

Chinese Public Security Organ's Strategy and International Law Enforcement Cooperation to Crack Down Internet Infringement Crime

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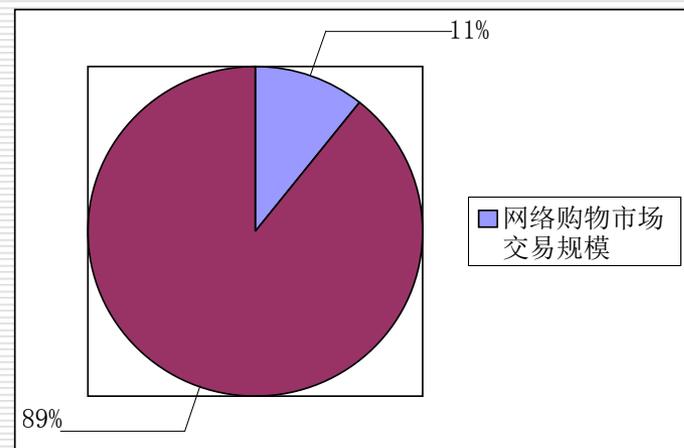


中华人民共和国公安部经济犯罪侦查局

Economic Crime Investigation Department
Ministry of Public Security P.R.China

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- Characteristics of Internet infringement crimes and difficulties in cracking down them
 - Chinese public security organ's work of cracking down network infringement crimes
 - Cross-border infringement crimes in joint-stricken network environment
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E-commerce progresses with each passing day



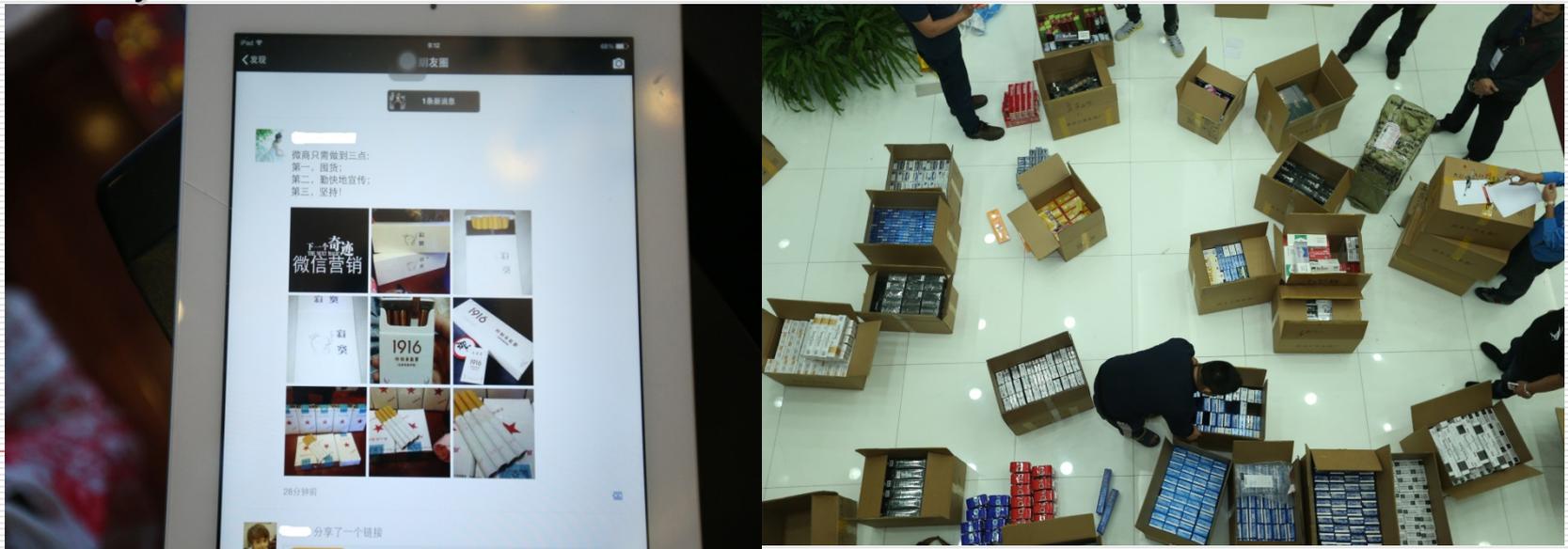
Characteristics of Internet infringement crimes and difficulties in cracking down them

- ❑ The “infiniteness” of Internet makes elusiveness become the prominent characteristic of Internet crime
 - ❑ Intermediate platform for connection and convergence
 - ❑ Internet communication is convenient and efficient
- Email—PC-end instant messaging software—Mobile phone-end APP



❑ Chongqing “July 7” Internet counterfeit and Smuggled Cigarette Trafficking Case

This case was cracked in March 2015. It involved Chongqing, Zhejiang, Guangdong and Guangxi, and the accumulative amount involved in the case was more than RMB 20 million. The criminal group purchased all kinds of counterfeit and smuggled cigarettes from Beihai of Guangxing and Dongxing, posted advertisements through WeChat and other communication platforms to find next turn, selling the goods around the country three second and third-level distributors.



