



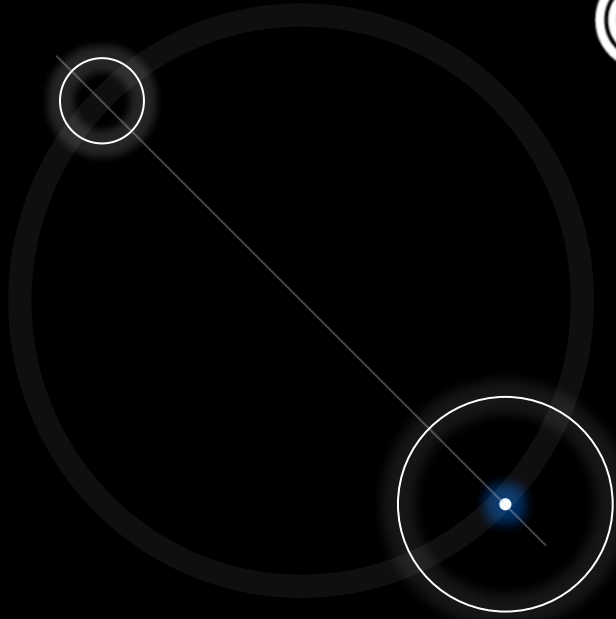
# REMOVAL OF ILLEGAL PRODUCTS FROM THE INTERNET IN RUSSIA

DMITRY MARKANOV

RUSSIA



Contoso





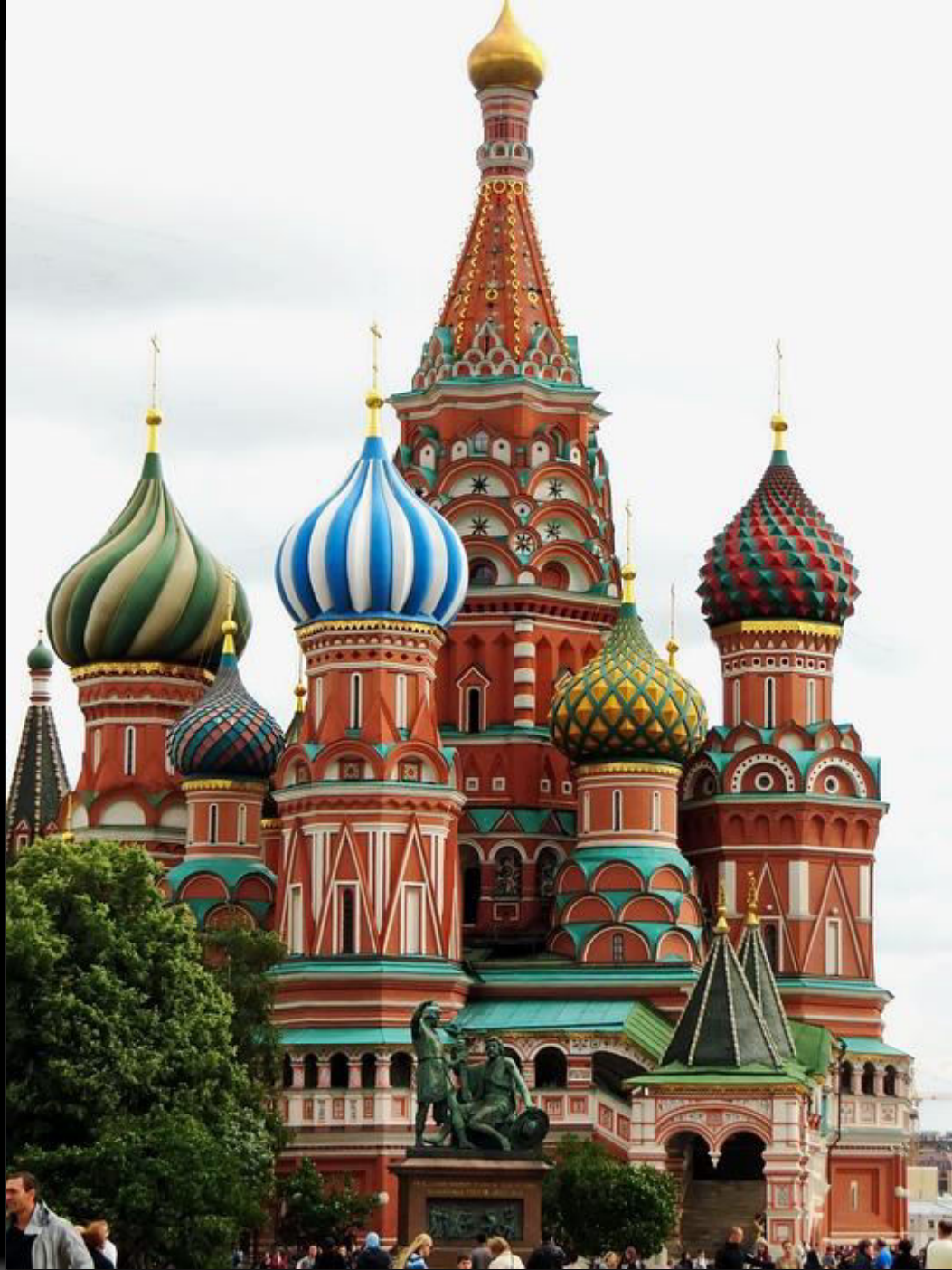
To date, the global counterfeit market is 461 billion dollars

