



OFFICE *of the* UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT

2022 Review of Notorious Markets for Counterfeiting and Piracy

Table of Contents

Overview of the Results of the 2022 Review of Notorious Markets for Counterfeiting and Piracy ...	1
Issue Focus: The Impact of Online Piracy on U.S. Workers.....	3
Positive Developments Since the 2021 Notorious Markets List	10
Results of the 2022 Review of Notorious Markets	17
Online Markets.....	18
1337X.....	21
1FICHER	21
2EMBED	21
ALIEXPRESS.....	22
AMARUTU	23
AVITO.....	23
BAIDU WANGPAN	23
BESTBUYIPTV.....	24
BUKALAPAK.....	24
CHALOOS	25
CUEVANA3.....	25
DHGATE.....	26
EGY.BEST.....	27
FLOKINET	27
FLVTO	27
FMOVIES / BMOVIES / BFLIX	28
GLOBE IPTV	28
INDIAMART	28
ISTAR.....	29
LALASTREAMS.....	29
LIBGEN	29
MP3JUICES.....	29
MPGH	30
NEWALBUMRELEASES	30
PELISPLUS	30
PINDUODUO.....	31

RAPIDGATOR.....	31
RARBG	32
RUTRACKER	32
SCI-HUB.....	32
SHABAKATY	33
SHOPEE	33
SPIDER	34
TAOBAO.....	34
THEPIRATEBAY.....	35
TOKOPEDIA	35
VK	36
WECHAT (WEIXIN) E-COMMERCE ECOSYSTEM.....	36
YTS.MX.....	38
Physical Markets.....	39
ARGENTINA	40
BRAZIL.....	41
CAMBODIA.....	41
CANADA.....	41
CHINA	42
INDIA	45
INDONESIA.....	46
KRYGYZ REPUBLIC	46
MALAYSIA	47
MEXICO.....	47
PARAGUAY.....	48
PERU.....	48
PHILIPPINES.....	49
RUSSIA	49
THAILAND.....	50
TURKEY	51
UNITED ARAB EMIRATES.....	51
VIETNAM.....	51
Public Information	53

Overview of the Results of the 2022 Review of Notorious Markets for Counterfeiting and Piracy

Commercial-scale copyright piracy and trademark counterfeiting¹ cause significant financial losses for U.S. right holders and legitimate businesses, undermine critical U.S. comparative advantages in innovation and creativity to the detriment of American workers, and pose significant risks to consumer health and safety. The 2022 Review of Notorious Markets for Counterfeiting and Piracy (Notorious Markets List, or NML) highlights prominent and illustrative examples of online and physical markets that reportedly engage in, facilitate, turn a blind eye to, or benefit from substantial piracy or counterfeiting. A goal of the NML is to motivate appropriate action by the private sector and governments to reduce piracy and counterfeiting.

The NML includes an Issue Focus section. For 2022, the Issue Focus examines the adverse impact of online piracy on U.S. workers. Online piracy has real consequences and harms the economic security of workers in the entertainment, media, and creative industries. As technological development and the ubiquity of the Internet facilitate the high-speed, low-cost reproduction and transmission of digital content, strong copyright protection remains one of the best ways to support workers in the creative sectors.

The NML also includes Positive Developments, Online Markets, and Physical Markets sections. The Positive Developments section identifies actions that governments and private entities have taken this past year to reduce piracy and counterfeiting. The Online Markets and Physical Markets sections highlight markets that require further actions.

The Office of the United States Trade Representative (USTR) highlights certain online and physical markets because they exemplify global counterfeiting and piracy concerns and because the scale of infringing activity in these markets can cause significant harm to U.S. intellectual property (IP) owners, workers, consumers, and the economy. Some of the identified markets

¹The terms “copyright piracy” and “trademark counterfeiting” appear below as “piracy” and “counterfeiting,” respectively.

reportedly host a combination of legitimate and unauthorized activities. Others openly or reportedly exist solely to engage in or facilitate unauthorized activity.

This year's NML includes several previously identified markets because owners, operators, and governments failed to address the stated concerns. Other previously identified markets may not appear in the NML for a variety of reasons, including that the market has closed or its popularity or significance has diminished; enforcement or voluntary action has significantly reduced the prevalence of IP-infringing goods or services; market owners or operators are cooperating with right holders or government authorities to address infringement; or the market is no longer a noteworthy example of its kind. In some cases, physical and online markets in the 2021 NML are not highlighted this year, but improvements are still needed, and the United States may continue to raise concerns related to these markets on a bilateral basis with the relevant countries.

The NML is not an exhaustive account of all physical and online markets worldwide in which IP infringement may take place. The NML does not make findings of legal violations nor does it reflect the U.S. Government's analysis of the general IP protection and enforcement climate in the countries connected with the listed markets. A broader analysis of IP protection and enforcement in particular countries or economies is presented in the annual Special 301 Report published at the end of April each year.

USTR developed the NML under the auspices of the annual Special 301 process² and solicited comments through a Request for Public Comments published in the Federal Register (<https://www.regulations.gov>, Docket Number USTR-2022-0010). The NML is based predominantly on publicly available information. USTR has identified notorious markets in the Special 301 Report since 2006. In 2010, USTR announced that it would begin publishing the NML separately from the annual Special 301 Report, pursuant to an out-of-cycle review. USTR first separately published the NML in February 2011.

²Please refer to the Public Information section below for links to information and resources related to Special 301.

Issue Focus: The Impact of Online Piracy on U.S. Workers

This Administration remains committed to a worker-centric trade policy as an essential part of its Build Back Better agenda that protects and empowers workers, drives wage growth, and leads to better economic outcomes for all Americans. This year's NML Issue Focus³ examines the adverse impact of online piracy on U.S. workers involved in the production of creative digital works, such as films, books, music, television shows, games, and software. Online piracy has real consequences and harms the economic security of workers in the entertainment, media, and other creative industries. Pirating of digital media can result in lowered revenues and wages across the industry, impairing workers' benefits and job security. Copyright enforcement plays a central role in preventing online piracy. As technological development and the ubiquity of the Internet facilitate the high-speed, low-cost reproduction and transmission of digital content, strong copyright protection remains one of the best ways to support workers in the creative sectors. The COVID-19 pandemic accelerated the consumption of digital media across the globe, highlighting the importance of preventing online piracy and protecting the livelihoods of workers who rely on IP protections, not just in the United States but also internationally.

I. Online Piracy Has Penetrated Every Digital Media Format

Many IP-protected goods can be reproduced and distributed rapidly at negligible marginal costs. For digital goods, the threat of unauthorized uses and distribution of such goods by bad actors is even greater due to the dramatic reduction in the costs of reproduction and distribution, both legal and illegal, within and across national borders over the past twenty-five years.⁴

³Each year, the "issue focus" section of the NML highlights an issue related to the facilitation of substantial counterfeiting or piracy. Past issue focus sections highlighted the adverse impact on workers involved in the manufacture of counterfeit goods (2021), e-commerce and the role of Internet platforms in facilitating the importation of counterfeit and pirated goods into the United States (2020), malware and online piracy (2019), free trade zones (2018), and illicit streaming devices (2017).

⁴Goldfarb A, Greenstein SM, Tucker C eds. (2015), Economic analysis of the digital economy, The University of Chicago Press, Chicago, London.

Online piracy refers to the practice of uploading, downloading, distributing, or streaming digital copyrighted works over the Internet without the permission of right holders or other legal authorization. Here are some of the most prominent examples of different delivery methods⁵ of unlicensed content:

- Streamed content, which is content delivered online without the permission of the copyright owner through applications (apps) running on smart TVs, piracy devices, laptops, or cell phones.
- Stream ripping (also known as “de-streaming”), a practice which involves copying content from a streaming platform, including licensed streaming platforms, before converting the content into a downloadable file that serves as a permanent copy any user can use offline.
- Torrents, which allow users to post information about, exchange, and download files containing copyright-protected content over peer-to-peer (P2P) networks.
- Cyberlockers and cloud services, which are similar to torrents and other P2P networks, except content is stored in the cloud.
- Online auction sites, which are often used to sell copies of copyright-infringing software applications.

More than 80% of digital video piracy is attributed to illicit streaming, which is enabled by piracy devices and apps. Illegal streaming has overtaken torrents and other download-based technologies in terms of delivering unauthorized live television shows and video on demand over the Internet.⁶

II. How Does Online Piracy Impact Workers?

The U.S. Patent and Trademark Office (USPTO) found that in 2019, companies in IP-intensive industries accounted for \$7.8 trillion in U.S. gross domestic product (GDP), or 41% of

⁵ These delivery methods can also be used for legitimate purposes.

