



**we wear<sup>®</sup> intellectual property**

**October 5, 2015**

Christine Peterson  
Director for Intellectual Property and Innovation  
Office of the U.S. Trade Representative  
600 17th Street, N.W.  
Washington, DC 20508

**RE: 2015 Out of Cycle Review for Notorious Markets**  
**Docket Number: USTR–2015–0016**  
**Submitted electronically at [www.regulations.gov](http://www.regulations.gov)**

On behalf of the member companies of the American Apparel & Footwear Association (AAFA), we appreciate this opportunity to submit comments to the United States Trade Representative's (USTR) *2015 Special 301 Out of Cycle Review of Notorious Markets*. We are grateful to USTR for its unfaltering commitment to the protection of American intellectual property rights around the world.

AAFA is the national trade association representing apparel, footwear, and other sewn products companies, and their suppliers, which compete in the global market. Representing more than 1,000 world famous name brands drawn from throughout the supply chain, AAFA is the trusted public policy and political voice of the apparel and footwear industry, its management and shareholders, its four million U.S. workers, and its contribution of \$361 billion in annual U.S. retail sales.

AAFA takes the issue of counterfeit and trademark theft very seriously. Stolen intellectual property, such as that which occurs through the notorious markets we describe below, costs our members billions in lost sales, damage to reputation, and substantial legal expenses. Ultimately, these costs lead to U.S. job losses and higher costs for U.S. consumers.

The attachments to these comments contain notorious online and physical markets – which “engage in or facilitate substantial copyright piracy or trademark counterfeiting.” AAFA recommends that these notorious markets be included in the 2015 Notorious Markets Report.

Among them, and as outlined in our comments immediately below, is the TaoBao marketplace. ***We strongly urge that TaoBao be listed as a Notorious Market in the 2015 report.***

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In its 2012 Notorious Markets report, USTR delisted TaoBao but noted:

*...we urge Taobao to further streamline procedures for submitting and responding to notifications to **decrease the time required for taking down listings of counterfeit and pirated goods** and to continue its efforts to work with and **achieve a satisfactory outcome with U.S. rights holders and industry associations** (for example in the **apparel and footwear** and software industries), as well as U.S. based **small and medium sized enterprises** (SMEs) and we ask these industries to report back expeditiously on the status of these efforts.*

In the 2013 and 2014 reports, USTR continued to urge TaoBao and Alibaba to work with the apparel and footwear industry to address our industry's serious concerns, particularly those involving small and medium sized enterprises that do not have access to costly enforcement resources.

***Our concerns have not been addressed.*** Counterfeits remain rampant on TaoBao and are often found on other Alibaba sites. Consider the following:

- In early 2015, a Chinese government agency – State Administration for Industry and Commerce (SAIC) – found that 67 percent of the goods purchased on TaoBao were counterfeit (a point that was also mentioned earlier this year in the Special 301 report).
- Our members who engage in constant monitoring of Alibaba platforms regularly and continuously report widespread proliferation of counterfeits.
- Any review of TaoBao on a daily basis will find listings for dozens of AAFA member brands at absurdly low prices – a strong indication that such merchandise is counterfeit.

Although TaoBao has continued to introduce adjustments to its takedown procedures, our experience is that TaoBao's takedown programs are incomprehensible, difficult to use, highly subjective, and do not often result in permanent takedowns. Brands that have been able to affect takedowns using these programs still report widespread counterfeits on Alibaba platforms. Many find that the takedowns are only temporary as replacement storefronts offering counterfeit merchandise pop up almost as fast as takedowns occur, particularly on TaoBao. Because of the significant expense in monitoring Alibaba sites, such programs are often out of reach for small and medium sized enterprises.

While we have engaged in a dialogue with Alibaba for the past four years, and extensively for much of the past year, we have had little success in convincing Alibaba to craft a program that will rid TaoBao of counterfeits. In July, we wrote to Alibaba Executive Chairman Jack Ma inviting him to work

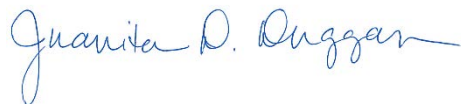
with us to develop a program that is transparent, comprehensible, and fast. To date we have received no response, which is in itself a response.

Unfortunately, delisting TaoBao in 2012 did not lead to sustained improvements to the counterfeit problem. In fact, it has gotten worse. Increased pressure is needed to fix this problem. Otherwise, counterfeits will only continue to proliferate worldwide as Alibaba continues to expand.