Approximately 2.5% of world imports account for counterfeit products in the world

In the European Union, counterfeit accounts for about 5% of total trade

And what is the situation in Russia?





## In Russia:



The annual counterfeit trade is estimated at 4 billion dollars



The fake luxury market exceeds the legal turnover



40% of building materials in Russia – counterfeit



28.4% of cigarettes in Russia – counterfeit



The turnover of unregistered, counterfeit products in the market of cosmetic services reaches \$ 200 million



The share of illegal circulation of goods in various sectors of the economy - from 5% to 70%

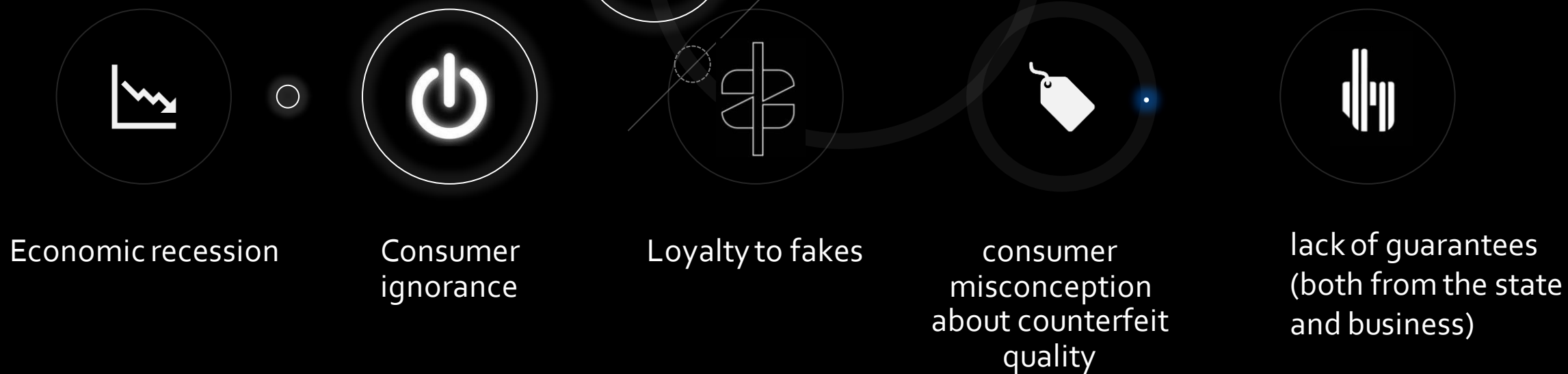


Most popular counterfeit items are medicines, alcohol, tobacco products, clothes, shoes, mineral waters and juices, auto parts.