⁶ Global Intellectual Property Center, Impact of Digital Piracy on the U.S. Economy (June 2019), <https://www.theglobalipcenter.com/wp-content/uploads/2019/06/Digital-Video-Piracy.pdf>.

total GDP. IP-intensive industries also supported 63 million American jobs, or 44% of the U.S. workforce.⁷

Copyright-intensive industries alone make up a significant portion of total U.S. employment and contribute substantially to the U.S. economy. Total copyright-intensive industries added about \$1.3 trillion to the U.S. economy and directly employed over 6.6 million workers in 2019. Furthermore, the output of copyright-intensive industries grew on average 4.2% per year from 2014 to 2019, while the U.S. economy as a whole averaged 2.4% annual growth over the same period, demonstrating the importance of these industries to employment levels.⁸

The media and entertainment industries rely on copyright protections, including those reflecting standards in U.S. trade agreements that address piracy, in order to ensure their workers are able to make a living wage from their creative productions. Copyrights incentivize the creation and distribution of literary and other artistic works by granting authors the exclusive right to commercialize their works. In order for these artistic works and the industries that rely on them to exist, creators must be sufficiently compensated. To bring their products to life, artists and creators must bear numerous upfront costs. If a creation is not effectively protected by copyright, it may be easily reproduced and distributed by others without payment, directly undermining revenue and leading to insufficient compensation for the creator. On the other hand, a system of effective legal protection enables creators to enjoy fair compensation in return for their investments and efforts.

Many other workers are involved in the entertainment and media industries in addition to the holder of the copyright. Therefore, it is not only right holders themselves who are hurt by content theft. Many creative professionals, including those in unions and other collective bargaining organizations, depend on robust IP protection for their economic security, even though they are not typically the copyright holder. These workers earn pay and contributions to their health insurance and pension plans from the sales and licensing of the content they help

⁷ USPTO, Intellectual property and the U.S. economy: Third edition (2022), <https://www.uspto.gov/ip-policy/economic-research/intellectual-property-and-us-economy>.

⁸ USPTO, Intellectual property and the U.S. economy: Third edition (2022), <https://www.uspto.gov/ip-policy/economic-research/intellectual-property-and-us-economy>.

create. The Department for Professional Employees, AFL-CIO (DPE) reported that in 2021, thanks to legal consumption of creative content, Screen Actors Guild-American Federation of Television and Radio Artists (SAG-AFTRA) performers earned \$1.11 billion (at an average amount of \$229 per residual check⁹ for their workers), International Alliance of Theatrical Stage Employees behind-the-scenes professionals earned \$510 million for their pension and health plan, and the Directors Guild of America distributed \$460 million in wages and benefits to directors and directorial team members.

Online piracy negatively impacts the careers of workers who dedicate their time and resources to developing creative works including the films, television series, music, books, games, and software that enrich lives around the world on a daily basis. When the content these workers help produce is pirated, the potential loss of sales can mean less revenue is available for the wages, residuals, pensions, and health care benefits that workers depend on. Recent estimates suggest that digital video piracy causes lost domestic revenues of at least \$29.2 billion per year.¹⁰

Furthermore, creative professionals' future work opportunities depend on legitimate sales and licensing. Digital video piracy, such as illegal downloads and streaming of film and television productions, results in the estimated annual loss of up to 230,000 jobs and \$45.7 billion in reduced GDP.¹¹ This job loss occurs because employers, who generally are the right holders, set their budgets based on their expected return on investment. When copyrighted content is stolen, investment returns diminish, and less money is available to employ creative professional workers for future projects. In their submission to the Federal Register Notice request for public comments, DPE described how fewer job opportunities become available as investors lose faith

⁹ Residuals are union-negotiated payments paid to workers in certain industry sectors involved in the production of a creative work when said work is resold or is reused in a different medium. Workers receiving residuals are not necessarily the IP right holders, and can include the performers, writers, and other workers involved in production (including below-the-line workers, the craft and technical people who manage equipment, props, costumes, makeup, sound, lighting, special effects, and other elements of a production).

¹⁰ Global Intellectual Property Center, Impact of Digital Piracy on the U.S. Economy (June 2019), <https://www.theglobalipcenter.com/wp-content/uploads/2019/06/Digital-Video-Piracy.pdf>.

¹¹ Global Intellectual Property Center, Impact of Digital Piracy on the U.S. Economy (June 2019), <https://www.theglobalipcenter.com/wp-content/uploads/2019/06/Digital-Video-Piracy.pdf>.

in the ability of countries to adequately enforce copyright protections, which is why it is of utmost importance that U.S. trade agreements provide strong copyright protections for creative professionals.¹²

III. More Research is Needed, Efforts to Combat Piracy Must Continue to Modernize

The onset of the COVID-19 pandemic led to an unprecedented spike in online piracy, with lockdowns and health concerns simultaneously shuttering cinemas, concert halls, and other venues for creative works and forcing people to stay home. In early 2020, film piracy increased by 41% in the United States, 43% in the U.K., 50% in Spain, 62% in India, and 66% in Italy.¹³ Overall viewership also increased during this period, including for legally obtained content, but these statistics are still very concerning for the workers who contributed to the production of the creative works in question. More recent figures indicate that although such a high spike in consumption of pirated film content was an outlier, troubling trends continue to exist across all media sectors. Muso, a data company focused on measuring global piracy, determined that from January to August 2022 there was a 21.9% increase in visits to piracy websites over the same eight-month period in 2021. All industry sectors examined in the study (television, film, publishing, music, and software) experienced an increase in piracy, and film piracy traffic increased the most dramatically, growing by 49.1% year-on-year.¹⁴ It is evident that the global demand for digital media and entertainment content is increasing, and that piracy continues to be an extremely prevalent means of accessing this content, despite the harm it causes workers involved in its creation.

More research is needed to better understand piracy trends, as well as the effects that online piracy has on workers.¹⁵ One of the major gaps in research is a paucity of data concerning

¹² See Comment from Department for Professional Employees, AFL-CIO, (October 2022), <https://www.regulations.gov/comment/USTR-2022-0010-0031>.

¹³ Forbes, The New Normal? What The Coronavirus Means for Digital Piracy (April 2020), <https://www.forbes.com/sites/andychatterley/2020/04/23/the-new-normal-what-the-coronavirus-means-for-digital-piracy/?sh=3102c6c543bc>.

¹⁴ Muso, Piracy Data Overview January 2022 to August 2022 (2022), <https://www.muso.com/magazine/piracy-data-overview-january-2022-to-august-2022>.

¹⁵ Carsten Fink, Keith E. Maskus, and Yi Qia, World Bank Research Observer, The Economic Effects of Counterfeiting and Piracy: A Review and Implications for Developing Countries (2016), <https://doi.org/10.1093/wbro/lkv010>.

the impacts on workers. This is in large part due to the fact that many studies to date have focused on the harm caused to large firms' revenue streams and incentives to innovate, as well as macro-scale economic impacts of piracy on GDP, rather than on how IP theft can affect individual creators and other workers involved in the production and distribution of creative works. Furthermore, the lack of data in this area can be attributed to the difficulties in measuring costs of online piracy, which is especially true for smaller-scale artists or productions. Similarly, it is difficult to precisely quantify how efforts to combat piracy assist in protecting workers. Further research might consider new methods of measuring the value of an anti-piracy campaign other than solely tracking the number of removals of infringing content.

Finally, it is important that research and coordination to combat online piracy take into account the rapidly shifting delivery methods of infringing content. For example, the introduction of streaming platforms and their widespread adoption altered the way in which media is consumed. Despite expectations that streaming would help combat piracy,¹⁶ the illegal distribution and consumption of high-quality video content has remained prevalent.¹⁷

IV. Conclusion

Workers, such as content creators and the creative professionals who support the production of creative works, rely more than ever on adequate and effective copyright protection and enforcement to secure their livelihoods in today's digital era. The numerous examples of online markets subject to content theft and their global reach showcase how illicit content can be transmitted across borders in numerous ways and in vast quantities. Online piracy is not only highly detrimental to the U.S. economy as a whole, but it also has a strong impact on the everyday lives of individual workers. The structure of compensation in the entertainment industry, in which royalties and residuals are a significant portion of total pay and benefits, makes the impact of piracy on workers even more pernicious. As methods of online piracy

¹⁶ There is evidence that streaming has contributed to lower rates of infringement in the music industry. For some, the expectation was that streaming would produce similar results in the film industry.