Thank you for your immediate attention to this important issue. I look forward to continueing this dialogue to protect American ingenuity and competitiveness abroad.

Please contact Steve Lamar at (703)797-9041 or [slamar@wewear.org](mailto:slamar@wewear.org) if you have any questions or would like additional information.

Sincerely,

A handwritten signature in blue ink that reads "Juanita D. Duggan". The signature is fluid and cursive, with the first name being the most prominent.

Juanita Duggan  
President and CEO  
American Apparel & Footwear Association (AAFA)

Attachments

## Attachment A

### AAFA Recommendations for 2015 Notorious Markets Report – Online Markets

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82%B0%E3%83%87%E3%83%BC%E3%83%AB%E3%82%BA/](http://www.buyma.com/r/ BLOOMINGDALES-%E3%83%96%E3%83%AB%E3%83%BC%E3%83%9F%E3%83%B3%E3%82%B0%E3%83%87%E3%83%BC%E3%83%AB%E3%82%BA/)

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## Attachment B

### AAFA Recommendations for 2015 Notorious Markets Report – Physical Markets

#### China

Market Name	Location	Types of Products Sold
Zengcheng International Jeans Market	Xin tan town, Zengcheng city, Guangdong	Jeans for export to Africa and for domestic sale
Silk Market	Xiu Shui Building, No. 8, Xiu shui street (E), Chaoyang district, Beijing	General apparel and footwear, popular among international tourists
Qi Pu market	Qi Pu road, Shanghai	General apparel and footwear
Jin Long Pan Foreign Trade Garment Market	San Yuan Li Av, Baiyun district. Guangzhou	General apparel and footwear for export to Africa
Guangzhou Kangle Building	No. 921, Ren Min road, Guangzhou	General apparel and footwear
Guangzhou GuangKong Building	Ren Min road, Guangzhou(close to above market)	General apparel and footwear
Guangzhou WanTong Garment Wholesale Market	No. 135, Huangshi road(w), Guangzhou	General apparel and footwear
Guangzhou Jinbao Foreign Trade Garment Market	Lane 9, No. 57, Zhanxi road, Guangzhou	General apparel and footwear
Guangzhou Zhanxi Garment Market	No. 2 building, Zhanxi garment market, Guangzhou	General apparel and footwear
Guangzhou Jinshun Garment Market	No. 59, Zhanxi road, Guangzhou	General apparel and footwear
Guangzhou Shahe Yiming Garment Market	Lianquan road, Tianhe district, Guangzhou	General apparel and footwear
Guangzhou Shijing Guangda Garment Market	Shijing town, Baiyun district, Guangzhou	General apparel and footwear
Dongzheng Garment Market, Chaotianmen Market	Yubei District, Chaotianmen market, Chongqing	General apparel and footwear, popular among international tourists

Hangzhou Sijiqing Suhang Garment Market	Hanghai road, Jianggang district, Hangzhou	General apparel and footwear
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## India

Market Name	Location	Types of Products Sold
Dabwali	Haryana	General apparel and footwear
S.R. Nagar	Hyderabad, Andhra Pradesh	General apparel and footwear
Bapu Nagar	Hyderabad, Andhra Pradesh	General apparel and footwear
Lakshmi Nagar	Chennai, Tamil Nadu	General apparel and footwear
Kundanpuri	Ludhiana, Punjab	General apparel and footwear
Gurunanak Market	Ludhiana, Punjab	General apparel and footwear
Gur Mandi	Ludhiana, Punjab	General apparel and footwear
Mohalla Gaushala Road	Ludhiana, Punjab	General apparel and footwear
Manish Market	Ludhiana, Punjab	General apparel and footwear
Karol Bagh	Delhi	General apparel and footwear
Tank Road	Delhi	General apparel and footwear
Gaffar Market	Delhi	General apparel and footwear
Shakespeare Road	Karol Bagh, Delhi	General apparel and footwear
Sadar Bazar	Delhi	General apparel and footwear
Sarojini	Nagar, Delhi	General apparel and footwear
Balajinagar	Bangalore, Karnataka	General apparel and footwear
Gandhinagar	Bangalore, Karnataka	General apparel and footwear
Bommanhalli	Bangalore, Karnataka	General apparel and footwear
Koramangala	Bangalore, Karnataka	General apparel and footwear
Malakpet	Bangalore, Karnataka	General apparel and footwear



