



2017 IPO Anti-Counterfeiting Committee Survey

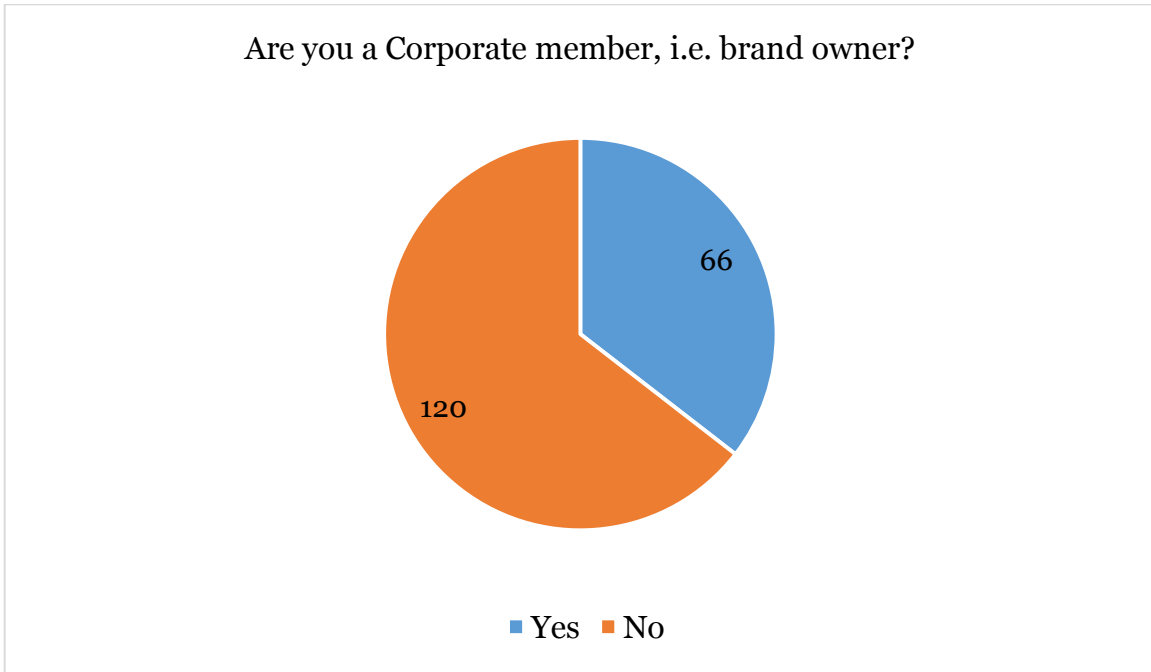
October 2017

Key Takeaways

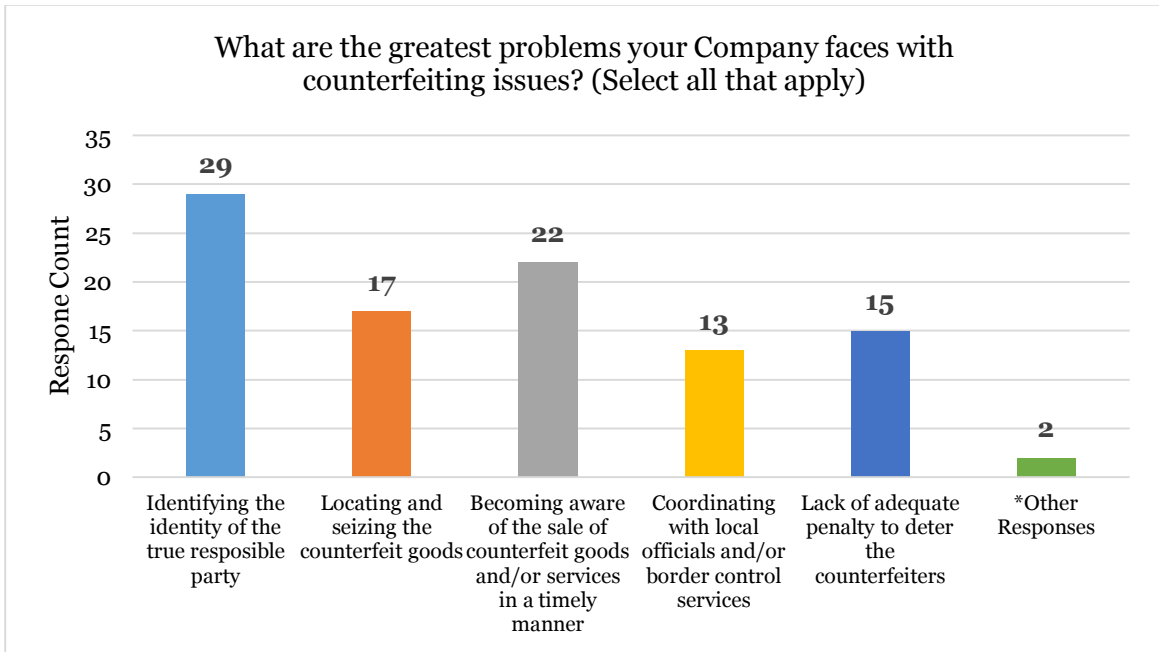
- a) The main anti-counterfeiting challenge identified by both corporate and law firm members is in identifying those who are truly responsible for counterfeit products.
- b) A second challenge identified by corporate members, in particular, is in identifying the sale of counterfeit products. Almost 50% of corporate members who completed the survey learn of alleged counterfeits through customer complaints, returns, or warranty claims. This figure likely grossly underestimates the number of counterfeits in the stream of commerce, representing a subset of total sales in which consumers believe they have purchased legitimate product, found the products to be defective, and have taken the time to bring the issue to the attention of the brand owner.