¹⁷ The Guardian, Streaming was supposed to stop piracy. Now it is easier than ever (October 2021), <https://www.theguardian.com/film/2021/oct/02/streaming-was-supposed-to-stop-piracy-now-it-is-easier-than-ever>.

continue to evolve, efforts to monitor and address digital content theft must do so as well, and effective enforcement action will require government and stakeholder coordination on how to best address this problem.

Positive Developments

Since the 2021 Notorious Markets List

Since the release of the 2021 Notorious Markets List, there have been notable efforts to address the widespread availability of counterfeit and pirated goods in some online and physical markets. The United States commends these efforts and encourages governments, right holders, service providers, and the owners and operators of these and other markets, including those newly identified in the 2022 NML, to engage in sustained and meaningful efforts to combat piracy and counterfeiting.

During this past year, the world continued to adjust to the COVID-19 pandemic. Some shopping centers, such as Xinyang Plaza Markets and Baiyun World Leather Trading Center in China, continue to reportedly have very few of the problematic stores open. However, the lifting of government restrictions on tourism and movement resulted in the reemergence of some markets known for openly selling counterfeit goods, such as Wu’Ai Market in China and Petaling Street Market in Malaysia. Also, during the pandemic, many sellers of counterfeit goods adapted by transitioning from physical stores to e-commerce platforms and using the physical storefronts to facilitate the fulfillment of online sales. Online sellers of counterfeit goods have continued efforts to evade the anti-counterfeiting processes and systems established by governments and e-commerce platforms by, for example, using social media advertisements and influencers, hidden links, and drop shipping schemes. Furthermore, although trade disruptions caused by the pandemic have led to a slow-down of exports from countries that are known to produce counterfeit goods, such as China, in some instances this has been offset by the localization of counterfeit production.

Enforcement Activities: Counterfeit Goods

Governments have steadily resumed enforcement efforts to combat sources of the global trade in counterfeit goods. For example, in April 2022, the Intellectual Property Office of the Philippines (IPOP HL) and the National Committee on Intellectual Property Rights (NCIPR) led a meeting with Greenhills Shopping Center’s management team. Under a Memorandum of

Understanding (MOU) with IOPHL, the Philippine Retailers Association, of which Greenhills is a member, committed to a “zero-tolerance approach” to counterfeit products. Enforcement agencies continue to target counterfeit retailers at Greenhills in coordination with Greenhills management, and in April the National Bureau of Investigation seized \$1.4 million worth of counterfeit luxury goods from vendors at Greenhills.

During December 2021, Argentinian authorities in Buenos Aires raided an indoor shopping area with multiple small shops and stalls in Barrio Once, confiscating 30 truckloads of pirated and counterfeit products valued at \$3.7 million. The confiscated products included apparel, footwear, electronics, appliances, and implements to manufacture counterfeit clothing that mostly originated in China and entered Argentina through Brazil. A warehouse in the shopping area served as a manufacturing facility for counterfeit electronics (portable music players, cell phone chargers, and gaming system joysticks) and sportswear. According to media, the illegal products were destined for La Salada as well as Barrio Once itself. Police arrested the shopping mall owner, who was the only one present at the time of the raid. In November, Argentinian Federal Administration of Public Income (AFIP) customs agents closed two stores selling counterfeit World Cup clothing and accessories. AFIP agents seized more than 3,500 items, including Argentinian national team jerseys, sports equipment from other and selected teams, jackets, underwear, and boxing gloves. The total value was approximately \$180,000 dollars, and about 20% of the counterfeit goods had been manufactured domestically.

In March 2022, state police in Brazil leveraged training provided by the U.S. Department of Justice’s International Computer Hacking and Intellectual Property (ICHIP) team in São Paulo to uncover a warehouse holding over 160,000 counterfeit sports jerseys and other sports paraphernalia, including jerseys for the Brazilian national team and NBA teams. The authentic versions of these jerseys retail for over \$60 per item, but counterfeits are commonly sold in markets for as little as \$7 per jersey. The raid led to the arrest of three people and their subsequent referral for prosecution, and identified links between the warehouse and suppliers in Thailand.

In Thailand, the Department of Intellectual Property (DIP) is making a serious effort to prevent the sale of counterfeit and pirated goods and is pursuing creative solutions to address online sales of counterfeit goods. DIP has pursued two MOUs with private sector stakeholders, one with online platforms and another with advertisers. The former, known as the MOU for Protection of Intellectual Property Rights on the Internet, creates a mechanism through which right holders can notify e-commerce companies of counterfeit goods being sold on their platforms and request that they be removed. A number of right holders and e-commerce companies, including Lazada, Shopee, and JD Central, among the largest in the region, have signed on so far. DIP notes that the MOU is open to additional signatories should other platforms choose to join at a later date. The second MOU, the MOU on Online Advertising and Intellectual Property Rights, which was signed in October 2022, is also directed to online intellectual property infringement issues and includes a commitment from advertisers to avoid advertising on websites that infringe upon intellectual property rights.

Enforcement Activities: Pirated Content

Actions against pirate streaming services, including wholesale pirate stream suppliers and resellers of pirate-enabled Internet Protocol television (IPTV) apps and physical illicit streaming devices (ISDs),¹⁸ continued this past year.

For example, in October 2022, the Malaysian Ministry of Domestic Trade and Consumer Affairs (MDTCA) seized more than 600 ISDs containing unauthorized copyrighted content and arrested one person suspected of selling the devices.¹⁹

The fourth phase of Brazil's "Operation 404," with direct operational support from authorities in the United States and the United Kingdom, resulted in the takedown of 226 piracy

¹⁸ IPTV-based piracy generally occurs by means of an application (app) that can be installed on hardware that is sold directly to the consumer, such as an ISD, or installed directly to a user's own device such as a smart TV, smartphone, tablet, or game console. Pirate IPTV services are often offered on a subscription basis at prices that are far lower than licensed providers could ever offer.

¹⁹ ACE, Alliance for Creativity and Entertainment Applauds Malaysian Seizure of More than 600 Illegal Streaming Devices (October 2022), <https://www.alliance4creativity.com/news/alliance-for-creativity-and-entertainment-applauds-malaysian-seizure-of-more-than-600-illegal-streaming-devices/>.

websites and 461 piracy applications, building upon positive results from the third phase in 2021.²⁰

Dutch anti-piracy group BREIN conducted 368 investigations that resulted in the shutdown of 349 piracy sites and services.²¹

Over the past year, the Alliance for Creativity and Entertainment (ACE) announced the shutdown of dozens of domains linked to illegal streaming services.²² ACE achieved multiple major successes in Latin America, tracking down the operator of HDFoxCDN, an online service hosted in Brazil that offered access to a broad library of pirated content. The operator agreed to shut down the service permanently, which directly impacted the dozens of other pirate sites that relied on HDFoxCDN for content, and to transfer the domains to ACE. In addition, ACE identified the operator of the pirate streaming site YMovies, which had an estimated 2.5 million visits per month, and shut it down.

Following Romania's removal from the Special 301 report in 2021, the government of Romania has continued making progress on IP enforcement, especially in the area of online piracy. The designation of a national IP rights coordinator in January 2022 has increased policy harmonization efforts within the government of Romania and engagement with the private sector on IP issues. A draft national IP rights strategy addresses online piracy, unclear legislation, and insufficient penalties for IP offenses. The strategy also seeks to strengthen enforcement resources and develop more educational and training materials. The Economic Police Directorate's Digital Piracy Unit is now reportedly fully operational, with personnel dedicated to the investigation of online IP-related crimes and with active cases under investigation.

²⁰ ACE, ACE Successfully Teamed With Brazilian, US and British Authorities and Deployed the Fourth Wave of "Operation 404" in Brazil (June 2022), <https://www.alliance4creativity.com/news/ace-successfully-teamed-with-brazilian-us-and-british-authorities-and-deployed-the-fourth-wave-of-operation-404-in-brazil/>.

²¹ BREIN, BREIN Annual Report 2021 (August 2022), <https://stichtingbrein.nl/brein-jaarverslag-2021/>.

