AAFA APPLAUDS THE ADDITION OF TAobao TO USTR NOTORIOUS MARKETS REPORT

The American Apparel & Footwear Association commends the Office of the United States Trade Representative (USTR) for its decision to re-list Alibaba's Taobao platform as a notorious market. This designation is part of USTR's 2016 Special 301 Out of Cycle Review of Notorious Markets report, released this afternoon.

Today's report restates concerns that were identified in the 2015 report, which have resulted in an "unacceptably high" level of counterfeits on Taobao. The report highlights the serious economic threat counterfeits pose to U.S. creative and innovative industries and includes a detailed action plan on measures Alibaba should take in the coming months and years.

"Today's action shines a renewed spotlight on the considerable concerns we and others continue to see on Alibaba platforms," said Rick Helfenbein, president and CEO of the American Apparel & Footwear Association. "In the coming year, we will work with our members, USTR and other government agencies, outside stakeholders, and Alibaba itself to seek sustained improvements that lead to the permanent removal of counterfeits from these online platforms."

USTR's Special 301 Report identifies physical and online marketplaces that promote the sale of counterfeit merchandise around the world. In 2015, USTR requested that Alibaba 1) simplify processes for rights holders to register and request enforcement action, 2) make good faith takedown procedures generally available, and 3) reduce timelines for takedowns and issuing penalties for counterfeit sellers. Additionally, USTR referenced Alibaba's enforcement program's lack of transparency.

During the month of October, AAFA supplied USTR with detailed comments to explain the prevalence of counterfeits on Alibaba's platforms, and the impact of these counterfeits on the industry, on workers, and on consumers. In addition to Alibaba platforms, AAFA identified a total of 118 marketplaces in this year's submission and rebuttal comments. A number of these additional marketplaces have been cited in the USTR report. AAFA also joined with 17 global organizations in a letter to USTR regarding Alibaba.

The full 2016 Special 301 Out of Cycle Review of Notorious Markets report can be found here.

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