Characteristics of Internet infringement crimes and difficulties in cracking down them

- The “infiniteness” of Internet makes elusiveness become the prominent characteristic of Internet crime
 - The “openness” and trans-regional and cross-border attributes of Internet have become typical characteristics of Internet crimes
-

Characteristics of Internet infringement crimes and difficulties in cracking down them

- ❑ The “infiniteness” of Internet makes elusiveness become the prominent characteristic of Internet crime
 - ❑ The “openness” and trans-regional and cross-border attributes of Internet have become typical characteristics of Internet crimes
 - ❑ Internet crimes require strong techniques and involve many aspects
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Characteristics of Internet infringement crimes and difficulties in cracking down them

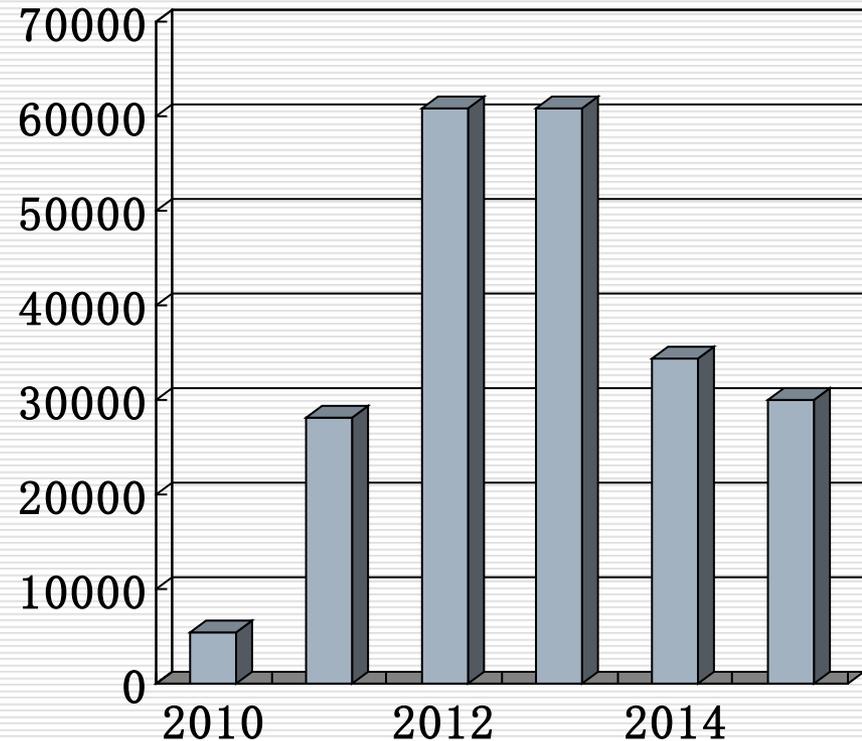
- ❑ The “infiniteness” of Internet makes elusiveness become the prominent characteristic of Internet crime
 - ❑ The “openness” and the trans-regional and cross-border attributes of Internet have become typical characteristics of Internet crimes
 - ❑ Internet crimes require strong techniques and involve many aspects
 - ❑ Difficult investigation has become the external factor for frequent occurrence of network infringement
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Cracking Down IP Crime in China

