

CASE STUDY

Nissan Putting the Brakes on Counterfeit Parts



Industry: Consumer Goods

Company:
Nissan North America Inc.

Headquarters:
Franklin, TN

Products:
MarkMonitor Brand Protection

OVERVIEW

Nissan North America Inc. deploys *MarkMonitor Brand Protection* to reduce the availability of counterfeit auto parts, mitigating the threat to customer safety and protecting brand reputation.

CHALLENGES

- Customer safety and brand protection concerns in online marketplaces
- Websites misrepresenting affiliation with Nissan
- Cybersquatting
- Trademark abuse via unauthorized logo use
- Pay-per-click infringement with sponsored links pointing to diverted domains

SOLUTION

- *MarkMonitor Brand Protection*

RESULTS

- 98 percent rate of successful enforcements
- Successfully removed over 31,700 counterfeit Nissan products
- Enforced against over 125,000 marketplace listings having a total advertised value of over \$283 million

EXECUTIVE SUMMARY

Nissan North America Inc., part of the Renault-Nissan global auto industry manufacturing Alliance, is committed to building innovative, high-quality vehicles engineered to deliver a passionate and rewarding driving experience. This commitment, however, is undermined by the availability of counterfeit auto parts that pose a threat to consumer safety as well as damage the brand reputation of the company. Nissan deployed *MarkMonitor Brand Protection*, seeing a positive return on investment for the solution. “We used conservative numbers to judge the ROI impact. It quickly became obvious that the numbers more than justified the investment in MarkMonitor. We have a compliance rate from online enforcements that is extremely impactful,” says Andy Forsythe, of Nissan’s Brand Protection group.

CHALLENGE

“When the MarkMonitor pilot program showed hundreds of thousands of listings in marketplaces, we were able to set up a program to combat the problem.” – Andy Forsythe, of Nissan’s Brand Protection group.

According to Frost and Sullivan, the global automotive industry loses close to \$45 billion annually to counterfeiting.¹ The U.N. Office on Drugs and Crime² lists a wide range of illicitly produced auto parts from automatic belt tensioners and body panels to windshield wiper fluid and wheels.

Customer safety is the number one objective for the automotive industry, and trafficking in counterfeit parts on business to business (B2B), consumer marketplaces and rogue e-commerce sites, is a significant concern. Counterfeit parts may also undermine the integrity of legitimate distribution channels, adversely affect customer satisfaction and ultimately impact brand reputation. This may result in higher customer service and warranty costs — not to mention the product liabilities involved

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Andy Forsythe, Nissan North America Inc

when oil filters, brakes, engine parts or other components fail.

“We would not want to see automobiles coming into our dealers for service or repair with parts not sold by Nissan. Even if the parts appear legitimate, they may not be ours. And that is a concern.” says Nissan’s Forsythe.

1. Brand confusion was one of the more significant issues Nissan dealt with. Some sellers of aftermarket parts misrepresented them in online marketplaces and on rogue websites as genuine OEM parts. Customers, dealerships and auto stores have been duped by descriptions like “Nissan brake pads” rather than descriptions which would have listed them with more accuracy as “Fits a Nissan...” Many listings and websites also contained invalid warranty statements. Indeed, some replacement parts are painted to resemble the official Nissan brand, but with the company name spelled incorrectly as NASSIN.
2. Counterfeit parts are a major product liability risk. Parts not designed to OEM standards deceive both consumers and auto mechanics who rely on replacements being manufactured to specified performance levels. These parts look similar to genuine Nissan parts and can quite easily be installed in a car, with the potential to cause serious damage if they fail. The Nissan dealer may then repair a car under warranty that appears to have the correct part installed when it does not. The final cost of counterfeit parts can exceed any savings off the OEM part price many times over.

SOLUTION

“MarkMonitor has provided us additional capabilities for our toolbox to combat the issues of counterfeiting and brand abuse,” says Nissan’s Andy Forsythe.

To help combat these issues, Nissan enrolled in a back-to-back pilot program with MarkMonitor in September 2013 and officially



\$283M

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launched an online brand protection partnership with MarkMonitor in March of 2014. Since that time the relationship, scope of work and breadth of coverage has expanded to include website and marketplace monitoring, and enforcement tools for both the Nissan and Infiniti brands.

