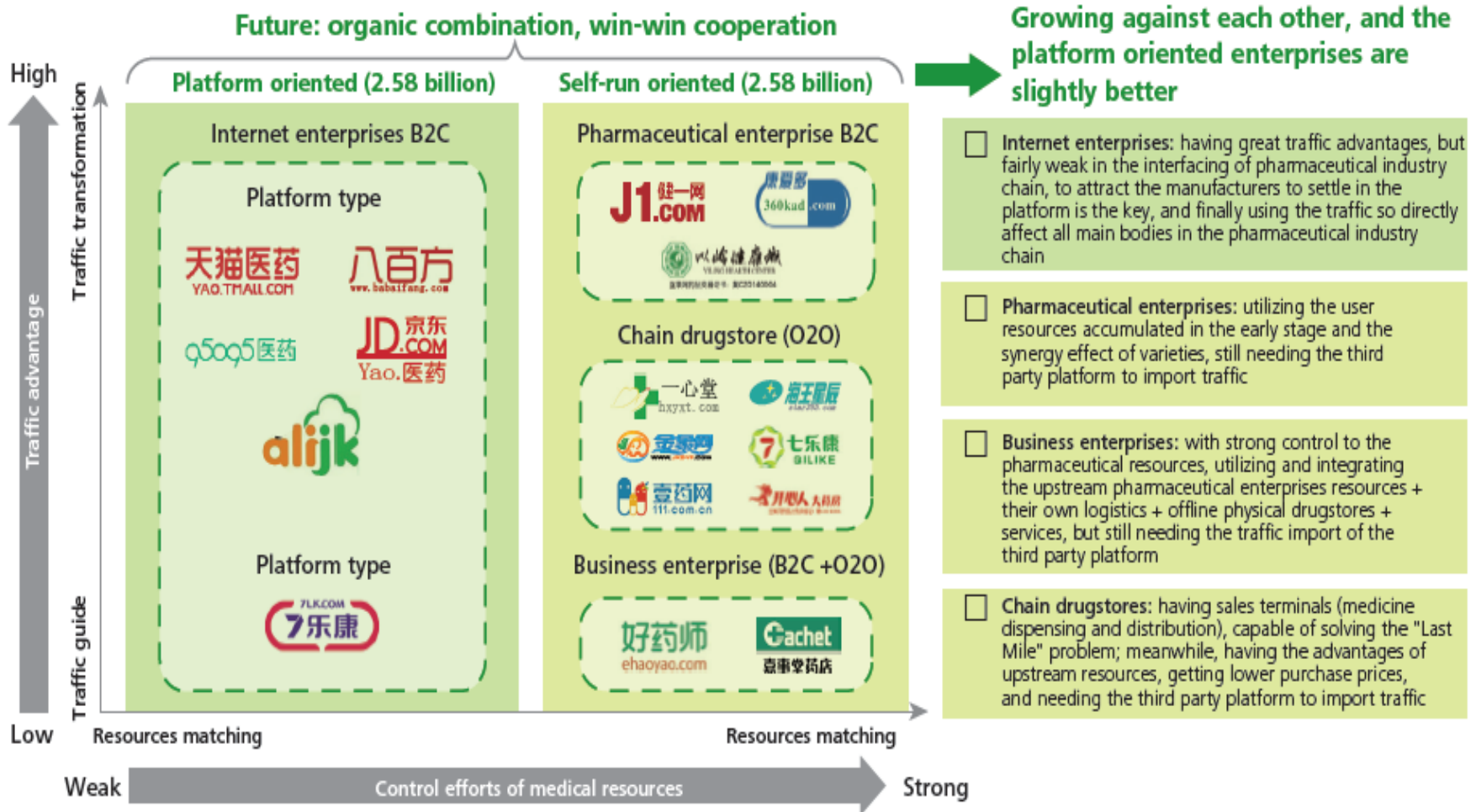
E-commerce will facilitate the reconstruction of traditional pharm value chain

Legend: New or changed link





Pharm E-commerce pattern after transformation



Resources matching

Weak Control efforts of medical resources Strong



Tough Call

Pharm online sales: OTC VS Rx

《药品流通管理办法》第二十一条和四十二条规定，药品生产、经营企业不得采用邮售、互联网交易等方式直接向公众销售处方药，违者将责令改正，给予警告，并处销售药品货值金额二倍以下的罚款，但是最高不超过三万元。

Rx Online is illegitimate in China now.

