



OFFICE *of the* UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT

2020 Review of Notorious Markets for Counterfeiting and Piracy

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Overview of the Results of the 2020 Review of Notorious Markets for Counterfeiting and Piracy

Commercial-scale copyright piracy and trademark counterfeiting¹ cause significant financial losses for U.S. right holders and legitimate businesses, undermine critical U.S. comparative advantages in innovation and creativity to the detriment of American workers, and pose significant risks to consumer health and safety. The 2020 Review of Notorious Markets for Counterfeiting and Piracy (Notorious Markets List, or NML) highlights prominent and illustrative examples of online and physical markets that reportedly engage in or facilitate substantial piracy or counterfeiting. A goal of the NML is to motivate appropriate action by the private sector and governments to reduce piracy and counterfeiting.

The NML includes an Issue Focus section. For 2020, the Issue Focus examines the use of e-commerce platforms and other third-party intermediaries to facilitate the importation of counterfeit and pirated goods into the United States. The rapid growth of e-commerce platforms has helped fuel the growth of counterfeit and pirated goods into a half trillion-dollar industry. This illicit trade has an enormous impact on the American economy by eroding the competitiveness of American workers, manufacturers, and innovators.

The NML also includes Positive Developments, Online Markets, and Physical Markets sections. The Positive Developments section identifies actions that governments and private entities have taken this past year to reduce piracy and counterfeiting, including commitments by China, Canada, and Mexico in agreements with the United States. The Online Markets and Physical Markets sections highlight markets that require further actions.

The Office of the United States Trade Representative (USTR) highlights certain online and physical markets because they exemplify global counterfeiting and piracy concerns and because the scale of infringing activity in these markets can cause significant harm to U.S. intellectual property (IP) owners, consumers, and the economy. Some of the identified markets reportedly

¹ The terms “copyright piracy” and “trademark counterfeiting” appear below as “piracy” and “counterfeiting,” respectively.



host a combination of legitimate and unauthorized activities. Others openly or reportedly exist solely to engage in or facilitate unauthorized activity.

This year's NML includes several previously identified markets because owners, operators, and governments failed to address the stated concerns. Other previously identified markets may not appear in the NML for a variety of reasons, including that: the market has closed or its popularity or significance has diminished; enforcement or voluntary action has significantly reduced the prevalence of IP-infringing goods or services; market owners or operators are cooperating with right holders or government authorities to address infringement; or the market is no longer a noteworthy example of its kind. In some cases, online markets in the 2019 NML are not highlighted this year, but improvements are still needed, and the United States may continue to raise concerns related to these markets on a bilateral basis with the relevant countries.

The NML is not an exhaustive account of all physical and online markets worldwide in which IP infringement may take place. The NML does not make findings of legal violations nor does it reflect the U.S. Government's analysis of the general IP protection and enforcement climate in the countries connected with the listed markets. A broader analysis of IP protection and enforcement in particular countries or economies is presented in the annual Special 301 Report published at the end of April each year.

USTR developed the NML under the auspices of the annual Special 301 process² and solicited comments through a Request for Public Comments published in the Federal Register (<https://www.regulations.gov>, Docket Number USTR-2020-0035). The NML is based predominantly on publicly available information. USTR has identified notorious markets in the Special 301 Report since 2006. In 2010, USTR announced that it would begin publishing the NML separately from the annual Special 301 Report, pursuant to an out-of-cycle review. USTR first separately published the NML in February 2011.

² Please refer to the Public Information section below for links to information and resources related to Special 301.



Issue Focus: e-Commerce and the Role of Internet Platforms in Facilitating the Importation of Counterfeit and Pirated Goods into the United States

Each year, the “issue focus” section of the NML highlights an issue related to the facilitation of substantial counterfeiting or piracy. Past issue focus sections highlighted malware and online piracy (2019), free trade zones (2018), illicit streaming devices (2017), stream ripping (2016), emerging marketing and distribution tactics in Internet-facilitated counterfeiting (2015), and domain name registrars (2014).

This year’s issue focus examines how the substantial growth of e-commerce platforms in recent years has facilitated similar substantial growth in the importation of counterfeit and pirated goods into the United States. In the United States, e-commerce year-on-year retail sales grew by 13.3 percent for the second quarter of 2019, while total retail sales increased by only 3.2 percent.³ Amazon reports sales by third-party sellers, mostly small- and medium-sized businesses, grew from \$0.1 billion in 1999 to \$160 billion by 2018.⁴ Likewise, \$95 billion worth of goods were sold on eBay in 2018.⁵ Though not separating out the percentage of third-party vendor sales, Walmart experienced an e-commerce sales increase of 40 percent in 2018.⁶

The prevalence of counterfeit and pirated goods has grown alongside e-commerce. The Organisation for Economic Co-operation and Development (OECD) reports international trade in counterfeit and pirated goods amounted to as much as \$509 billion in 2016.⁷ This represented

³ U.S. Census Bureau, Quarterly Retail E-Commerce Sales 2nd Quarter 2019, U.S. Census Bureau News (Aug. 2019), <https://www2.census.gov/retail/releases/historical/ecommm/19q2.pdf>.

⁴ Amazon, 2018 Letter to Shareholders (Apr. 2019), <https://blog.aboutamazon.com/company-news/2018-letter-to-shareholders>.

⁵ Press Release, eBay Inc. Reports Fourth Quarter and Full Year 2018 Results and Announces Capital Structure Evolution (Jan. 2019), <https://www.ebayinc.com/stories/news/ebay-q4-2018-results/>.

⁶ Walmart, 2019 Annual Report, https://s2.q4cdn.com/056532643/files/doc_financials/2019/annual/Walmart-2019-AR-Final.pdf.

⁷ OECD/EUIPO, Trends in Trade in Counterfeit and Pirated Goods (Mar. 2019), <https://www.oecd-ilibrary.org/docserver/g2g9f533-en.pdf>.



3.3 percent of world trade, a 32 percent increase from 2013. From 2000 through 2019, seizures of infringing goods by U.S. Customs and Border Protection (CBP) and U.S. Immigration and Customs Enforcement (ICE) increased from 3,244 to 27,599, while the domestic MSRP value of seized merchandise increased from \$0.045 billion to \$1.4 billion.⁸

The Notorious Markets List has increasingly highlighted prominent and illustrative examples of e-commerce platforms that facilitate substantial counterfeiting and piracy. Some of these e-commerce platforms have invested significant time and resources to combat this problem and have developed innovative tools and processes along the way. Traders who traffic in counterfeit and pirated goods, on the other hand, have also evolved their tactics to evade and overwhelm the roadblocks placed in their way. The significant and continued growth in the importation of counterfeit and pirated goods into the United States shows that e-commerce platforms, other intermediaries, right holders, and governments must significantly increase their efforts and collaboration to protect consumers, businesses, governments, and economies from the dangers of counterfeit and pirated goods.

e-Commerce has made it more difficult to detect counterfeit and pirated goods

Counterfeit and pirated goods have been sold for years on street corners, in alleys, from trunks of cars, and from unscrupulous physical markets such as those identified in the Notorious Markets List.⁹ Consumers who find themselves at these locations can discern the risk of purchasing an illegitimate good by relying on “red flag” indicators, such as a suspicious location of the seller, poor quality packaging, or substantially discounted pricing.

On e-commerce platforms, however, consumers are unknowingly exposed to counterfeit and pirated goods in settings and under conditions that make the articles appear genuine. Consumers are often shopping from the safety of their homes through mainstream online

⁸ Compare CBP, FY-2003 Seizure Statistics, https://www.cbp.gov/sites/default/files/documents/FY2003%20IPR%20Seizure%20Statistics_0.pdf (comparing 2003 statistics with earlier years, including 2000) with CBP, Intellectual Property Rights: Fiscal Year 2019 Seizure Statistics (Sept. 2020), <https://www.cbp.gov/document/report/fy-2019-ipr-seizure-statistics> (noting that seizures in 2019 decreased from 33,810 in 2018 “due to challenges at the Southern border and the one-month government shutdown”).

⁹ See, e.g., Results of the 2020 Review of Notorious Markets – Physical Markets, *infra*.



markets that provide an aura of authenticity and trust. These online markets do not contain the same “red flag” indicators, as the true location of the seller is often unknown or obfuscated,¹⁰ pictures of the item and packaging from the authentic product may be used, and the illegitimate good may be comingled with the authentic good, either in the platform’s fulfillment center or on the e-commerce platform itself through the use of the same product identifier for both the authentic and counterfeit good.

Sellers of counterfeit and pirated goods have also recently taken advantage of social media and messaging websites and mobile apps to subvert detection controls and trick consumers.¹¹ One fast, easy, inexpensive, and common tactic is to set up accounts on social media platforms and use posts or targeted ad campaigns to advertise counterfeit and pirated goods. The posts and advertisements convey authenticity by often containing the same or confusingly similar images, hashtags, and keywords used by the brand. The advertisements direct consumers to e-commerce websites designed to evade detection, or ask consumers to communicate via a messaging app for details on how to purchase the authentic-looking counterfeit or pirated good. The advertisements and messages often conceal the unscrupulous nature of the transaction by claiming to be an exclusive bulk or wholesale purchase. An online payment service, typically connected to or affiliated with the social media or messaging platform, enables immediate and secure completion of the transaction.

Another tactic gaining in popularity on social media and other platforms, such as image hosting platforms, are so-called “hidden links.” With a hidden link scheme, a counterfeit seller will advertise a seemingly counterfeit product but will direct a purchaser to buy a different product on an e-commerce website. For example, a hidden link advertisement for the shoe of a

¹⁰ Although the majority of counterfeit goods seized by CBP and ICE originate in China and Hong Kong—92 percent by value—the problem is global, with additional major points of origin, including India, Singapore, Thailand, Turkey, and the United Arab Emirates.

¹¹ See Andrea Stroppa et al, *Instagram and Counterfeiting in 2019: New Features, Old Problems* (Apr. 2019), https://ghostdata.io/report/Instagram_Counterfeiting_GD.pdf; Transnational Alliance to Combat Illicit Trade (TRACIT) and the American Apparel & Footwear Association (AAFA), *Fraudulent Advertising Online: Emerging Risks and Consumer Fraud* (July 2020), https://www.tracit.org/uploads/1/0/2/2/102238034/tracit_fraudulentadvertisingonline_july21_2020_final.pdf.



famous brand might link to a page on a well-known e-commerce platform offering generic socks for sale. The hidden link advertisement might direct the purchaser to provide a code, color, or other identifier to signal to the seller to send the counterfeit shoes instead of the socks. The hidden link advertisement may also instruct the purchaser to not ask questions or leave reviews on the e-commerce platform. This insidious process is designed to evade counterfeit detection systems of e-commerce providers.