- c) Finally, while the vast majority of IPO corporate members have formal brand protection programs, the percentage who use Customs is much lower (fewer than 70% of corporate members have recorded any of their marks with Customs), and overall just over 50% of corporate members have recorded their marks and find them effective. This suggests that brands are either not aware of the various tools available via Customs offices, or that they have used the available tools and do not find them to be effective.

Responses from Corporate Members

Question 1:



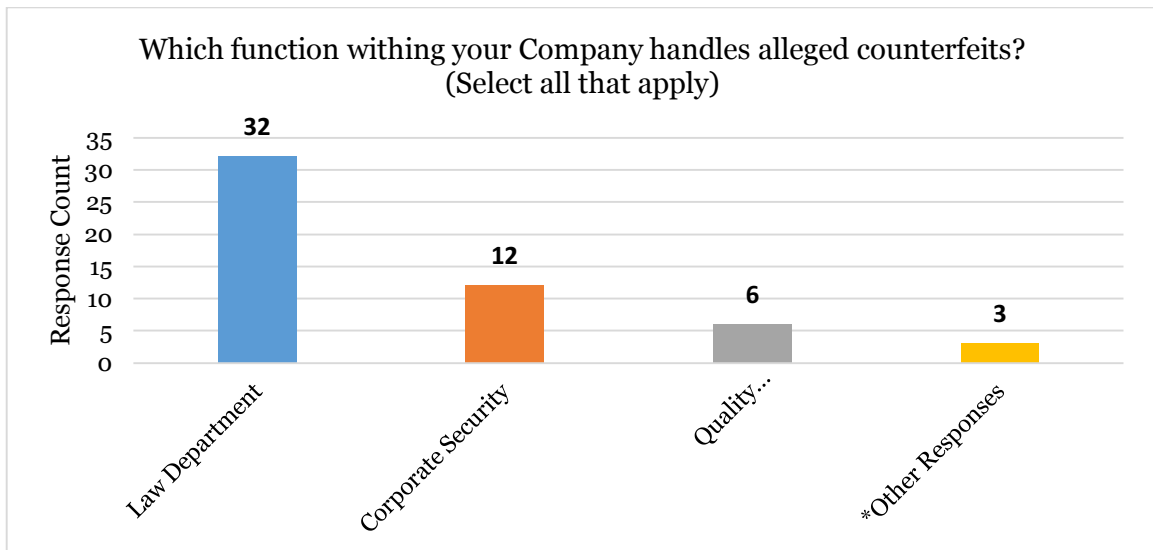
Question 2:



***Other Responses:**

- Extraterritoriality issues
- Secure and efficient means to distinguish real products from fakes

Question 3:



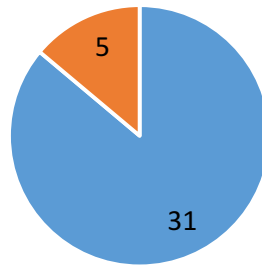
***Other Responses:**

- Brand protection group
- Global supply management
- IP management

Question 4:

Does your Company have a formal brand protection program in some form?