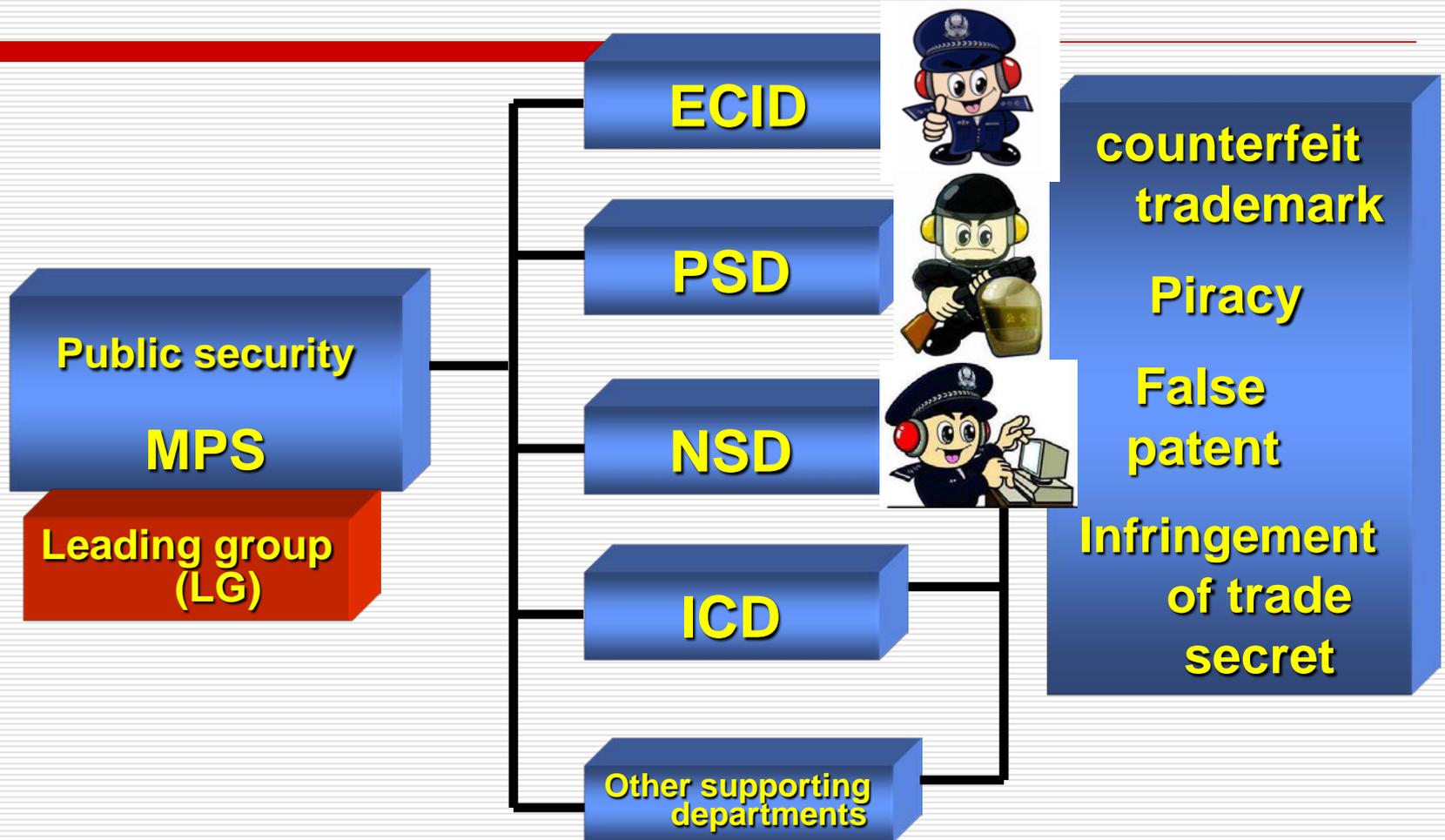
- Centralized national cracking-down campaigns were launched successively
- 2011: “Draw Sword” national cracking-down campaign
 - 2012: “Case-solving battle” national cracking-down campaign
 - 2013: National “cracking-down on counterfeit products”
 - 2014: Online “cracking-down on counterfeit products” campaign
 - 2014 Specialized campaigns become regular since 2014

NATIONWIDE COMPAINGE

- From 12, 2012 to 2014, Over 127000 cases solved
- 2014, Over 28000 cases solved
- 2015, Over 26000 cases solved



Organs for IPR Protection policy classification composition



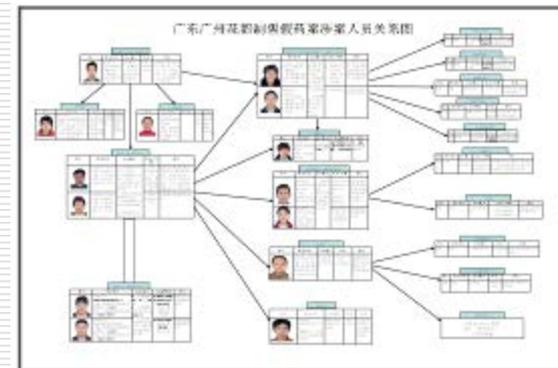
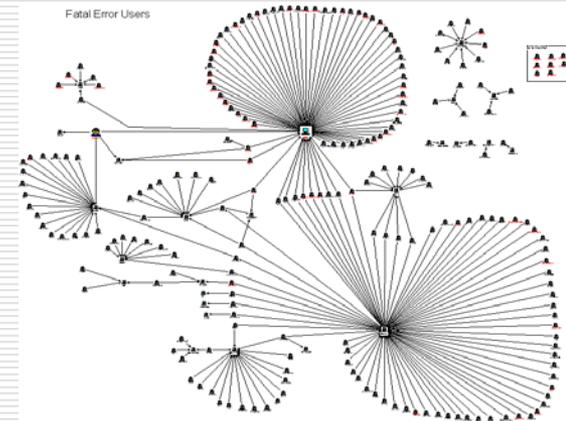
New Strategies—— Collaboration Tactic