²² ACE, Alliance for Creativity and Entertainment Shuts Down Two Latin America-Based Piracy Service Rings (October 2022), <https://www.alliance4creativity.com/news/alliance-for-creativity-and-entertainment-shuts-down-two-latin-america-based-piracy-service-rings/>.

Studies and Reports

Several studies this year addressed global trade in counterfeit and pirated goods. The U.S. Patent and Trademark Office released a report titled “Intellectual property and the U.S. economy: Third edition,” building on previous reports to highlight the importance of IP-intensive industries to the U.S. economy.²³ The report measures economic indicators such as employment, wages, and output in relation to the use of IP and includes new demographic information about the employees working in IP-intensive industries.

On March 17, 2022, the Organization for Economic Co-operation and Development (OECD) published a report titled “Dangerous Fakes: Trade in Counterfeit Goods that Pose Health, Safety and Environmental Risks” that examines the value of global counterfeit trade, maps key trade routes, and raises awareness about its implications for health, safety, and environmental risks.²⁴

The Digital Creators Coalition released the “2022 Digital Discovery Report,” outlining the contributions of creators to the U.S. economy and the detrimental cost of piracy on U.S. workers and employers, both large and small.²⁵

In September 2022, the Transnational Alliance to Combat Illicit Trade (TRACIT) released a report titled “Examining the negative impacts of illicit trade on SDG 8,” focusing on the impacts of illicit trade (including trade in counterfeit and pirated goods) on decent work and inclusive economic growth, as well as assessing how the COVID-19 pandemic has fundamentally changed illicit trade.²⁶

²³ U.S. Patent and Trademark Office, Intellectual property and the U.S. economy: Third edition (2022), <https://www.uspto.gov/ip-policy/economic-research/intellectual-property-and-us-economy>.

²⁴ OECD / EUIPO, Dangerous Fakes: Trade in Counterfeit Goods that Pose Health, Safety and Environmental Risks (March 2022), <https://www.oecd.org/publications/dangerous-fakes-117e352b-en.htm>.

²⁵ Digital Creators Coalition, 2022 Digital Discovery Report (2022), <https://www.digitalcreatorscoalition.org/our-research>.

²⁶ TRACIT, Examining the negative impacts of illicit trade on SDG 8 (September 2022), <https://www.tracit.org/publications.html>.

The Information Technology and Innovation Foundation published a report regarding the importance of robust IP protection in trade agreements for advancing the interests of U.S. firms and workers.²⁷

The World Intellectual Property Organization (WIPO) released its biannual report focusing on specific trends in an area of IP. This year's report is titled "World Intellectual Property Report 2022: The Direction of Innovation" and examines how crises like wars and pandemics impact innovation, as well as the role of increasing digitalization on innovation.²⁸

Positive Developments Regarding the Impact of Counterfeiting on Workers

The 2021 NML Issue Focus centered on the adverse impact of counterfeiting on workers involved in the manufacture of counterfeit goods. Since publishing the 2021 NML, additional information has been gathered on the impact of counterfeit manufacturing on workers, and in some cases enforcement action has been taken.

For instance, police in Buenos Aires, Argentina, noted that investigations of certain factories producing counterfeit goods are driven by, at least in part, the links between counterfeiting and other crimes such as forced labor and human trafficking. This illustrates the connection between counterfeit production and other crimes and highlights the importance of further collaboration between authorities who work to protect IP and workers' rights.

Additionally, in October 2022, the Transnational Alliance to Combat Illicit Trade (TRACIT) endorsed the Trilateral Statement by Trade and Labor Ministers of the United States, Japan, and the European Union to upgrade efforts to fight forced labor. TRACIT emphasized that governments must address the use of forced labor in illicit markets and supply chains, including those involved in the manufacture and sale of counterfeit goods. TRACIT called on governments to account for the interconnected nature of forced labor and illicit trade, including the production and sale of counterfeit goods, so as to ensure that laws and regulations generally

²⁷ ITIF, A Worker-Centric Trade Agenda Needs to Focus on Competitiveness, Including Robust IP Protections (February 2022), <https://itif.org/publications/2022/02/22/worker-centric-trade-agenda-needs-focus-competitiveness-including-robust-ip/>.

²⁸ WIPO, World Intellectual Property Report 2022: The Direction of Innovation (2022), <https://www.wipo.int/wipr/en/2022/>.

pertaining to preventing forced labor will specifically include the investigation of forced labor used in the course of illicit economic activity.

The United States commends all these efforts, appreciates studies being done in this area, and encourages its trading partners to continue their individual and collective efforts to combat counterfeiting and piracy.

Results of the 2022 Review of Notorious Markets

The Notorious Markets List identifies prominent and illustrative examples of online and physical markets in which pirated or counterfeit goods and services reportedly are available or that facilitate, turn a blind eye to, or benefit from substantial piracy and counterfeiting. It does not constitute a legal finding of a violation or an analysis of the general IP protection and enforcement environment in any country or economy. The NML is not an exhaustive inventory of all notorious markets around the world. Markets on the NML are drawn from the many nominations received as well as other input, such as from U.S. embassies, in order to highlight prominent examples of both online and physical markets where pirated or counterfeit goods and services reportedly are trafficked to the detriment of legitimate trade in IP-intensive goods and services.

Owners and operators of notorious markets that are willing to address counterfeiting and piracy have many options for doing so. Such owners and operators can, for example, adopt business models that rely on the licensed distribution of legitimate content and can negotiate appropriate licenses with right holders. If an otherwise legitimate business has become a platform for piracy or counterfeiting, the owner or operator can work with right holders and law enforcement officials to help discourage and curtail acts of infringement. Industry groups have developed a variety of best practices that can help combat counterfeiting and piracy.²⁹ In the absence of good faith efforts, responsible government authorities should investigate reports of piracy and counterfeiting in these and similar markets and pursue appropriate action against such markets and their owners and operators. Governments should also ensure that appropriate

²⁹ E.g., International Trademark Association, Addressing the Sale of Counterfeits on the Internet (June 2021), https://www.inta.org/wp-content/uploads/public-files/advocacy/committee-reports/Addressing_the_Sale_of_Counterfeits_on_the_Internet_June_2021_edit.pdf; ICC/BASCAP, Roles and Responsibilities of Intermediaries: Fighting Counterfeiting and Piracy in the Supply Chain (Mar. 2015), <https://2go.iccwbo.org/roles-andresponsibilities-of-intermediaries-fighting-counterfeiting-and-piracy-in-the-supply-chain-2015.html>.

enforcement tools are at the disposal of right holders and government authorities, which may require closing loopholes that permit operators to evade enforcement actions.

Online Markets

The 2022 Notorious Markets List identifies examples of various technologies,³⁰ obfuscation methods, revenue models, and consumer harms associated with infringing activity. USTR bases its selections not on specific types of technologies, but on whether the owners, operators, or users of a nominated market or affiliated network of markets reportedly engage in or facilitate substantial piracy or counterfeiting to the detriment of U.S. creators and companies.

Many of those who submitted public comments this year highlighted the complex ecosystem—including domain name registries and registrars, reverse proxy and other anonymization services, hosting providers, caching services, advertisers and advertisement placement networks, payment processors, social media platforms, and search engines—that providers of pirated content abuse. Each component in this ecosystem can play a role in facilitating or reducing piracy, which in 2019 cost the U.S. economy an estimated \$29.2 billion in lost revenue.³¹

In this year's review process, several right holders expressed their concerns over an increase in piracy sites utilizing "bulletproof" Internet service providers (ISPs) to facilitate their infringing activities. Bulletproof ISPs are characterized by terms of service that often explicitly advertise leniency in allowing their customers to upload and distribute infringing content. Right holders have for several years expressed concerns with bulletproof ISPs, and in 2022, several submissions noted that the growing reliance of pirate sites on these ISPs made it increasingly difficult for right holders to remove infringing content.

³⁰ For simplicity, the NML uses terminology that links alleged copyright and trademark infringement to specific technologies (e.g., websites). However, the focus of the NML is on the actions of owners, operators, or users that engage in or facilitate infringement using the technologies, not on the underlying technologies themselves.

³¹ Global Intellectual Property Center, *Impacts of Digital Piracy on the U.S. Economy* (June 2019), <https://www.theglobalipcenter.com/wp-content/uploads/2019/06/Digital-Video-Piracy.pdf>.

