2. Tackling E-Commerce for Counterfeit Goods

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www.ipkey.eu
Online marketplace of counterfeit

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2. Pillar internet
Levels of Internet / OSINT

Exploring The Hidden Internet

Deep Web

Osint

Dark Web
Surface Web
1. Webshop / webpage

LACOSTE
LIVE

Trui - navy blue

Meer Lacoste LIVE | Meer Herensweaters

€ 89,95

Kleur

Maat

Leverbaar

In de winkelwagen

06.17.18.32.61

Nieuw / Kids / Schoenen / Sport / Tas & Accessoires / Luxe / Merken / Outlet

< VORIGE

Heren / Kinder / Pullovers & vanessen / Pullovers / Trui - navy blue

Zoek hier merk, product of trefwoord

Made in EU

Fabricatoren

5

Kies maat

Express levering beschikbaar

Deel op

06.17.18.32.61

GARANTIE

FABRIEKSMERKEN

IN DE WINKELWAGEN

Bekijk de complete outfit

Verzending en retour

Veilige betaling

Klantenservice

100 dagen retourrecht

SOUTHEAST ASIA

Intellectual Property
Key to innovation, economic growth and cooperation

Directed by the European Commission, IP Key South-east Asia is implemented by the European Union Intellectual Property Office (EUIPO)
2. Social Media

Facebook helps you connect and share with the people in your life.
3. Vendor or Auction site

- Alipay

B2C – surface web

- eBay

B2B – surface web

- Alibaba Group

B2C – dark web

- Dream Market

Established 2013

- AlphaBay Market
Aliexpress – a new way of e-commerce

- Conquers the European market:
  - → Very cheap
    - Cheap transport via state sponsored China Mail (free shipping)
    - Cut out the middleman
    - (Ab)use exception for VAT and import duty
    - Internal competition, with multiple providers selling the same product
  - Not according to standards (CE, frequencies, ...)

Via Post or courier
Aliexpress – a new way of ecommerce

• **Trusted web shop**
  - Rating system
  - Payment after delivery
  - Refund when problems

• **Aggressive publicity**
  - They attract people by advertising in banners based on their profiles

• **Complete gamma**
Conflict reduction mechanisms

Directed by the European Commission, IP Key South-east Asia is implemented by the European Union Intellectual Property Office (EUIPO)
4. Vendor Site - Rating systems

• Online marketplaces rely heavily on trust.
• Rating and review systems provide buyers with a fairly reliable track record of a vendor’s previous transactions.
E-reputation – Main factor to buy online

Vendors rating
- stars
- Users comment

E shops
- Shop ages, diversity, packaging
- Prices, languages

Selling platforms notoriety
- Web
- Darknet
Investigation Methods

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Finding online counterfeit

- Feedback from seized parcel with counterfeit
- Complaint from private sector
- Request from partner country
- Other governmental agency
- Own research - Osint
Magicals words for counterfeit

• Cheap
• Outlet
• Replica
• Fake
• Famous brand
• Luxury
• Sales
• Popular
How recognizing online counterfeit

• Bad translations
• Cheap
• No contact details
• No VAT numbers
• No logo/link of review/rating company or verified service
• Check on counterfeit.io
• [www.google.be/advanced_search](http://www.google.be/advanced_search)
National legal framework: Procedure to close a domain

- For national CCTLD (Country Code Top Level Domain)
- Based on national legislation
- Slow procedure
- Not a priority for justice

- Customs Infraction
- Cyber crime unit
- Prosecutor
- Registry (.be/.eu)
Administrative procedure to close domain

- For national CCTLD (Country Code Top Level Domain) or .eu
- Based on the “User agreements” that their contact details has to be correct
- Collaboration between law enforcement and the DNS
- Fast and easy
Operation In Our Sites
Project TransAtlantic II / Project American Icon

This domain name has been seized

Operation In Our Sites-Project TransAtlantic II is a coordinated effort by U.S. and European law enforcement agencies targeting websites and their operators that sell counterfeit goods.
Assessment

- Procedure is smooth, but not smooth enough (e.g. sites like aliexpress.com)
- Legal framework is not/never up to date with computer crime
- Delicate balance between privacy and technological means
- More ‘open laws’ required
- Impact of closing is relatively low, but not inexistent
- International cooperation has to improve (the other side is ahead of us)
- Use the private sector! Transfer of information as well as lobby work
Investigation method

• Search for counterfeit in post and courier
• Ask the addressee who was the seller and with marketplace and the address of his wallet
• Follow the parcels to the postbox
• Follow the bitcoin via blockseer

• Search for mistakes
Osint toolbox 1

Toddington International Inc. - Free Open Source Intelligence Resources
https://www.toddington.com/resources/