What's the real world?

- we have two **GREY MARKETS**



TOP 11 Online pharmacies in China

Categories	Platforms
第三方挂靠 (Third-party affiliation)	八百方
	快易捷
	药房网商城
自营 (self-run)	好药师
	健客网
	康爱多
	康德乐 (原百济新特药)
	仁和药房网
自营(self run)+第三方挂靠(Third-party affiliation)	1药网
	京东
	天猫

PROCESS OF PURCHASING DRUGS ONLINE			PLATFORM
ORDER(REGISTRATION IS REQUIERED)	PRESCRIPTION (IS REQUIRED)	PAYMENT	
Y	Y	PAY ON DELIVERY	天猫 京东
Y	Y	PAY ON DELIVERY	1药网
Y	Y	PAY ON DELIVERY	康爱多 康德乐 健客网 八百方 仁和药房网 好药师
N	N	ONLINE PAYMENT	药房网商城
N	N	THIRD-PARTY GUAREENTE	快易捷



Risk of Ecommerce Grey Market and Reasons

**Rx freely available on
ecommerce channel
as sellers take
advantage of loophole**





Online Pharmacies

Rx Sale online – grey market

Drug Name	天猫	京东	1药网	八百方	药房网商 城	康爱多	康德乐	仁和药房 网	健客网	好药师	快易捷
O1	N	N	N	N	Y	N	Y	N	N	N	Y
O2	N	N	N	N	N	N	N	N	N	N	Y
O3	N	N	N	N	Y	N	Y	N	N	N	N
O4	N	N	N	N	N	N	N	N	N	N	Y
O5	N	N	N	N	Y	N	Y	N	N	N	Y
R1	Y	N	Y	Y	Y	Y	Y	N	Y	Y	Y
R2	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

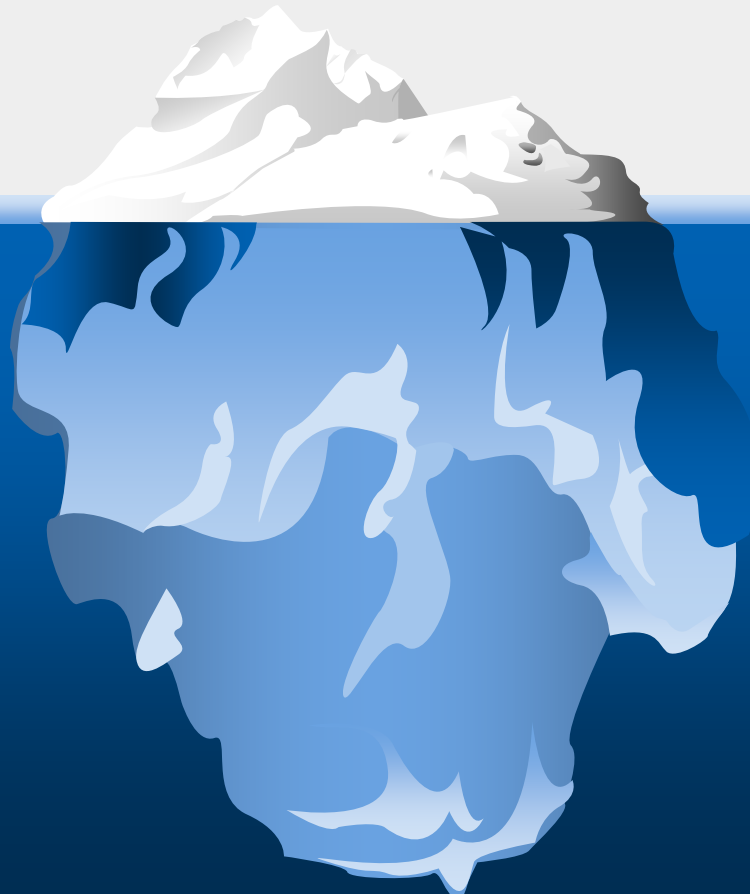
Thresholds for Monitoring and TPs

Platform	Platform Category	Price	Inventory	Offline Entities
High Risky ?	Self-run or third party affiliation	Obviously Low	Big or Small?	Low Tier distributors? Bad Reputation?