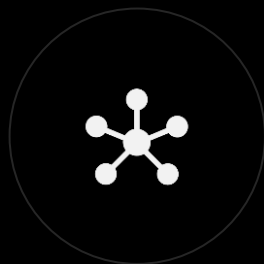
At the same time, the share of illicit trafficking of such goods in some sectors reaches 40%



# The reasons



# The reasons



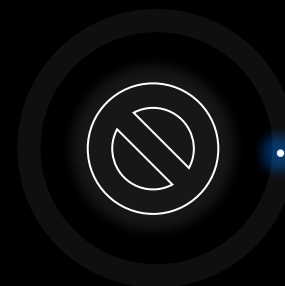
Lack of a sustainable  
control system



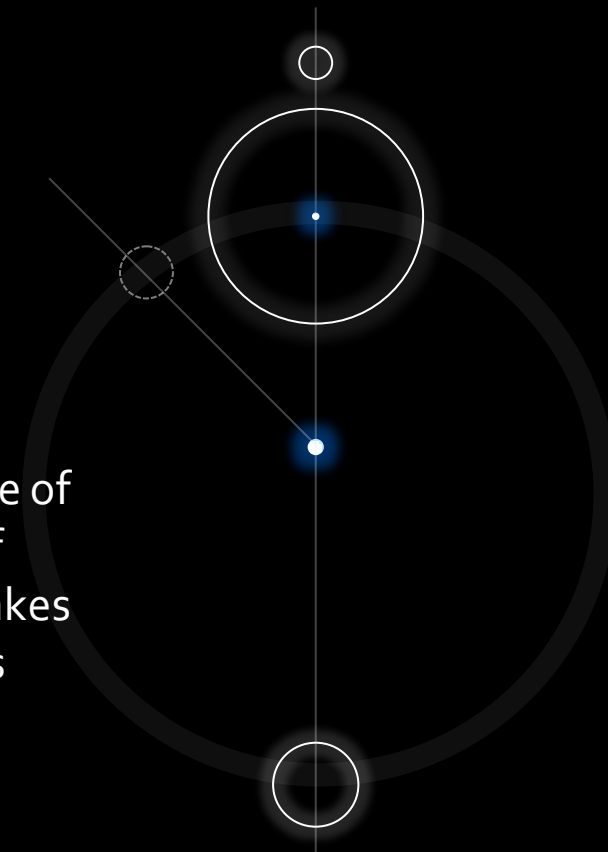
Corruption



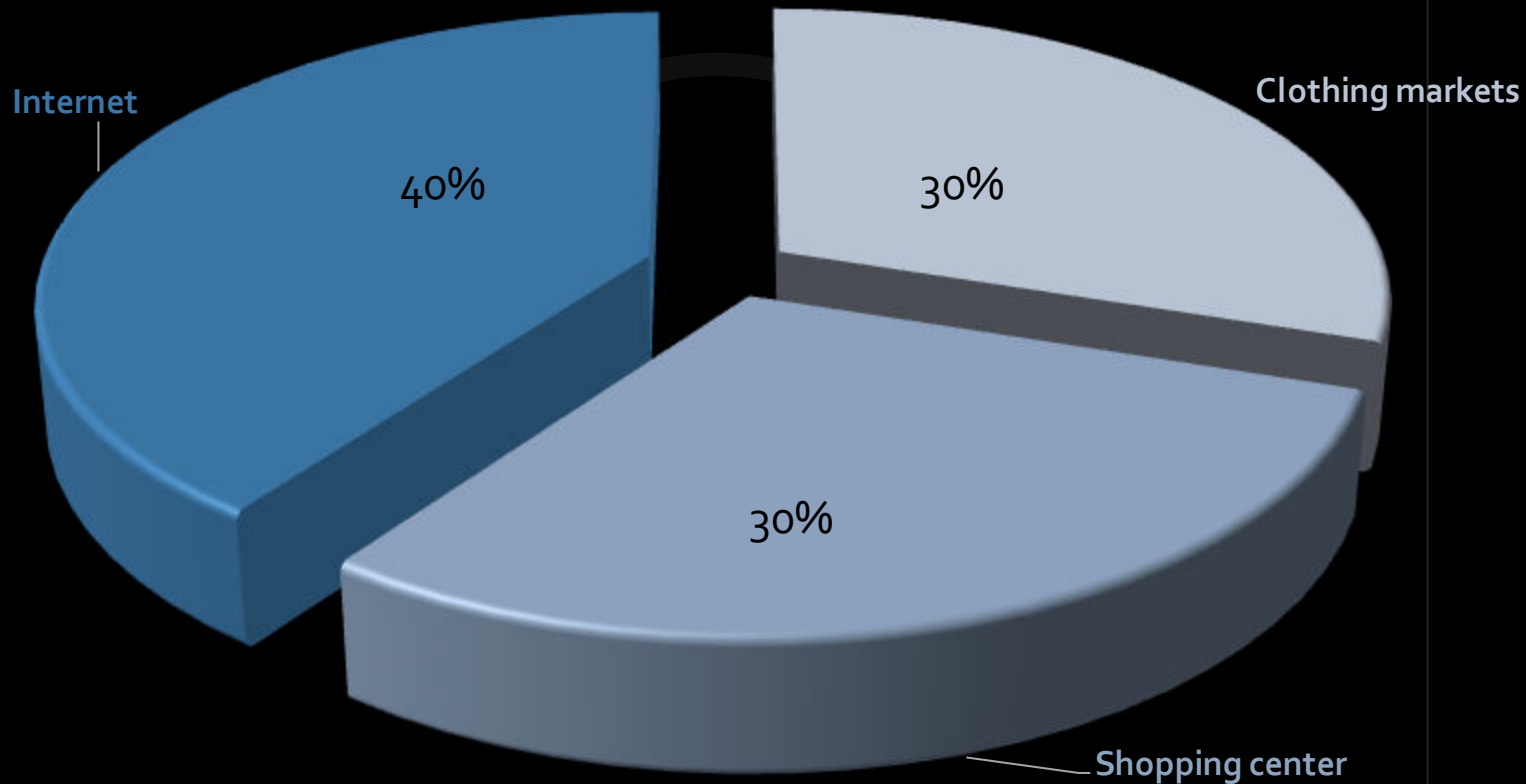
Unmotivated Police



The lack of a sense of  
inevitability of  
