

Tokopedia Intellectual Property Protection Report H1 2023

tkp.me/ipprotection





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Overview

At Tokopedia, our aim is to democratize commerce through technology. In line with this mission, we are fully committed to protecting the Intellectual Property (IP) rights of brands and rights owners to ensure our users find the quality products they want in a trusted and safe marketplace.

Over the past 6 months in H1 2023, we have improved detection of suspected IP infringement, continued supporting brands with faster notice and takedowns, invested more in educating sellers on prohibited items policy, and strengthened actions taken on repeat offenders. The following are a few highlights from the first half of the year:

- Improved technology capabilities and expanded expertise of the IP Protection team
- Increased adoption from rights holders registering through the IP Reporting Portal
- Enhanced the seller penalty program where counterfeit offenders are removed within three-strikes or less
- Continued engagement with rights owners, brand protection agencies, law enforcement, and regulators on IP enforcement
- Increased education and IP rights awareness for sellers and how to be compliant

Through our work, we have seen more than a multiple fold increase in listings proactively removed, greater than 80% reduction in repeat violations, and less than 3 hour average resolution time for IP claims.

IP Protection and Enforcement



IP Protection and Enforcement

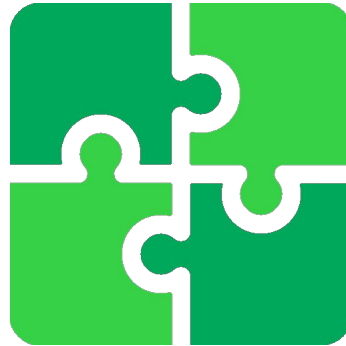
Proactive Measures, Strict Penalties, Reporting Portal and Seller Education

Proactive Monitoring and Detection

Our multi-layer technology consists of automated product screening, image recognition, and machine learning. In addition to our technology, we have a dedicated team of IP protection specialists who constantly monitor sellers and product listings to remove and prevent problematic items. They also work directly with rights owners in gathering counterfeit listing insights to continually strengthen our automated proactive filtering.

Strict Repeat Violator Policy

We enforce a rigorous repeat infringer policy, ensuring strict adherence to prohibited products policy among all sellers. To bolster our efforts against malicious actors, we also deploy advanced seller network mapping techniques to prevent banned sellers from coming back on the platform.



IP Reporting Portal for Brands

We continue to invest in streamlined tools for brands. The [Tokopedia IP Reporting Portal](#) enables rights owners and authorized representatives to report claims of copyright, trademark, and counterfeit. The portal offers a simple one-time registration, easy to use interface, and a comprehensive real-time claim tracking dashboard. The reports are factored into seller penalties and the data intelligence collected is incorporated into the automatic blocking of product listings.

Seller Education and Awareness

Seller education is a critical part of our effort to mitigate IP infringement. We provide a range of educational materials and awareness campaigns throughout the seller's engagement on the site to cultivate compliance with IP policy. Sellers receive notifications in their dashboard, whenever their listings violate policy. They are also warned that repeated infractions will lead to suspension.

Proactive Detection Technology

Product Decision Engine and Machine Learning

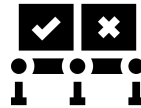
Product Decision Engine - evaluates product listings around the clock to proactively detect and remove potential infringing items.



New products



Counterfeit signals



Validation decision

We deploy a product decision engine with an algorithm and text analytics that utilizes data such as product keywords, brand terms, and pricing to identify suspected infringing items on our platform. This approach allows us to detect and address potential violations quickly and efficiently.

Machine Learning - identifies suspected cases of infringing products through analysis of numerous seller and product data points.



Data input



Model training



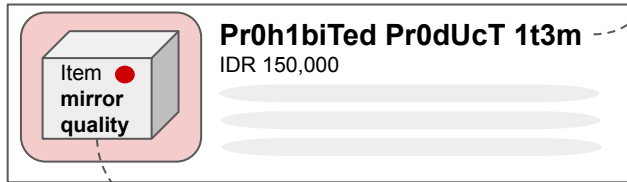
Identified infringing items

We apply machine learning (ML) combined with natural language processing (NLP) to better identify counterfeit patterns with the more training data that is provided to the model. Machine learning analyzes large amounts of data including seller behavior, user feedback, product descriptions, and product relationships resulting in high accuracy hits.

Proactive Detection Technology

Image Recognition Tools

Optical Character Recognition (OCR) - extracts and converts keywords embedded in images into actual text used for blacklisted keyword screening and filtering.



Seller alters product name and description in creative ways to avoid keyword detection.

Extract embedded text from images to aid in counterfeit detection

Combined with automated text-based screening, the OCR processing technology amplifies our ability to identify sellers of prohibited items and quickly remove them and their products from the site. Sellers attempting to evade keyword detection are stopped through this added level of defense.