Right holders also continued to voice their concerns with the proliferation of “piracy as a service” offerings that make it easier for would-be pirates to create, operate, and monetize a fully functioning pirate operation. These services offer website templates that facilitate the creation of streaming websites, databases of infringing content, dashboards that allow a pirate Internet Protocol Television (IPTV) operator to oversee the infrastructure of its service, IPTV panels used for generating and distributing playlists of pirate IPTV channels, and hosting providers that specialize in servicing infringers. These services add to the already-complex IPTV ecosystem of pirates who copy the content from authorized sources and provide live channels or on-demand content to others, aggregators that package a number of pirated channels and content for re-streamers or resellers that market and sell consumer subscriptions to pirate IPTV services, and distributors of ISDs that come pre-loaded with pirate IPTV apps, making access to the unauthorized copyrighted content a “plug and play” experience.

Additionally, over the past three years, the NML has identified a continuing and growing concern from right holders about the proliferation of counterfeit sales facilitated by social commerce platforms (social media platforms with integrated e-commerce ecosystems). This rising concern has coincided with the continued growth of e-commerce and the increased movement of many physical sellers to predominantly online platforms. Right holders state that while certain social commerce platforms have taken positive steps to implement anti-counterfeiting policies, many others still lack adequate anti-counterfeiting policies, processes, and tools such as identity verification, effective notice-and takedown procedures, proactive anti-counterfeiting filters and tools, and strong policies against repeat infringers.

Right holders continued to express concern about fraudulent advertisements and links to fake websites misleading users into unknowingly purchasing counterfeit products through both e-commerce and social commerce platforms. In 2022, several submissions also highlighted a growing problem with social commerce platforms being used to facilitate sales of products openly known to be counterfeits. Right holders noted the increasing impact of so-called “dupe” influencers—individuals with large social media followings who review, promote, and share links to counterfeit luxury products, known as “dupes,” driving sales of counterfeit products. Social

commerce platforms can continue to address these types of concerns by adopting strong and effective IP enforcement policies, increasing transparency and collaboration with right holders to quickly address complaints, and working more closely with law enforcement to identify IP infringement.

Another tactic that continues to be used by sellers of counterfeit goods is so-called hidden links, which the 2020 NML Issue Focus referenced. With a hidden link scheme, a seller of counterfeit goods will advertise a counterfeit product on a social media platform or image hosting platform, such as Yupoo or Szwego, where full catalogs of counterfeit products can easily be found in image galleries or folders. In the advertisement, the seller will direct the consumer to buy a different product on an e-commerce website. For example, a hidden link advertisement for the shoe of a famous brand might link to a page on a well-known e-commerce platform offering generic socks for sale. The advertisement will often contain information about the product such as its price and a way to connect with the seller to discuss details on how to purchase the counterfeit goods.

However, this year many e-commerce and social commerce platforms took solid steps toward initiating additional anti-counterfeiting practices and adapting to new circumvention techniques used by counterfeiters. Several platforms filed public submissions outlining their implementation of new anti-counterfeiting tools, including releasing educational campaigns, increasing identity verification requirements, and implementing faster and more transparent notice-and-takedown processes. Additionally, several platforms have announced investments in artificial intelligence (AI) and machine learning technologies as a way to scale up and quickly adapt traditional anti-counterfeiting measures such as text and image screening. As e-commerce platforms and industry associations become more transparent and forward-leaning with their anti-counterfeiting practices, an opportunity exists to collaboratively establish industry best practices, create standard counterfeit-related measurements, and find ways to counteract the ever-changing methods of those that manufacture, distribute, and sell counterfeit goods. Reducing the availability of counterfeit goods online should be viewed as an industry-wide goal.

1337X

Nominated as 1337x.to. Related sites include 1337x.tw. Utilizes reverse proxy services to mask the location of its hosting servers.

Numerous right holders nominated torrent website 1337x, which provides links to torrent files, which are small files that contain the information necessary to download other files from the bittorrent network in order to gain access to unlicensed movies, television shows, music, and software. Variants of the site have been subject to blocking orders in Australia, Austria, Belgium, Denmark, India, Indonesia, Ireland, Italy, Malaysia, Portugal, and the United Kingdom.

1FICHER

Nominated as 1fichier.com. Related sites include alterupload.com, cjoint.net, cloudstorage.fr, desfichiers.com, dl4free.com, megadl.fr, and tenvoi.com. Hosted in France.

This cyberlocker³² is popular in France and reportedly makes premium pirated content, such as unlicensed movies and video games, available to the public. Despite a criminal conviction against the France-based administrator of the site, including a one-year suspended prison sentence and significant fines, right holders state that the site has failed to come into compliance. Right holders continue to raise concerns about 1fichier's extremely low response rate to takedown requests, and one right holder has reported a response rate to notice-and-takedown requests of 0.71% as of September 2022. This reportedly not only attracts more unauthorized uploaders but also benefits linking websites that index links to content hosted on 1fichier.

2EMBED

Nominated as 2embed.ru. Utilizes reverse proxy services to mask the location of its hosting servers.

2embed is a pirate content management system that allegedly provides a large library of infringing content obtained by crawling many infringing websites and search engines and scraping infringing content. It offers its database to other illicit streaming websites and pirate

³²The cyberlockers identified in the NML reportedly operate primarily to provide users with access to unauthorized copyright-protected content.

IPTV apps, which can either use 2embed's services for free (in which case 2embed monetizes the infringing content by inserting advertisements into the streams) or by paying to insert their own ads. 2embed is an example of a "piracy-as-a-service" provider that significantly contributes to the global trade in pirated content by offering services that make it easy for other bad actors to create, operate, and monetize fully functioning piracy operations.

ALIEXPRESS

Nominated as aliexpress.com. Headquartered in China.

AliExpress is a business-to-consumer e-commerce platform that connects China-based sellers with buyers around the world. AliExpress is owned by Alibaba and shares certain anti-counterfeiting tools and systems with other Alibaba platforms. As a whole, owner Alibaba is known for anti-counterfeiting processes and systems that are among the best in the e-commerce industry, in particular its significant support for law enforcement and brand owners' investigations and enforcement actions against counterfeiters. Despite these efforts, right holders report the continued lack of effective seller vetting and repeat infringer controls, such that AliExpress is a dominant upstream distributor of counterfeit goods in wholesale quantities for online markets in the United States and other countries. Alibaba notes that, notwithstanding disclaimers on the AliExpress website that it does not guarantee the authenticity or accuracy of seller information, it requires business license or national identification information in order to sell on the platform and checks such information against official government databases. However, right holders express concerns that counterfeit sellers have been able to obtain accounts fraudulently by using an unrelated business license. Another key concern of right holders is that penalties for repeat infringers do not stop known counterfeit sellers on AliExpress from remaining on the market, such as by operating multiple accounts.

AMARUTU

Also known as Amarutu Technology Ltd or KoDDos.

Amarutu is a so-called “bulletproof” hosting provider that provides offshore hosting for criminal activity. Some of the biggest piracy sites use Amarutu services, and right holders state that Amarutu ignores the takedown requests that it receives. The dedicated server page of Amarutu’s website advertises that “DMCA messages will be forwarded to the client for resolution but in most cases action is not required.” Amarutu reportedly has an office location in Hong Kong and is registered in Seychelles, with data centers in the Netherlands.

AVITO

Nominated as avito.ru.

Avito is a Russia-based classified advertisements platform that reportedly offers large volumes of advertisements for counterfeit products offered for sale. Several right holders have reported difficulty in obtaining takedowns of the advertisements, with the site requiring detailed evidence of infringement, including sometimes a side-by-side comparison of genuine and counterfeit products to obtain removal. Additionally, right holders note a lack of strong procedures to deal with repeat infringers, with many of the listings reappearing shortly after being taken down. Finally, right holders report a lack of collaboration on the part of Avito with right holders or trade associations in implementing effective policies to prevent advertisements of counterfeit products.

BAIDU WANGPAN

Nominated as pan.baidu.com. Headquartered in China.

This cloud storage service is operated by Baidu, the largest search-engine provider in China. Users of this service are able to share links to files stored on their accounts with other users. Although Baidu has several tools to take down unauthorized content, according to right holders, infringers widely share links to pirated movies, television shows, and books stored on Baidu Wangpan. Additionally, takedown times are reportedly lengthy, and right holders often

have to repeatedly follow-up with Baidu to ensure that pirated content does not reappear on the platform. Right holders report little progress in Baidu's actions to suspend or terminate repeat infringers.