(defined as proactively monitoring for counterfeits or other brand abuse, and taking enforcement action, if deemed applicable)

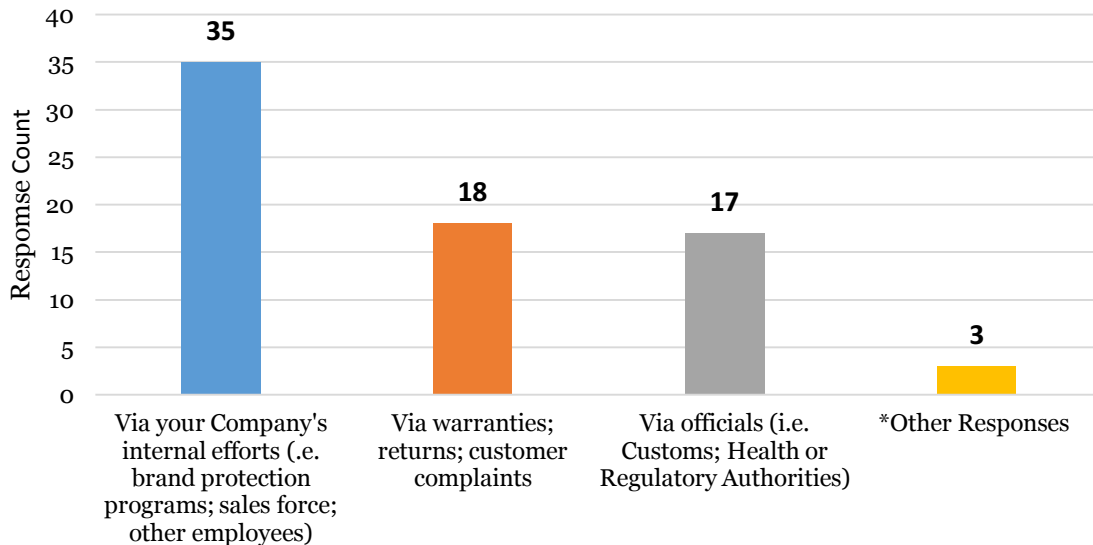


■ Yes ■ No

Question 5:

How do you generally learn of alleged counterfeits?