The impact of *MarkMonitor Brand Protection* goes beyond data, charts and screenshots. The MarkMonitor team has become a consultant and partner with Nissan in their online brand protection program. "MarkMonitor has provided us additional capabilities for our toolbox to combat the issues of counterfeiting and brand abuse as we come across them," says Forsythe.

MarkMonitor and Nissan have partnered with other manufacturers across the auto industry and hosted a series of automotive manufacturing calls so that the companies can speak with a unanimous voice on the threat consumers face from counterfeit parts that put drivers and their families in harm's way.

RESULTS

MarkMonitor Brand Protection combats the issues of customer safety, reputation, customer trust and loss of revenue that occur when someone else exploits a brand for their own gain. MarkMonitor leverages the high volume detection, case management and enforcement efficiencies of proprietary technology to scour digital channels to identify intellectual property risks and equip brands to take effective enforcement measures.

By working with MarkMonitor, the highly engaged Nissan team accomplished several major goals: increasing customer safety, decreasing domain abuse for the Nissan and Infiniti brands, identifying and addressing brand abuse in website content, demonetizing of pay-per-click sites, decreasing brand confusion,

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and significantly reducing counterfeit listings on multiple marketplace platforms globally.

Specific accomplishments since the inception of the MarkMonitor Brand Protection strategy include:

- Successfully removed over 31,700 counterfeit Nissan products
- Enforced against over 125,000 marketplace listings having a total advertised value of over \$283 million
- Conducted successful enforcement activities in Asian marketplaces with the help of the Shanghai-based MarkMonitor team
- Utilized MarkMonitor relationships and contacts for accuracy and efficiency

“The number of listings we’ve enforced on is extremely impactful and the ROI we’ve established has paid for the program and then some,” says Nissan’s Forsythe. “We’re excited about it.”

Nissan’s strong market position and brand leadership make it a lucrative target for brandjackers. As a result, the company is committed to vigilance regarding counterfeit goods entering the U.S. market by working with MarkMonitor, Nissan can now detect the sale of these kinds of goods online and then educate the dealers about the potential hazards of using counterfeit parts. “We decided to address what we were seeing in the marketplaces. Within weeks we were delisting counterfeit items as well as educating sellers who had no idea they were infringing,” says Forsythe.

For example, Supplemental Restraint System (SRS) components have been prohibited almost entirely from certain large Asian marketplaces due to continual monitoring of specific Asian markets. Nissan continues to work with certain marketplaces to develop common sense policies that protect the safety and welfare of consumers worldwide.

Pay-per-click pages that capitalize on infringing sponsored links have been greatly reduced since enforcement began in March 2014. Once Nissan's second largest concern, pay-per-click pages containing the Nissan trademark now make up less than four percent of total Nissan-related sites. These sites no longer generate revenue for their owners, which could be significant in some cases. As a result, cybersquatters are less likely to target the Nissan brand to drive traffic to their pages.

As a direct result of Nissan's work with MarkMonitor, pay-per-click sites that have "Nissan" in the domain name are prohibited from containing sponsored links.

MarkMonitor has partnered with Nissan to provide the technology & resources to aggressively combat online counterfeiting, it has also helped to demonstrate the ROI of using those solutions to protect the Nissan brand.

About MarkMonitor

MarkMonitor, the leading enterprise brand protection solution and a Clarivate Analytics flagship brand, provides advanced technology and expertise that protects the revenues and reputations of the world's leading brands. In the digital world, brands face new risks due to the Web's anonymity, global reach and shifting consumption patterns for digital content, goods and services. Customers choose MarkMonitor for its unique combination of advanced technology, comprehensive protection and extensive industry relationships to address their brand infringement risks and preserve their marketing investments, revenues and customer trust. For more information, visit markmonitor.com or call us at **1-800-745-9229**.

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More than half the Fortune 100 trust MarkMonitor to protect their brands online.

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Protecting brands in the digital world



¹ "Counterfeit Parts Are Costing the Industry Billions," Automotive Logistics, January 2013. <http://automotivelogistics.media/intelligence/16979>

² The Illicit Trafficking of Counterfeit Goods and Transnational Organized Crime, UNODC, Jan 2015, http://www.unodc.org/documents/counterfeit/FocusSheet/Counterfeit_focussheet_EN_HIRES.pdf