punishment for fakes  
manufacturers



# COUNTERFEIT PLATFORMS



According to statistics, about 80% of trading platforms on the Internet sell counterfeit products



Every third item selling in Russian Internet sector is a fake



84% of Russians knowingly buy counterfeit goods on the Internet

# Internet



Sites



Trading platforms

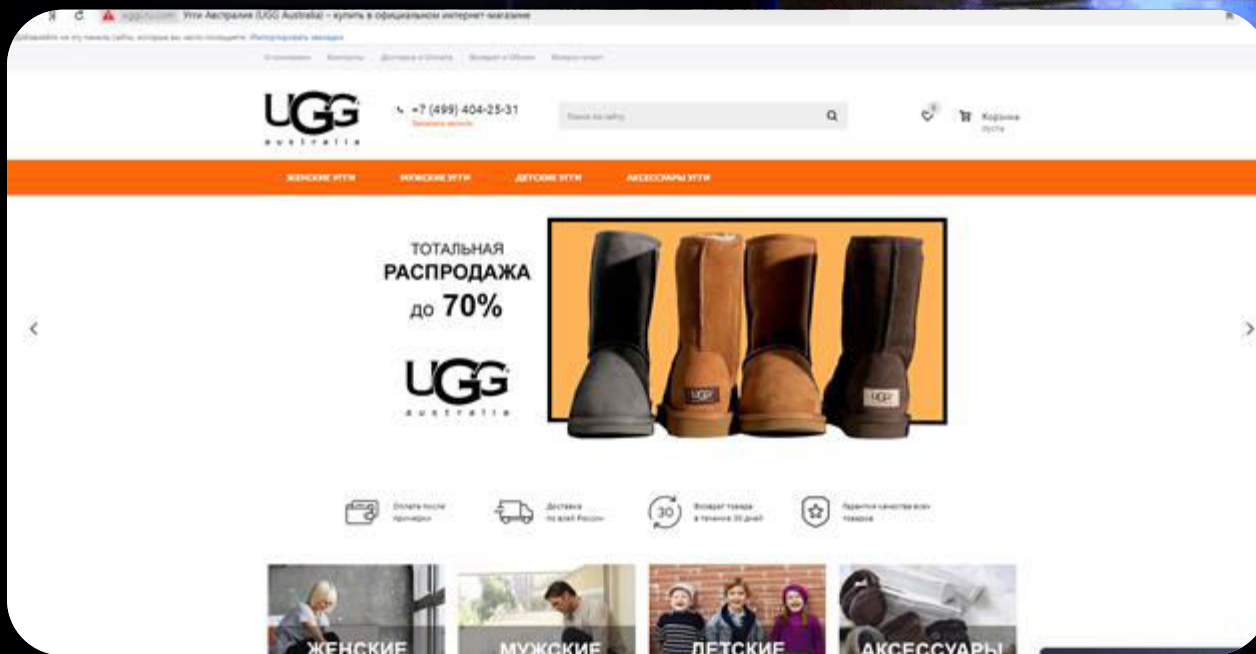
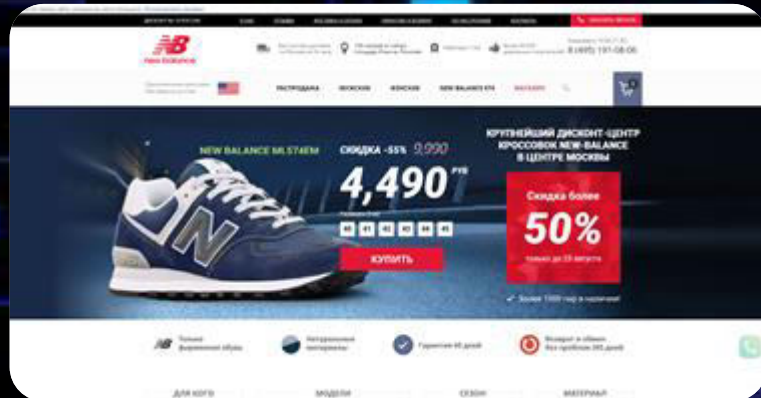