Image Matching - creates a unique image hash that is used to find products with the same image “fingerprint”.

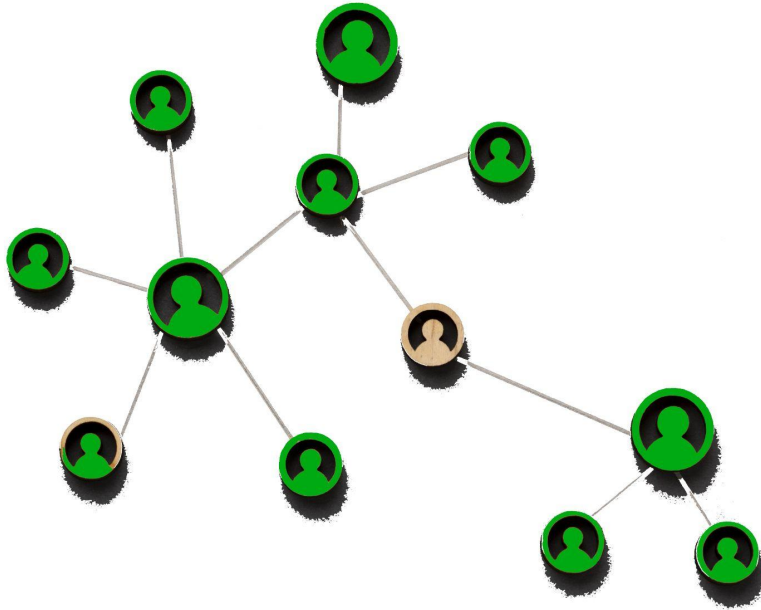
Image of suspected infringing product



Other product listings with matching images are flagged and then removed and blocked from upload.

We continually add to our database of images for counterfeit listings. This database contains images coming from brand partners and from our own collection. Whenever suspected counterfeit items are taken down, their images are examined and added to the database. Counterfeit image matching augments our ability to identify and penalize repeat offenders.

Three Strikes or Less and Seller Network Mapping



To protect against repeat offenders, we improved a process that connects cohorts of bad sellers called Seller Network Mapping, which leverages graph technology. This process uncovers linkages between seller accounts distributing infringing goods. As a result, we can follow and prevent banned sellers from creating new accounts and returning to sell on the marketplace.

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Tokopedia IP Protection Portal

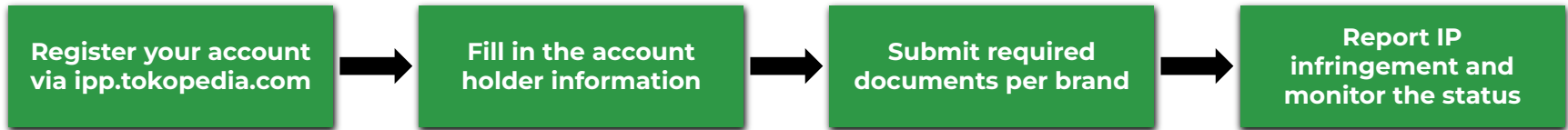
Seamless Reporting Process for Brands

We launched the [Tokopedia IP Reporting Portal](#) in 2022 to provide rights owners with a centralized platform to report suspected IP infringement cases and monitor their status. Since the end of 2022, adoption of the IP Reporting Portal continues to increase and the number of registered brands has grown more than 4x. IP portal users have noted the portal's ease of use and fast turnaround for infringing listing takedown. Today, the average resolution time for reported IP claims is less than 3 hours.

The data, insights, and trends we gather from the IP reports via the portal each day help us continually improve our proactive counterfeit detection measures. We continue to invest in developing the reporting portal features. In the coming quarters, we plan to add new functionalities and tools for brands to share more information with us and help users manage takedown requests even more effectively.

For inquiries related to setting up an account and onboarding on the IP Reporting Portal, please contact us at ip.protection@tokopedia.com. Brands and rights holders can also find a [guide to use the portal](#).

How to report:



Collaboration with Industry Partners

Online to Offline Investigations

Polda Metro Jaya Bongkar Pemalsuan Obat Sakit Gigi dan Antibiotik, 11 Orang Ditangkap



Ady Anugrahadi

27 Jan 2023, 18:06 WIB



Share
13



News headline about regional police that uncover a counterfeiting operation and arrest sellers and suppliers (*supported by intel from Tokopedia*).

Tokopedia has worked with brands and law enforcement in offline investigations that have led to seizure of products in warehouses and arrest of organized groups involved in distribution of counterfeit products.

By collaborating with rights holders and law enforcement agencies on online to offline cases, our aim is to further protect consumers outside of our marketplace and stop the suppliers of these products.