As evidenced by the advertising and hidden link examples, bad actors are increasingly using social media platforms to facilitate the distribution and sales of counterfeit and pirated goods. Right holders express concerns that many social media providers do not verify or vet the identity of advertisers and posters in a way that would promote offline enforcement and prevent repeat infringer accounts, do not have fully developed and enforceable repeat infringer policies, do not have effective tools to detect and remove offers for counterfeit and pirated goods, do not sufficiently detect or control outgoing links to sites where consumers are directed to purchase counterfeit and pirated goods, do not have well-developed brand protection tools, and generally lack transparency about internal proactive detection tools and processes, such as the use of artificial intelligence. Right holders encourage social media providers to provide advanced anti-counterfeiting tools, programs, and procedures to help combat these subversive counterfeiting methods.

Some e-Commerce distribution methods evade existing counterfeit detection systems

Products sold at brick-and-mortar stores throughout the United States are often shipped into the country in bulk cargo containers and then distributed domestically through traditional train and truck networks. Methods for detecting counterfeits in these bulk containers at the port of entry are well-established and effective.

In contrast to the use of bulk cargo for products sold in brick-and-mortar stores, products sold on e-commerce platforms, including counterfeit products, are increasingly shipped directly to the consumer using small packages. The International Chamber of Commerce found that counterfeiters use international air packages because the high volume of these packages makes



enforcement more difficult.¹² A recent report by the OECD points out that distributing counterfeits across a series of small packages spreads the risk of detection and lowers the loss from having one or more shipments seized, suggesting that losses to the counterfeiter on an ongoing basis would be within a tolerable range.¹³ The OECD report also notes that it is harder for authorities to detect counterfeits in small parcels than in shipping containers because cargo containers provide customs officials with more information that can help identify counterfeit shipments. Moreover, the effort required of CBP to seize a shipment does not vary by size of the shipment, meaning that a package of a few infringing goods requires the same resources to seize as a cargo container with hundreds of infringing goods.¹⁴

Section 321 of the Tariff Act of 1930 has likewise encouraged counterfeiters to favor smaller parcel delivery. Under Section 321, a foreign good valued at, or less than, \$800 and imported by one person on one day is not subject to the same formal customs entry procedures and rigorous data requirements as higher-value packages entering the United States. This reduced level of scrutiny presents an opportunity to exploit Section 321 rules to transport and distribute counterfeits.

The U.S. Government is taking several operational steps to address the use of small packages for delivery of counterfeit and pirated goods such as the “Section 321 Data Pilot” where CBP accepts information directly from online markets to match with the information received from traditional carriers. CBP is also running an “Entry Type 86 Test” where it will expedite clearance of entries that provide additional information. Both programs provide CBP with significantly more visibility into the sale, movement, and nature of goods sold through e-commerce.

¹² ICC/BASCAP, Roles and Responsibilities of Intermediaries: Fighting Counterfeiting and Piracy in the Supply Chain (Mar. 2015), <https://www.iccwbo.be/shop/roles-and-responsibilities-of-intermediaries/>.

¹³ OECD/EUIPO, Misuse of Small Parcels for Trade in Counterfeit Goods: Facts and Trends (Dec. 2018), <https://doi.org/10.1787/9789264307858-en>.

¹⁴ U.S. Government Accountability Office, Intellectual Property: Agencies Can Improve Efforts to Address Risks Posed by Changing Counterfeits Market (Jan. 2018), <https://www.gao.gov/assets/690/689713.pdf>.



In conjunction with these operational efforts, the U.S. Department of Homeland Security (DHS) developed a report in response to the President’s April 3, 2019, Memorandum on Combating Trafficking in Counterfeit and Pirated Goods.¹⁵ The DHS report of the same name was issued on January 24, 2020, and outlined recommendations for both the U.S. Government and the private sector to take to reduce the number of counterfeits.¹⁶ The DHS report called for e-commerce platforms operating third-party markets, as well as other third-party intermediaries, to adopt the following ten high priority best practices:

1. Comprehensive “Terms of Service” Agreements
2. Significantly Enhanced Vetting of Third-Party Sellers
3. Limitations on High Risk Products
4. Efficient Notice and Takedown Procedures
5. Enhanced Post-Discovery Actions
6. Indemnity Requirements for Foreign Sellers
7. Clear Transactions Through Banks that Comply with U.S. Enforcement Requests for Information
8. Pre-Sale Identification of Third-Party Sellers
9. Establish Marketplace Seller IDs
10. Clearly Identifiable Country of Origin Disclosures

Without such actions, U.S. right holders stand to be irreparably damaged by a flood of imported counterfeit and pirated goods on e-commerce platforms, regardless of where such platforms are based, and consumers remain susceptible to the health and safety dangers commonly associated with such goods. Consistent with the Presidential Memorandum on Combating Trafficking in Counterfeit and Pirated Goods, USTR will continue to address the issue

¹⁵ Memorandum on Combating Trafficking in Counterfeit and Pirated Goods (Apr. 2019), <https://www.whitehouse.gov/presidential-actions/memorandum-combating-trafficking-counterfeit-pirated-goods/>. See also Memorandum on Stopping Counterfeit Trafficking on e-Commerce Platforms Through Fines and Civil Penalties (Oct. 2020), <https://www.whitehouse.gov/presidential-actions/memorandum-stopping-counterfeit-trafficking-e-commerce-platforms-fines-civil-penalties/>.

¹⁶ Combating Trafficking in Counterfeit and Pirated Goods (Jan. 24, 2020), <https://www.dhs.gov/publication/combating-trafficking-counterfeit-and-pirated-goods>.



of counterfeit and pirated goods with our trading partners and is considering seeking more information regarding e-commerce platforms in future reviews of Notorious Markets.

After the release of the DHS report, the U.S. Government continued to take action on the issue of counterfeits. On January 31, 2020, the President signed an executive order on Ensuring Safe & Lawful E-Commerce for U.S. Consumers, Businesses, Government Supply Chains, and Intellectual Property Rights.¹⁷ The executive order called for the establishment of criteria for the Importer of Record Program, clarification of the responsibilities of express consignment operators, carriers, hub facilities, and licensed customs brokers, the establishment of a mechanism to address non-compliant international posts, and sharing of information on seizures with the public and industry.

In addition to these efforts, on July 28, 2020, CBP issued ruling HQ H290219, which addresses the proper identification of the consignee and importer in e-commerce transactions involving fulfillment warehouses. This ruling provides clarification on the identity of the “one person on one day” under Section 321 and will provide CBP with significantly more information about the sellers and facilitators of goods sold through e-commerce.

On October 13, 2020, the President issued the Memorandum on Stopping Counterfeit Trafficking on E-Commerce Platforms Through Fines and Civil Penalties¹⁸ to address critical challenges in the current e-commerce environment. The Memorandum directs DHS, in consultation with the Attorney General, to develop a legislative proposal to promote its stated policy objectives. Example legislative amendments proposed by stakeholders and other agencies include improving information sharing, allowing summary forfeiture of IP-infringing goods, allowing the U.S. Government to seek injunctive relief against distributors of counterfeit goods, and adapting fines to the e-commerce environment.

¹⁷ Executive Order 13904, Ensuring Safe & Lawful E-Commerce for U.S. Consumers, Businesses, Government Supply Chains, and Intellectual Property Rights Holders, 85 Fed. Reg. 6725-6729 (Jan. 2020), <https://www.whitehouse.gov/presidential-actions/ensuring-safe-lawful-e-commerce-us-consumers-businesses-government-supply-chains-intellectual-property-rights/>.

¹⁸ Memorandum on Stopping Counterfeit Trafficking on E-Commerce Platforms Through Fines and Civil Penalties (Oct. 13, 2020), <https://www.whitehouse.gov/presidential-actions/memorandum-stopping-counterfeit-trafficking-e-commerce-platforms-fines-civil-penalties/>.



Positive Developments Since the 2019 Out-of-Cycle Review of Notorious Markets

Since the release of the 2019 Notorious Markets List, there have been notable efforts to address the widespread availability of counterfeit and pirated goods in some online and physical markets. The United States commends these efforts and encourages governments, right holders, service providers, and the owners and operators of these and other markets, including those newly identified in the 2020 NML, to engage in sustained and meaningful efforts to combat piracy and counterfeiting.

This past year we saw the world adjust to the COVID-19 pandemic, which has significantly affected trends in the trade of counterfeit and pirated goods, as well as the consumption of digital piracy. For example, soon after countries began to go into lockdown, customs authorities began to report significant increases in the seizures of counterfeit personal protective equipment (PPE), medical supplies, and fake COVID-19 cures. Several months later, reports began to surface that COVID-19 lockdowns were leading to a surge in digital piracy, particularly with pirated movies and TV shows. Malware was reportedly added to some pirated content to take advantage of unsuspecting consumers.¹⁹

Despite the challenges of conducting raids against counterfeit and piracy organizations during the COVID-19 pandemic, many notable successful enforcement efforts occurred this past year. For example, authorities in Shanghai, **China**, cooperated with right holders to conduct two significant raids against manufacturers and distributors of counterfeit goods. The first raid resulted in the arrest of 26 individuals and the seizure of manufacturing equipment, raw material, and counterfeit luxury handbags that reportedly cost approximately \$15 to \$30 to produce and were sold outside China for approximately \$60 to \$100. The second raid resulted in the arrest of 15 people across 10 separate locations and the seizure of 120,000 counterfeit golf products. In the **United Kingdom**, authorities raided three locations in **Cheetham Hill**, which was nominated

¹⁹ For more information on the nexus between online piracy and malware, see the 2019 NML.



as a notorious market this year, arrested 11 individuals, and seized counterfeit handbags, clothing, watches and perfume with a street value of \$10 million.