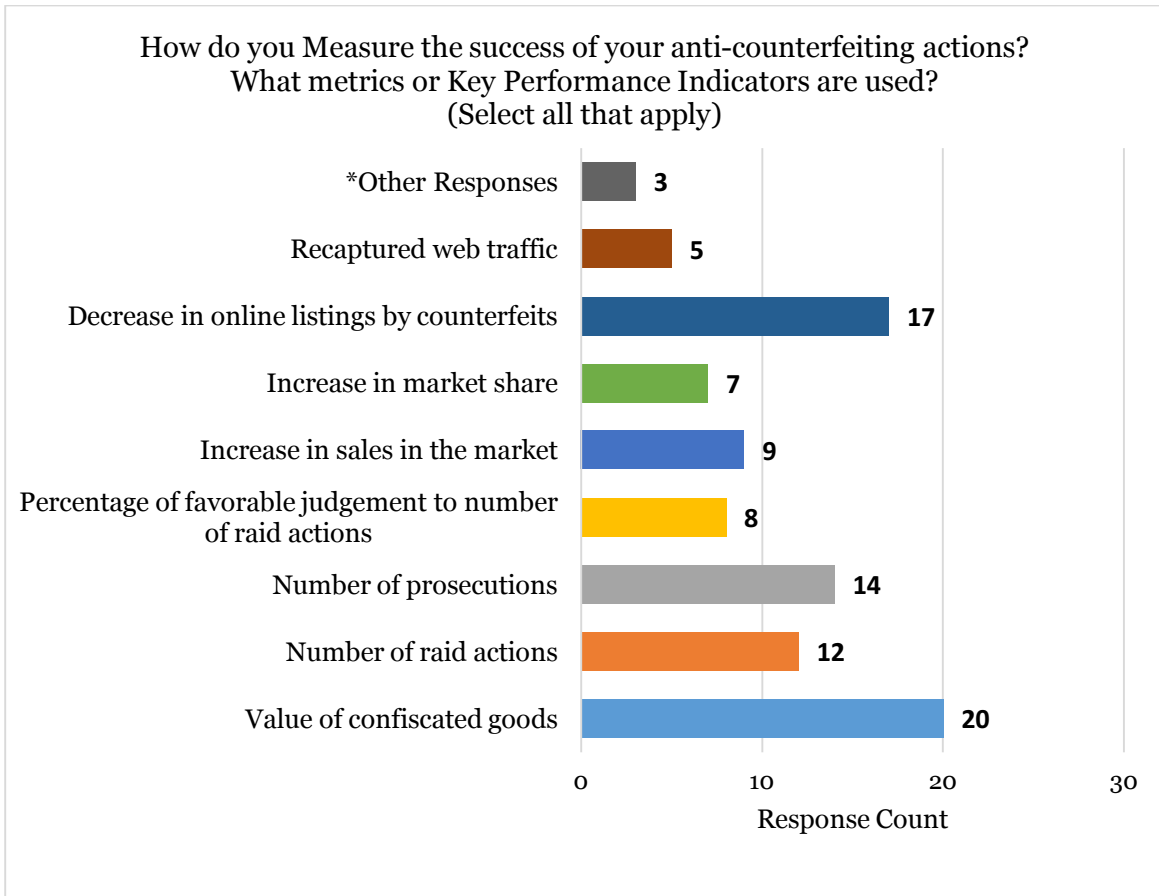
(Select all that apply)



*Other Responses:

- External investigators and market sweeps
- Reports from authorized partners, and third parties
- Distributors

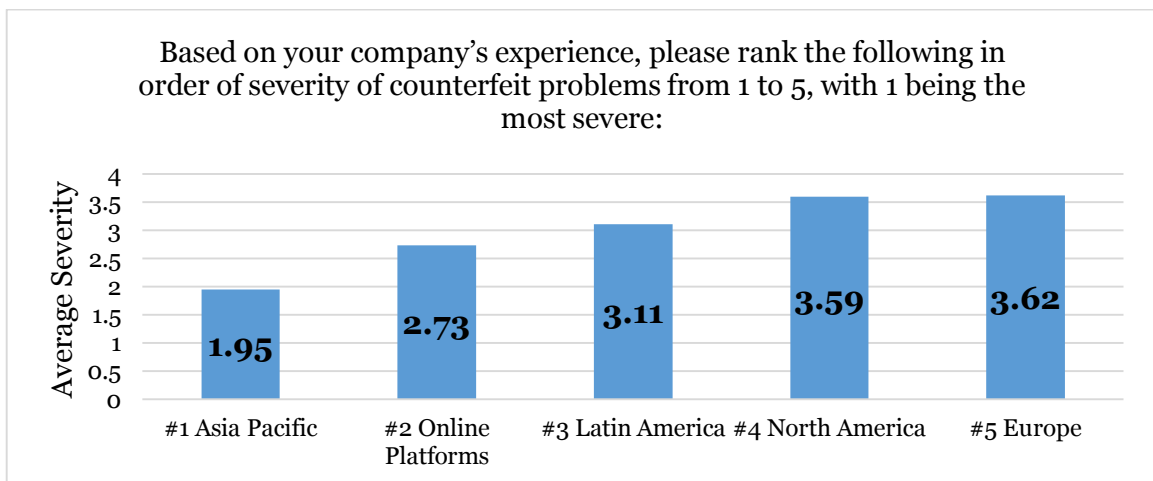
Question 6:



*Other Responses:

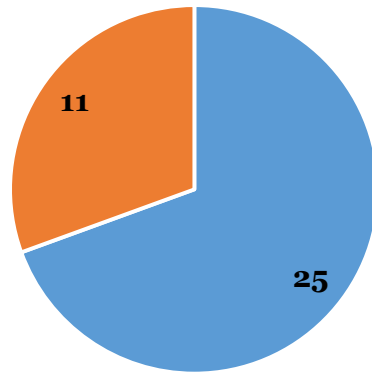
- Number of online takedowns
- None
- No real metrics to assess