What We Know...

THE RISK FROM ECCOMERCE

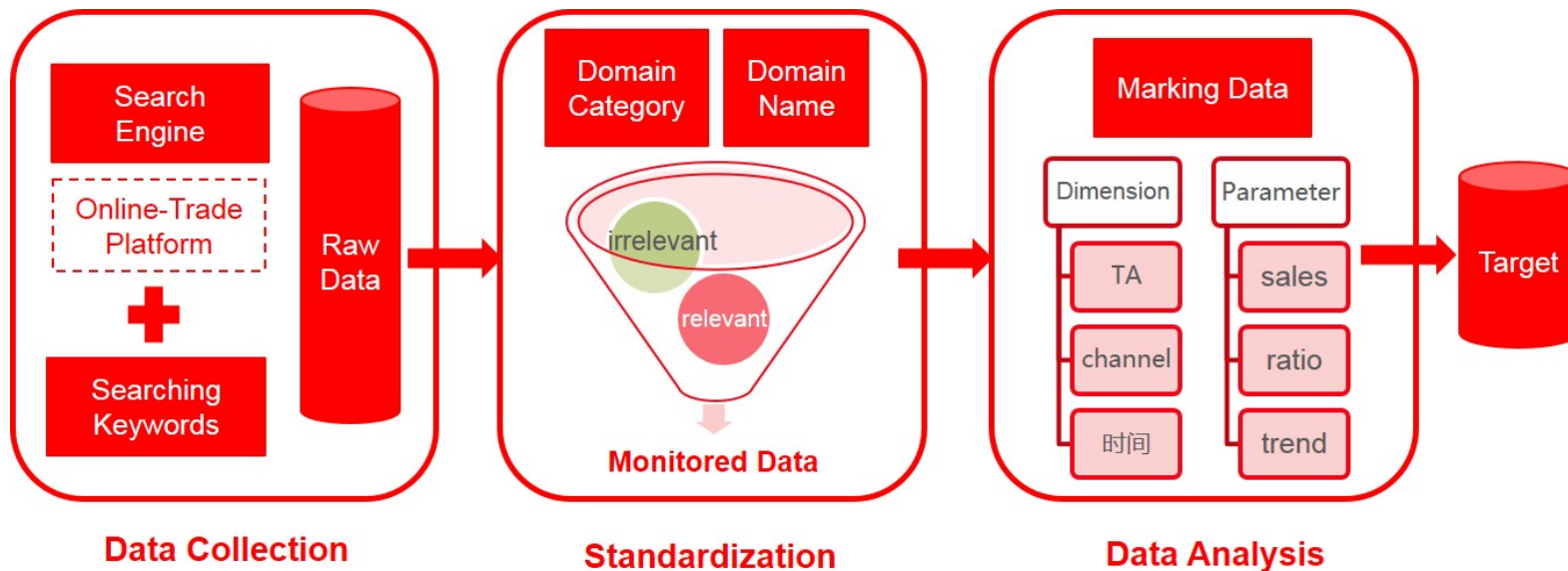


...Vs. What We Don't Know



**GREY MARKET IN NON-
ECCOMERCE ONLINE
CHANNEL**

Online Monitoring & Screening Procedure and Coverage



246 keywords



65 keywords



65 keywords



Johnson & Johnson GLOBAL BRAND PROTECTION

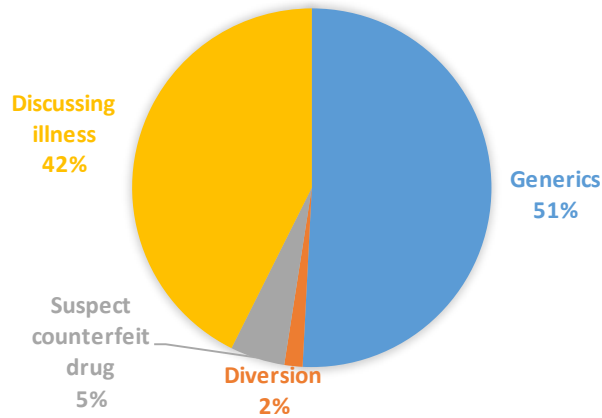
Illegitimate and Counterfeit Drugs – Postings