Actions against pirate streaming services, including the wholesale pirate stream suppliers and the resellers of pirate-enabled IPTV apps and physical illicit streaming devices, significantly increased this past year. In November 2020, **Brazil**'s Ministry of Justice and Public Security with support from the U.S. Department of Justice, the U.S. Department of Homeland Security, and other international agencies and organizations launched the second phase of "Operation 404," a nationwide takedown of digital piracy platforms presumably infringing on U.S.-based copyrighted works. The authorities seized approximately 317 websites and mobile applications that facilitated the illicit streaming and/or downloading of films, television series, and live sporting events. The Operation 404 domain takedown was the largest of its kind yet in Brazil and the first to include direct operational support in foreign jurisdictions. In **Spain**, the National Police completed a 2-year investigation by arresting 12 individuals responsible for illegally capturing and distributing broadcast TV signals, as well as reselling the broadcast streams to others. In June 2020, the Spanish National Police, with support from Europol, the European Union Agency for Criminal Justice Cooperation (Eurojust), and law enforcement authorities in over 10 countries, dismantled a pirate IPTV network with more than 2 million subscribers that offered more than 40,000 TV channels, movies, and other copyrighted digital content. In November 2020, following a complaint by right holder organizations against **KBoxServ**, police in **Switzerland** with support from Europol shut down a pirate IPTV service that provided access to more than 77,000 TV episodes and 7,000 movies via pre-configured set-top boxes. In June 2020, Eurojust coordinated raids by approximately 700 police officers in 11 countries, leading to the seizure of over 5,500 servers of a pirate IPTV operation. Private companies and organizations have also been successful in shutting down pirate operations using civil enforcement tools. However, despite these efforts, pirate IPTV services and devices appear to be increasingly widespread.²⁰

²⁰ See Digital Citizens Alliance / NAGRA, Money for Nothing: The Billion-Dollar Pirate Subscription IPTV Business (Aug. 2020), <https://www.digitalcitizensalliance.org/clientuploads/directory/Reports/DCA-Money-for-Nothing-Report.pdf>;



Several studies this year addressed global trade in counterfeit and pirated goods. The OECD issued a study on the illicit trade in counterfeit pharmaceuticals, which analyzed customs seizures from 2014 to 2016.²¹ This study found that the vast majority of the inspected counterfeits were not likely to work as intended because they contained the incorrect amount of the active ingredients present in the legitimate pharmaceuticals, and the undeclared substances contained in those counterfeits posed serious health risks. The National Association of Manufacturers released a report on the impact of counterfeit goods to U.S. manufacturers.²² This report discusses the challenges that manufacturers face when attempting to enforce their rights online, and recommends legislative and other changes to better combat the illicit trade in counterfeit goods.

On January 15, 2020, the United States and China signed a historic and enforceable agreement on a Phase One trade deal that requires structural reforms and other changes to China's economic and trade regime in the areas of intellectual property, technology transfer, agriculture, financial services, and currency and foreign exchange. The IP chapter addresses numerous longstanding concerns, including in the area of enforcement against pirated and counterfeit goods. For example, the IP chapter obligates China to significantly increase the number of enforcement actions against pirated and counterfeit goods at physical markets in China. In addition, it requires China to provide effective and expeditious action against infringement in the online environment, including by requiring expeditious takedowns and by ensuring the validity of notices and counter notices and also requires China to take effective action against e-commerce platforms that fail to take necessary measures against IP infringement.

D. Uberti, Coronavirus Lockdowns Lead to Surge in Digital Piracy, Wall Street Journal (Apr. 23, 2020), <https://www.wsj.com/articles/coronavirus-lockdowns-lead-to-surge-in-digital-piracy-11587634202>.

²¹ OECD/EUIPO, Trade in Counterfeit Pharmaceutical Products (Mar. 23, 2020), <http://www.oecd.org/gov/trade-in-counterfeit-pharmaceutical-products-a7c7e054-en.htm>.

²² National Association of Manufacturers, Countering Counterfeits: The Real Threat of Fake Products (July 2020), https://www.nam.org/wp-content/uploads/2020/07/CounteringCounterfeits.vF_.pdf.



On July 1, 2020, the United States-Mexico-Canada Agreement (USMCA) entered into force. Among other things, Canada and Mexico committed in the USMCA to provide *ex officio* authority for border enforcement officials to stop suspected counterfeit or pirated goods at every phase of entering, exiting, and transiting through the territory of any Party. The USMCA also includes express recognition that IP enforcement procedures must be available for the digital environment for trademark and copyright or related rights infringement.

The United States commends these efforts, appreciates studies being done in this area, and encourages its trading partners to continue their individual and collective efforts to combat counterfeiting and piracy.



Results of the 2020 Review of Notorious Markets

The Notorious Markets List identifies prominent and illustrative examples of online and physical markets in which pirated or counterfeit goods and services reportedly are available or that facilitate substantial piracy and counterfeiting. It does not constitute a legal finding of a violation or an analysis of the general IP protection and enforcement environment in any country or economy. The NML is not an exhaustive inventory of all notorious markets around the world. Markets on the NML are drawn from the many nominations received as well as other input, such as from U.S. embassies, in order to highlight prominent examples of both online and physical markets where pirated or counterfeit goods and services reportedly are trafficked to the detriment of legitimate trade in IP-intensive goods and services.

Owners and operators of notorious markets that are willing to address counterfeiting and piracy have many options for doing so. Such owners and operators can, for example, adopt business models that rely on the licensed distribution of legitimate content and can negotiate appropriate licenses with right holders. If an otherwise legitimate business has become a platform for piracy or counterfeiting, the owner or operator can work with right holders and law enforcement officials to help discourage and curtail acts of infringement. Industry groups have developed a variety of best practices that can help combat counterfeiting and piracy.²³ In the absence of good faith efforts, responsible government authorities should investigate reports of piracy and counterfeiting in these and similar markets and pursue appropriate action against such markets and their owners and operators. Governments should also ensure that appropriate enforcement tools are at the disposal of right holders and government authorities, which may require closing loopholes that permit operators to evade enforcement actions.

²³ *E.g.*, International Trademark Association, Addressing the Sale of Counterfeits on the Internet (Feb. 2018), https://www.inta.org/Advocacy/Documents/2018/Addressing_the_Sale_of_Counterfeits_on_the_Internet_021518.pdf; ICC/BASCAP, Roles and Responsibilities of Intermediaries: Fighting Counterfeiting and Piracy in the Supply Chain (Mar. 2015), <https://iccwbo.org/publication/roles-responsibilities-intermediaries>.



Online Markets

The 2020 Notorious Markets List identifies examples of various technologies,²⁴ obfuscation methods, revenue models, and consumer harms associated with infringing activity. USTR based its selections not on specific types of technologies but on whether the owners, operators, or users of a nominated market or affiliated network of markets reportedly engage in or facilitate substantial piracy or counterfeiting to the detriment of U.S. creators and companies.

Many of those who submitted public comments this year highlighted the complex ecosystem—including domain name registries and registrars, reverse proxy services, hosting providers, caching services, advertisers and advertisement placement networks, payment processors, social media platforms, and search engines—that is abused by providers of pirated content. Each component in this ecosystem can play a role in facilitating or reducing piracy.

This year's review process also identified a continued and growing concern about the proliferation of counterfeits facilitated by social media platforms. The 2019 Notorious Markets List mentioned increasing concerns right holders expressed with a growing trend of counterfeit products being offered for sale on e-commerce features related to large platforms, such as WeChat. During this year's Notorious Markets List review, right holders continued to express ongoing and increasing concerns with this trend. Right holders note that social media platforms lack the anti-counterfeiting policies, processes, and tools that are becoming commonplace on many e-commerce platforms such as effective notice-and-takedown procedures, proactive anti-counterfeiting filters and tools, and strong policies against repeat infringers. Social media platforms can begin to address these concerns by adopting strong and effective IP enforcement policies, increasing transparency and collaboration with right holders to quickly address complaints, and working more closely with law enforcement to identify IP infringement. USTR will continue to monitor concerns with counterfeits being advertised and sold on social media

²⁴ For simplicity, the NML uses terminology that links alleged copyright and trademark infringement to specific technologies (e.g., websites). However, the focus of the NML is on the actions of owners, operators, or users that engage in, facilitate, or deter infringement using the technologies, not on the underlying technologies themselves.



platforms, particularly as social media platforms continue to evolve and expand with e-commerce features that can be used to facilitate substantial counterfeiting activity.

The Administration has been looking further at the role of e-commerce platforms and online third-party marketplaces following the issuance in April 2019 of a Presidential Memorandum addressing trafficking in counterfeit and pirated goods. In January 2020, in response to the Presidential Memorandum, the Department of Homeland Security (DHS) issued a report on “Combating Trafficking in Counterfeit and Pirated Goods.” The DHS report notes that, although e-commerce platforms have supported the launch of thousands of legitimate businesses, they and their supporting intermediaries have also created new opportunities for trafficking of counterfeit and pirated goods. Selling counterfeit and pirated goods through e-commerce platforms and related online third-party marketplaces can be a highly profitable venture. For counterfeiters, millions of potential customers are available online, transactions are convenient, and listing goods on well-known platforms provides an air of legitimacy. Moreover, when sellers of illicit goods are in another country, they are exposed to relatively little risk of criminal prosecution or civil liability under current law enforcement and regulatory practices. USTR supports actions taken to protect American consumers and businesses against the harm and losses inflicted by counterfeiters and those that facilitate the trade in counterfeit and pirated goods.

1337x

Nominated as 1337x.to. Related sites include 1337x.se, 1337x.st, x1337x.eu, and x1337x.se. Reportedly hosted at BlueAngelHost in Bulgaria, but utilizes reverse proxy services to mask the location of its hosting servers.

This popular website provides links to torrent files, which are small files that contain the information necessary to download other files from the bittorrent distributed peer-to-peer network,²⁵ for unlicensed movies, TV shows, music, and software. Variants of the site have been

²⁵ Bittorrent is a peer-to-peer software that allows users to join “swarms” of other users who are distributing particular files. As each user downloads pieces of the file, their computer can distribute the pieces to others in the swarm. Bittorrent websites facilitate file sharing by organizing and indexing torrent files, and initiating and managing the download process.



subject to blocking orders in Australia, Austria, Belgium, Denmark, India, Indonesia, Ireland, Italy, Malaysia, Portugal, and the United Kingdom.

1FICHIER

Nominated as 1fichier.com. Related sites include alterupload.com, cjoint.net, cloudstorage.fr, desfichiers.com, dl4free.com, megadl.fr, and tenvoi.com. Hosted in France.

