

tkp.me/ipprotection



Overview

Tokopedia is deeply committed to protecting Intellectual Property (IP) and ensuring a marketplace free of any product violations. This is an important priority for us and we believe that by maintaining our dedication to IP protection, we can achieve our goal of a cleaner and safer marketplace environment more quickly.

In line with our commitment, in 2022, we have made efforts, improvements, and engaged in initiatives to mitigate IP infringement, counterfeits, and piracy:

- Established and upskilled our IP Protection team which was able to carry out >10x increase of proactive product takedowns compared to 2021.
- Enabled all brands and IP rights holders to report IP claims more efficiently through the IP Protection Portal.
- Assisted over 5,200 brands in their fight against infringement through our reporting channels.
- Implemented a more robust penalty system in combination with our seller vetting process.
- Sustained collaboration with IP holders, brand protection associations, law enforcement, and regulators to acquire
 insights and guidelines for identifying counterfeit products and mitigating IP infringements.
- Providing easy access to our comprehensive education assets on intellectual property rights and our brand protection procedures.

These initiatives have resulted in >300% increase in the number of IP infringing products prevented and removed compared to 2021, 150% increase of infringing sellers removed, and >90% reports from IPP Portal have been solved in less than 12 hours. 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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A Look Back: First Semester of 2022



Look Back: Dedicated Team and Rule-based Action

Efficient operations with team and rule-based actions

Established Dedicated IP Protection Team

Our strong commitment to safeguarding intellectual property has led to continuous investment in our IP protection team, resulting in a significant increase in preemptive takedowns achieved in 2022, with the support from various key departments and additional resources.

For any Inquiries for IP related issues, feel free contact: ip.protection@tokopedia.com

Counterfeit Product Detection Algorithm

Our counterfeit detection engine combines advanced algorithms with parameters such product keywords, brand terms, and price filters. We have utilized this to detect, takedown, and prevent re-upload of infringing items.

Along with these automated & real-time processes that detect and remove suspected counterfeits, we have increased our wider site scans and sweeps, resulting in the removal of tens of thousands of IP infringing products on a weekly basis. Our algorithms has also been highly effective in helping us proactively combat counterfeits, contributing over 75% of the total IP Infringement takedown.



Look Back: Seller Vetting

Continuous evaluation of seller performance and stricter penalties

Our review process for sellers begins at account registration which includes verifying contact details, and they will be required to provide national identity and complete a KYC process to become a Power Merchant. An extensive check and vetting process is mandatory for Official Stores, whereby the required documents include but not limited to national identity, relevant business licenses, documents to prove authenticity, authorization, and so forth.

To prevent repeat offenders, we do not allow the banned sellers to create new accounts. We also keep track of sellers' compliance with our policies by assigning penalty points for violations. To prevent repeat infringement, we consistently monitor and evaluate seller performance, and we have put in place various measures that help us achieve this, including:



Utilizing User Relationship Graphs to prevent counterfeit sellers from opening new accounts by connecting them to previously banned accounts.



Revamping our penalty scoring system to prioritize counterfeit violations. We have also implemented a more rigorous repeat infringer policy for severe IP violations to enable faster suspension of sellers.



Automatically blocking similar products from being uploaded if the seller has prior IP violations for the brand (via our brand-gating system) to prevent repeat offenders.



Violating policies and exceeding the penalty points limit can lead to a seller's account being suspended. Repeat infringement can also lead to termination from selling on the platform.

In 2022, resulting in:

- >3.9 million of repeated infringing product uploads prevented
- >33,000 number of repeat infringer shops suspended



Look Back: Seller Education

Informative channels to educate sellers for improved compliance

We prioritize seller education on IP and aim to raise awareness among our sellers from the beginning of their journey on the platform. This includes providing them with information on our IP policies and compliance guidelines at different stages of their journey.