Seller Education and Awareness

Socializing to SMEs about the Importance of IP



Tokopedia directly engages with small and medium enterprises to provide education and information about IP.

Seller education is critical in getting sellers to understand their responsibility and duty to comply with IP policy in order to protect consumers from the dangers of counterfeits.

In collaboration with the Ministry of Law and Human Rights and other government stakeholders, we conducted a comprehensive event specifically tailored for Small and Medium Enterprises (SMEs) in Jakarta, Yogyakarta, and Bali. This event encompassed an overview of IP, including its definition and significance. Guidelines to prevent infringement and the consequences of IP violations were also thoroughly explained. This collective effort fostered greater awareness and understanding of IP protection within the seller community.

The socialization effort has reached over 100 SMEs, and as part of our commitment, we provided assistance to over 10 selected SMEs in facilitating and financing their IP registration process. This support aims to empower them with stronger intellectual property protection.

Seller Education and Awareness

Participation on World Intellectual Property Day with DGIP



Tokopedia was a speaker on World IP Day with the DGIP, spreading awareness about IP.

The World Intellectual Property Day Seminar, held by the Directorate General of Intellectual Property (DGIP) with Tokopedia as the e-commerce partner, served as a momentous occasion to raise awareness on the significance of IP rights. Accolades were presented to visionary local brand owners, recognizing their relentless dedication and innovation in navigating the complexities of intellectual property, resulting in substantial growth and prosperity.

By acknowledging their achievements, the seminar highlighted the crucial role intellectual property plays in fostering creativity, entrepreneurship, and economic development.

Highlights in H1 2023



H1 2023 Results

Enhanced Prevention of Infringement and Counterfeiting

Increased IP Compliance

- **Removed more infringing listings**
More than 80M listings due to proactive measures, rights owner reports, and seller suspensions.
- **Blocked 1.7x more sellers for IP violations**
More than 43K sellers suspended and 30% decrease in the time taken to identify and suspend.
- **50% decrease in IP reports from brands**
Rights holders submitted fewer IP claims due to proactive product removals and seller suspensions.
- **80% stop infringing after education**
Sellers are more responsible and accountable after they are made aware of the consequences of IP infringement.
- **Faster resolution for IP reports**
Less than 3 hours and greater than 99% success rate for takedowns via the IP Reporting Portal.

In the first half of the year, we intensified our efforts on preventing IP infringement and counterfeiting by adding new detection capabilities and strengthening our policy enforcement of prohibited products. As a result, we were able to not only proactively remove and block more infringing listings from the site but also suspend sellers more quickly for IP rights infractions.

Due to our proactive prevention controls, we have seen a trend of more than a 50% decrease in the number of reports by brands. In addition, our ongoing outreach and IP education to sellers have led to more accountable, and compliant selling. Of the sellers who had a violation, over 80% have changed their behavior and stopped infringing IP.

More than two thousand brands have adopted our IP Reporting Portal. As more members join, we also continue to improve the features and support available to rights owners. The resolution time for IP claims improved to under 3 hours with greater than 99% success rate for takedown.

Looking Ahead: IP Protection Features

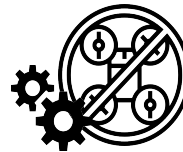


Expanded Reporting Features for Brands

New Ways to Share in the IP Protection Portal



Brands provide risk indicators for infringing product



Data analyzed to create new proactive filters

We are enriching the user experience in the IP Reporting Portal for brands by introducing new reporting functionalities. In addition to reporting specific listings, rights owners will be able to suggest and submit other indicators of potential infringement such as price information, images, and keyword descriptions through a simple submission interface.

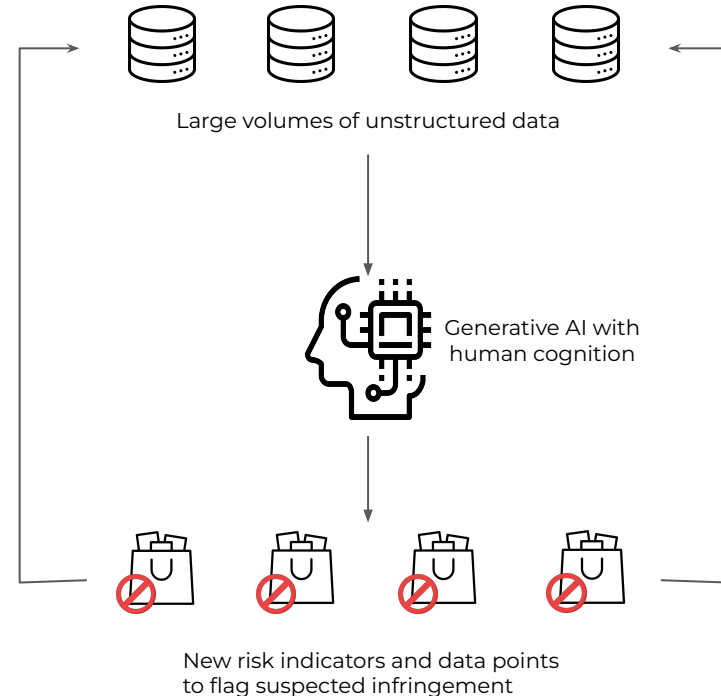
These new features will enable IP rights owners to collaborate with us in strengthening our proactive infringement filtering technology and prevention controls. We aim to empower brands to address rights infringement in partnership with the IP Protection team.