Question 7:



Question 8:

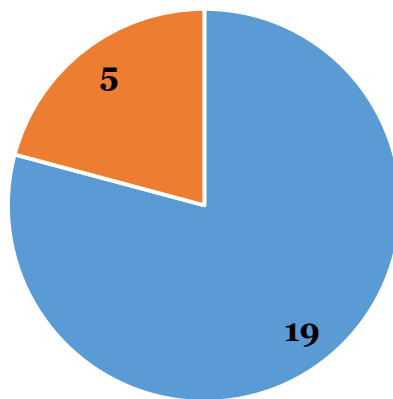
To Combat illegal export or import, have you recorded any of your marks within any Custom Offices?



■ Yes ■ No

Question 9:

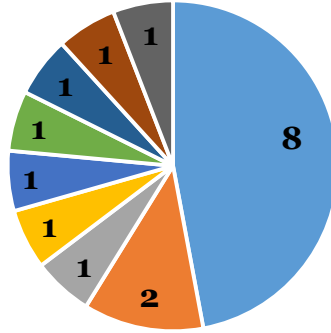
If yes, do you find it effective?



■ Yes ■ No

Question 10:

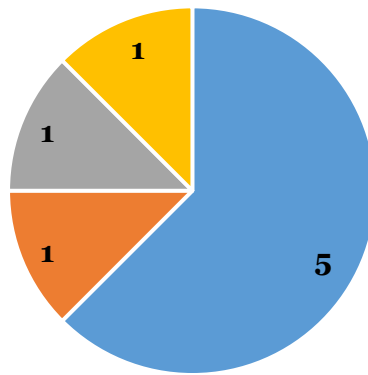
Which countries have been the most effective at combatting illegal export or import?



- United States
- China
- Belgium
- Japan
- African countries
- France
- Poland
- The Netherlands
- None

Question 11:

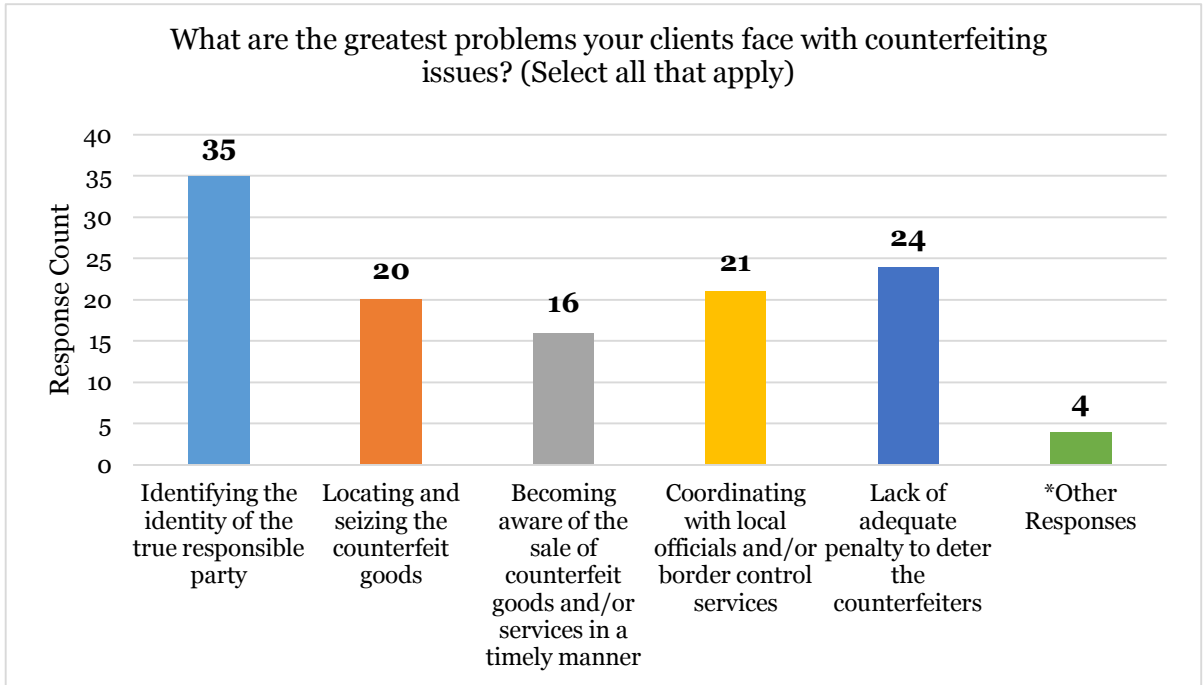
Which countries, if any, have not been very effective at combatting illegal export or import?



