



**October 7, 2016**

Probir Mehta,  
Assistant United States Trade Representative for Innovation and Intellectual Property  
Office of the United States Trade Representative  
600 17 Street NW  
Washington, D.C. 20508

**RE: 2016 Special 301 Out-of-Cycle Review of Notorious Markets**  
Docket Number: USTR-2016-2013  
**Submitted electronically at [www.regulations.gov](http://www.regulations.gov)**

Dear Mr. Mehta:

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) *2016 Special 301 Out of Cycle Review of Notorious Markets*. We are grateful to USTR for its strong and 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. Counterfeiting also hurts workers who are exposed to poor working conditions and other workplace hazards in the factories that make counterfeit goods, and to consumers by subjecting them to inferior quality or unsafe products.

The Organization of Economic Cooperation and Development (OECD) and the European Union (EU) Intellectual Property Office (IPO) recently estimated that counterfeiting represented about 2.5 percent of imports during 2013. At that level, the counterfeit industry stood at nearly \$500 billion. More recently, CBP announced seizures of counterfeit goods equaling approximately \$1.5 billion, about 40 percent of which were made in apparel, footwear, and travel goods.

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 2016 Notorious Markets Report.

Among them, and as outlined in our comments immediately below, is the Taobao marketplace. ***As with last year’s recommendation we strongly urge that Alibaba and its constituent platforms, including Taobao, be listed as a Notorious Market in the 2016 report.***

Counterfeits remain rampant on Taobao and are regularly found on other Alibaba sites. Please 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 2015 Special 301 report).
- AAFA’s own monitoring of the Taobao site, validated by purchases our investigative team has made, show that counterfeits appear in about half of the results for the brands we monitor.
  - 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.
- Our members who engage in constant monitoring of Alibaba platforms regularly and continuously report widespread proliferation of counterfeits.

As you will recall, 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.

By early 2015, it was clear that our concerns were not being addressed. We communicated this frustration in April 2015 to several U.S. government agencies. In July 2015, we sent a letter to Alibaba Chairman Jack Ma articulating a sensible four-point

proposal to address Alibaba's counterfeit problem. To date, we have yet to receive a response to that letter.

We laid out these concerns as part of last year's Notorious Markets process. Other groups expressed similar concerns. USTR's report last December recognized those problems and noted that:

**"More efficient systems for addressing right holders' concerns should be undertaken without delay.**

That report specifically called on Alibaba to ***simplify Taobao's procedures, make them generally available, and reduce timelines for takedowns and penalties.***

While we've read about a number of initiatives that Alibaba has announced since that report, we have yet to see concrete evidence that those actions are in place or are being implemented. Takedown procedures remain burdensome and unevenly applied, even within individual AAFA member companies.

Although some members report improvements on some Alibaba platforms, such as Tmall, they have also noted that the counterfeits on Taobao continue to remain at problematic levels. Disturbingly, however, a number of our members have reported a relationship between Tmall and Taobao, particularly around Singles Day and other sales holidays, where the relative number of counterfeits on Taobao for a particular brand will drop for a short period to drive business to Tmall. Members also report similar concerns on other Alibaba platforms, such as Ali Express.

Given the high level of counterfeits that remain on Taobao as well as the lack of progress on specific benchmarks over the past four years, we recommend that Alibaba and its associated platforms be listed on the report and, like last year, be a focus of particular attention. This is especially important given the sheer size of the Alibaba network, which continues to grow and proliferate counterfeiters to a larger population globally.

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

Please contact me if you have any additional questions at [slamar@aafaglobal.org](mailto:slamar@aafaglobal.org) or via phone at 202.853.9347.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Lamar". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephen Lamar  
Executive Vice President

Attachments

## Attachment A

### AAFA Recommendations for 2016 Notorious Markets Report – Online Markets

1. [www.Taobao.com](http://www.Taobao.com)

Timothy Alexander Steinert  
Zhejiang Taobao Network Limited  
No. 21 Feng Ling Road, Wuchang Street, Yuhang District  
Hangzhou, Zhejiang, China  
+852.22155100  
[dnsadmin@hk.alibaba-inc.com](mailto:dnsadmin@hk.alibaba-inc.com)

2. [www.Alibaba.com](http://www.Alibaba.com)

