Tokopedia Intellectual Property (IP) Protection Report H1 2022

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tkp.me/ipprotection

Overview

As a business based on reputation and trust, **Tokopedia is committed to protecting Intellectual Property (IP)** and ensuring the integrity of our platform.

In line with our commitment, we have made improvements and engaged in initiatives to mitigate IP infringement, counterfeits, and piracy:

- Established a dedicated IP Protection team
- Increased early detection and proactive removal of counterfeit products through automation and technology
- Enabled brands and rights holders to report IP concerns more efficiently through the new IP Protection Portal for all, which offers a more seamless and transparent process
- Collaborated with IP holders, brand associations, and regulators to combat IP infringement
- Enhanced seller vetting and penalty system to prevent repeat infringement and offenders from relisting
- Launched new IP education channels for sellers

These initiatives have resulted in a 300% increase in the number of infringing products prevented and removed compared to the previous period, 47% more infringing sellers removed, and faster response to IP reports. With these efforts and a mindset to continuously improve, Tokopedia continues to create a trusted marketplace for our buyers, merchants, and IP stakeholders.

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Tokopedia IP Protection H1 2022: Impact at a Glance





IP Protection Accomplishments and Highlights

Increased automation, proactive takedowns, and faster resolution of IP issues

In the first half of 2022



>300% Increase

In IP infringing products removed compared to H2 2021 (>4 Million products)



>47% Increase

In infringing sellers suspended (compared to H2 2021)



In proactive removal and prevention of IP infringing products (compared to H2 2021)



Portal

Has been established for all brands to submit IP claims seamlessly (ipp.tokopedia.com)



Brands and IP holders assisted (96% of IP claims resolved < 24 hrs for Brand Alliance members)



Our Efforts in Protecting Intellectual Property





Our Efforts in Protecting Intellectual Property

Multi-layer protection system



Dedicated IP Protection Team

A team responsible for handling IP related issues



We have continued to grow and invest in an IP protection team who is responsible for mitigating counterfeit products, copyright, and trademark infringement on a daily basis. The team constantly reviews sellers and product listings to conduct product takedowns in a timely manner. Through the efforts of this team, in the first semester of 2022, we performed more proactive takedowns than ever before.

The team is also the **main point of contact** for brands to resolve any IP infringement related concerns.

For further Inquiry please contact ip.protection@tokopedia.com

Automation & Technology

Technology-based Initiatives to detect IP infringement



Rules Engine

Our counterfeit rules engine algorithm combines product keywords, brand terms, and price filters to discover infringing items across all marketplace listings including luxury goods, pharmaceuticals, and apparel.

Image Recognition

Our optical character recognition (OCR) and similar image matching scan millions of product images to find counterfeit listings. These image recognition methods strengthen our ability to catch sellers attempting to bypass our rules.

Machine Learning

We employ machine learning models that are continuously trained from labeled data sets of counterfeit examples. The models analyze numerous product and seller attributes to determine the likelihood of a product being a counterfeit.

New IP Protection Portal

New reporting interface for IP holders and brands



We launched a new IP Protection Portal that is available to all brands and rights holders. This reporting portal provides brands a dedicated account for their reporting needs, easier and faster registration of legal documents, faster response time to remove infringing products, and real-time progress monitoring of claims.

This new portal can be accessed at **<u>ipp.tokopedia.com</u>**.

How to report:

Register your account via ipp.tokopedia.com

Fill in the account holder information

Submit required documents per brand Report IP infringement and monitor the status

Note: if you want to do a one-time report, you can also report via this online form.

New IP Protection Portal

Dashboard Preview

Account	Registration
Setting up your company a	count
COMPANY DETAILS	
Company Name/IP Owner Name	Category
Enter company or IP owner name	Select company category 🗸 🗸
Registrant Category	Country
Select registrant category	 ✓ Select country ✓
CONTACT DETAILS	1001 NOTE 100 GB
Email for Inquiries ()	Phone for Inquiries +62 Enter HP / Office Phone Number
	*Optional
Address	Website
Enter Address	Enter website
0	IP Reporting Dashboard Terms and Conditions.
C Thave read and agree to th	
	Continue

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Real-Time Status Monitoring

Submit IP Report

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Building Trust with Brands and Stakeholders

Collaboration with brand protection associations and regulators



Regulators & Government

We have engaged with government and regulatory entities in Indonesia to partner on IP protection and enforcement. As a joint effort, we plan to ramp up IP compliance education for sellers, support online to offline investigations, and provide a direct channel for them to raise counterfeit issues to us.

Brand Protection Associations

We have partnered with numerous brands and brand protection associations to strengthen our IP detection through sharing intelligence and data on infringing products and counterfeit merchants. Through this collaboration, we have carried out an astounding number of proactive takedowns in the first half of 2022 compared to the whole year in 2021.

