



Illicit online pharmacy networks

Conference

Combatting counterfeiting and piracy in South-East Asia

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Counterfeit medicines

- Joint study of the EUIPO and the OECD on Trade in counterfeit pharmaceutical products
 - international trade in counterfeit pharmaceuticals reached EUR 38.9 billion
 - revenue loss for EU governments linked to tax evasion: EUR 1.7 billion
 - The job losses are estimated at more than 80 000 jobs per year in the EU pharmaceutical sector and other related sectors
 - majority of counterfeit medicines originate from China, Hong Kong (China), Singapore and India
 - The COVID-19 pandemic: fake medicines and medical supply



COVID-19

- Many illicit online pharmacies claiming to sell prescription drugs marketed for COVID-19 treatment
- 90% of the COVID-19-related domain names identified were registered anonymously: difficult to investigate
- A high number of new domain names were registered for illicit purposes with terms such "corona", "virus", "covid"
- The traditional illicit online pharmacy networks adopted to the new demand (84% have been operational already before COVID-19)



Illicit online pharmacy networks

- 95% of the online pharmacies are rogue (around 30.000 sites)
- Certain domain name registrars knowingly sponsor illicit online pharmacy networks
- Registrar Accreditation Agreement between ICANN and domain name registrars (registrars are obliged to take measures against counterfeit medicines sold by their clients)
- Social media platforms do better
- Rogue registrars:
 - allegedly do not comply with the Registrar Accreditation Agreement
 - ignore abuse notifications submitted by right holders on the sales of fake medicines
 - do not suspend the domain names of illicit online pharmacies



The business model

- Use of domain privacy and proxy services that act as intermediaries for domain registrations
- The contact details of the proxy service appear in the WHOIS Database instead of the contact details of the actual registrant
- The use of subdomains to conceal infringing content
- The subdomains are advertised and communicated directly to the consumers through messaging services, emails and social media platforms
- Typical rogue network models: customer service call centres, back-end merchant accounts with acquiring banks and a medicine distribution system
- Criminal networks buying bulks of domain names (anchor, feeder sites)



Watch List

- A section is dedicated to illicit online pharmacy networks and the rogue domain name registrars that serve them
- Cooperation with Europol and national enforcement authorities
- Urge the domain name registrars to step up efforts against illicit online pharmacies
- Awareness-raising



Thank you very much!

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