Estimation based on the Industrial URL searching

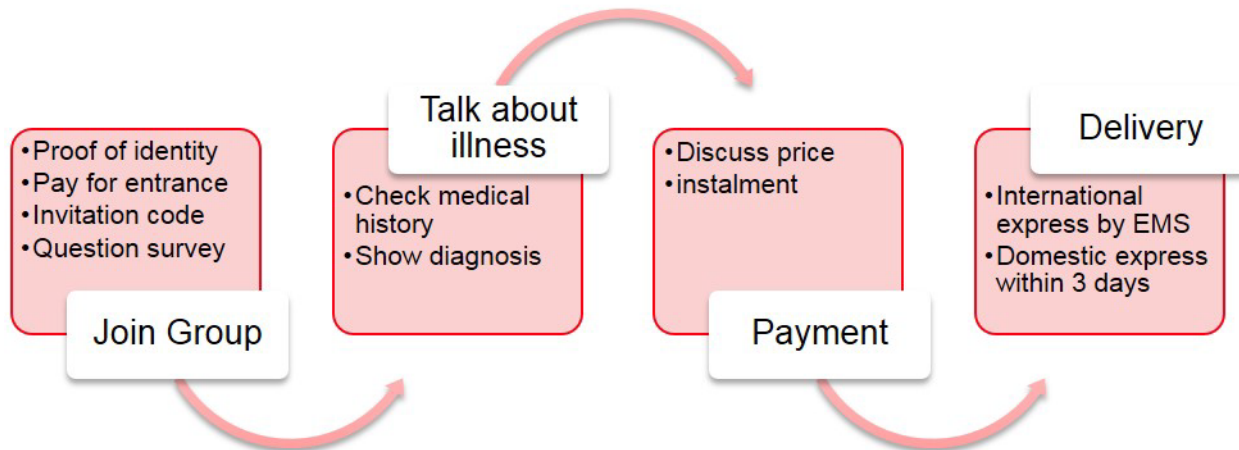
Category	WeChat Contact	QQ Contact	Phone Contact	URL	URL with Contact Information	HIT Ratio
Online talking group	21	19	25	2,829	1,198	42.35%
Online Q&A	8	2	5	1,350	559	41.41%
Healthcare Portal	3			237	61	25.74%
BBS	2	2	1	149	34	22.82%
Independent Website	1	4	15	1,282	131	10.22%
other		1	5	916	69	7.53%





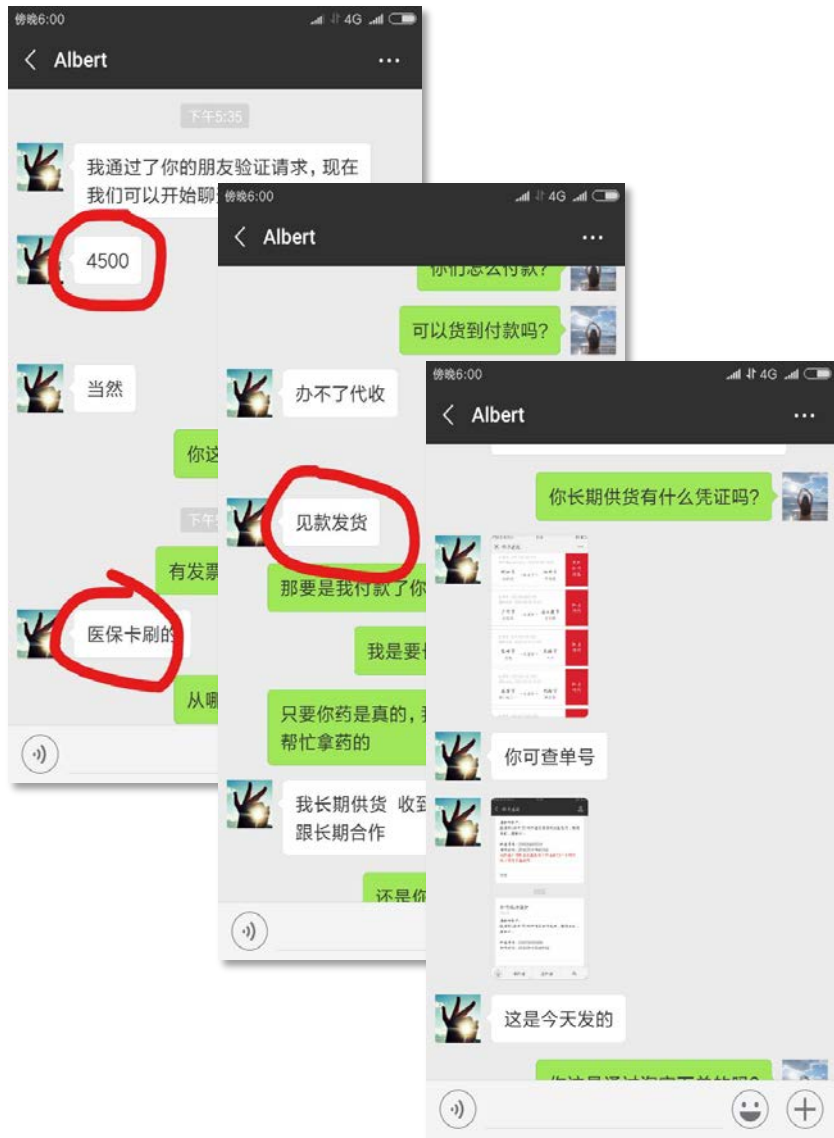
Statistical analysis on the content within online talking groups