This cyberlocker²⁶ is popular in France and reportedly makes premium pirated content, such as unlicensed movies and video games, available to the public. Right holders regularly complain about 1Fichier's extremely low response rate to takedown requests. For example, one right holder reported a response rate to notice and takedown requests of 0.39 percent in 2020. The hosting provider for this site, Dstorage, has been taken to court by right holders in France for refusing to take down infringing content, and a decision is expected in January 2021.

AMAZON'S FOREIGN DOMAINS

Nominated as amazon.co.uk, amazon.de, amazon.es, amazon.fr, and amazon.it.

Right holders highlighted examples of the challenges they face with high levels of counterfeit goods on amazon.co.uk in the United Kingdom, amazon.de in Germany, amazon.es in Spain, amazon.fr in France, and amazon.it in Italy. For example, right holders expressed concern that the seller information displayed by Amazon is often misleading such that it is difficult for consumers and right holders alike to determine who is selling the goods. Right holders also expressed concern that Amazon does not sufficiently vet sellers on its platforms. They also commented that Amazon's counterfeit removal processes can be lengthy and burdensome, even for right holders that enroll in Amazon's brand protection programs.

In addition, as the scale and sophistication of the counterfeiters have continued to grow and evolve over the years, these right holders indicate that Amazon should commit the resources necessary to make the brand protection programs scalable, transparent, and most importantly, effective. More specifically, they ask that Amazon take additional actions to address their

²⁶ The cyberlockers identified in the NML reportedly operate primarily to provide users with access to unauthorized copyright-protected content.



concerns, including by collecting sufficient information from sellers to prevent repeat infringers from creating multiple storefronts on the platforms, making detailed information about the real seller of a product obvious to consumers and right holders, being more responsive to complaints of counterfeits by right holders, and being more proactive in preventing counterfeit goods from appearing on the platform.

On a positive note, during the past year, Amazon partnered with the U.S. Government's National Intellectual Property Rights Coordination Center (IPR Center) on a joint operation to prevent counterfeit goods from entering the U.S. in an effort to protect American consumers.

BAIDU WANGPAN

Nominated as pan.baidu.com. Hosted in China.

This cloud storage service is operated by Baidu, the largest search-engine provider in China. Users of this service are able to share links to files stored on their accounts to other users, and according to right holders, infringers widely share links to pirated movies, TV shows, and books stored on Baidu Wangpan. While right holders report some cooperation from Baidu in recent years and Baidu provides some tools for taking down unauthorized motion picture and television content, takedown times are reportedly lengthy, and right holders often have to follow-up with Baidu to ensure that pirated content does not reappear on the platform. Right holders also raise concerns that they are required to submit thousands of infringement notices to remove multiple instances of a single piece of pirated content, as the platform has no proactive procedures in place to detect pirated content. In 2019, a court in Beijing ruled in favor of a Chinese right holder in its case against Baidu over pirated copies of a TV series being made available to the public through Baidu Wangpan accounts. The court found that Baidu removed only 60 percent of infringing links, which it deemed insufficient. This case is currently being appealed.



BESTBUYIPTV

Nominated as bestbuyIPTV.store. Related sites include biptv.best. Reportedly hosted in Italy, but utilizes reverse proxy services to mask the location of its hosting servers.

IPTV apps²⁷ that provide pirated audiovisual content through subscription services are an increasingly popular form of online piracy. BestBuyIPTV offers illicit IPTV apps that are compatible with most platforms and operating systems. BestBuyIPTV reportedly offers over 10,000 unauthorized high definition channels from 38 countries, as well as 19,000 pirated video-on-demand titles in multiple languages. BestBuyIPTV also provides reseller and re-streamer services with over 900,000 users, 12,000 resellers, and 2,000 re-streamers.

BLUEANGELHOST

BlueAngelHost, with servers reportedly located in Bulgaria, openly advertises itself as a “DMCA Ignored” hosting provider—i.e., one that willfully ignores notice-and-takedown requests from right holders to remove pirated content. The operators of BlueAngelHost also reportedly do not respond to requests for cooperation from law enforcement authorities regarding the IP infringing activities of its customers. According to right holders, BlueAngelHost is increasingly becoming a major safe haven for the operators of pirate sites.

BUKALAPAK

Nominated as bukalapak.com. Also available as a mobile app. Hosted in Indonesia.

Bukalapak, founded in 2010, is one of the largest e-commerce markets in Indonesia. This website provides a platform for third-party sellers to connect with buyers, and these sellers offer a wide variety of products, including consumer electronics, books, automobile parts, and apparel. Right holders report that the majority of branded products on this platform are not genuine and that items are often openly labeled “replicas” of branded products. While Bukalapak reported improving its counterfeit reporting mechanism this year, right holders report that this mechanism remains ineffective and burdensome. Right holders also continue to report

²⁷ Many legitimate services also provide IPTV apps that deliver authorized movies and TV shows to application-enabled televisions, tablets, smartphones, and streaming devices. These are distinguishable from IPTV apps that are used primarily to deliver pirated content.



excessive wait times between the submission of a takedown request and the actual take down of the infringing listing. The platform also reportedly fails to deter repeat infringers. Bukalapak claims to operate a blacklisted keyword system to prevent certain listings, but this appears to be ineffective in addressing the scope of the problem on its platform.

CHALOOS

Chaloos is a company based in Erbil, Iraq, that owns and operates other companies reportedly involved in the sourcing and distribution of pirated content online, including the Mediastar and Forever IPTV companies. Mediastar allegedly supplies Mediastar-branded digital satellite receivers pre-loaded with pirate IPTV apps. According to right holders, Mediastar is also a source of pirate television streams used by other IPTV redistribution services throughout the Middle East. One right holder reported that Mediastar is a source of more than a quarter of its pirated channels that are illegally redistributed across the Middle East and North Africa region, as evidenced by the Mediastar logo overlaid on the video stream. Forever IPTV is reportedly a wholesaler of pirated content, including thousands of on-demand movies and TV shows, used by other illicit IPTV apps.

CHOMIKUJ

Nominated as chomikuj.pl. Reportedly hosted in Belize, Cyprus, or the Netherlands, but utilizes reverse proxy services to mask the location of its hosting servers.

Chomikuj is the most popular cyberlocker in Poland. Right holders report that a broad range of unlicensed songs by U.S. artists are available on this platform, in addition to TV shows, movies, and e-books. Chomikuj allegedly rewards users who upload popular content that is then downloaded by other users. While the site responds to takedown requests from right holders, it does not stop pirated content from being uploaded or re-uploaded. Right holders report that in 2017, the Krakow Court of Appeal ordered the site to pay damages to right holders on the basis that it had directly infringed the “making available” right and was not able to claim safe harbor protection because it was not a passive actor.



DHGATE

Nominated as dhgate.com. Also available as a mobile app. Hosted in China.

DHgate is the largest business-to-business cross-border e-commerce platform in China with 31 million registered buyers and 32 million products for sale. Over 2 million Chinese merchants, many of which are small- and medium-sized enterprises, sell their products on the platform. During the past year, DHgate reported improving its image recognition system, increasing the number of inspectors who manually review listings for suspected counterfeits, and improving its seller vetting system to stop re-registration of banned sellers. However, right holders continue to find high volumes of counterfeit goods on DHgate. While right holders praised the responsiveness of DHgate to takedown requests, they also report encountering repeat violations by the same sellers on numerous occasions. Right holders are particularly concerned by DHgate's reluctance to provide information on counterfeit sellers to enable follow-up investigations. USTR urges DHgate to continue improving its seller vetting, listing policies, transparency, and proactive monitoring to significantly decrease the availability of counterfeit goods.

DYTT8

Nominated as dytt8.net. Related sites include dy2018.com, dygod.net, and ygdy8.com. Hosted in Taiwan.

DYTT8 is one of the most popular non-English torrent sites in the world, providing links to unlicensed movies, TV shows, music, and software. With a user-friendly interface, DYTT8 remains a particular threat to legitimate content providers both within and outside China. In 2019, authorities in China launched an investigation of this site, which is ongoing.

FLOKINET

Like BlueAngelHost, FlokiNET is another example of the growing problem of so-called “bulletproof” hosting providers that support known notorious websites by refusing to respond to notices of infringement and by failing to cooperate with right holders and law enforcement. FlokiNET's website advertises anonymity: “We do not require any personal details or identification, any valid e-mail address is enough information to be a client.” With servers



reportedly in Finland, Iceland, and Romania, FlokiNET hosts many websites associated with infringing activity.

FLVTO

Nominated as flvto.biz. Related sites include 2conv.com. Reportedly hosted in the Netherlands and operated out of Russia, but utilizes reverse proxy services to mask the location of its hosting servers.

Flvto is highlighted again this year as an example of the stream-ripping²⁸ phenomenon that continues to threaten legitimate streaming audio and video services, music performers, and composers. This site allows users to download converted YouTube videos as digital audio files, but right holders claim it does not appear to have permission from YouTube or from right holders for a wide variety of music represented by major U.S. labels.

FMOVIES

Nominated as fmovies.to. Reportedly hosted by BlueAngelHost in Bulgaria, but utilizes reverse proxy services to mask the location of its hosting servers.

According to right holders, Fmovies allegedly streams unauthorized movies and TV shows directly to computer desktops or through IPTV apps on illicit streaming devices. The continued listing of Fmovies in the NML demonstrates the ongoing challenges combatting streaming piracy. This site is reportedly blocked in Australia, Denmark, India, Malaysia, and Singapore.

HARAJ

Nominated as haraj.com.sa. Reportedly operated from Saudi Arabia.

Haraj is reportedly the leading e-commerce platform in Saudi Arabia. Right holders report that the classified advertisements on Haraj have become a major source of pirate IPTV devices and subscriptions in the Middle East and North Africa, as well as counterfeit and pirated goods. Given the popularity of pirate IPTV devices and services in the region, the widespread availability of this content on Haraj is a significant concern.

²⁸ For a description of stream-ripping, see the 2016 NML.



MERCADO LIBRE

Nominated as mercadolibre.com. Related sites include mercadolibre.ar, mercadolibre.co, mercadolibre.mx, and mercadolibre.br. Also available as a mobile app.