Social networks





# SITES



# Trading Platforms



amazon



Alibaba.com  
阿里

ebay



AliExpress

OZON

iHerb





# Social Networks

*Do these people even know that they are breaking the law?*



first\_

Подписаться

3 082 публикаций 11

Moscow the **FAST** best  
исключительно люкс: ! M  
wats.viber. ☎+7 (910-



shopp\_

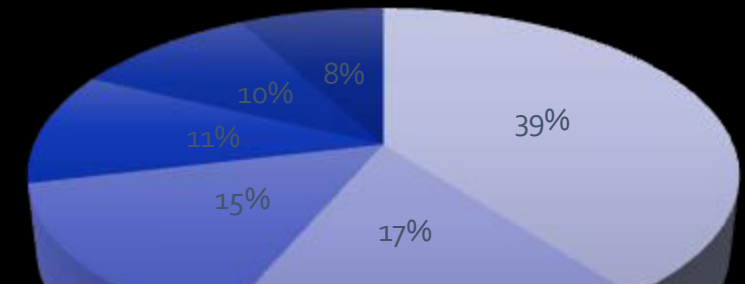
Подписаться

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Personal Shopper Живу в Китае, специализируюсь на точных копиях.  
Worldwide shipping 📦What's app, viber:+8  
@shopp\_ Мужской аккаунт



## Counterfeit goods



buzova86

Подписаться

Делюсь с вами отличным магазинчиком, где я заказала эти кроссовки- @... с большим ассортиментом и приемлемыми ценами загрузить еще комментарии

Знаете получать деньги за размещение рекламы в социальных сетях - это круто и вообще не сложно!! Приглашаю в свою команду !!! Я не зову тебя на какой то лохотрон .. Я не вкладываю деньги и ничего не продаю !!! Ссылка в профиле, пиши , я научу , тебя , как построить свой бизнес с нуля!!!

Ты че за мной повторяешь? Кросы купила как у меня блин 😂 moshe\_ed Оленька прочти Директ важно )

Kicks on fleee 🙌🙌🙌🙌🙌



195 466 отметок «Нравится»

5 АПРЕЛЯ

Добавьте комментарий...

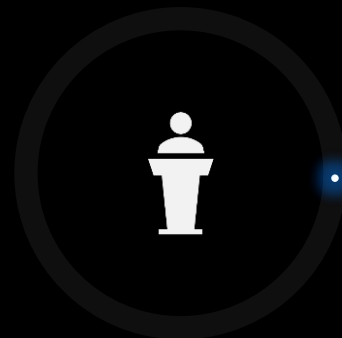




# WAYS TO COMBAT COUNTERFEITING ON THE INTERNET



Monitoring systems



Litigation



Law  
enforcement

# MONITORING SYSTEMS

## Advantages:

- Efficiency of search and suppression of violation
- Volume
- Cost
- Scanning the Internet 24/7