Timothy Alexander Steinert  
Hangzhou Alibaba Advertising Co., Ltd,  
Admin Street: No. 699 Wangshang Road , Binjiang District  
Hangzhou, Zhejiang, 310052, China  
+852.22155100  
[dnsadmin@hk.alibaba-inc.com](mailto:dnsadmin@hk.alibaba-inc.com)

3. [www.123mua.vn](http://www.123mua.vn)

153 Nguyễn Đình Chiểu, Phường 06, Quận 03, Tp.Hồ Chí Minh  
Tòa nhà FPT Tân Thuận, Lô 29B-31B-33B, Đường Tân Thuận, KCX Tân Thuận,  
Phường Tân Thuận Đông, Quận 7, Tp.HCM. Vietnam  
08 7300 1188

4. [www.Kaymu.pk](http://www.Kaymu.pk)

Dolmen Executive Tower  
2A, 2nd Floor, Block 4, Clifton  
Karachi, Pakistan  
042-111-152-968  
[cs@kaymu.pk](mailto:cs@kaymu.pk)

5. [www.Shopclues.com](http://www.Shopclues.com)

Sandeep Aggarwal  
Clues Network Inc.  
37529 Summer Holly Commons  
Fremont, California, 94536  
United States  
+1.5108254337  
[sanjay@shopclues.com](mailto:sanjay@shopclues.com)

6. <http://macys-shoes.com>

Liu Yong  
Hui Long Guan Ti Yu Gong Yuan Bei Bian 600m  
Chang ping  
Beijing 10000, China  
+86.13651069554  
[Macys-shoes@hotmail.com](mailto:Macys-shoes@hotmail.com)

7. <http://www.macysstore.us>

Martin Weng  
Simingqu zhongshanlu  
Xiamen  
Fujian 351 110, United Kingdom  
+44.13799105250  
[1059465550@qq.com](mailto:1059465550@qq.com)

8. [www.macyskorea.com](http://www.macyskorea.com)

SJ Company  
205, 296-2 Jamsil-dong, Songpa-gu,  
Seoul, 138220, Korea  
+82.703333333  
[koreasjcompany@gmail.com](mailto:koreasjcompany@gmail.com)

9. [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/](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/)

ENIGMO Inc.  
1-26-1 Minamiaoyama Jukoh Bldg.  
Minato-ku  
Tokyo, 107-0062, Japan  
+81.357754760  
[network@enigmo.co.jp](mailto:network@enigmo.co.jp)

10. <http://www.mifanli.com/store/bloomingdales/>

XinLiu  
Nantan Lu 28 Hao  
Beijing, 100097, China  
+86.861380013800  
[pm@mail.dealmoon.com](mailto:pm@mail.dealmoon.com)

11. <http://www.from-us.cn/cn/mark-detail-4.html>

65 Rue Jean Monnet  
ZA Parc des Collines  
F68200 Mulhouse, France  
[jbmeyer@from-us.com](mailto:jbmeyer@from-us.com)

12. [www.harmaal.pk](http://www.harmaal.pk)  
Karachi 75300, Pakistan  
+92 311 1013013  
[support@harmaal.pk](mailto:support@harmaal.pk)

13. [www.snapdeal.com](http://www.snapdeal.com)  
Jasper Infotech Pvt Ltd  
ASF Center, Udyog Vihar - IV  
Gurgaon, Haryana, 122015, India  
+91.1149146666  
[domain.admin@snapdeal.com](mailto:domain.admin@snapdeal.com)

14. [www.vatgia.com](http://www.vatgia.com)  
Domains By Proxy, LLC  
DomainsByProxy.com,  
Scottsdale Arizona 85260 US  
+1.4806242599  
[VATGIA.COM@domainsbyproxy.com](mailto:VATGIA.COM@domainsbyproxy.com)

15. [www.hotdeal.vn](http://www.hotdeal.vn)  
TẦNG 2, LỬ GIA PLAZA,  
70 LỬ GIA,  
P.15, Q.11, TP HCM, Vietnam  
+ 84.08.73055707  
[kinhdoanh@hotdeal.vn](mailto:kinhdoanh@hotdeal.vn)

16. [www.muaban.net](http://www.muaban.net)  
Nguyen Quoc Bao  
Cong ty Co Phan Mua Ban  
42 Ha Trung, Hoan Kiem, Ha Noi Ha Noi 10000 Vietnam  
+84.91309276  
[42hatrung@gmail.com](mailto:42hatrung@gmail.com)