BESTBUYIPTV

Nominated as bestbuyIPTV.store. Related sites include biptv.best. Utilizes reverse proxy services to mask the location of its hosting servers.

An increasingly popular form of online piracy is IPTV services that provide pirated audiovisual content, including movies and television series, through subscription services. BestBuyIPTV offers illicit IPTV channels from broadcasters globally, and it is compatible with most platforms and operating systems. BestBuyIPTV reportedly offers over 10,000 unauthorized channels from 38 countries, and also provides reseller and re-streamer services, with over 900,000 users, 12,000 resellers, and 2,000 re-streamers globally. Several right holders have connected the site to Vietnam, but the site uses reverse proxy services to mask the location of its hosting servers.

BUKALAPAK

Nominated as bukalapak.com. Also available as a mobile app. Hosted in Indonesia.

Bukalapak was founded in 2010 and is one of the largest e-commerce markets in Indonesia. This website provides a platform for third-party sellers to connect with buyers, and these sellers offer a wide variety of products, including apparel and footwear, luxury goods, consumer electronics, sporting goods, and pharmaceutical products. Right holders note a high volume of counterfeit products, with some openly labeled "replicas" of branded products. Bukalapak has an established notice and takedown process and has made several improvements to its anti-counterfeiting systems, but right holders continue to push for the site to invest greater resources into developing proactive anti-counterfeiting protocols, as well as into increasing the speed of takedowns and transparency of takedown procedures. Right holders have also expressed frustration with Bukalapak's "repeat infringer" policy, which states that sellers with

more than three infringement reports submitted by the same brand are “eligible” to be taken down, instead of “will be” taken down. Right holders state that both the site’s “repeat infringer” policy and “major infringer” policy require brands to expend significant effort and resources to report infringement, and they urge Bukalapak to instead use proactive measures like keyword filtering to allow for automated removal of counterfeit listings.

CHALOOS

Chaloos, based in Iraq, owns and operates companies reportedly involved in the sourcing and distribution of pirated content online, including the Mediastar, Forever IPTV, and Livedream companies. Mediastar allegedly supplies Mediastar-branded digital satellite receivers pre-loaded with pirate IPTV apps. According to right holders, Mediastar is also a source of pirated television streams used by other IPTV redistribution services throughout the Middle East. Forever IPTV is reportedly a wholesaler of pirate IPTV channels and on-demand pirated content, including thousands of on-demand movies and television shows, used by other illicit IPTV apps. Livedream is reportedly an operator of a local network in Northern Iraq, providing unauthorized access to pirated channels.

CUEVANA3

Nominated as cuevana3.io. Reportedly currently operated from Venezuela. Utilizes reverse proxy services to mask the location of its hosting servers.

Cuevana is the most popular piracy site in the Spanish-speaking part of Latin America, offering more than 7,000 unlicensed television and movie titles. The site has been active since at least 2018 and relies on cyberlockers for the underlying content. The website monetizes its infringing content through advertising services. Cuevana’s use of multiple domains has allowed variants of the site to remain operational. For example, Cuevana.pro currently ranks as the second most popular piracy site in the Spanish-speaking part of Latin America.

DHGATE

Nominated as dhgate.com. Also available as a mobile app. Headquartered in China.

DHgate is the largest business-to-business cross-border e-commerce platform in China, although it primarily serves purchasers outside of China. DHgate is reported to be the most popular online market for purchasing bulk counterfeit goods that are then resold on other markets, including the online and physical markets listed in this year's NML. DHgate has reported efforts to enhance procedures for seller screening and proactive monitoring of counterfeit listings, and this year, right holders noted some improvements to DHgate's proactive enforcement efforts. However, right holders continue to express concerns with DHgate's inadequate seller vetting and high levels of recidivism on the site. In 2021, DHgate changed its site policies to require seller businesses to provide business identification information prior to being admitted to the platform. Given continuing right holder concerns, DHgate should further explore whether the information it requires of sellers and the vetting performed on that information is sufficient to deter and prevent repeat infringers from selling on the site. Regarding proactive anti-counterfeiting processes, in 2022, DHgate has been working to improve its artificial intelligence (AI) technology to screen text and images for evidence of counterfeits, including adding images for over 180 brands to its AI image recognition model. However, as sellers of counterfeit goods grow increasingly proficient at evading detection by altering product images, blurring logos, and using code words to conceal the counterfeit nature of the goods they offer, the processes used to proactively keep counterfeit listings off the DHgate platform will likely have to grow and evolve. Finally, while DHgate has reported efforts to increase engagement with right holders, commenters note that further engagement to address the scale and volume of reported counterfeit products on the site will instill confidence that DHgate recognizes and embraces its role in combating the global trade in counterfeit goods.

EGY.BEST

Reportedly operated from Egypt. Uses reverse proxy services to mask the location of its hosting servers.

EGY.best is reportedly one of the oldest and largest piracy websites in the Middle East and North Africa regions, with links to many unlicensed Arabic and English language movies.

Enforcement actions took the website offline in spring 2019, but the site continues to operate through redirects and copycat sites. EGY.best uses geo-protection filters and other measures to reduce visibility to law enforcement, and it remains a priority enforcement target for right holders.

FLOKINET

“Bulletproof” hosting providers like FlokiNET support infringing websites by refusing to respond to notices of infringing activity and by failing to cooperate with right holders and law enforcement. FlokiNET’s website explicitly allows anonymous hosting of content, stating, “We do not require any personal details or identification, any valid e-mail address is enough information to be our client.” FlokiNET reportedly has servers in Finland, Iceland, the Netherlands, and Romania and hosts many websites associated with copyright infringing activity.

FLVTO

Nominated as flvto.biz. Related sites include 2conv.com. Reportedly hosted in Finland and operated out of Russia, but utilizes reverse proxy services to mask the location of its hosting server.

Flvto is again listed this year as an example of the stream-ripping phenomenon that continues to threaten legitimate streaming audio and video services, music performers, and composers. This site allows users to copy and paste a YouTube link into a conversion bar, and quickly convert videos into digital audio files. U.S. right holders have filed a lawsuit against Flvto and related website 2conv.com, alleging copyright infringement. In 2021, a district court judge in the United States District Court for the Eastern District of Virginia granted the right holders’ motion for injunctive relief as well as \$83 million in damages. The defendants appealed, and the process has not yet concluded.

FMOVIES / BMOVIES / BFLIX

Nominated as fmovies.to. Utilizes reverse proxy services to mask the location of its hosting servers.

Fmovies, also known as Bmovies and Bflix, is reportedly one of the most popular websites in the world for streaming pirated copies of popular movies and television shows directly to computer desktops, mobile phones, or through IPTV apps on illicit streaming devices. The continued listing of Fmovies in the NML demonstrates the ongoing challenges of combatting streaming piracy. This site is reportedly blocked in Australia, Denmark, Indonesia, Malaysia, and Singapore. However, the site remains popular, with right holders reporting that the site received nearly 80 million global visits, from 6.8 million unique visitors, in August 2022.

GLOBE IPTV

Right holders report Globe IPTV as one of the largest wholesalers of content to pirate services globally. The site reportedly offers access to over 1,500 channels of live sports, movies, and television content, and supplies this content to multiple pirate services. Right holder attempts to engage with the site, including through notice-and-takedown requests, have been ignored.

INDIAMART

IndiaMART, a high-volume e-commerce website and mobile app that connects buyers with suppliers, describes itself as the largest online business-to-business marketplace in India. Regarding positive steps taken over the past year, one right holder reported that IndiaMART has been cooperative in terms of engagement and improving complaint response times. However, counterfeit goods on IndiaMART, including pharmaceuticals, electronics, and apparel, remain a serious concern for other right holders. They dispute that IndiaMART has adequately engaged with right holders and implemented anti-counterfeiting best practices, including seller verification, penalties against known sellers of counterfeit goods, or proactive monitoring for infringing goods. They also question claims made by IndiaMART regarding the responsiveness of its notice-and-takedown system.

ISTAR

iStar Media manufactures and distributes iStar-branded ISDs that are sold around the world, including across Europe and the United States. iStar offers pirated content on a subscription service, and iStar ISDs are reportedly pre-loaded with a 12-month subscription to the “Online TV” pirate IPTV app that provides access to unlicensed live sports streams, live and on-demand television shows, and movies.

LALASTREAMS

Nominated as istream2watch.com.