- China
- France
- Russia
- Indonesia
- None

Responses from Law Firm Members

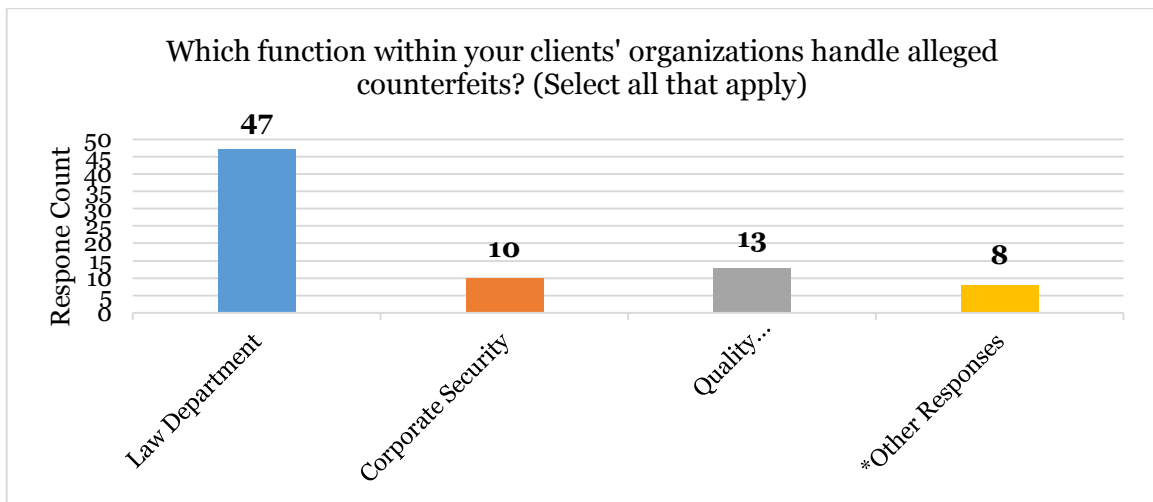
Question 1:



*Other Responses:

- Being able to afford the litigation costs
- Inadequate protection by courts and officials of other countries
- Undue delays sometimes occasioned by client bureaucracy in providing relevant information and supporting documents
- Unknown

Question 2:

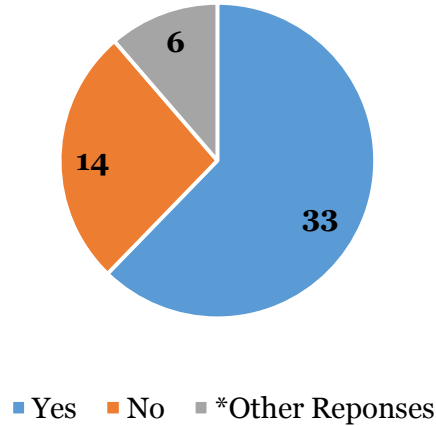


*Other Responses:

- IP
- CEO
- Marketing/Sales
- Management

Question 3:

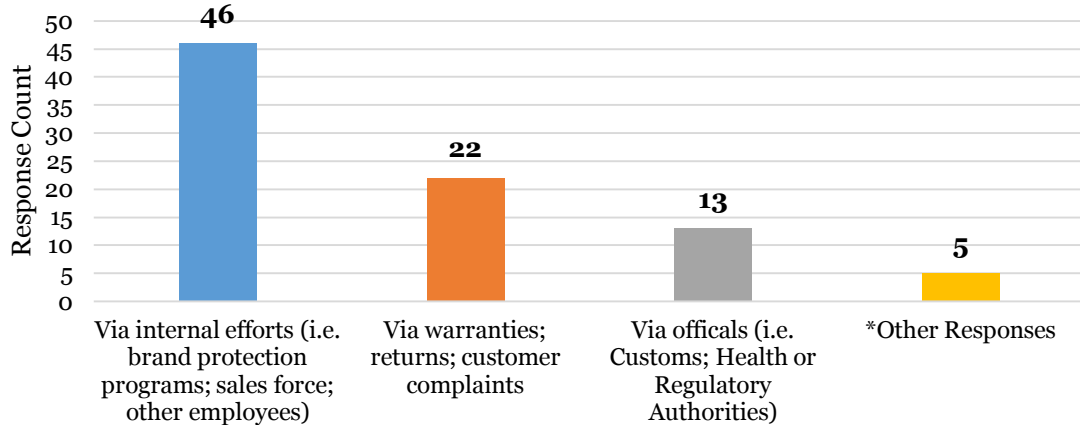
Do your clients typically administer formal brand protection programs in some form? (Defined as proactively monitoring for counterfeits or other brand abuse, and taking enforcement action, if deemed appropriate?)



- *Other Responses:
- Some do, some do not
 - Depends on the client
 - Unknown

Question 4:

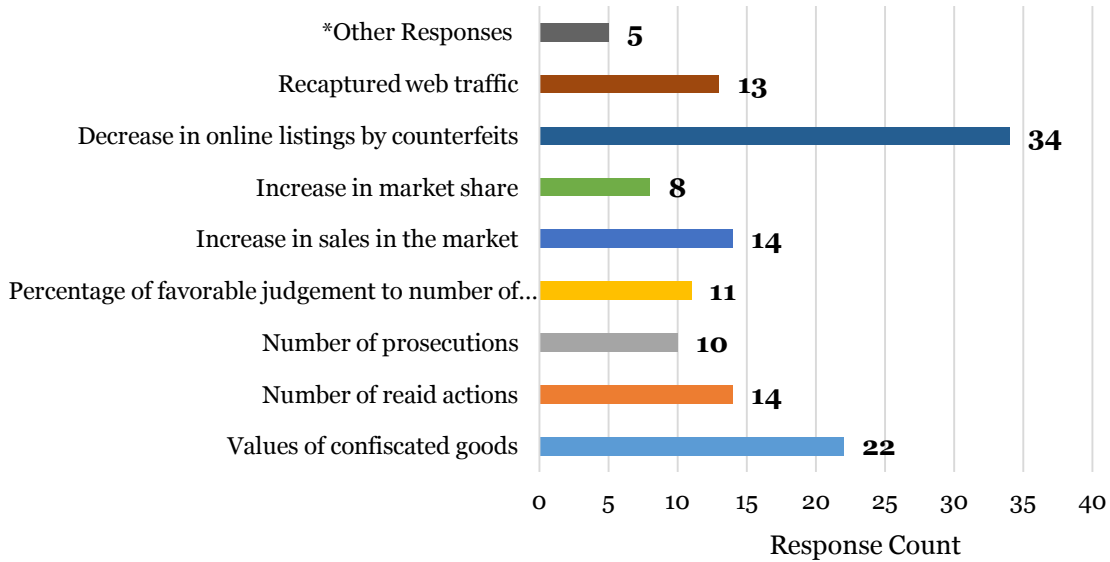
How do your clients generally learn of alleged counterfeits? (Select all that apply)



- *Other Responses:
- Observing competitors from time to time
 - Unknown
 - Information from out law firm/investigators
 - Also through our "Client Portfolio Watch" program

Question 5:

How do you measure the success of anti-counterfeitng actions? What metrics or Key Performance Indicators are used? (Select all that apply)