Mercado Libre is one of the leading e-commerce operators in Latin America. It operates individual national sites across major Latin American countries, such as Argentina, Brazil, Colombia, and Mexico. Right holders report the availability of high volumes of counterfeit products across each of its national platforms. In December 2019, Mercado Libre launched one-stop counterfeit reporting to members of its Brand Protection Program, which reportedly consists of 3,100 right holders representing 12,700 brands and trademarks, and has recently started proactively monitoring for counterfeit listings. Right holders are encouraged by the IP enforcement team at Mercado Libre, and they encourage Mercado Libre to continue improving its IP enforcement and collaboration efforts.

MP3JUICES

Nominated as mp3juices.cc. Reportedly hosted in Russia, but utilizes reverse proxy services to mask the location of its hosting servers.

MP3juices is a popular stream-ripping website that extracts the audio from a YouTube video and permits the user to download an mp3 file of the audio, which is often an unlicensed digital copy of the audio. According to right holders, the site provides a search functionality to locate desired YouTube videos and then utilizes a separate service as the back-end for delivering the audio file to the user.

MPGH

Nominated as mpgh.net.

The video game industry continues to be concerned about the unauthorized sales of in-game digital items, where cheat software enables the modification of a game to give the player an advantage, as well as the ability for the player to collect and aggregate virtual goods that would otherwise be purchased in-game. The rise of unauthorized digital goods and cheat software negatively affects video game companies and consumers by unfairly altering game play for legitimate consumers, while also diverting significant revenue away from video game



developers and publishers. It also increases the threat of consumer fraud, including through account takeovers, via phishing, or attempts to steal users' payment information connected to in-app purchases. Mpgh is an example of a site that provides "cheats" and reportedly offers several hundred thousand free cheats to over 4 million users. The site generates revenue through advertisements and by offering premium accounts, and Internet browsers reportedly detect and warn of malware on the site.

NEWALBUMRELEASES

Nominated as newalbumreleases.net. Reportedly hosted in the Czech Republic but utilizes reverse proxy services to mask the location of its hosting servers.

NewAlbumReleases is an example of a website that reportedly provides unauthorized downloading of pre-release and newly-released popular music. According to right holders, the site links to infringing content on cyberlockers like Rapidgator, another notorious market. Right holders allege that the infringing content on this site is directly uploaded by the operators of the site, making the site a direct infringer. Takedown notices sent by right holders have been ineffective.

PELISPLUS

Nominated as pelisplus.me. Related sites include pelisplus.co and pelisplus.to. Utilizes reverse proxy services to mask the location of its hosting servers.

Pelisplus is a Spanish-language site that is popular in Latin America and Spain. According to right holders, the site offers more than 7,000 links to unlicensed copies of more than 4,000 movies and television series. Traffic increased on the Pelisplus sites following the shutdown of another notorious Latin American streaming site, Pelispedia, in 2019.

PHIMMOI

Nominated as phimmoizz.net. Related sites include phimmoi.net. Hosted in Vietnam.

Phimmoi is a Vietnamese-language streaming website that allegedly offers thousands of unauthorized movies and TV series, including many titles owned by U.S. right holders. In August 2019, right holders filed a criminal complaint against the operators of the site with Vietnamese



authorities, which then launched an official investigation into the activities of this site. However, in June 2020, Vietnamese authorities suspended their investigation for unknown reasons. According to right holders, the domain phimmoi.net was subsequently blocked by the Vietnamese government, with most of its traffic moving to phimmoizz.net, which is believed to be operated by the same operators. The new domain remains one of the most popular websites in Vietnam.

PINDUODUO

Nominated as pinduoduo.com. Also available as a mobile app. Hosted in China.

Pinduoduo, a “social commerce” app, is now China’s second largest e-commerce platform as measured by the number of users. Over the past few years, Pinduoduo has implemented industry-standard anti-counterfeiting tools, processes, and procedures, and has launched some innovative anti-counterfeiting programs. However, the significant proliferation of counterfeit goods reported on the platform, even for brands that participate in Pinduoduo’s Brand Care Program, evinces the need to improve the effectiveness of the tools or close the gaps in their implementation. Right holders continue to convey that, overall, Pinduoduo is a platform that is moving in the right direction but stress that the high volume of counterfeit products must be reduced.

Pinduoduo provides companies that participate in its Brand Care Program more anti-counterfeiting tools and programs than companies that do not participate, including customized anti-counterfeiting plans. In 2020, Pinduoduo expanded the membership in this program and has continued to encourage small-and-medium companies to use the available IP enforcement tools. However, even the companies enrolled in the Brand Care Program continue to see high levels of counterfeits of their brands being sold on the platform. Merchants must deposit with Pinduoduo an amount sufficient to reimburse purchasers of counterfeit goods. According to Pinduoduo, the deposit is forfeited at 10 times the value of an entire batch of goods and the merchant is banned from the platform if Pinduoduo confirms the sale of counterfeits through a test buy. In 2020, Pinduoduo expanded the test buy program to certain Brand Care Program members such that a merchant will be banned from selling products of a brand that test-buys a



confirmed counterfeit. Some right holders, however, view the test buy program as the only practical way to quickly remove a counterfeit listing given the reported difficulties in getting listings removed using Pinduoduo's notice-and-takedown system. In general, right holders, particularly those not a part of the Brand Care Program, found Pinduoduo's takedown system to be sometimes unresponsive and slow to remove the identified goods. Right holders also question the effectiveness of Pinduoduo's merchant validation process as they report having to take repeated actions against listings for counterfeit goods that are purportedly sold by different merchants even though it appears that the same individual or organization is re-listing the merchandise under a different merchant account. Further, some right holders require information from e-commerce platforms to file civil actions and to engage local authorities regarding criminal complaints against counterfeiters, and they report greater difficulty in obtaining this information from Pinduoduo compared to other platforms.

POPCORNTIME

Known as the "Netflix of piracy," PopcornTime is an application for mobile phones, tablets, and other streaming devices that aggregates bittorrent files for streaming pirated movies. According to right holders, there are different versions of PopcornTime, including one version that exclusively offers pirated children's movies. An individual who operated a PopcornTime app in Denmark was recently sentenced to probation and fined by the Danish Supreme Court. PopcornTime apps are reportedly blocked in Belgium, Italy, Norway, Portugal, and the United Kingdom.

PRIVATE LAYER

Private Layer, reportedly operated from Panama with data center and hosting operations in Switzerland and elsewhere, is another example of a "bulletproof" hosting provider that supports known notorious websites by refusing to respond to notices of infringement and by knowingly refusing to cooperate with right holders and law enforcement. This is the seventh consecutive year that the NML has stressed the significant international trade impact of Private Layer's hosting services and the pirate sites it hosts, such as Torrentz2. Other listed and



nominated sites may also be hosted by Private Layer but are using reverse proxy services to obfuscate the true host from the public and from law enforcement. Right holders report that Switzerland remains a popular host country for websites offering infringing content and the services that support them. Switzerland's new amendments to its copyright law, which went into force in early 2020, contain provisions to facilitate civil and criminal enforcement against online piracy. USTR will be monitoring how these amendments affect online infringement in Switzerland.

RAPIDGATOR

Nominated as rapidgator.net. Related sites include rg.to. Reportedly hosted in Russia, but utilizes reverse proxy services to mask the location of its hosting servers.

Commenters from the book publishing, television, and music industries all nominated Rapidgator, one of the largest file sharing websites in the world, for inclusion on this year's NML. Right holders report that it hosts unlicensed high-quality, recent, and pre-release content. Rapidgator collects revenue through its premium membership and subscription plans and employs rewards and affiliate schemes to compensate users based on downloads and sales of new accounts. While Rapidgator reportedly takes down some infringing content, there are no proactive measures in place to prevent the same content from being reuploaded. German courts in 2018 and 2019 reportedly issued preliminary decisions finding Rapidgator liable for copyright infringement, and a Russian court in 2019 ordered ISPs to block access to the website.

RARBG

Nominated as rarbg.to. Hosted in Bosnia and Herzegovina.

Rarbg remains one of the most popular torrent sites in the world even though it is subject to blocking orders in Australia, Belgium, Denmark, Finland, Indonesia, Ireland, Italy, Malaysia, Portugal, and the United Kingdom. Right holders from the movie, television, and music industries report that unlicensed high-quality and recent content can be found easily on this site. Rarbg reportedly generates revenue through advertisements and pay-per-install of potential malware.



REVENUEHITS

Nominated as revenuehits.com. Reportedly based in Israel.

Many of the notorious online piracy markets in this year’s NML are funded by advertising revenue, and several of the major piracy ad networks are allegedly based in Israel. RevenueHits is reportedly one such advertiser. According to right holders, RevenueHits is one of the most popular advertising networks among pirate sites, in particular cyberlockers, with most of its advertisements targeting a European audience. In 2019, RevenueHits was ordered by a Florida court to hand over its revenue from several piracy sites to a Philippines media company.

In recent years, several governments and private sector stakeholders have developed innovative approaches to disrupting ad-backed funding of pirate sites.²⁹ In the United Kingdom, the London Police Intellectual Property Crime Unit (PIPCU), with funding from the UK Intellectual Property Office, seeks to cut off advertising revenue to copyright-infringing sites by maintaining an Infringing Website List that advertisers, agencies, advertising technology platforms, and other intermediaries can consult and decide voluntarily to cease ad placement on those sites. Since 2015, the French Ministry of Culture has facilitated a voluntary Code of Good Advertising Practices for the Enforcement of Copyright and Neighboring Rights between right holders, advertisers, and advertising professionals to contribute to the fight against piracy, promote online creation, and develop confidence in the digital economy.³⁰ At least one web browser with global popularity proactively filters ads that do not fall within the Coalition for Better Ads’ “Better Ads Standards,” which could disrupt ad revenue flows to pirate sites.³¹

²⁹ Operation Creative and the Infringing Website List (May 25, 2016), <https://www.cityoflondon.police.uk/advice-and-support/fraud-and-economic-crime/pipcu/Pages/Operation-creative.aspx>.

³⁰ Report 2015–2016 of the Charter of Good Practices in Advertising for the Respect of Copyright and Neighboring Rights (Mar. 2017), <https://www.culture.gouv.fr/Espace-documentation/Rapports/Rapport-2015-2016-de-la-Charte-de-bonnes-pratiques-dans-la-publicite-pour-le-respect-du-droit-d-auteur-et-des-droits-voisins>.

³¹ Improving User Experience with the Better Ads Standards, <https://admanager.google.com/home/resources/feature-brief-better-ads-standards>; see Coalition for Better Ads, <https://www.betterads.org>.