- Academic & Scholarly Research Tools
- Deep Web & Specialty Search Tools
- Kid Friendly & Educational Search Engines
- Geo-Location and Mapping Tools
- News and Journalism
- People, Phone Number & Company Finders
- Search Engines
- Reference Sites
- Username Search
- Whois, IP Lookups & Website Analysis
- Free Downloads for the Online Investigator
- Add-Ons & Apps
- Image, Video & Multimedia Search
- Language Tools
- Meta & Mega Search Tools
- Online Communities
- Proxy Servers, Online Privacy & Security Tools
- Social Media
- Useful Websites, Tools & Documents
- Web Directories
- Wikis
Osint toolbox 2

IntelTechniques:

https://inteltechniques.com/index.html

IntelTechniques Free Resources

- Search Tools
- Book Links
- Web Forum
- Blog
- Podcast
Operation POSTBOX II (2019)

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JCO POSTBOX II (28/2 – 29/3/2019)

- **Organisation & Coordination**
  - C@IC (Customs Against Internet Crime) of the CCWP → led by BE
  - OLAF 22 MS + OLAF + EUROPOL
JCO between cybercrime related Customs divisions -> 3 PHASES

I. Risk analysis / intelligence (28/2 - 8/3)
II. Border control (11/3 - 22/3)
III. Cyberpatrol (25/3 - 29/3)

SCOPE: Combat illegal smuggling of goods bought on the internet
- Priority 1: Counterfeit
- Priority II: Cites
  Secondary: Narcotics
Phases of Postbox II

Pre-operational: Intelligence Riskprofiles

Operational I: Controls Seizures

Operational II: Cyberpatrol Identification sellers
Phase I: Intelligence & Risk analysis

- Monitoring internet:
  - Products offered on online marketplaces
  - New trends – popular brands
  - Social media analysis
- Analysis old seizures

→ 30 European risk profiles
→ In VOCU reports linked profiles

83 National profiles shared via VOCU in AFIS

<table>
<thead>
<tr>
<th>JCO POSTBOX II – Risk profile</th>
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<tbody>
<tr>
<td><strong>GENERAL</strong></td>
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<tr>
<td>Risk analysis level</td>
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<td>National risk profile (NRP)</td>
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<tr>
<td><strong>FOUND / HIGH RISK / TREND</strong></td>
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<tr>
<td>Description of the goods</td>
</tr>
<tr>
<td>Fish (or smoked fish), fish scales, smoked food, samples etc.</td>
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</table>
phase II: Control

- **2320 reports in VOCU**
  - Detailed reports with photos & modus operandi
  - First time > 1000 seizures in VOCU AFIS

- **2 Field visits**

- **Best seizures selected for cyberpatrol**
  - Multiple simular seizures in different MS.
  - Info about the website
  - Logos (XTC pills, merchandaising, …)
  - 50 CASES prepared
## Reported seizures

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<th>Participant</th>
<th>Seizures</th>
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<tr>
<td>NCP SK</td>
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</table>
Belgium

- 9 Locations
- 505 reports entered in AFIS
Case 1: Direct Link

- **Shipper/Sender**: Direct Link, **Malmo SE (CN)**
- **Seizures**: >30 in BE and HR
- **Website**: Aliexpress
Case 2: DAIBO

- Shipper/sender: DAIBO, CN
- Seizures: >15 in BE; IT; LU; ES; PT; PL
- Website: Aliexpress
Case 5: Car Parts

- Shipper/sender: CUI HAOMAI, CN
- Seizures: 1 Greece
- Website: Alibaba
- Reselling Greece: https://oil-stores.car.gr/parts/
Case 21: MAKE UP Dermacol

- Shipper/sender: EC BEST IN SOLUTIONS PTE LTD, SG
- Seizures: 4 in Italy
- Website: [https://www.lazada.sg/dermacol_1/](https://www.lazada.sg/dermacol_1/)
Cyberpatrol: CONCEPT

- Presence of specialists from around Europe
- Different areas of expertise: Cites, Counterfeit, Drugs, Osint, Cryptocurrencies, Financing…
- Research on Darknet and surface web
- SYNERGY!
- One operational room with specialists (20), one management room with coordinators (10)
- Mobile support between the rooms for liason purposes (Europol, Police, Central offices,...)
Phase III: Cyberpatrol
Conclusions

- Very successful operation
  - 2300 reports of seizures
  - Shared knowledge
- Most counterfeit is sold on ALIBABA platforms
- Chinese e-commerce via Air cargo to post centers Europe and reposted (not under rules UPU)
  - Big problem in Malmo (SE) and Zaventem (blue bags)
  - Abuse exception low value, under evaluation, counterfeit & weapons
THANK YOU

@IPKey_EU