Building Trust with Brands and Stakeholders

Brand Alliance Program

We have a total of 31 brands who joined our Brand Alliance Program. Some of these brands include P&G, Logitech, Xiaomi, Pandora, and Spigen. We have resolved more than 96% of IP claims reported by our Brand Alliance members within 24 hours. We also handled more in-depth product sweeping requests from our Brand Alliance members.

Our members



Testimonial

Tokopedia team has always given a quick response to Xiaomi's feedback. This initiative (Brand Alliance Program) has helped us to protect Xiaomi's branding and its products at Xiaomi Official Store in Tokopedia.

Thanks to the hardwork and great communication with the team, we can ensure the convenience & security of every transaction made by our wonderful Xiaomi Fans when shopping Xiaomi's official products and continue to delivering innovation to everyone.

Zhao Wentao - Country Director of Xiaomi Indonesia

As one of the world market leaders in the fixing systems sector, we appreciate Tokopedia's support in the fight against trademark infringements and counterfeits. We are satisfied with the IPP service. It's easy to work with, the user platform is very user-friendly and the takedown processing time has been reduced from 2 weeks to a few days.

Dr. Ulrich Suchy - Head of IP Management, fischerwerke GmbH & Co. KG

More testimonials can be seen here.

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And many more.

Seller Vetting

Continuous evaluation of seller performance and stricter penalties

Sellers are reviewed starting at their account registration. For sellers such as Official Stores and Power Merchants, we also require and verify information such as contact details, identity, and business registration. To block repeat infringers, banned sellers are not able to set up new accounts. We also evaluate the performance of sellers as soon as they start listing products and track policy violations in the form of penalty points.

Upgraded Penalty Points

Smarter algorithm which ranks and scores more penalty points towards repeat infringement and IP counterfeit violations. Accumulation of points leads to different sanctions, ranging from temporary suspension to permanent removal of the seller account.

Learn more on our penalty points system.

Strict Shop Termination

Sellers who exceed the penalty points threshold will be suspended and further violations lead to termination and permanent ban of a seller's listing and selling privileges.

Learn more on <u>seller consequences and</u> <u>suspensions</u>.

Prevent Repeat Infringers

We continually review and evaluate the performance of sellers and have improved our efforts to prevent repeat infringement. We monitor and review sellers to block IP infringers from creating new accounts by linking new sign ups to previously banned sellers. In addition, sellers are automatically prevented from listing similar products if they have prior IP violations for the brand.





Seller Education

Seller education articles and IP Microsite updates



To maintain our Intellectual Property policy, we are committed to increasing our sellers' awareness and knowledge about IP. We have created and improved educational articles as well as our IP Microsite with more detailed information for sellers.



Seller Education Articles

Article about Intellectual Property, consequences for sellers if they violate IP, and how to prevent violations. <u>Find the article.</u>

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Article about trademark and copyright registration via DGIP (Directorate General of Intellectual Property Rights). This article encourages sellers to register their original products and get the rights of IP. <u>Find the article</u>.

Article about guidance for sellers when their products are reported by IP holders. This article aims to educate sellers on how to appeal, what evidence to provide, and what to do in order to prevent violations in the future. <u>Find the article.</u>

IP Microsite

An information and education center as a point of reference for sellers and brand owners to learn more about Intellectual Property.

Useful information for sellers:

- IP explanations and examples
- How to prevent IP violations
- How to create the right product name (not violate trademark)
- Consequences for sellers for violating IP
- IP education and enforcement during the seller's journey

Find the IP Microsite here.

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Seller Education

Informing sellers on IP compliance



We have created an **educational video for sellers** to raise awareness and better understanding of Intellectual Property. This video is incorporated in various seller touch points: IP microsite, educational articles, and activities on the seller homepage. This video is also delivered to sellers via email, notification center and the homepage banner.

<u>Video Link</u>

Conclusion

As a business of reputation and trust, **Tokopedia is committed to support protection and enforcement of Intellectual Property and ensure mutual trust and safety throughout our ecosystem**. We believe that the support of stakeholders is crucial in maintaining our commitment to combating counterfeiting/IP infringement. Therefore, in H1 2022, we have taken several enforcement actions in the form of several new technology-driven initiatives, seller education, and stakeholder collaboration, which have been proven to be successful.

In line with Tokopedia's DNA **"Make it Happen, Make it Better"**, we are committed to continuously improving our program and creating better initiatives. We plan to add new features to our Brand Alliance Program, optimize our reporting channel, increase the seller education material, improve our proactive monitoring measures, and create more collaborative initiatives with stakeholders.

We are always open to any feedback and constructive dialogue to further improve our IP Protection efforts and initiatives.



Tokopedia IP Protection Team ip.protection@tokopedia.com