

China's Alibaba sues vendors over selling counterfeits

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Chinese e-commerce giant Alibaba has filed a lawsuit against two vendors for allegedly selling counterfeit goods, it said, weeks after the US put its main platform on its "notorious markets" blacklist.

Late last month the office of the US Trade Representative put Alibaba's massive online sales portal Taobao on its annual blacklist, saying it was not doing enough to curb sales of fake and pirated goods.

Although inclusion on the blacklist carries no penalties, it dealt a blow to Alibaba's reputation after the company has struggled to improve its image and boost international sales.

The company, which has made founder Jack Ma China's richest man, said Wednesday it had sued two Taobao vendors for 1.4 million yuan (\$200,000), accusing them of selling fake Swarovski watches on their portal in violation of the company's services agreement.

"Selling counterfeits not only violates our service agreement, it also infringes on the [intellectual property rights](#) of the brand owner, puts inferior products in the hands of consumers and ruins the hard-earned trust and reputation Alibaba has with our customers," said Jessie Zheng, Alibaba Group's chief platform governance officer.

The shopping site said this was the first time an e-commerce giant had taken a counterfeiter to court in the world's second-largest economy.

Alibaba and its Taobao site have long been accused of providing a platform for the sale of knockoff brand-name goods.

Items for sale included what appear to be pirated PDFs of the book "Alibaba: The House That Jack Ma Built", available for purchase for less than one dollar on Thursday.

The e-commerce giant said the US decision was motivated by politics during an election year and said it had used data analytics and covert purchases of suspected fakes to uncover the two sellers.

Alibaba provided that information to police, who in August raided a location in the southern city of Shenzhen and seized 125 fake Swarovski watches, it said.

Alibaba was suspended from the International Anti-Counterfeiting Coalition watchdog in May.

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