■ “COBWEB” theory

- Marketized and divided supply & sales system
- Formed by interweaving and overlapping many nodes including raw material, parts, packaging, processing, combination, wholesale, transport, export, and retail.
- Destruction of one node will not lead to collapse of the whole network

□ “Cluster Battle” Methodology

- ⑩ The Ministry of Public Security plays the organizing and commanding role and different places extend clues for joint cracking-down
- ⑩ Striking excavation and cracking down the organizers behind the scene
- ⑩ Eradicating crime industry chain and network



Cloud action

- ❑ 29 provinces (regions and municipalities) pitch in cooperative raid
- ❑ 1307 criminals were captured, 412 criminal gangs knocked out, and 300 million pieces of fake medicine in amount of RMB2.2 billion seized



Improve law——Conviction and punishment standard for the act of communicating infringing works through information network

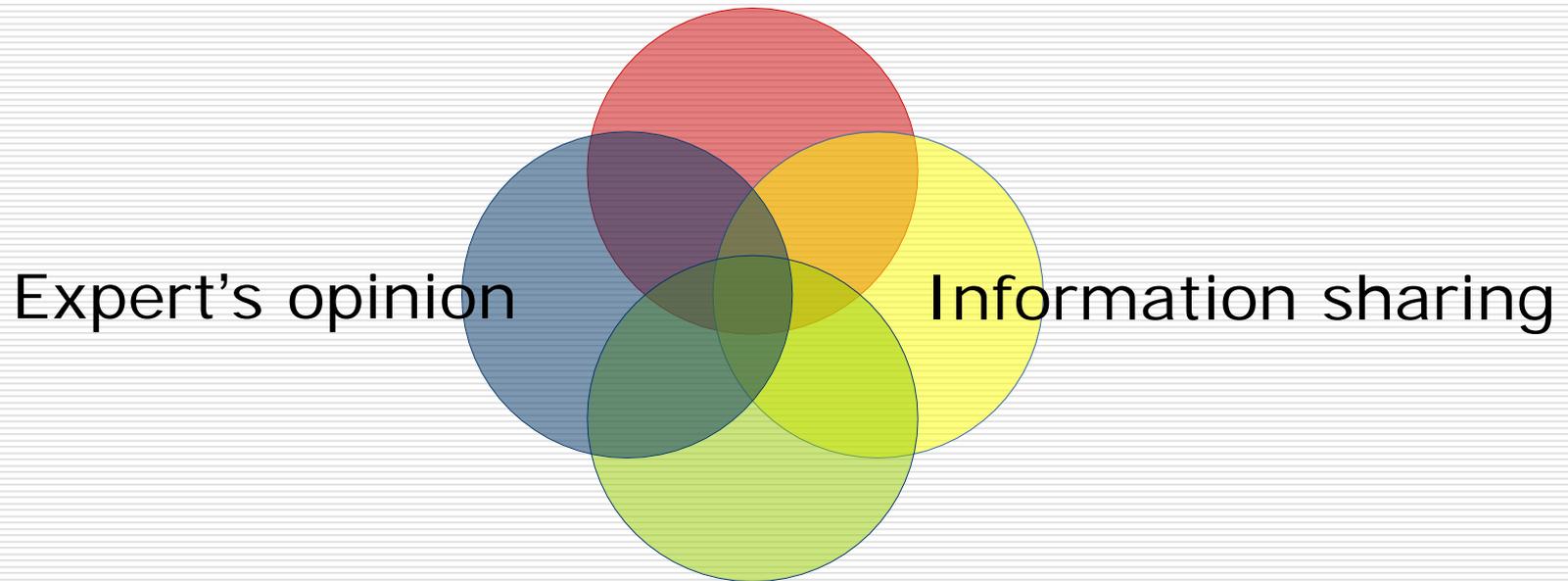
Communicating other's literal works, music, movie, television, photographic and video works, audio & video recordings, computer software and other works to the public through information network for purpose of profit without consent of the copyright holder in any of the following circumstances shall be deemed as "other serious offenses" stipulated in Article 217 of the *Criminal Law*.