Lalastreams is a group of illegal streaming websites, with right holders reporting that approximately 20 domains redirect to istream2watch.com. The site provides live sports streaming to millions of viewers, with a reported 60 million global visits in 2022.

LIBGEN

Nominated as libgen.is. Related sites include libgen.rs, libgen.me, and many other mirror sites.

Libgen, also known as the “Library Genesis Project,” hosts a large number of digital copies of books, manuals, journals, and other works, many of which are unauthorized copies of copyright protected content. According to Libgen, the site hosts 2.4 million non-fiction books, 80 million science magazine articles, 2.2 million fiction books, and 2 million comic strips. Libgen sites are subject to court orders in Belgium, Denmark, France, Germany, Italy, Portugal, Russia, Spain, Sweden, the United Kingdom, and the United States. Right holders state that as of September 2022, there are 108 mirror sites associated with the Library Genesis Project. The Libgen group of sites has recently become more sophisticated, reportedly now reading IP address data and redirecting users to the mirror site most accessible in the user’s region.

MP3JUICES

Nominated as mp3juices.cc and mp3juice.zone.

Right holders report that in the past year, MP3juices moved to host Cloudnet in Singapore. MP3juices is a popular stream-ripping website that extracts the audio from a YouTube video and permits the user to download an mp3 file of the audio, which is often an

unlicensed digital copy of the audio. Right holders report that MP3juices has attempted to subvert right holder efforts to demote its ranking in search engine results by creating new domain names that reappear at the top of search results.

MPGH

Nominated as mpgh.net.

MPGH provides “cheats” allowing players to modify digital games to the benefit of the player. These cheats infringe upon copyrights when the cheat code copies the underlying game code software. MPGH reportedly offers several hundred thousand free cheats to over 4 million users, as well as a marketplace where players can buy and sell accounts and digital goods. The video game industry continues to be concerned about unauthorized sales of in-game digital items and cheat software. The rise of unauthorized digital goods and cheat software negatively affects video game companies and consumers by unfairly altering game play for legitimate consumers, while also diverting significant revenue away from video game developers and publishers. It also increases the threat of consumer fraud, including through account takeovers, phishing, or attempts to steal users’ payment information connected to in-app purchases.

NEWALBUMRELEASES

Nominated as newalbumreleases.net.

NewAlbumReleases reportedly provides unauthorized downloading of pre-release and newly released popular music. The website uses reverse proxy services to mask the location of its hosting servers and makes its infringing content available for download on cyberlockers like Rapidgator, another notorious market. Right holders allege that the infringing content on this site is directly uploaded by the operators of the site, making the site a direct infringer. Takedown notices sent by right holders have continued to be ineffective.

PELISPLUS

Nominated as pelisplus.icu. Utilizes reverse proxy services to mask the location of its hosting servers.

Pelisplus offers a content management system library service—a database that provides access to pirated movies and television series. The service lowers the barriers to entry for

commercial piracy services and is also offered to others for a fee. Pelisplus also operates its own Spanish-language piracy site that is popular in Latin America. The site monetizes its service through advertising, as well as by reselling its library to additional site operators. According to right holders, Pelisplus received at least 5.9 million visits from 2 million unique visitors in August 2022.

PINDUODUO

Nominated as pinduoduo.com. Also available as a mobile app. Headquartered in China.

Pinduoduo, a “social commerce” app, is the second-largest e-commerce platform in China as measured by the number of users. According to some right holders, Pinduoduo has improved its anti-counterfeiting efforts in the past few years. However, other stakeholders indicate growing concerns about Pinduoduo’s unresponsiveness and the ineffectiveness of current tools against the large volumes of counterfeit goods that remain on the platform. Although the platform continues to add brand partners, right holders convey that the same issues remain or have been exacerbated, with delays in takedowns, lack of transparency with penalty mechanisms and decisions rejecting takedown requests, burdensome and expensive processes, ineffective seller vetting, diverging tools for the web platform and the app, and reduced engagement with some right holders. Right holders also report difficulties in receiving information and support from Pinduoduo in pursuing follow-on investigations to uncover the manufacturing and distribution channels of the counterfeit goods.

RAPIDGATOR

Nominated as rapidgator.net. Related sites include rg.to. Reportedly hosted in Russia, but utilizes reverse proxy services to mask the location of its hosting servers.

Right holders report that Rapidgator, one of the largest file sharing websites in the world, hosts unlicensed high-quality, recent, and pre-release content. Other notorious markets, such as NewAlbumReleases, use Rapidgator to host their pirated content. Rapidgator collects revenue through its premium membership and subscription plans and employs rewards and affiliate schemes to compensate users based on downloads and sales of new accounts. Rapidgator

reportedly takes down some infringing content, but there are no proactive measures in place to prevent the upload of infringing content, and reportedly content is frequently reuploaded and disseminated. German courts in 2018 and 2019 reportedly issued preliminary decisions finding Rapidgator liable for copyright infringement, and a Russian court in 2019 ordered ISPs to block access to the website. However, little progress has been made since then, and this year commenters from the music, television, and book publishing industries all nominated Rapidgator for inclusion on the 2022 NML.

RARBG

Nominated as rarbg.to. Operated from Bulgaria.

Rarbg remains one of the most popular torrent sites in the world even though it is subject to blocking orders in Australia, Belgium, Denmark, Finland, Indonesia, Ireland, Italy, Malaysia, Portugal, and the United Kingdom. Rarbg reportedly received 44.74 million visits from 5 million unique visitors in August 2022. Right holders from the movie, television, and music industries report that unlicensed high-quality and recent content can be found easily on this site. Rarbg reportedly generates revenue through advertisements and pay-per-install malware.

RUTRACKER

Nominated as rutracker.org. Hosted in Russia.

Along with Rarbg, another notorious market mentioned above, RuTracker remains one of the most popular torrent sites in the world with reportedly 12.3 million registered users and 1.9 million active torrents. RuTracker reportedly had 43.3 million visits from 7.4 million unique visitors in August 2022. The site links to torrent files for unlicensed digital media and is reportedly subject to blocking orders in Australia, Denmark, Greece, Indonesia, Italy, Portugal, Russia, and Singapore.

SCI-HUB

Nominated as sci-hub.io. Related sites include sci-hub.se and sci-hub.st. Hosted in Russia.

Right holders continue to report that Sci-Hub and its mirror sites facilitate unauthorized access to approximately 88 million journal articles and academic papers, which comprise over

85% of all toll-access scientific journal articles, a proportion greater than what is available legally to major institutional subscribers. Right holders state that Sci-Hub obtains these articles by using hijacked proxy credentials to allow remote users to illegally access various university intranet systems and university databases. The copyright-protected material obtained by Sci-Hub is reportedly stored on Sci-Hub servers as well as cross posted to Libgen, another notorious market. Right holders state that the site appears to be funded through both donations as well as cryptocurrency. Sci-Hub is reportedly subject to blocking orders in Belgium, Denmark, France, Germany, Italy, Portugal, Russia, Spain, and Sweden. U.S. right holders have secured several judgments against Sci-Hub in 2017, but operations remain active globally.

SHABAKATY

EarthLink Telecommunications, an Iraqi company and the largest Internet service provider in Iraq, is reported to host a pirate IPTV service via mobile apps and the Shabakaty website and offers this service to the subscribers of its Internet service for no additional charge. Shabakaty can be accessed only from within Iraq but has a reported 500,000 subscribers. The content that it provides includes unauthorized sports broadcasts, television series, and movies.

SHOPEE

Nominated as shopee.com. Also available as a mobile app. Headquartered in Singapore.

Shopee is an online and mobile e-commerce market based in Singapore with individual country-focused platforms primarily serving Southeast Asia, Europe, and Brazil. Right holders report overall high volumes of counterfeits across some of Shopee's platforms, with complaints about cumbersome and duplicative processes among the individual country-focused platforms, differing requirements for takedown requests, and slow response times. Shopee's Taiwan and Vietnam platforms appear to be positive examples of better engagement with right holders and improved anticounterfeiting efforts, but some right holders indicate counterfeits are also present on those country platforms. In 2022, Shopee launched a pilot program for its new brand protection portal and, with a newly hired global brand protection director, increased its engagement with right holders. Right holders urge Shopee to improve its procedures for vetting

sellers, enhance deterrence against counterfeit goods through increased penalties, and cooperate with right holders in investigations of the supply chain for counterfeit goods purchased on the platform.