# How does it work?



## Violation detection

- Analysis of text
- Image recognition
- Analysis hyperlinks



Each web page detected is transmitted to the automatic processing module



## Goods identification

- fingerprint extraction
- Confirmed violation is entered into an automated monitoring and tracking system



## Verification of violations

- Legal use of the brand
- Brand abuse
- Distribution of counterfeit products



Confirmation of the legality or illegality of cases of brand use recorded by the system



## Registration of violation and pre-trial settlement

- Sending warning letters to violator
- Direction of notification to the hosting provider
- sending materials to the prosecutor





# For Social networks and Trade platforms

Monitoring systems automatically sends all needed requests to the Social Network/Platform Administration. The Administrators:

*It is important to understand that social networks - and, in particular, Instagram - are interested in protecting intellectual property, this is clearly spelled out in their rules*

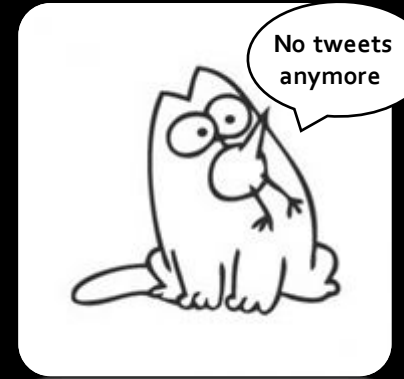
Receives a request from the holder



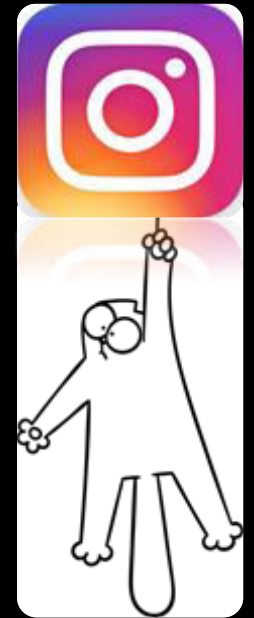
Sends warning to user



Blocks content



Blocks violator



As a rule, the administration of social networks is interested in protecting the intellectual rights of users.

**NOTIFY!**



# Disadvantages

The functioning system of monitoring systems is based on the principle of operation of two or more robots, the purpose of which is to achieve a golden mean between legal and illegal

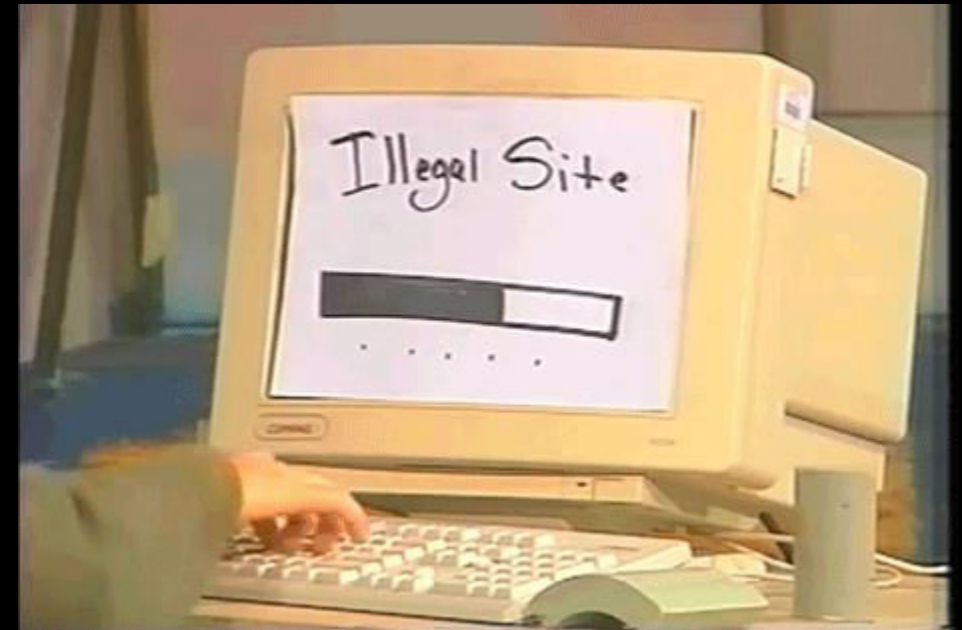
When the system comes to a standstill, a specialist enters the business

The system is designed in such a way that it can block more than hundreds of illegal advertisements per day

But the speed with which the number of new similar content is growing is much higher

The system solves the problem, but not at the root, as the methods of its influence are very limited

And at that moment lawyers come into action ..