17. [www.rongbay.com](http://www.rongbay.com)  
Thang, Vuong Vu  
Vietnam Communications Corp.  
19th Floor, Hapulico Center Building, 1st, Hanoi Vietnam  
+84.942090906  
[vietnamcommunicationscorp@gmail.com](mailto:vietnamcommunicationscorp@gmail.com)

## Attachment B

### AAFA Recommendations for 2016 Notorious Markets Report – Physical Markets

#### China

Market Name	Location	Types of Products Sold
Zengcheng International Jeans Market 新塘国际牛仔城	Xin tan town, Zengcheng city, Guangdong	Jeans for export to Africa and for domestic sale
Silk Market 北京秀水街市场	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 广州金龙盘服装批发市场	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 万通服装城	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 站西服装批发市场	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 沙河服装批发市场	Lianquan road, Tianhe district, Guangzhou	General apparel and footwear
Guangzhou Shijing Guangda Garment Market 广大服装商贸城)	Shijing town, Baiyun district, Guangzhou	General apparel and footwear

<b>Market Name</b>	<b>Location</b>	<b>Types of Products Sold</b>
Dongzheng Garment Market, Chaotianmen Market	Yubei District, Chaotianmen market, Chongqing	General apparel and footwear, popular among international tourists
Guangzhou Yulong Garment Wholesale Market 广州御龙服装批发市场	229 Guangyuan W Rd, Yuexiu, Guangzhou, Guangdong	General apparel and footwear
Zhuomei Garment Wholesale Market (卓美服装批发市场) (part of the larger Zhan Xi Clothing Wholesale Market)	Near to the Guangzhou Railway Station, Guangzhou	General apparel
Shenzhen Jindu Garment Wholesale Market 深圳锦都服装批发城 (market is a part of the Century Plaza Wholesale Clothing Trade complex)	Located 24 Dongbin Road, Nanshan, Shenzhen	General apparel
Jindu International Garment City (金都国际服装城) (part of the larger Zhan Xi Clothing Wholesale Market)	Near to the Guangzhou Railway Station	General apparel
Guangzhou Jia'nan Foreign Trade Garment Wholesale Market 广州迦南外贸服装批发市场	94 Guangyuan W Rd, Yuexiu, Guangzhou, Guangdong	General apparel
Zhongshan Longrui International Garment City 中山市龙瑞国际服装城	State road 105 (near the Shaxi Town) Zhongshan City, Guangdong	General apparel
Jun'an International Jeans City in Foshan City 均安国际牛仔城	Jun An Town, Shunde District, Foshan City, Guangdong	General apparel
Zhongshan Qijiang Expressway Foreign Trade Garment Market 中山岐江公路外贸服装市场	No. 116, Yunhe West Road, Yangjiang City	General apparel



Market Name	Location	Types of Products Sold
Changshu Commercial Town in Suzhou City 常熟市招商城	Shopping Mall S Rd, Changshu, Suzhou, Jiangsu	General apparel and footwear
Hangzhou Sijiqing Suhang Garment Market	Hanghai road, Jianggang district, Hangzhou	General apparel and footwear

## Georgia

Market Name	Location	Types of Products Sold
Lilo Open Market	KIDOBANI trade center Didube District, Tbilisi	General apparel and footwear

## 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

<b>Market Name</b>	<b>Location</b>	<b>Types of Products Sold</b>
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
Market Name	Location	Types of Products Sold
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

## Russia

Market Name	Location	Types of Products Sold
SADOVOD Market	Moscow	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 on 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
Pratunam Market (including Platinum Fashion Mall, Baiyoke Towers I and II)	1, Thanon Phetchaburi, Ratchathewi, Bangkok 10400 Thailand	General apparel and footwear
Bobae Market	488 Bobae Tower Damrongrak Road, (Off Krungkasem Road) Klong Mahanak, Pomprab, Bangkok 10100	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	Beyazıt Mh., Istanbul	General apparel and footwear

## 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 different 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
Del Control	Mercedes street	General apparel, footwear, and electronics.
San Miguel	Agraciada Av.	General apparel and footwear
Parque Rodó	Gonzalo Ramírez street	General apparel, footwear, and electronics.
Tristán Narvaja	Tristán Narvaja street	General apparel, footwear, and electronics.
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

<b>Market Name</b>	<b>Location</b>	<b>Types of Products Sold</b>
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