New Market	Kolkata	General apparel and footwear
Atta Market	Noida, Uttar Pradesh	General apparel and footwear
Dashrath Readymade Market	Indore, Madhya Pradesh	General apparel and footwear
Victoria Market	Indore, Madhya Pradesh	General apparel and footwear
Khar West	Mumbai	General apparel and footwear
L.T. Marg	Mumbai	General apparel and footwear
Nastrapur	Gujarat	General apparel and footwear
Naranpura	Ahmedabad, Gujarat	General apparel and footwear
Laxmi Road, Pune	Maharashtra	General apparel and footwear
Shahpur Colony	Kolkata, West Bengal	General apparel and footwear

## Mexico

Market Name	Location	Types of Products Sold
El Tepito	Colonia Morelos, Cuauhtémoc borough, Mexico City	General apparel and footwear
San Juan de Dios	Guadalajara, Jalisco	General apparel and footwear
Tianguis (mobile street vendors)	Narvarte, Montezuma, Aragón, Ecatepec, La Raza, Ciudad, Lago, Las Torres, Guelatao, Texcoco, Chalco, and Eje Central Lázaro Cárdenas	General apparel and footwear

## Spain

Market Name	Location	Types of Products Sold
Els Limits de La Jonquera in Girona	Cataluña (North-East of Spain and right in the border with France).	General apparel and footwear

## Thailand

Market Name	Location	Types of Products Sold
Jatujak/Chatuchak Weekend Market ("JJ"Market)	Kamphaeng Phet 2 Road, Chatuchak, Bangkok, Thailand	General apparel and footwear
MBK Shopping Centre	Pathum Wan, Bangkok	General apparel and footwear
University and Siam Square	Pathum Wan, Bangkok	General apparel and footwear
Klong Thom (Chinatown)	Corner of Worachak Road and Chao Kamrop Road, Bangkok	General apparel and footwear
Sukhumvit Road	Sukhumvit Soi 3 and Asoke, Bangkok	General apparel and footwear
Patpong Market	between Silom Road and Surawong Road, Bangkok	General apparel and footwear
Rong Klua Market	Aranyaprathet	General apparel and footwear
Tawanna Plaza	Directly next to The Mall Bangkapi	General apparel and footwear

## Turkey

Market Name	Location	Types of Products Sold
Bodrum	Cevat Şakir Cad., Atatürk Cad., Cumhuriyet Cad., Bodrum	General apparel and footwear
Fethiye	Fethiye	General apparel and footwear
Marmaris	Marmaris	General apparel and footwear
Kemer	Ataturk Blvd., Liman Cad., Kemer	General apparel and footwear
Antalya	Antalya	General apparel and footwear
Side	Side	General apparel and footwear
Alanya	Çarşı Mah, Alanya	General apparel and footwear
Kusadasi	Barbaros Blvd., Kusadasi	General apparel and footwear

Grand Bazaar	Beyazit Mh., Istanbul	General apparel and footwear
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## Ukraine

Market Name	Location	Types of Products Sold
7th kilometer	Odessa	General apparel and footwear
Petrovka (Black Market)	Kiev	General apparel and footwear
Barabashova	Kharkov	General apparel and footwear
Pivdenny	Lvov	General apparel and footwear
Troieschyna	Kiev	General apparel and footwear

## United Arab Emirates

Market Name	Location	Types of Products Sold
Ajman China Mall	Ajman Emriates	General apparel and footwear
DragonMart	Dubai	Many differerent products

## Uruguay

Market Name	Location	Types of Products Sold
Serrato	8 de Octubre Av., Montevideo	General apparel and footwear
Techitos Verdes	18 de Julio Av., Montevideo	General apparel, footwear, and electronics products
Del Control	Mercedes street	General apparel, footwear, and electronics products
San Miguel	Agraciada Av.	General apparel and footwear
Parque Rodó	Gonzalo Ramírez street	General apparel, footwear, and electronics products
Tristán Narvaja	Tristán Narvaja street	General apparel, footwear, and electronics products

Villa Biarritz	Ellauri street	General apparel and footwear
Montevideo Port, Carrasco airport, highways, etc.	Coming from China to Paraguay	Many different products
Florida Free Zone	Florida	Many different products
Libertad Free Zone	San José	Many different products
Montevideo Free Zone	Montevideo	Many different products
Nueva Palmira Free Zone	Colonia	Many different products

## Vietnam

Market Name	Location	Types of Products Sold
Dong Market	District 5 - HCMC	General apparel and footwear
Binh Tay Market	District 5 - HCMC	General apparel and footwear
Tan Binh Market	Tan Binh District - HCMC	General apparel and footwear
Nin Hiep Market	Gia Lam - Hanoi	General apparel and footwear