# Litigation



- DO YOU DOUBT MY PROFESSIONALISM?
- TO BE HONEST, YES.
- YES, I CAN DO EVERYTHING!
- PLEASE DO EVERYTHING.



## Advantages

- Quality
- Efficiency
- Professionalism
- Guarantees
- Customer focus



## Disadvantages

- Expensive
- May take a long time



Self-discovery of a violation



Appeal to a lawyer








Filing a lawsuit




# Withdrawal of counterfeit from the site:

## Method:

-  Setting a domain registrar (if applicable)
-  Establishing a proper defendant
-  Notarization of the site
-  Test purchase in the presence of a notary
-  Filing a lawsuit

## Terms:

-  3 – 5 months





# COURT PRACTICE:

Responsibility of the website owner

«Violation of trademark rights  
of the Eldorado LLC»



Eldorado (эльдорадо-  
rus.)- One of the largest  
electronics stores and  
online stores in Russia

Case N A40-27253/11-12-247

## The essence of the matter:

The plaintiff became aware that the domain names eldorado32.ru, eldorado33.ru, eldorado35.ru,... are registered on the Internet.

## Who is responsible?

The responsibility for the content of information on the domain administrator's website should be borne by the domain owner, as the actual use of the site's resources is impossible without the participation in one form or another of a domain administrator who is the person who created the relevant technical conditions for visitors to his Internet resource.



# COURT PRACTICE:

Joint responsibility

Harman International Industries

VS

TradeOnline LLC



an American company that designs and develops electronics-related products. Since 2016, Harman has been part of the South Korean company Samsung Electronics



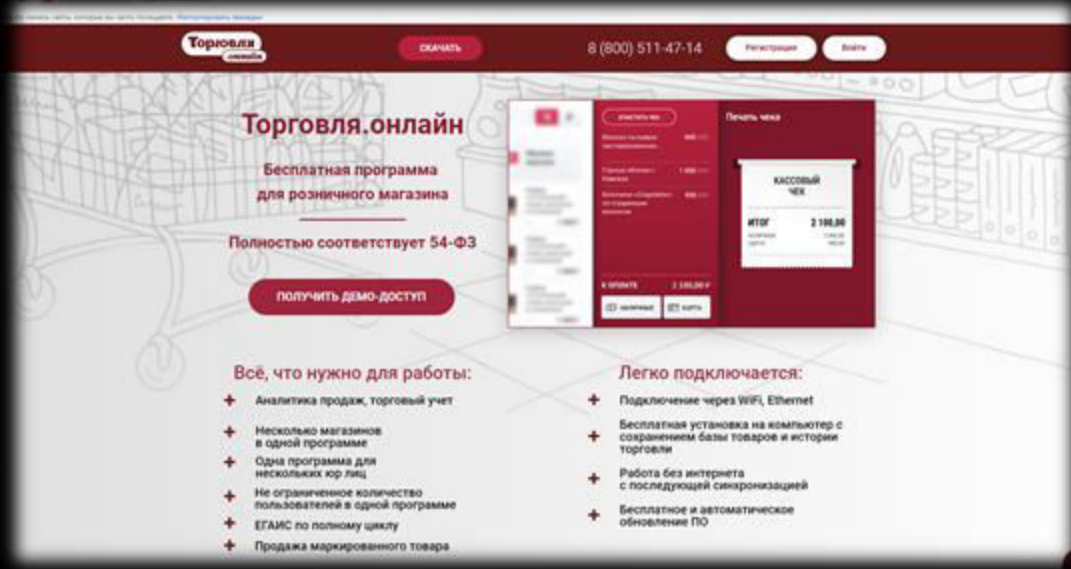
## The essence of the matter:

"TradeOnline " LLC carried out the offer of goods for sale through the website. During the purchasing goods, the company "Contract Plus " was indicated in the receipt (actual sale).

As third parties, domain name administrators were involved.