RUTRACKER

Nominated as rutracker.org. Hosted in Russia.

RuTracker remains one of the most popular torrent sites in the world with reportedly 12.3 million registered users and 1.9 million active torrents. The site links to torrent files for unlicensed digital media and is reportedly subject to blocking orders in Australia, Denmark, Greece, Indonesia, Italy, Portugal, Russia, and Singapore.

SCI-HUB

Nominated as sci-hub.io. Related sites include sci-hub.cc, sci-hub.ac, sci-hub.bz, gengen.lib.rus.ec, libgen.io, lioben.lc, libgen.pw, z-library13, b-ok.cc, and bookfi.net. Hosted in Russia.

Right holders continue to report that Sci-Hub and its mirror sites³² facilitate unauthorized access to reportedly over 70 million journal articles and academic papers, which is 85 percent of all articles published in toll-access journals, a proportion greater than what is available legally to major institutional subscribers.³³ Right holders allege that at least some of the material available on Sci-Hub was obtained by using the credentials of victims of phishing scams, and there are documented instances where Sci-Hub paid for credentials of unknown provenance to access university subscriptions. Right holders have taken legal action against Sci-Hub and have been successful in having U.S. district courts grant them injunctions, damages, and control over Sci-Hub's U.S.-based domain names. Sci-Hub is reportedly subject to blocking orders in Denmark, France, Germany, Italy, Portugal, Russia, and the United Kingdom.

LibGen, also known as the "Library Genesis Project," is another nominated notorious market that includes the libgen.is, libgen.lc, and libgen.me domains. LibGen is a known related site to Sci-Hub that reportedly obtains most of its pirated scientific, technical, and medical journal articles from Sci-Hub.

³² A "mirror site" is a website that is a proxy or clone of an original site and may offer the same, new, or cached content as the original site. Some mirror sites are designed to spread malware, steal personal information through spyware, or extort payments with ransomware. Mirror sites can complicate or delay sustained enforcement against the original pirate site. In some jurisdictions, court-ordered injunctions can be designed to capture existing mirror sites and adapt quickly to new mirror sites.

³³ D. Himmelstein et al., Sci-Hub Provides Access to Nearly All Scholarly Literature, 7 eLife e32822 (Mar. 1, 2018), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5832410>.



SEASONVAR

Nominated as seasonvar.ru. Hosted in Russia.

Seasonvar is one of the world's most popular websites for streaming pirated content. According to right holders, Seasonvar has over 56 million monthly visits.

SHABAKATY

EarthLink Telecommunications, an Iraqi company and the largest Internet service provider in Iraq, is reported to host a pirate IPTV service called Shabakaty and offers this service to the subscribers of its Internet service for no additional charge. Shabakaty is purportedly available to other Internet users in Iraq for the equivalent of \$8 per month. Shabakaty has a reported 500,000 subscribers, and the content that it provides includes unauthorized sports broadcasts, TV series, and movies, much of which is owned by U.S. right holders.

SHOPEE

Nominated as shopee.sg. Related sites include shopee.com.my, shopee.ph, shopee.co.th, shopee.vn, shopee.co.id, and shopee.com.br. Also available as a mobile app. Reportedly hosted in China.

Shopee is an online and mobile e-commerce market based in Singapore with individual country-focused platforms serving the Southeast Asia region and Brazil. Right holders report very high levels of counterfeits being sold on all of Shopee's platforms. Right holders also report that the notice-and-takedown procedures, anti-counterfeiting tools, and information required from right holders to support a counterfeit complaint varies across each of Shopee's platforms, with some platforms having no procedures or tools available. Shopee reportedly has no procedures for vetting third-party sellers and preventing repeat infringers from re-registering on the platforms, and sellers of counterfeit goods seem to have their accounts frozen only after multiple escalating actions.



SNAPDEAL

Nominated as [snapdeal.com](https://www.snapdeal.com). Related sites include shopo.in and [exclusively.com](https://www.exclusively.com). Also available as a mobile app. Hosted in India.

Snapdeal, one of India's largest e-commerce platforms, remains a concern for right holders who report that the volume of counterfeit products on this platform has increased over the past year. According to a November 2018 survey, 37 percent of purchasers reported that they had received a counterfeit product from Snapdeal. In July 2019, Snapdeal's founders were accused of criminal conduct in India for selling counterfeit products there. Right holders have also sued Snapdeal for selling counterfeit goods.

TAOBAO

Nominated as [taobao.com](https://www.taobao.com). Also available as a mobile app. Hosted in China.

Owned by Alibaba Group, Taobao is one of China's largest e-commerce platforms. Taobao has been identified as a notorious market since 2016 in response to significant right holder concerns about counterfeit goods being openly sold on the platform. Since then, Taobao has continued to improve its notice-and-takedown mechanisms, introduce new technologies to automatically identify infringing images, and expand its outreach to small and medium-sized enterprises. However, right holders again report that the number of counterfeit products remains stubbornly high. Right holders recognize the improved takedown times, but they remain concerned about repeat infringers on Taobao, the strict criteria for right holders' takedown requests when compared to other platforms, and the lack of transparency regarding filters and other proactive anti-counterfeiting measures. USTR will continue to monitor whether Taobao's anti-counterfeiting efforts are demonstrably effective in addressing ongoing complaints about the pervasiveness of counterfeit goods on Taobao.

THEPIRATEBAY

Nominated as thepiratebay.org. Related sites include thepiratebay.cx. Utilizes reverse proxy services to mask the location of its hosting servers.

As one of the first bittorrent indexing websites and one of the most vocal in openly promoting piracy, ThePirateBay reportedly remains the most frequently visited bittorrent index



site in the world. Authorities in Argentina, Australia, Austria, Belgium, Denmark, Finland, France, Iceland, Indonesia, Ireland, Italy, Malaysia, the Netherlands, Norway, Portugal, Spain, and the United Kingdom have issued orders blocking access to this site. Right holders have reportedly requested the removal of over five million URLs linking to ThePirateBay over the past several years on Google alone. Right holders report that this site does not respond to any notice-and-takedown requests.

TOKOPEDIA

Nominated as tokopedia.com. Also available as a mobile app. Hosted in Indonesia.

Tokopedia is one of Indonesia's largest e-commerce markets. It serves as a platform for third-party vendors to post listings, and the site offers a vast range of goods, including clothes, electronics, and textbooks. Right holders report finding high rates and volumes of counterfeit clothing, counterfeit cosmetics and accessories, pirated textbooks, and other pirated English-language materials on this platform. Right holders report little improvement compared to last year. Difficulties allegedly remain with enforcement, as the reporting procedures provided by this platform are difficult to navigate, the documentation requirements are onerous, and the platform makes little effort to deter repeat infringers. Right holders also report that sellers on this platform continue to use terms such as "copy" or "replica" to describe listings, which is known nomenclature for advertising a counterfeit product. The reported proliferation of counterfeit goods year after year on Tokopedia calls into question the overall effectiveness of Tokopedia's anti-counterfeiting measures.

UPLOADED

Nominated as uploaded.net. Related sites include ul.to and uploaded.to. Reportedly hosted in the Netherlands and operated from Switzerland.

This popular cyberlocker, having received 26 million visits from nearly 6.5 million unique visitors in September 2020, reportedly operates through multiple redundant domains and provides access to a broad range of infringing content, such as unlicensed digital books, movies, and television shows. Uploaded uses a combination of multi-tiered subscriptions, a referral



program, and a rewards scheme to generate revenue, incentivize unauthorized sharing of popular copyright-protected content, and expand its user base. For example, the site pays rewards to users based on large file sizes, such as those for copyright-protected movies and TV shows. It also pays rewards based on the number of times a file is downloaded, paying more for downloads originating from so-called “Top-Countries.” Courts in India and Italy have issued blocking orders against the site. Right holders sued the operator of this site for infringing content shared by users based on the previous Copyright Directive, and after conflicting decisions in the trial and regional courts, in November 2018, the German Supreme Court referred questions on this case to the Court of Justice of the European Union, where it is still pending.

VK

Nominated as vk.com. Also available as a mobile app. Hosted in Russia.

Nominated again this year, VK is one of the most popular sites in the world and continues to operate as an extremely popular social networking site in Russia and its neighboring countries. VK reportedly facilitates the distribution of copyright-infringing files, with thousands of infringing videos and e-books identified by the U.S. motion picture and publishing industries each month. Reports that VK has taken steps to address piracy and is constructively engaging with the music industry are encouraging. VK’s parent company, Mail.Ru Group, has signed an Anti-piracy Memorandum aimed at establishing a legal procedure to reduce the availability of pirated content based on voluntary takedown by the platforms when notified by local right holders. Right holders also reported that VK is responsive to takedown requests and has provided a tool to right holders to search for and remove infringing content. Right holders expressed an interest in pursuing additional dialogue with VK to resolve outstanding infringement issues on this site.

WEIDIAN

Nominated as weidian.com. Also available as a mobile app and WeChat Mini Program.

Weidian is an e-commerce platform that allows individuals to open storefronts on its mobile app and WeChat Mini Program. It claims that over 80 million stores have been registered on its platform, and boasts over 100 million customers. According to right holders, both the



volume and proportion of counterfeits on this platform is so high that it can be difficult to find non-counterfeit products. Product listings are allowed to use words such as “yuandan,” a Chinese term indicating that the product is made using the same materials and manufactured at the same facilities as genuine branded items, but without authorization from the brand owner. Weidian is reportedly responsive to some takedown requests from right holders, but, unlike many e-commerce platforms, performs little seller vetting and does not have proactive anti-counterfeiting tools or programs.

The individual storefronts that sell through Weidian’s mobile app are also integrated into WeChat through the Weidian Mini Program. Counterfeit listings on the Weidian Mini Program reportedly appear prominently on its front page.



Physical Markets

While the sale and distribution of counterfeit and pirated goods online is a growing concern, physical markets continue to enable substantial trade in counterfeit and pirated goods.