- (I) The amount of illegal operation is over RMB 50,000;
- (II) the aggregate quantity of other's works communicated is over five hundred pieces (suits);
- (III) Actual number of hits of other's works communicated is over fifty thousand;
- (IV) Communicating other's works on the membership basis, with the number of registered members reaching over one thousand;
- (V) The amount or quantity does not reach the criteria specified in subparagraphs (I) to (IV), but they are respectively over half of more than two of the criteria;
- (VI) Other circumstances of seriousness.

Implementing any act specified in the proceeding paragraph, with the amount or quantity being over five times of the criteria specified in proceeding subparagraphs (I) through (V) shall be deemed as "other serious offenses" specified in Article 217 of the *Criminal Law*.

Linking up two laws

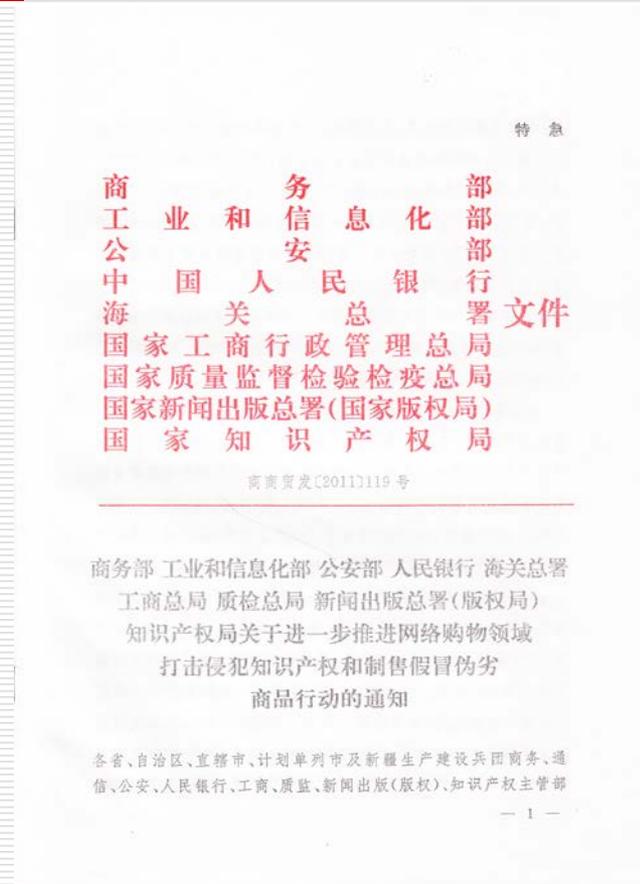
Forward of clues



Identification support

Departmental linkage

- In December 2010 and April 2011, nine departments including the Ministry of Commerce, the Ministry of Public Security and the State Administration of Industry and Commerce jointly issued the notices and implementing schemes on cracking down infringement and counterfeiting in the Internet field.
- Since 2014, the national double-crack-down office have organized and implemented special campaigns against infringement and counterfeiting in the Internet field.
- Sword web action



The “website of Zhaoqing City, Guangdong Province infringes upon Microsoft's copyright” case

- ❑ Cracked editions of Microsoft series software were provided through the website
 - ❑ Large amount of advertisement income was illegally obtained through pirated software clicks
 - ❑ By the end of 2010, more than 1.05 million subscribers were enrolled with the website
 - ❑ 5.30 million copies of pirated software were downloaded
-

International cooperation to destroy cross-border chains

- ❑ Promote publicity through cooperation
- ❑ Establish a fixed mechanism with international criminal police organizations and law enforcement departments of American and European countries and other regions
- ❑ Expand international cooperation channels: transmit intelligence, share clues, investigate and collect evidence, and take joint action
- ❑ Since 2007, 15 international law enforcement actions and a series of case-solving actions have been launched jointly with international organizations and foreign law enforcement agencies
- ❑ Global anti-counterfeit organization's "2012 global anti-counterfeit law enforcement department top contribution award"
- ❑ In April 2014, American Chamber of Commerce won the "Intellectual Property Defender" award, becoming the first law enforcement agency winning this award
- ❑ In 2014 and 2015, the "best regional case award" and the "top law enforcement contribution award" for international criminal police organization



INTERPOL



Law enforcement training

- ❑ Case investigation
- ❑ Intelligence use
- ❑ Electronic evidence inspection and check technology



Publicity and education: expand sources of clues and create social environment



Strengthen cooperation between police and business



1

Establish a mechanism of cooperation with foreign enterprises, seek for opinions and suggestions, and collection clues of crimes

2

In combination with traceability research, explore the key enterprise liaison system in China

3

Coordinate with e-commerce enterprises such as Alibaba

Economic investigation department of Ministry of Public Security and Alibaba Group enter into a cooperation memorandum