## Decision

The result of the actions of the defendants is indivisible, as the violation occurred through actions carried out both by Trade.Online LLC (when offering goods for sale on websites) and by Contract Plus LLC (when the goods were actually sold.)





# Law enforcement

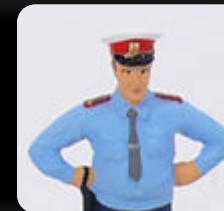
The relationship of business with law enforcement remains difficult. The essence of the problem is mutual claims of lack of activity. Parties exchange reproaches, considering the opposite side is not enough motivated fight against counterfeit.

Typical sayings are «mirrored Character»:

"The structures of the Ministry of Internal Affairs today do little."



"The main problem is in the copyright holders themselves"



Wide range of powers:



Conducting investigative actions  
(verification, inspection, search, seizure)



Criminal prosecution



Finding a place to store counterfeit goods



Seizure and destruction of counterfeit goods





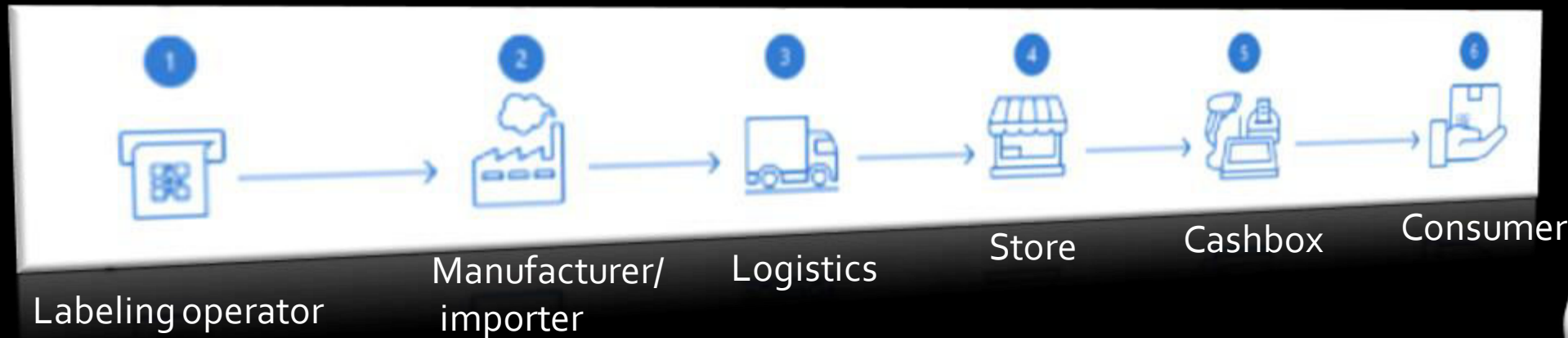
# 5 Year perspective:

## Obligatory product labeling by the year 2024

# DATA MATRIX

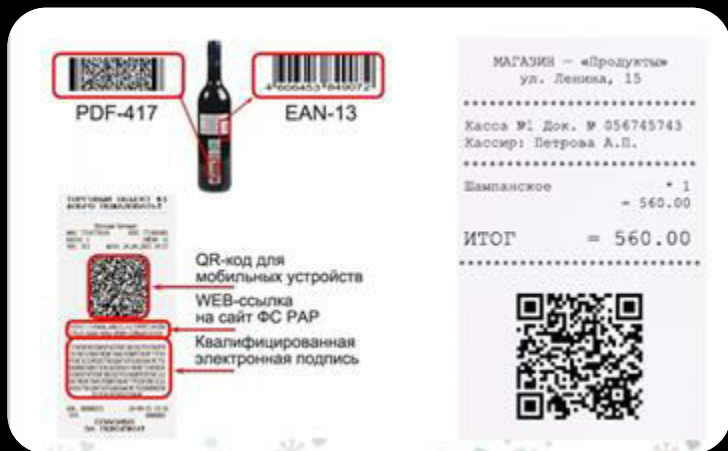
Unified system of labelling goods, both imported into the country and sold or manufactured in Russia

## How does it work?



# DATA MATRIX

Already functioning:



In project:

- Tobacco
- Perfume
- Car tires
- Leather clothes
- Women knitwear
- Coats and jackets
- Linen
- Footwear
- Cameras

**PRIORITIES:** combatting counterfeit & unfair competition, protection of life and health of Russian customers





Thank you for your attention!