In a global environment, basic enforcement measures against unscrupulous retailers and wholesalers will not be sufficient to reduce the flow of counterfeit and pirated products. To address current challenges, governments need targeted, modernized enforcement tools, including:

- effective border enforcement measures to prevent the exportation of counterfeit and pirated goods manufactured in their countries, the importation of such goods into their countries, and the transiting or transshipment of such goods through their countries on the way to destination countries;
- the ability for customs and criminal authorities to detain, seize, and destroy counterfeit and pirated goods entering into and exiting from free trade zones;
- robust border enforcement authority to interdict small consignment shipments, such as those sent through postal or express-courier services;
- asset forfeiture, which is a tool that can be used to reach owners of the markets or facilities where infringing products are manufactured, assembled, processed, sold, and stored;
- criminal procedures and penalties for trafficking in counterfeit labels and packaging; and
- enhanced criminal penalties for particularly serious cases, such as trafficking in counterfeit products that threaten security, health, and safety.

Another key to reducing piracy and counterfeiting lies in the ability to influence demand and redirect consumers to legitimate alternatives.

This year, stakeholders reported reduced activities at many physical markets due to the lack of tourism and other special circumstances arising from the ongoing COVID-19 pandemic. At some markets that were listed last year, such as **Luohu Commercial City** and **Patpong Market**, almost all activities have reportedly ceased. However, stakeholders also noted that such



reductions or cessations in activity are not necessarily the result of improved policies or enforcement practices at these markets. In some cases, the counterfeiting activities that once occurred at these locations have moved online or have reduced in scope as the result of the lack of demand. USTR will continue to monitor these markets and re-evaluate them accordingly should infringing activities re-emerge.

ARGENTINA

La Salada, Buenos Aires

La Salada, an area covering about 50 acres that incorporates three markets, remains on the NML in 2020. The raids conducted in 2017 that arrested the market's owner and some of the associated organized crime members remain the last significant enforcement action to date, and the authorities decided not to pursue most charges from this raid in 2020. Right holders report that the same criminal organization remains in control of this market. In addition to the availability of counterfeit goods, La Salada is also a distribution hub for counterfeit goods throughout the region and is home to small factories that reportedly assemble and finish counterfeit goods. La Salada reportedly closed during the height of the pandemic, but it is once again open for business.

BRAZIL

Rua 25 de Março, Sao Paulo

The region surrounding Rua 25 de Março in Sao Paulo, including Galeria Pagé, Shopping 25 de Março, and Santa Ifigenia, remains notorious for hosting shopping malls that sell counterfeit and pirated goods. The Rua 25 de Março region is also reportedly a distribution center for counterfeit and pirated goods throughout Sao Paulo. Enforcement actions in this region continue with success, including actions in 2019 that shuttered some stores, and another action in June 2020 that targeted a local mall being used as a warehouse for counterfeit and pirated goods. Authorities have used these enforcement actions as a basis to take civil measures against some of the stores, including measures to close the stores. Some other malls in this area were reportedly shuttered during the height of the pandemic, but have since reopened.



CAMBODIA

Central Market, Phnom Penh

Central Market, a sprawling market and historic landmark in Phnom Penh, remains on the NML in 2020. Stores throughout the market reportedly sell many kinds of counterfeit goods, including apparel, shoes, handbags, and pirated media. The Cambodian Counterfeit Committee's enforcement actions have reportedly been focused on products that impact human health and safety, such as counterfeit medicines, while the sale of other counterfeit goods remain unchecked.

CHINA

As in past years, stakeholders continue to identify China as the primary source of counterfeit products. Together with Hong Kong, through which merchandise from mainland China often transships, China accounted for 92 percent of the value (measured by manufacturer's suggested retail price) and 83 percent of the volume of counterfeit and pirated goods seized by U.S. Customs and Border Protection (CBP) in 2019. When compared to 2018, the value of counterfeit goods seized by CBP that originated in China not only increased in an absolute sense, but also increased as a share of the total.³⁴ Some Chinese markets, particularly in larger cities, have ostensibly adopted policies and procedures intended to limit the availability of counterfeit merchandise. However, these policies are not widely adopted, and enforcement remains inconsistent. Consequently, major notorious markets remain highly visible even in China's biggest cities. While right holders acknowledged that raids and seizures continued at some of these markets, enforcement actions in other markets were virtually non-existent. Many of the markets included on this year's NML were included previously, underscoring the ineffectiveness of enforcement efforts to date.

³⁴ CBP, Intellectual Property Rights: Fiscal Year 2019 Seizure Statistics (Sept. 2020), <https://www.cbp.gov/document/report/fy-2019-ipr-seizure-statistics>.



USTR encourages China to adopt and expand the scope of robust enforcement actions to more effectively combat the scale of the reported problem in China, with a special focus on the following key markets:

Anfu Market, Putian, Fujian Province

Right holders report that Anfu Market is a hub for the wholesale distribution of counterfeit footwear produced by hundreds of factories and workshops surrounding the city of Putian, which is reportedly known nationally as the epicenter of the Chinese counterfeit footwear industry. Anfu Market reportedly hosts at least one hundred street level shops, the vast majority of which offer counterfeits of well-known brands. While right holders report that authorities actively conduct enforcement operations against vendors, enforcement against manufacturers in this area is reportedly difficult due to reported close personal connections, including familial ties, that manufacturers of counterfeit products may have with some local officials.

Asia-Pacific Xinyang Clothing & Gifts Plaza, Shanghai

Described by online tourist directories as “one of the last great fake markets in Shanghai,” this market hosts numerous stalls openly offering counterfeit apparel and fashion accessories. Authorities have reportedly stepped up enforcement at this market around the time of the annual China International Import Expo, and right holders reported some cooperation from the landlord of the market. However, counterfeit products remain readily identifiable, and right holders have reported that all, or nearly all, of the goods are counterfeit.

Huaqiangbei Electronics Malls, including the Yuan Wang, Long Sheng, and Man Har Digital Plaza Malls, Shenzhen, Guangdong Province

The malls in this area each contain several hundred vendors of electronic devices and components. Right holders report that vendors offer counterfeit computer chips, wiring, capacitors, and LEDs used by manufacturers of counterfeit consumer electronic devices in China and around the world. Vendors at these malls also offer counterfeit smartphones, SD cards, and video game consoles. While some of the smartphones on sale at this market are priced similarly



to genuine articles, vendors here reportedly disassemble genuine smartphones and replace their parts with cheaper alternatives, but pass off such products as genuine. Enforcement actions in these malls are reportedly rare, with the mall operators taking repeated steps to thwart right holders' efforts.

Kindo and Zhanxi Garment Wholesale Markets and Southern Watch Trade Center near Zhanxi Road, Guangzhou, Guangdong Province

These large, mall-sized markets near Zhanxi Road in Guangzhou are located within a mile of each other and offer mainly counterfeit apparel, shoes, and watches. These markets are popular with foreign wholesale buyers who reportedly purchase counterfeit goods to ship around the world. Right holders report some cooperation from the operators of the markets and law enforcement to curb the sale of counterfeits. However, as recently as October 2020, up to 80 percent of products at these markets are reportedly counterfeit. Lower quality counterfeits are displayed openly, with higher quality copies kept out of view in drawers or upper floors.

Ritan Office Building, Beijing

Although this market looks like an office building, it houses over 50 stores that reportedly offer high quality counterfeit apparel, footwear, and accessories. Many stores at the market display official-looking plaques containing company names and purport to offer branded products. However, much of their offerings appear counterfeit. Stores are designed to mimic small high-end boutiques, each rumored to attract a small group of repeat customers.

Silk Market, Beijing

Listed in the NML since 2011, Silk Market remains a market of concern in 2020 due to the lack of fundamental changes in its IP enforcement. Right holders report that most of the merchandise in this market continues to be counterfeit and visible in the basement floor and ground floor most of the year. Some vendors, rather than displaying their counterfeit wares in the open, now hide them behind curtains. The market openly advertises the availability of “affordable luxury quality goods,” with vendors claiming their products are made using the exact



same materials as legitimate products and at the same factories used by luxury brands. Right holders reported that some raids have been conducted, but these raids were too irregular to make lasting changes to the market. Some right holders initiated new civil litigation against the operators of the market in 2018, but report little progress since then.

Wu'ai Market, Shenyang, Liaoning Province

This is the largest market in Northeastern China, and it is a hub for the distribution of counterfeit shoes, handbags, luggage, and apparel throughout the region. Most of the counterfeit footwear sold at this market is reportedly from Putian, Fujian Province, while the counterfeit apparel is reportedly from Guangzhou, Guangdong Province. Right holders report that a local court held the market jointly liable for IP infringement with the shops, but the settlement agreement into which the right holders subsequently entered with the market did not prove effective. While enforcement actions were reported in 2018 and 2019, there have been no known enforcement actions in 2020. Right holders report that counterfeits remain visible in the market. The market also has a significant online presence and provides livestreaming platforms for vendors to advertise their goods. Some vendors claim that most of their profits come from online sales, including through the social media sales tactics described in the Issue Focus.

Yiwu International Merchandise City, Yiwu, Zhejiang Province

This is the biggest small commodities market in the world, and its 50,000 vendors sell almost every conceivable consumer product, mostly in bulk, to a global clientele. Many of the goods sold in this market are unbranded and non-differentiable, but right holders report that some vendors, perhaps eyeing higher profit margins, openly display and sell infringing handbags, shoes, and apparel. Right holders also report that local authorities have conducted regular raids and seizures against shops and related warehouses associated with infringing products and have levied administrative and criminal penalties against infringers. The operator of the market has also cooperated with right holders by posting warnings against counterfeiters, creating a list of protected brands, and distributing IP protection brochures. Nevertheless, right holders report



that these efforts have been inadequate at reducing the visibility of infringing products at this market.

ECUADOR

La Bahia Market, Guayaquil

La Bahia Market is a large market where various counterfeit products—mainly apparel, footwear, DVDs, and CDs—may be found, and it remains on the NML in 2020. Vendors reportedly sell counterfeit products in open view of the public and largely with impunity. No enforcement operations, raids, or seizures were reportedly taken in the past year. Reports of rising sales of counterfeit personal protective equipment at this market during the COVID-19 pandemic are concerning.

INDIA

Heera Panna, Mumbai

A major indoor market located at the heart of Mumbai, Heera Panna reportedly offers high quality counterfeit watches, footwear, apparel, accessories, and cosmetics. Right holders warn that counterfeit cosmetics sold at this market have health and safety risks.

Kidderpore, Kolkata

Locally known as “Fancy Market,” Kidderpore reportedly sells counterfeit consumer electronics, apparel, cosmetics, and pirated software and media, often at wholesale quantities.