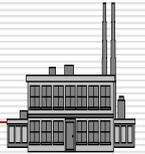
AliPay account transfer information

交易号	外部交易号	交易状态	合作ID	买家信息	卖家信息	交易金额	收款时间	最后修改时间	创建时间	交易类型	来源地	商品名称	收货人地址
201408090		交易成功		覃盼盼(180	陈俊申(840	10560.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		夏飞龙(137	陈俊申(840	330.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		刘亚东(233	陈俊申(840	220.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		吴伟鹏(130	陈俊申(840	410.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		邓泓杰(139	陈俊申(840	200.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		张凯旋(846	陈俊申(840	70.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		黄粤媛(136	陈俊申(840	250.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		武宝庆(134	陈俊申(840	550.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		李旭杰(230	陈俊申(840	225.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		武敏(1393	陈俊申(840	4780.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		刘亚东(233	陈俊申(840	700.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		陈金泉(136	陈俊申(840	200.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		刘朋(9613	陈俊申(840	180.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		万喜利(13	陈俊申(840	275.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		张凯旋(846	陈俊申(840	390.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		彭健康(136	陈俊申(840	120.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		郭坤(trygul	陈俊申(840	60.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		闫申(9090	陈俊申(840	105.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		夏飞龙(137	陈俊申(840	90.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
201408090		交易成功		邓超(1824	陈俊申(840	160.00	2014-08-09	2014-08-09	2014-08-09	即时到账交	支付宝	转账	
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201408100		交易成功		周磊(a-ab-	陈俊申(840	65.00	2014-08-10	2014-08-10	2014-08-10	即时到账交	支付宝	转账	
201408100		交易成功		刘亚东(233	陈俊申(840	100.00	2014-08-10	2014-08-10	2014-08-10	即时到账交	支付宝	转账	
201408100		交易成功		周磊(a-ab-	陈俊申(840	160.00	2014-08-10	2014-08-10	2014-08-10	即时到账交	支付宝	转账	
201408100		交易成功		周磊(a-ab-	陈俊申(840	470.00	2014-08-10	2014-08-10	2014-08-10	即时到账交	支付宝	转账	
201408100		交易成功		周磊(a-ab-	陈俊申(840	490.00	2014-08-10	2014-08-10	2014-08-10	即时到账交	支付宝	转账	
201408100		交易成功		韦宏飞(156	陈俊申(840	400.00	2014-08-10	2014-08-10	2014-08-10	即时到账交	支付宝	转账	
201408100		交易成功		韦宏飞(156	陈俊申(840	120.00	2014-08-10	2014-08-10	2014-08-10	即时到账交	支付宝	转账	
201408100		交易成功		张凯旋(846	陈俊申(840	230.00	2014-08-10	2014-08-10	2014-08-10	即时到账交	支付宝	转账	
201408100		交易成功		刘雲鹏(262	陈俊申(840	60.00	2014-08-10	2014-08-10	2014-08-10	即时到账交	支付宝	转账	
201408100		交易成功		刘雲鹏(262	陈俊申(840	10.00	2014-08-10	2014-08-10	2014-08-10	即时到账交	支付宝	转账	
201408100		交易成功		刘雲鹏(262	陈俊申(840	65.00	2014-08-10	2014-08-10	2014-08-10	即时到账交	支付宝	转账	
201408100		交易成功		王彪(1195	陈俊申(840	1300.00	2014-08-10	2014-08-10	2014-08-10	即时到账交	支付宝	转账	
201408100		交易成功		李旭杰(230	陈俊申(840	70.00	2014-08-10	2014-08-10	2014-08-10	即时到账交	支付宝	转账	