Online Rx Sale via online Talking groups





THRESHOLD 1 - DURATION OF DELIVERY(within 3 days or more than 3 days)



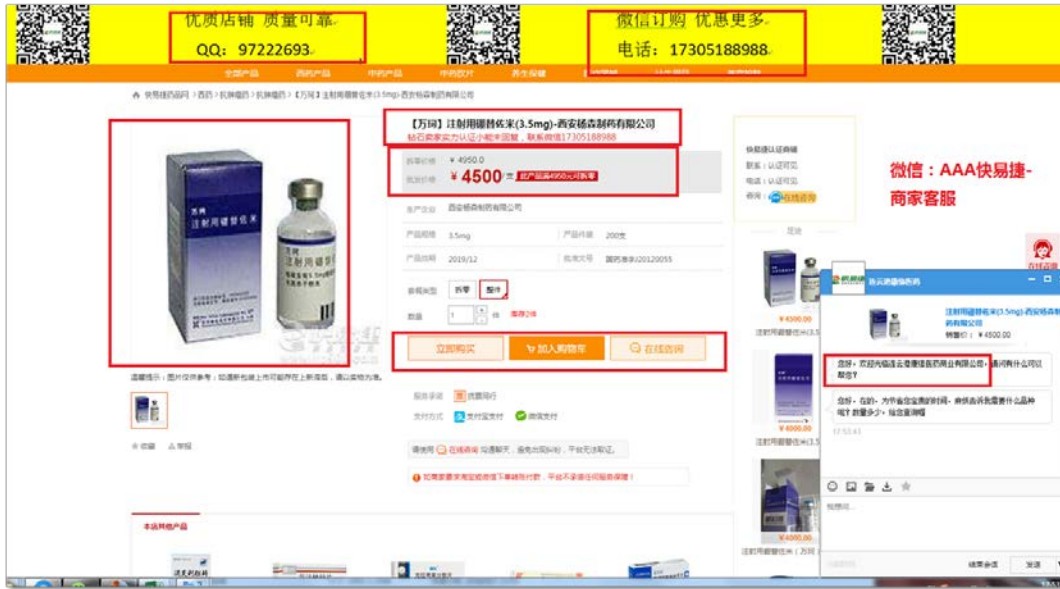


THRESHOLD 2 - SUSPECT SOURCES (from sales reps or recycling)





THRESHOLD 3 - PAYMENT METHODS(through irrelevant commodities)





THRESHOLD 3 - PAYMENT METHODS(via invisible Taobao postings)

淘宝网 Taobao.com

店铺

店铺: 我是药神

进入店铺

累计信用评价 1

描述 4.0 服务 4.0 物流 4.0

淘宝

搜索

收藏店铺

用手机逛本店

我是药神

所有分类

首页

图片轮播



SALE 特价

更多



¥ 256.09 358.00



¥ 256.09 358.00



¥ 256.09 358.00



Johnson & Johnson GLOBAL BRAND PROTECTION



WHERE WE SHALL GO ?

