EXPERIENCE SHARING – ONLINE TO OFFLINE
IPR PROTECTION

NOVEMBER, 2018
Introduction of Luxottica Group

Case Sharing

Trends

Challenges
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

How does IP protection support business?

Strong Enforcement → Legitimate Marketplaces → Consumer Trust → Successful Branding

How does IP protection support business?
ANTI-COUNTERFEITING PROGRAM OF LUXOTTICA

- Correspond with business development
- Minimize the visibility of counterfeits
- Create more business opportunities for the company
- Special focus on key areas and manufacturing plants
- Fully align IP vendors’ activities to the priorities of the market/business
- Continuously sending deterrent messages
- Close cooperation with law enforcement authorities and online platforms

Online and offline IP protection enforcement
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

Further investigation

- By checking the online evidences of the previous case, we learned that the factory was the upstream supplier of the trading company.
- The target owns a factory in Shenzhen and runs online store on 1688.com.

Criminal Enforcement

- Criminal raid action was conducted.
- Over 60 police officers attended the raid.
- 40 persons were interrogated
- 23,920 pieces of fake Ray Ban & Oakley glasses, 4 laser printing machines, 10 molds, and delivery receipts were seized.

Final Results

- 20 suspects were detained.
- The case was widely reported by mainstream media which sent a strong deterrent message to the market.
The case has been widely reported by domestic mainstream media including Tencent, Sina, NetEase, Sohu and many others...
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.
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

• 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

➢ 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…

Intermediates such as social media, online albums, search engines
CHALLENGES

➢ 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!