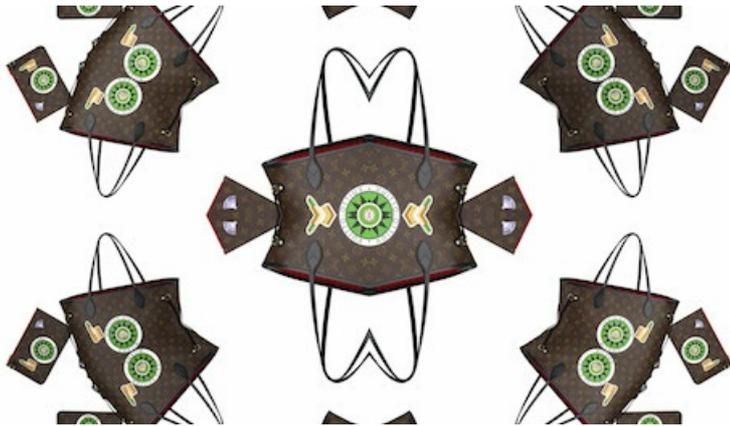


RETAIL

Alibaba enhances anti-counterfeiting measures in response to apathy accusations

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Alibaba's new anti-counterfeiting measures are much stronger than before. Image credit: Louis Vuitton

By DANNY PARISI

Alibaba, one of China's most prominent ecommerce platforms, is introducing enhancements to its intellectual property protection platform.

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The company has previously landed in hot water for comments made by Alibaba founder Jack Ma about counterfeit products being just as good as the original and for the seemingly lax policy the platform has taken towards counterfeiters. The new enhancements to its screening process seem to be a reaction to the negative press regarding its relationship with counterfeit sellers.

"News sources and brands are likely integral to Alibaba's actions," said Rania Sedhom, managing partner, [Sedhom Law Group](#), New York.

"A marketplace is only as good as its products and service," she said. "Continually being at odds with the very brands that you seek to sell is not a recipe for success.

"Hopefully, Alibaba continues to work with, and not against, brands."

Ms. Sedhom is not affiliated with Alibaba, but agreed to comment as an industry expert. [Alibaba](#) was reached for comment.

Counterfeiting

Alibaba is one of the largest ecommerce platforms in the world, being wildly popular throughout China.

One of its platforms, Tmall, which is the equivalent of the West's eBay in that it allows consumers to sell products to each other, is notorious for a proliferation of fake luxury goods.

These fakes can be very damaging to a brand, so the pressure has been on at Alibaba from its partners to curb the flow of fake luxury goods through the site.

In response to this, Alibaba created an alliance of anti-counterfeiting measures with partners such as Kering and LVMH. But in the time since the alliance's creation, the amount of fakes sold through Alibaba has increased.



Kering is one of the major partners working with Alibaba against counterfeiting. Image credit: Kering-owned Gucci

But now, Alibaba has emerged with a new plan for its Intellectual Property Protection Platform (IPP) and routine checks to make sure brands are satisfied with its measures.

The bulk of the new platform is devoted to responding to complaints about fakes quicker and more efficiently, bringing in a new team dedicated solely to the task and creating a single portal through which all products must go to ensure authenticity.

Multi-lingual trademark recognition software and regular surveys for luxury brands to report satisfaction levels round out the rest of the platform.

"I've never set up a store on Alibaba but there may be a way to vet sellers prior to allowing them to set up their shop," Sedhom Law Group's Ms. Sedhom said. "Questions about where inventory came from may be helpful. For example, are your items from estate sales?"

"If yes, how do you authenticate the items, etc.," she said. "It would go a long way for consumers and brands alike if sellers are dissuaded from listing fakes rather than playing roulette regarding whether they'll be caught."

Protecting intellectual property

Brands have been wary of Alibaba ever since Mr. Ma said that fake products were just as good as the real thing, leading many to believe that Alibaba was not interested in fighting counterfeiting.

This seemingly cavalier attitude toward counterfeit products is not being helped by the fact that counterfeit products sold through Alibaba's Taobao are estimated to have grown by 15 percent in 2017 alone ([see story](#)).

But the latest enhancements to anti-counterfeiting procedure show a company that wants a more amicable relationship with luxury brands.

This is especially true in light of Alibaba announcing the launch of a new invite-only platform designed explicitly and exclusively for luxury brands earlier this week.



Louis Vuitton, among others, has had its products faked on Alibaba. Image credit: Louis Vuitton

The platform is part of Alibaba's larger "New Retail" push to emphasize its luxury offerings. The invite-only Luxury Pavilion is geared toward high-net-worth Chinese consumers and will launch with products from Burberry, Hugo Boss, Zenith and others, with more on the way in the future ([see story](#)).

While Alibaba may not have the best reputation in this regard, the new enhancements are a welcome improvement.

"This is a good start at building trust with brands and consumers," Sedhom Law Group's Ms. Sedhom said. "For the first time, we are getting more than just vague statements from Alibaba.

"Instead, Alibaba provided detail take down of fake sellers within 24 hours, an interactive customer service process with IP professionals and improved SEO," she said. "Additionally, Alibaba finally released some information regarding the AACA.

"As Alibaba continues to help stop, or at least severely hinder, counterfeiters and as it continues to keep us informed of its progress, both internally and with its collaboration, it will certainly increase its market share."

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