Taobao transaction information

买家信息	卖家信息	交易金额	收款时间	最后修改	创建时间	交易类型	来源地	商品名称	收货人地址
张瞳(1309)	杨萍(magy)	1320.00	2014-08-17	2014-08-27	2014-08-17	支付宝交易	淘宝	枸杞 新疆精河枸杞无熏染无上色 枸杞精品 3公斤包邮	白龙路佳园小区兰苑
张瞳(1309)	杨萍(magy)	1100.00	2014-08-12	2014-08-15	2014-08-12	支付宝交易	淘宝	枸杞 新疆精河枸杞无熏染无上色 枸杞精品 3公斤包邮	白龙路佳园小区兰苑
霍鑫(huoxi)	杨萍(magy)	2640.00	2014-08-12	2014-08-15	2014-08-12	支付宝交易	淘宝	枸杞 新疆精河枸杞无熏染无上色 枸杞精品 3公斤包邮	沈北路32号翰林水郡
张瞳(1309)	杨萍(magy)	1100.00	2014-08-11	2014-08-15	2014-08-11	支付宝交易	淘宝	枸杞 新疆精河枸杞无熏染无上色 枸杞精品 3公斤包邮	白龙路佳园小区兰苑
路广(1322)	杨萍(magy)	2200.00	2014-08-09	2014-08-12	2014-08-09	支付宝交易	淘宝	枸杞 新疆精河枸杞无熏染无上色 枸杞精品 3公斤包邮	工业园区金鸡湖路徐
张瞳(1309)	杨萍(magy)	1100.00	2014-08-04	2014-08-10	2014-08-04	支付宝交易	淘宝	枸杞 新疆精河枸杞无熏染无上色 枸杞精品 3公斤包邮	白龙路佳园小区兰苑
霍鑫(huoxi)	杨萍(magy)	4620.00	2014-07-29	2014-07-30	2014-07-29	支付宝交易	淘宝	枸杞 新疆精河枸杞无熏染无上色 枸杞精品 3公斤包邮	北京街哈尔滨路华府
霍鑫(huoxi)	杨萍(magy)	3150.00	2014-07-27	2014-07-27	2014-07-27	支付宝交易	淘宝	枸杞 新疆精河枸杞无熏染无上色 枸杞精品 3公斤包邮	沈北路32号翰林水郡
张瞳(1309)	杨萍(magy)	1100.00	2014-07-16	2014-07-22	2014-07-16	支付宝交易	淘宝	枸杞 新疆精河枸杞无熏染无上色 枸杞精品 3公斤包邮	白龙路佳园小区兰苑
霍鑫(huoxi)	杨萍(magy)	3420.00	2014-07-10	2014-07-14	2014-07-10	支付宝交易	淘宝	枸杞 新疆精河枸杞无熏染无上色 枸杞精品 3公斤包邮	北京街哈尔滨路华府
张瞳(1309)	杨萍(magy)	1100.00	2014-07-09	2014-07-13	2014-07-09	支付宝交易	淘宝	枸杞 新疆精河枸杞无熏染无上色 枸杞精品 3公斤包邮	白龙路佳园小区兰苑
霍鑫(huoxi)	杨萍(magy)	3860.00	2014-07-02	2014-07-05	2014-07-02	支付宝交易	淘宝	枸杞 新疆精河枸杞无熏染无上色 枸杞精品 3公斤包邮	沈北路32号晨兴 翰水
霍鑫(huoxi)	杨萍(magy)	3150.00	2014-06-29	2014-07-02	2014-06-29	支付宝交易	淘宝	枸杞 新疆精河枸杞无熏染无上色 枸杞精品 3公斤包邮	沈北路32号翰林水郡
霍鑫(huoxi)	杨萍(magy)	2580.00	2014-06-22	2014-06-26	2014-06-22	支付宝交易	淘宝	枸杞 新疆精河枸杞无熏染无上色 枸杞精品 3公斤包邮	沈北路32号翰林水郡
刘佳(1394)	杨萍(magy)	1500.00	2014-08-13	2014-08-14	2014-08-13	支付宝交易	淘宝	巧克力 10个包邮 果仁巧克力10个包邮	中街路23号 巴黎婚纱
刘佳(1394)	杨萍(magy)	1800.00	2014-08-10	2014-08-12	2014-08-10	支付宝交易	淘宝	巧克力 10个包邮 果仁巧克力10个包邮	中街路23号 巴黎婚纱
张瞳(1309)	杨萍(magy)	990.00	2014-07-23	2014-07-25	2014-07-23	支付宝交易	淘宝	巧克力 10个包邮 果仁巧克力10个包邮	白龙路佳园小区兰苑
张瞳(1309)	杨萍(magy)	940.00	2014-07-17	2014-07-23	2014-07-17	支付宝交易	淘宝	巧克力 10个包邮 果仁巧克力10个包邮	白龙路佳园小区兰苑
朱伟恒(188)	杨萍(magy)	1100.00	2014-06-16	2014-06-23	2014-06-16	支付宝交易	淘宝	巧克力 10个包邮 果仁巧克力10个包邮	红庙路家和春天
朱伟恒(188)	杨萍(magy)	2200.00	2014-06-15	2014-06-25	2014-06-15	支付宝交易	淘宝	巧克力 10个包邮 果仁巧克力10个包邮	武进区邹区镇东方大
金昊(1301)	杨萍(magy)	125.00	2014-08-21	2014-08-31	2014-08-21	支付宝交易	淘宝	巧克力 10个包邮 哈萨克斯坦栗子仁巧克力10个包邮	湖南理工学院 南苑
金昊(1301)	杨萍(magy)	245.00	2014-08-18	2014-08-24	2014-08-18	支付宝交易	淘宝	巧克力 10个包邮 哈萨克斯坦栗子仁巧克力10个包邮	湖南理工学院 南苑
金昊(1301)	杨萍(magy)	120.00	2014-08-13	2014-08-20	2014-08-13	支付宝交易	淘宝	巧克力 10个包邮 哈萨克斯坦栗子仁巧克力10个包邮	湖南理工学院 南苑
金昊(1301)	杨萍(magy)	230.00	2014-08-10	2014-08-16	2014-08-10	支付宝交易	淘宝	巧克力 10个包邮 哈萨克斯坦栗子仁巧克力10个包邮	湖南理工学院 南苑
金昊(1301)	杨萍(magy)	1100.00	2014-08-08	2014-08-16	2014-08-08	支付宝交易	淘宝	巧克力 10个包邮 哈萨克斯坦栗子仁巧克力10个包邮	湖南理工学院 南苑
金昊(1301)	杨萍(magy)	1100.00	2014-08-07	2014-08-16	2014-08-07	支付宝交易	淘宝	巧克力 10个包邮 哈萨克斯坦栗子仁巧克力10个包邮	湖南理工学院 南苑
金昊(1301)	杨萍(magy)	250.00	2014-08-07	2014-08-16	2014-08-07	支付宝交易	淘宝	巧克力 10个包邮 哈萨克斯坦栗子仁巧克力10个包邮	湖南理工学院 南苑
金昊(1301)	杨萍(magy)	125.00	2014-08-05	2014-08-15	2014-08-05	支付宝交易	淘宝	巧克力 10个包邮 哈萨克斯坦栗子仁巧克力10个包邮	湖南理工学院 南苑
金昊(1301)	杨萍(magy)	125.00	2014-08-04	2014-08-14	2014-08-04	支付宝交易	淘宝	巧克力 10个包邮 哈萨克斯坦栗子仁巧克力10个包邮	湖南理工学院 南苑
金昊(1301)	杨萍(magy)	240.00	2014-08-04	2014-08-10	2014-08-04	支付宝交易	淘宝	巧克力 10个包邮 哈萨克斯坦栗子仁巧克力10个包邮	湖南理工学院 南苑
金昊(1301)	杨萍(magy)	125.00	2014-08-03	2014-08-06	2014-08-03	支付宝交易	淘宝	巧克力 10个包邮 哈萨克斯坦栗子仁巧克力10个包邮	湖南理工学院 南苑
金昊(1301)	杨萍(magy)	220.00	2014-08-02	2014-08-10	2014-08-02	支付宝交易	淘宝	巧克力 10个包邮 哈萨克斯坦栗子仁巧克力10个包邮	湖南理工学院 南苑
金昊(1301)	杨萍(magy)	240.00	2014-08-02	2014-08-12	2014-08-02	支付宝交易	淘宝	巧克力 10个包邮 哈萨克斯坦栗子仁巧克力10个包邮	湖南理工学院 南苑
金昊(1301)	杨萍(magy)	125.00	2014-08-02	2014-08-06	2014-08-02	支付宝交易	淘宝	巧克力 10个包邮 哈萨克斯坦栗子仁巧克力10个包邮	湖南理工学院 南苑

