For decades, the brand name of a leading luxury goods manufacturer has been synonymous with sophistication, style, and elegance. But this global enterprise’s extremely valuable brand, as well as its revenues, is facing a significant threat. Fake, inferior versions of the company’s handbags, jewelry, and other items are constantly being auctioned on Internet sites around the world.

Online sales of counterfeit products negatively affect the luxury goods manufacturer in many ways, including lost revenues and market share; erosion of the brand’s reputation and value; wasted marketing and advertising dollars, which inadvertently promote counterfeit versions of its products; damage to the customer experience, resulting in a decrease in customer loyalty; and erosion to vital channel relationships.

To help in the battle against online auctions of counterfeit products, the luxury goods manufacturer employed the comprehensive MarkMonitor® Brand Protection solution.

During the first two months of using MarkMonitor Brand Protection, the company shut down auctions totaling close to $1 million in unauthorized merchandise, equivalent to $6 million annually.
Every day, the company had multiple employees manually monitoring online auction sites from various countries and in various languages.

**Business Objectives**

Cheap knock-offs are nothing new. For years, unlicensed vendors sold counterfeit versions of luxury goods on street corners and out of car trunks.

In recent years, the reach and anonymity of the Internet have made it easy for online marketplaces, B2B exchanges, e-commerce sites, spammers and others to sell counterfeit products globally. Indeed, counterfeiting has increased over 10,000 percent in the last 20 years, from an estimated $5 billion annually in the early 1980s to $600 billion today, according to the International Anti-Counterfeiting Coalition.

Though it took this particular luxury goods manufacturer decades to cultivate its internationally renowned brand, it now takes just minutes for an online reseller to sell a cheap, look-alike version of the company’s products to buyers around the world.

As a result, one of the luxury goods manufacturer’s top business objectives is to curb brand and revenue erosion on the Internet. The goal was to accomplish this by identifying the largest sellers of illegal look-alike merchandise and shutting down their marketplaces as quickly and efficiently as possible.

**Solution**

MarkMonitor Brand Protection solution was selected for its ability to streamline and automate the process of identifying and shutting down illicit auction listings.

**Results**

- Removed close to $1MM of suspect merchandise within two months
- Witnessed a 40 percent reduction in auction listings related to its brand
- Able to quantify counterfeit problem on marketplace sites worldwide
- Increased productivity by automating illegal auction monitoring and enforcement

**Challenges**

Prior to employing the MarkMonitor Brand Protection solution, employees at the luxury goods manufacturer were manually identifying and shutting down online marketplaces of counterfeit goods.

This approach had many limitations:

- **Wasted time and effort.** Because the process was manual, it was extremely time-consuming, inefficient, labor intensive, and prone to error. Aside from the time it took to manually identify and shut down offenders on over 20 different international sites, many unauthorized marketplaces fell through the cracks as it simply took too much time to review a lengthy, un-prioritized list of results. Also, the international scope of the problem created many challenges related to differences in language. And sending de-listing requests one seller at a time was an extremely repetitive effort given the large number of infringing sellers.

- **No ‘big picture.’** The manual approach provided the luxury goods manufacturer with a highly granular view of online marketplaces of counterfeits. While those details were important, they did not provide the company with the ‘big picture’ it needed. As a result, the company was unable to accurately assess the over-
all challenge it faced. Without that perspective, it wasn’t possible for the luxury goods manufacturer to effectively allocate resources to address the problem or measure the impact of its efforts.

• **No way to prioritize.** Faced with ‘so many counterfeiters, so little time,’ it was difficult for the company to quickly differentiate large-volume sellers from smaller operators, in order to go after the biggest offenders first.

• **No way to efficiently capture evidence.** The luxury goods manufacturer’s employees often had to print hundreds of pages containing online marketplaces listings — a costly, inefficient, wasteful method of preserving the evidence needed to support the enforcement decision if later questioned by the seller or to take further legal action.

• **No easy way to follow up.** Sellers often relist marketplace items soon after being shut down, hoping to evade further detection. When relying on a manual process of identifying and shutting down marketplaces of counterfeit goods, the luxury goods manufacturer often lacked the ability to detect those repeat infringers. Thus, it was difficult to make any lasting headway in the ongoing battle against marketplaces of counterfeit goods.

**Solution**

The luxury goods manufacturer turned to the MarkMonitor Brand Protection solution for help in identifying and shutting down illicit marketplaces listings.

Brand Protection enables legal and business teams to secure the online channel for key brands; detect channel infringement and counterfeit goods; and take the necessary steps to protect their brands, revenues, and customers.