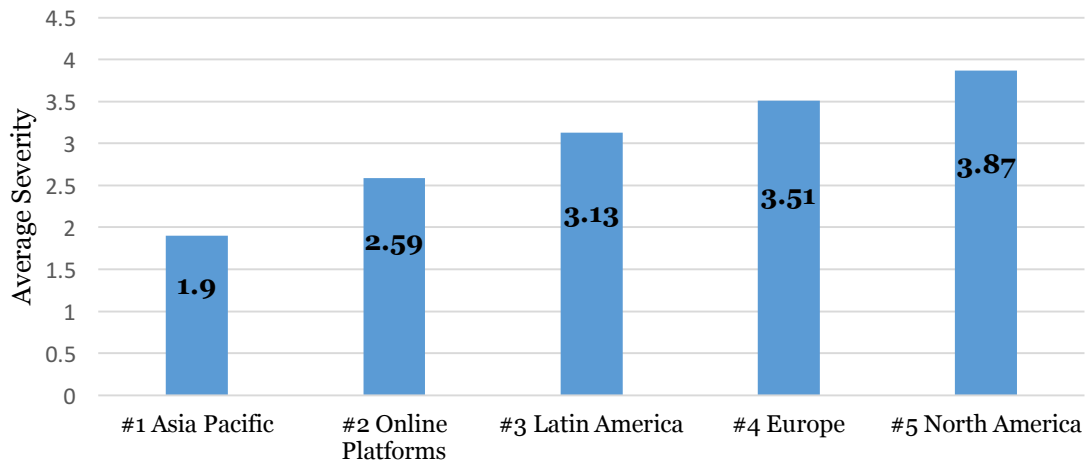


*Other Responses:

- Proliferation of sales by copycats of counterfeiters as the original pirate is confirmed
- Decrease in identified counterfeit components
- Unknown
- None

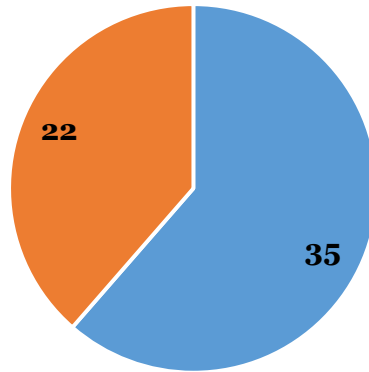
Question 6:

Based on your firm's expereince, please rank the following in order of severity of counterfeit problems from 1 to 5, with 1 being the most severe.



Question 7:

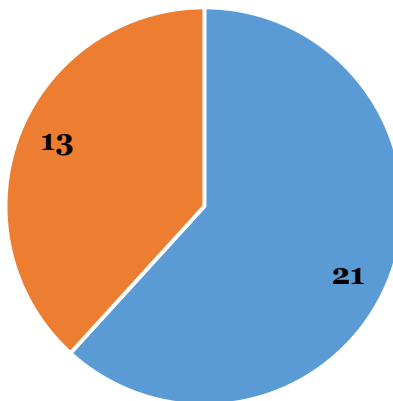
To combat illegal export or import, do you record your clients' marks with any Customs Offices?



■ Yes ■ No

Question 8:

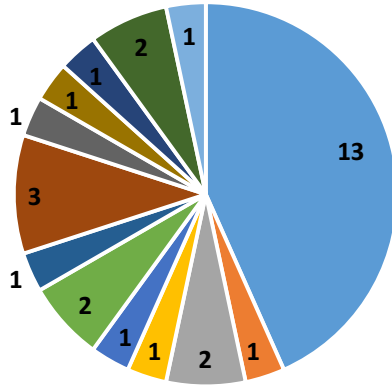
If yes, do you find it effective?



■ Yes ■ No

Question 9:

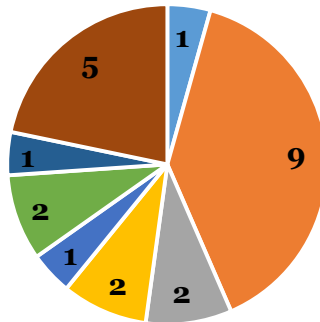
Which countries have been the most effective at combatting illegal export or import?



- | | | |
|-----------------|-------------|------------------|
| ■ United States | ■ Mauritius | ■ Europe |
| ■ UAE | ■ Panama | ■ Mexico |
| ■ Australia | ■ China | ■ Malaysia |
| ■ Japan | ■ Germany | ■ United Kingdom |
| ■ Canada | | |

Question 10:

Which countries, if any, have not been very effective at combatting illegal export or import?



- | | | | |
|--------------|-----------------|------------|-------------------|
| ■ Madagascar | ■ China | ■ Thailand | ■ The Phillipines |
| ■ Malaysia | ■ United States | ■ India | ■ Other |