Looking Forward



- Internationalized crime**
 - Each involved country is a victim of counterfeiting**
 - Cooperation becomes imperative as a solution**
 - * Information sharing**
 - * Joint-action**
 - * Cooperation mechanism**
-

Key points in cooperation for cracking down internet infringement crimes

- ❑ Cooperate to crack down whole chain of transnational infringement crimes (manipulators & commanders + producers & assemblers + wholesalers & distributors)
 - ❑ Eradicate technical soil of Internet crimes (server providers)
 - ❑ Effectively reduce demand for online counterfeit products
 - ❑ Increase cooperation efficiency and quicken turnover of cooperative investigation
-

Super-huge online counterfeit LV case in Shanghai

- ❑ Set up and operate more than 200 counterfeit selling websites by using servers in the United States
 - ❑ Obtain foreign client orders through emails and online messages
 - ❑ Operated in Shanghai and Fujian produced in Guangdong
 - ❑ Receive payments for goods through Western Union and PayPal, etc.
 - ❑ Transported abroad through express companies
-



Key points in cooperation for cracking down internet infringement crimes

- ❑ Cooperate to crack down whole chain of transnational infringement crimes (manipulators & commanders + producers & assemblers + wholesalers & distributors)
 - ❑ Eradicate technical soil of Internet crimes (server providers)
 - ❑ Effectively reduce demand for online counterfeit products
 - ❑ Improve cooperation efficiency and accelerate cooperative investigation and turnover
-

Thank you!