Palika Bazaar, New Delhi

This underground market in Delhi is reportedly well-known for the trade of counterfeit products. Many shoppers are reportedly students and other young people who want trendy products at cheap prices. The market is also a popular destination for tourists.

Tank Road, Delhi

Tank Road remains on the NML in 2020. Right holders report that this market continues to sell counterfeit products, including apparel and footwear. Wholesale counterfeit goods are also



reportedly supplied from this market to other Indian markets, including Gaffar Market and Ajmal Khan Road. Right holders report that conducting enforcement actions at this location is expensive and challenging, and sellers often appear to have advanced knowledge of raids, limiting their effectiveness.

INDONESIA

Mangga Dua Market, Jakarta

Mangga Dua is a popular market in Jakarta selling a variety of counterfeit goods, including handbags, wallets, children's items, clothing, and fashion accessories, with reportedly minimal government enforcement against those who sell counterfeit goods. Merchants at this market are reportedly using social media platforms to advertise their counterfeit products.

MALAYSIA

Petaling Street Market, Kuala Lumpur

Petaling Street Market is a well-known market in Kuala Lumpur that sells large volumes of counterfeit items, including watches, shoes, handbags, wallets, sunglasses, and other consumer goods. Right holders report difficulties in initiating enforcement activities due to local protectionism and the involvement of organized crime at this market.

MEXICO

Tepito, Mexico City

Tepito, an open-air 80 square block market in the middle of Mexico City, reportedly remains a major distribution hub for counterfeit and pirated goods in local markets across Mexico and Central America. Right holders report that Tepito remains dangerous, making it nearly impossible for right holders to enforce their rights. Infringing items sold at Tepito include video games, modified game consoles and devices that enable the circumvention of technological protection measures, and counterfeit apparel.



La Pulga Rio, Monterrey

A major market with approximately 300 stalls located in the heart of the city of Monterrey, La Pulga Rio reportedly offers counterfeit apparel and accessories, and pirated video games. This market reportedly has a large online presence with its own website and a Facebook page, both of which offer delivery of counterfeit and pirated goods.

Mercado San Juan de Dios, Guadalajara

Mercado San Juan de Dios, also known as Mercado Libertad, is the largest indoor market in Latin America. Right holders report that around half of the stalls in this market sell counterfeit or pirated apparel, footwear, and video games. While the pandemic reportedly resulted in the temporary closure of 300 out of the approximately 3,000 stalls, the market is recovering and vendors estimate that foot traffic is now 70 percent of pre-pandemic levels.

PARAGUAY

Ciudad del Este

Ciudad del Este has been named in the NML or the Special 301 Report for over 18 years. The border crossing at Ciudad del Este and the city itself have long been known as a regional hub for the manufacture, assembly, and distribution of counterfeit and pirated products in the Brazil-Argentina-Paraguay tri-border area and beyond. Ciudad del Este thrives on a mainly Brazilian customer base attracted by the low prices of counterfeit goods. While the border crossings were reportedly closed for several weeks in March due to the COVID-19 pandemic, illicit border cargo shipments resumed soon after, and Paraguayan authorities reported more IP-related investigations and seizures this year compared to the same period last year. However, as in previous years, the increase in investigations did not appear to lead to an appreciable increase in counterfeit-related convictions, with only one reported successful prosecution.



PERU

Polvos Azules, Lima

Polvos Azules is a longstanding market in the La Victoria district of Lima. Vendors reportedly sell a broad range of illicit goods, including counterfeit clothing, shoes, appliances, toys, and electronics. Authorities reportedly seized approximately \$2 million in illicit merchandise in January 2020, but the market quickly reopened, restocked with pirated and counterfeit goods. While the COVID-19 pandemic temporarily affected the operations of this market, around 80 percent of the stalls had reopened by August 2020, and sellers of counterfeit goods reportedly began to rely on social media to reach beyond traditional customers.

Gamarra, Lima

Gamarra is Peru's primary textile market and includes large, multistory complexes with hundreds of stalls where vendors sell counterfeit apparel. It has favorable reviews on travel websites for its wide selection of counterfeit products. Authorities raided Gamarra twice in 2020, once in February and once in October. However, the stalls selling counterfeit apparel appear to have quickly re-opened.

PHILIPPINES

Greenhills Shopping Center, San Juan, Manila

Greenhills Shopping Center is a large mall located in San Juan, Metro Manila. In 2020, the Philippines government enhanced its efforts to curb the sale of pirated and counterfeit goods at the Greenhills Shopping Center, including by establishing an enforcement and monitoring agreement with the city of San Juan and by creating a working group composed of various agencies from the National Committee on Intellectual Property Rights and the Department of Information and Communications Technology. However, sellers have reportedly been able to evade enforcement by moving to new stalls or by discreetly selling illicit goods behind counters and underneath tables. Large volumes of counterfeit handbags and shoes reportedly remain displayed, and counterfeit clothing, toys, games, computer and phone accessories, household goods, jewelry, watches, and electronics also remain available.



RUSSIA

Dubrovka Market, Moscow

This market, in the southeast of Moscow, hosts an estimated 700 vendors, and its location next to a taxi terminus provides easy access for buyers from Moscow and surrounding areas. The market reportedly offers counterfeit footwear, apparel, and luxury watches, and a market spokesperson reportedly admitted that the “replica brands” being sold at the market are of high quality. A company whose website advertises counterfeit watches reportedly hosts a showroom in this market. There is no reported enforcement presence at this market.

Gorbushkin Dvor Mall, Moscow

Gorbushkin Dvor Mall is reportedly known primarily for its high volume of counterfeit electronics and high-end home appliances, such as refrigerators, washing machines, and flat screen televisions. Counterfeit luxury watches and pirated movies and software are also reported to be available at a fraction of normal retail prices. There are reportedly more than 1,000 vendors in this market. The local authorities reportedly do not have a presence at this market.

Sadovod Market, Moscow

Sadovod Market is the largest trading center for consumer goods in Russia, spanning nearly 100 acres with over 8,000 stores frequented by approximately 36 million people a year. Businesses from across Russia and Central Asia allegedly use the market to make wholesale purchases of counterfeit apparel, accessories, and toys, which are widely available. The market saw a reduction in foot traffic due to the COVID-19 pandemic, although the number of vendors at the market remained roughly the same. Vendors of counterfeit goods are reportedly moving to Sadovod Market due to enforcement action by authorities against other counterfeit markets. Right holders report that local authorities rarely operate in the market, and vendors openly



display counterfeit products. The open trade in counterfeit goods suggests a lax attitude toward IP enforcement.

TURKEY

Grand Bazaar, Istanbul

The Grand Bazaar in Istanbul is among the largest and oldest markets in the world and a top tourist attraction in Turkey. The market's 61 covered streets include over 4,000 shops, some of which reportedly sell counterfeit footwear, jewelry, watches, perfumes, cosmetics, wallets, handbags, and leather goods. Although the number of vendors selling counterfeit goods has continued to decrease over the past few years, the scale of the problem remains significant.

UKRAINE

7th Kilometer Market, Odessa

The 7th Kilometer Market is one of the largest wholesale and retail markets in Europe and is an important contributor to the local economy. However, vendors in this market are believed to sell large volumes of counterfeit goods, reportedly sourced from China and other Asian countries, including counterfeit clothing, jewelry, luxury goods, and perfume. There has been no reported enforcement activity from Ukrainian authorities this year. As a result, it is understood that sellers continue to engage in counterfeit sales with impunity.

UNITED ARAB EMIRATES

Ajman China Mall, Ajman

Ajman China Mall reportedly continues to serve as a significant market for China-sourced counterfeit goods. Right holders report that a substantial portion of the goods sold at this market and adjacent buildings is distributed to foreign markets, particularly in the Middle East, North Africa, and Europe. Despite their significant effort, right holders reported few successes of convincing Ajman Police and the Ajman Department of Economic Development to raid this market. This market is linked to the Ajman government-owned Ajman Free Zone and reportedly receives strong support from the Chinese government.



Markets in Deira District, Dubai

The Deira District is home to a number of markets including the Dubai Souk, Deira Old Souk, Dubai Gold Souk, Dubai Spice Souk, and Perfume Souk. Right holders report that these markets are well-known among tourists and locals alike for selling IP-infringing goods. Right holders report that Dubai Police and the Dubai Department of Economic Development conduct frequent raids against sellers of infringing products at these markets. However, while authorities will fine sellers for IP violations, the sellers are typically not assessed deterrent-level fines or forced to close their shops, even if repeat violators.

VIETNAM

Ben Thanh Market, Ho Chi Minh City

Ben Thanh Market in Ho Chi Minh City is a local landmark, typically attracting many tourists and visitors. It offers a large variety of goods, ranging from foodstuffs and locally-produced souvenirs to apparel, footwear, accessories, and cosmetics, much of which is reportedly counterfeit. The market reportedly experienced fewer raids in 2020 compared to previous years. Local media reported only one raid this year, during which 1,276 items were seized with a total value of about \$5,000. These efforts appear inadequate as the remaining vendors selling infringing goods are reportedly undeterred.

Dong Xuan Market, Hanoi

Dong Xuan is a market located in the old quarter of Hanoi, and its vendors sell a variety of goods, including reportedly counterfeit apparel, footwear, accessories, and cosmetics. Fewer locals are reportedly shopping for infringing goods at this market due to generally rising living standards and changing tastes among local consumers. However, the overall IP problem here remains significant, in part because of the size of the market.



Public Information

The 2020 Notorious Markets List is the result of the eleventh out-of-cycle review of notorious markets, which USTR initiated on October 1, 2020, through a Federal Register Request for Public Comments. The 49 requests and responses submitted this year are available at <https://www.regulations.gov>, Docket Number USTR-2020-0035. USTR developed the 2020 NML in coordination with the federal agencies represented on the Special 301 Subcommittee of the Trade Policy Staff Committee (TPSC). Information about Special 301 and other intellectual property-related processes and issues is available at <https://ustr.gov/issue-areas/intellectual-property>.

To assist U.S. right holders and consumers who confront IP infringement online, the U.S. Government continues to expand the tools available on <https://www.stopfakes.gov>, including by providing links to infringement reporting mechanisms at a number of popular online retailers and markets. Victims and interested parties may report IP theft and import violations to U.S. law enforcement agencies through <https://www.stopfakes.gov>, <https://eallegations.cbp.gov>, or <https://www.iprcenter.gov/referral>.