The comprehensive MarkMonitor Brand Protection solution enables end-to-end management of online channels through an on-demand, workflow-based platform. The solution includes the following Internet modules:

• **Pay-Per-Click Sites** — covers all websites that leverage a company’s brand name in the domain name as a tactic for luring customers to the site and then redirecting them to unauthorized e-commerce sites

• **Email Solicitations** — searches over 16 million daily suspicious sites from email from the top Internet Service Providers for illicit selling of goods
• General Web E-commerce Sites — detects all e-commerce sites that leverage the company’s brand

• B2B Exchange Sites — identifies where brands are advertised and sold in large quantities across major business-to-business exchanges

• Marketplaces Monitoring — detects and prioritizes suspect counterfeit goods across multiple, international marketplaces sites

Having identified Internet marketplaces of counterfeit products as the number one online threat to its brand, the luxury goods manufacturer began using the MarkMonitor Brand Protection solution in 2006.

Results

During the first two months of use, the luxury goods manufacturer identified thousands of dollars of counterfeit items. The company successfully removed from marketplaces close to $1 million of suspect merchandise — the equivalent of $6 million annually — and witnessed a 40 percent reduction in marketplaces listings related to its brand on one marketplaces site alone.

Some other benefits that Brand Protection has provided the luxury goods manufacturer include:

• **Saves time and effort.** Brand Protection provides a graphically intuitive, secure, web-based interface. Because it’s easy to use, Brand Protection enabled employees at the luxury goods manufacturer to quickly begin identifying and shutting down marketplaces right after training was completed. The company was able to spend fewer hours battling online marketplaces of counterfeit goods, freeing employees to focus on more strategic tasks.

  Brand Protection’s automated and ad hoc searches provided the ability to easily define filters for monitoring products; set up daily automated searches of counterfeit product marketplaces; and perform searches as needed. Employees could simultaneously monitor multiple international sites for marketplaces of handbags, watches, jewelry, and other items resembling the luxury goods manufacturer’s brand. They could quickly view marketplaces items in conjunction with thumbnail images of the products being sold for easy identification.

  Brand Protection enabled the luxury goods manufacturer to automatically send delisting requests to multiple sellers and multiple international marketplaces sites.
at once—eliminating the time-consuming hassle of sending thousands of the delisting requests individually. Sophisticated workflow management enabled the company to efficiently manage and track the entire process of detecting, investigating and taking action against infringing marketplaces listings.

- **The ‘big picture.’** The scoring algorithms and graphical reporting tools in Brand Protection allowed the luxury goods manufacturer to easily gain visibility into the scope of the problem. The company could quickly identify trends — such as where the biggest offenses were coming from — and get an at-a-glance view of all marketplaces of probable counterfeit items.

- **The ability to prioritize.** Brand Protection enabled the luxury goods manufacturer to easily identify the most serious, high-volume offenders. The company could filter and search results based on sellers, seller ratings, feedback information, marketplaces expiration, price, and other criteria. Brand Protection also enabled the luxury goods manufacturer to weight and rank results based on high volume sellers, repeat offenders, and pricing; build profiles on the most serious offenders; and more. With the ability to prioritize its actions, the company could go after the worst offenders quickly and efficiently — allowing it to see the biggest return on its effort and time in terms of illicit sales blocked.

- **Easily capture evidence.** The MarkMonitor solution also enabled the luxury goods manufacturer to automatically save snapshots of marketplaces listings, collecting evidentiary data potentially needed at a future date — a more efficient, less paper-intensive process.

- **Easily catch repeat infringement.** When a seller’s marketplaces are continually shut down by a company whose products are being infringed, the seller is likely to avoid trying to marketplaces counterfeit versions of that company’s products again. By enabling the luxury goods manufacturer to continually monitor and shut down offenders after an initial enforcement, Brand Protection has helped the company greatly reduce the number of repeat infringement. This enabled the company to gain much-needed headway in the ongoing battle against illegal marketplaces of counterfeit goods.

**Conclusion**

Before using MarkMonitor Brand Protection solution, the luxury goods manufacturer did not have a sense of exactly how large and widespread its problem of counterfeit marketplaces listings was. Brand Protection provided the company with the
perspective it needed to understand the scope of its challenge and prioritize its efforts. Thanks to MarkMonitor Brand Protection, the luxury goods manufacturer was able to quickly identify and easily shut down the worst offenders. The company’s consistent success in shutting down repeat offenders has caused many of those resellers to move on to easier targets. As a result, the luxury goods manufacturer was able to begin taking back control over its highly valuable brand online.

Shutting down online marketplaces of counterfeit goods is just the first step in protecting a valuable brand online. Having seen the benefits of taking a proactive stance against such marketplaces, the luxury goods manufacturer can now expand its efforts to detect infringement in other areas, including B2B exchange sites, general e-commerce sites, email solicitations, and pay-per-click sites.

About MarkMonitor

As the global leader in online brand protection, MarkMonitor, a Thomson Reuters Intellectual Property & Science business, 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 industry-leading expertise, advanced technology and extensive industry relationships to preserve their marketing investments, revenues and customer trust.