Using Generative AI

Upscale Detection of Infringement

In the next phase of scaling our IP Protection systems, we will leverage Generative Artificial Intelligence (AI) to create new risk indicators for identifying prohibited goods. The AI will augment the IP Protection team's ability to design new product filtering algorithms and other proactive controls.

We are building an AI tool which is able to cognitively process a wide range of unstructured data and understand it in context. This new approach will enable us to catch suspected infringing listings across many product categories faster and more efficiently.

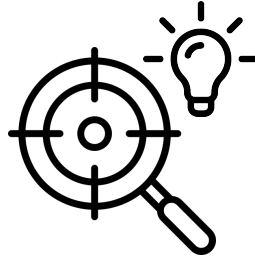


Enhanced Search Experience for Customers

Curated Search



Customers search for product



Intelligence from brand insights incorporated into the search process



Customers find desired products faster

Not only are we continuing to block infringing items but we are also enhancing the search experience for users by connecting them to relevant, quality listings from trusted sellers. We help consumers find the products they want by integrating insights realized from our prohibited products detection to further filter out problematic listings. Through curated search for users, we strive to make their shopping easier and faster.

Brand and Stakeholder Testimonials



Testimonials from Brands and Stakeholders

Brand Testimonies

"The process of reporting counterfeit products on the Tokopedia IPP website is very easy. The take down process carried out by the Tokopedia team is also very fast. We really appreciate this.

In addition, if there are obstacles, such as the submission of reports that have not been processed, the Relationship Manager (RM) team and the Tokopedia IP Protection team can immediately help with these problems."

logitech®

spigen

"Tokopedia's Brand Alliance Program has been incredibly helpful to us. We can control violations of our brands' IP and can also contribute to educating customers about the importance of product originality."

"The breakthrough of the Intellectual Property (IP) protection program at Tokopedia is a very welcome step in the digitalization era. We, as distributors for the McAfee brand in Indonesia, support and cooperate in eradicating counterfeit products that are detrimental to society and the Indonesian economy. The creation of a safe and comfortable transaction ecosystem based on trust provides satisfaction and dependence for sellers and buyers to always use the Tokopedia platform.

Tokopedia is a bridge between sellers and buyers meeting and interacting. Fundamental trust in the original product is critical to the success of a transaction."

McAfee™

Other testimonials can be seen [HERE](#)

Testimonials from Brands and Stakeholders

IP Stakeholder Testimonies

"The Tokopedia team is very collaborative. They are always open to receiving feedback from our side. Thanks to this relationship, we are able to manage escalations in a timely manner"



"Tokopedia has an intimate understanding of the need to protect public safety by fostering public-private partnerships. The IPR team adopts both a proactive and reactive approach when combatting pharmaceutical crime. A great partner to have when weathering the storm ahead."

"We are very happy to be part of Tokopedia's IPP. As a Brand Protection Agency, we represent our clients' IP rights worldwide, which has enabled us to get to know the advantages and disadvantages of different marketplaces. The user interface of the IPP is very easy to use and time efficient. We are very grateful for the great cooperation and communication with the Tokopedia team."



the brand
protection
experts

Other testimonials can be seen [HERE](#)

Conclusion

We understand that protecting IP rights is an ongoing journey. At Tokopedia, we are committed to building on our IP protection foundation through continued investment in proactive technology controls, developing reporting tools for rights owners, and fostering partnerships and engagements with industry stakeholders.

As we look back at the first half of 2023, we appreciate the impact made working with brands, sellers, and other collaborators. We enabled our users greater access to authentic products by preventing over 80 million suspected infringing listings. We stopped more than 43,000 seller shops and saved right holders time and energy to report repeat offenses multiple times. Through education, we reformed over 80% of the sellers who once violated IP and through more efficient report processing, we accelerated the resolution of claims from brands.

With these accomplishments in mind, we remain ever dedicated and look forward to building on the solid groundwork laid forth in our IP protection program.



tokopedia

Tokopedia IP Protection Team
ip.protection@tokopedia.com