Education Check Points on Seller & Buyer Journey

- Shop creation
 - Agreement on Tokopedia Terms and Conditions which contain clear regulation on IP
 - IP education on merchant welcoming message
- A reminder message on IP policy at the product creation stage.
- Informative notification whenever there's a takedown or suspension due to IP infringement.
- Periodic public service announcements about IP for our consumers / buyers on our official social media, email blasts, and seller dashboard.

Seller Education Articles

- Comprehensive article regarding Tokopedia Intellectual Property policy as an entirety. <u>Find it here.</u>
- Guidance for sellers on how to file a counter notice when their products got reported by IP owner(s). <u>Find it here.</u>
- Article on how to register an intellectual property asset on Indonesia Directorate General of Intellectual Property Rights (DGIP). <u>Find it here</u>.

Intellectual Property Protection Microsite

- A centralized site for sellers and brand owners to know more about Tokopedia brand protection policy and efforts. <u>Find</u> it here.
- The site provides information about:
 - Knowledge on IP
 - Guide to prevent IP infringements for sellers
 - Guide to report IP infringements for brand owners
 - o Consequences on IP violations

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Highlights of Tokopedia IP Protection Efforts and Achievements in 2022

Major Achievements in 2022

Proactive takedowns, swift punishment, faster resolution for optimized brand protection

In 2022:

>300%

increase* in total IP infringing products removed (>8M products)

>99%

takedown success rate from reports in IP Protection portal

>150%

increase* in total IP infringing shops suspended

>10x

increase in automated detection for IP infringements

>90%

reports from the IP Protection Portal are solved within 12 hours

Technology Improvements

Leveraging Technology to Enhance IP Infringement Detection and Prevention

Machine Learning

We implement machine learning model that use data points of product and seller to determine if a product is counterfeit. This model also incorporates user reviews and complaints, and identifies potentially infringing products. To maintain accuracy, we review the model's results manually to make sure we address false positives.

This model has identified hundreds to thousands of new products weekly for review and potential takedown.

Optical Character Recognition (OCR)

We have enhanced our OCR technology, which allows us to extract text from images and detect potential counterfeit products in more comprehensive than before. With our OCR improvements, we are able to more effectively identify infringing items from sellers who use advanced evasion techniques, resulting in a higher rate of automated image flagging and more accurate identification of counterfeit products.

Similar Image Matching

We have developed an image database for counterfeit products, which we use to identify potential counterfeit items by matching product images through our own repository as well as those provided by our brand partners. When counterfeit products are taken down, their counterfeit images will be reviewed and added to the database. Then, it's allowing us to detect copies or similar images.

Collaboration with Brands and Stakeholders

Strengthening partnerships with various stakeholders for joint effort



MoU signing with DGIP

Brand Protection Associations

In 2022, we actively engaged with international brand protection associations covering multiple industries and geographies, to understand their concerns about counterfeiting on our platform and collaboratively identified effective strategies for combating it.

Regulators and Government

We expanded our partnership with Indonesia's Directorate General of Intellectual Property by signing a cooperation agreement that focuses on education and enforcement related to IP matters, including notice and takedown, data sharing, and seller suspension.

Collaboration with Brands and Stakeholders

Brand Alliance Program: establishing a solid partnership to strengthen brand protection

We have a total of 74 brands who joined our Brand Alliance Program in 2022. Some of these brands include P&G, Logitech, Xiaomi, Pandora, Garmin, and Spigen. In addition, we have given members an exclusive access to analytic feature that enables them to track and analyze their IP claim trends, including the volume of products and sellers reported, and the effectiveness of takedown efforts. We also have handled more in-depth product sweeping requests from our members. Our Brand Alliance members have expressed satisfactory experience of the program, which have resulted in sales in Tokopedia platform and cleaner assortment.



Tokopedia IP Protection Portal

Streamlined IP claims process ensuring speedy take down completion

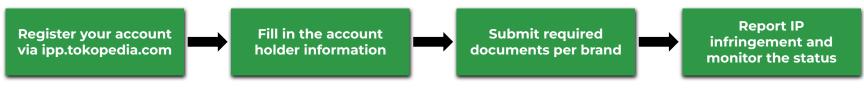
Tokopedia launched an IP Reporting Portal, which is available to all brands and IP holders at <u>ipp.tokopedia.com</u> and also replaces previous IP report form. This updated platform offers an improved and simplified reporting process that provides each brand with a dedicated account, a one-time legal document registration, and a user-friendly interface to help with the submission of IP claims by report type. The portal also allows for real-time tracking of progress on IP claims and provides the users with the opportunity to join the previously mentioned Brand Alliance Program directly from the dashboard.

Since its release in 2022, the portal has been able to:

Significantly reduced takedown time to an average of **less than 12 hours**Resolved

more than 99% of IP claims reported by brands.

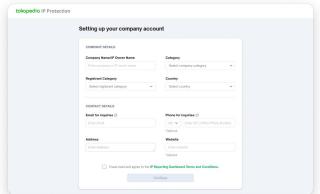
How to report:

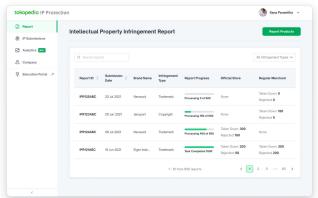


Tokopedia IP Protection Portal

Interface Preview

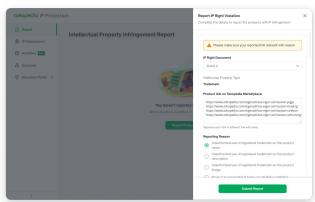
Account Registration





Real-Time Status Monitoring

Submit IP Report



A full guide to use the portal can be found HERE.

For inquiries related to onboard and setup an account, please email us at ip.protection@tokopedia.com

Positive Testimonials from Brands and Stakeholders



Building Trust with Brands and Stakeholders

Brand Alliance Members 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."





"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."

"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."



Other testimonials can be seen HERE

Building Trust with Brands and Stakeholders

IP Stakeholders Testimonies

"In the past year, it has been great working with Tokopedia, especially on the project for proactive monitoring of prescription drugs. Our members, mainly Pfizer and Novartis, were very happy with the results."

React



"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."

globaleyez

the brand protection experts

Upcoming Initiatives in 2023



Upcoming Initiatives in 2023

More to come in our efforts to combat counterfeit and IP infringements

Flexible listing retrieval tool with multiple search criteria

A robust tool on our IP Protection portal to empower brands in targeting counterfeit listings by inputting specific parameters like keywords, price range, and images.

Smarter detection with large-scale machine learning models

Leverage large-scale machine learning models to enable high coverage of detection capability, covering multiple categories and types of goods.

Collaboration with regulators in raising awareness on intellectual property rights to SMEs

Active participation in socialization events with local regulators to promote intellectual property rights awareness to SMEs, and sponsoring selected SMEs to protect their brands by officially registering the trademarks to Indonesia's DGIP.



Conclusion

Tokopedia is strongly committed to preventing counterfeiting and piracy on the platform and has invested a significant amount of resources into the anti-counterfeiting program. This includes the launching of Intellectual Property Reporting Portal, creating the Brand Alliance Program, building systems to detect counterfeits, taking a tough stance on repeat offenders and are committed to imposing strict penalties on them, and engaging with stakeholders. Our goal is to be a trustworthy platform, and we will continue to collaborate with stakeholders such as trade associations, brand owners, and law enforcements to achieve this objective.

We believe that we have made significant progress in protecting and respecting intellectual property rights, and committed to continuously improving our program and creating better initiatives.

We are open to receiving feedback and engaging in constructive dialogue to continuously improve our IP protection efforts and initiatives.

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Tokopedia IP Protection Team

ip.protection@tokopedia.com