SPIDER

Spider, based in Amman, Jordan, supplies its ISDs through online and physical stores across the Middle East, North Africa, and Europe. These ISDs reportedly come pre-loaded with subscriptions to pirate IPTV apps, including up to 5-year subscriptions for some apps, that provide unauthorized access to live sports streams, live and time-shifted television stations, and on-demand movies and television shows.

TAOBAO

Nominated as taobao.com. Headquartered in China.

Taobao is Alibaba's platform for Chinese consumers and one of the largest e-commerce platforms in the world. Alibaba has proactively engaged with right holders and the U.S. Government to improve its anti-counterfeiting processes and tools across its platforms, including Taobao, resulting in a reduced number of NML nominations from past years. Some right holders have indicated that Taobao improved its response time for takedown requests, but many right holders continue to raise concerns about the pervasiveness of counterfeit goods on the platform. For example, right holders report that Taobao's proactive screening tools use keywords to remove counterfeit listings, but do not analyze prices to reduce the volume of counterfeits being offered far below market rates for purported luxury items. Some right holders also complain about the lack of compliance with its evidence-required notice-and-takedown mechanism, which raises questions about whether there is consistent and transparent application of policies on seller removals. Concerns remain about stringent criteria for takedown notices. For example, some right holders have expressed frustration about not being able to enjoy the same advantages as members of Alibaba's brand protection programs, who reportedly receive the benefit of relaxed evidentiary standards. Alibaba contends that Taobao's evidentiary requirements are required by law, notwithstanding differences with what other Chinese e-

commerce platforms require or what it requires of members in its brand protection programs. USTR will continue to monitor the transparency and effectiveness of Taobao's anti-counterfeiting efforts, including the evidentiary requirements for takedown requests.

THEPIRATEBAY

Nominated as thepiratebay.org. Utilizes reverse proxy services to mask the location of its hosting servers.

As one of the first bittorrent indexing websites and one of the most vocal in openly promoting piracy, ThePirateBay reportedly remains the most frequently visited bittorrent index site in the world. ThePirateBay is available in 35 languages and serves a global market, and it has historically had multiple alternative domains hosted globally. Authorities in Argentina, Australia, Austria, Belgium, Denmark, Finland, France, Iceland, Indonesia, Ireland, Italy, Malaysia, the Netherlands, Norway, Portugal, Spain, and the United Kingdom have issued orders blocking access to this site. Right holders report that this site does not respond to any notice-and-takedown requests.

TOKOPEDIA

Nominated as tokopedia.com. Also available as a mobile app. Hosted in Indonesia.

Tokopedia is one of Indonesia's largest e-commerce markets, serving as a platform for third-party vendors to post listings offering a vast range of goods, including clothes, electronics, and textbooks. Right holders report finding high rates and volumes of counterfeit clothing, cosmetics and accessories, pirated textbooks, and other pirated materials on this platform. Some right holders have noted Tokopedia's progress in launching its new Intellectual Property portal to increase the ease and efficiency of submitting notices of infringement and tracking the progress of the resolution of the notices. Additionally, right holders have noted that Tokopedia has invested resources in a seller education campaign and has implemented some new technologies to increase proactive monitoring of product postings. In response to right holder criticisms that brands have to join its Brand Alliance program to access efficient enforcement methods, Tokopedia has stated that product takedown rates and response times submitted by Alliance and non-Alliance members are comparable. However, right holders have continued to

report problems with Tokopedia’s efforts to proactively implement prevention technologies. Right holders have also noted a lack of clarity around Tokopedia’s “penalty points” system and its repeat offender system, and have stated that further brand engagement would be helpful in combating recidivism on the site. Tokopedia could continue improving its proactive keyword, price, and image filtering technology to detect and remove counterfeit listings before they are shown to users.

VK

Nominated as vk.com. Also available as a mobile app. Headquartered in Russia.

Nominated once again this year, VKontakte (VK) is one of the most popular sites in the world and the most visited website in Russia. It continues to operate as an extremely popular social networking site but also reportedly facilitates the distribution of copyright-infringing files, with thousands of infringing videos and e-books identified by the U.S. motion picture and publishing industries each month. The site allows users to easily upload video files, including infringing content, and to stream said content through an on-site video player. Right holders acknowledge that VK has a notice-and-takedown system and has been somewhat responsive to takedown notices, but they note that VK lacks an effective repeat infringer policy and other processes to effectively reduce the volume of infringing content posted by its users. Additionally, while VK blocks known copyright infringing sites from accessing its videos, it is easy for third-party sites to stream illegal content from video.mail.ru, which is operated by VK’s parent company, Mail.Ru Group.

WECHAT (WEIXIN) E-COMMERCE ECOSYSTEM

Nominated as WeChat and Weixin mobile apps. Headquartered in China.

WeChat, together with its China-facing “sister app” Weixin, continues to be regarded by right holders as one of the largest platforms for counterfeit goods in China. Although described by owner Tencent as a “social communication tool and information publishing platform,” WeChat provides an e-commerce ecosystem that facilitates the distribution and sale of counterfeit products to users of the overall WeChat platform. For example, right holders

highlight the growing popularity of WeChat’s “Channels” short video functionality to advertise counterfeit goods directly to consumers, who can purchase the counterfeits featured in such short videos via a “shopping cart” functionality in the WeChat app. Sellers of counterfeit goods also allegedly attract potential buyers to their counterfeit product offerings on WeChat through livestreams, the Moments feature, or the scanning of QR codes at physical stores, which then lead to transactions conducted through the profile page of an Official Account or through a “Mini Program.” Official Account pages and Mini Programs can feature traditional e-commerce functionalities like an integrated product catalog, shopping cart, and payment processing features, and counterfeit goods are reportedly prevalent within search results across Official Accounts and Mini Programs.

Tencent’s efforts to combat counterfeiting with respect to the WeChat e-commerce ecosystem have been inadequate. For example, Tencent explains that anyone can search public accounts and public features, and it encourages brand owners to conduct searches and to supply keywords for WeChat’s brand protection database or its “Trademark Database” for Channels. However, Tencent appears to apply such keywords only to account name registration or name change requests, rather than the full scope of public content on Official Accounts, Mini Programs, and Channels, notwithstanding Tencent’s description of these features as “public communication services.” Tencent also explains that WeChat provides a shopping cart function for users to purchase products promoted via Channels, but then contends that it cannot provide seller information because the shopping cart function is not a “platform-wide” feature.

Right holders continue to raise concerns about the weaknesses in WeChat’s seller vetting, such that counterfeiters are able to easily set up their own Official Accounts and Mini Programs despite WeChat’s verification of required documentation. Right holders describe WeChat’s brand protection portal as “overly bureaucratic” and the process of registration and submitting complaints as “often prohibitively difficult.” Tencent has explained that it provides “crowd sourcing” leads and evidence voluntarily submitted by WeChat users to brand owners, but this places the onus on brand owners to sift through many user-generated complaints instead of WeChat providing sufficient assistance to combat counterfeit sales. Furthermore, right holders

complain about the lack of transparency regarding penalties for violations. Many counterfeit sellers face only brief suspensions, and sellers with terminated accounts can re-register for new accounts with ease.

Finally, right holders complain about the lack of cooperation from WeChat in supporting criminal investigations of counterfeit sellers. WeChat points to collaboration with law enforcement and regulatory authorities but asserts privacy and data security laws prevent certain disclosures of information. However, the number of investigations WeChat assisted in appears to confirm right holders' impression that WeChat provides less cooperation and information sharing than other e-commerce companies operating under the same laws.

YTS.MX

Nominated as yts.mx. Reportedly hosted in Bulgaria.

Yts is reportedly the most popular peer to peer torrent site dedicated to movies in the world, with over 32,000 high-quality movies available. The site facilitates global consumption of its library through an accompanying subtitle site, yifysubtitles.org, which synchronizes subtitles to individual torrents. The site is reportedly subject to blocking orders in Australia, Denmark, France, India, Italy, Ireland, Norway, Portugal, Spain, and the United Kingdom, but frequently changes domain names to avoid these blocking orders.

Physical Markets

While the sale and distribution of counterfeit and pirated goods online is a growing concern, physical markets continue to enable substantial trade in counterfeit and pirated goods.

In a global environment, basic enforcement measures against unscrupulous retailers and wholesalers will not be sufficient to reduce the flow of counterfeit and pirated products. To address current and ongoing challenges, governments need targeted, modernized enforcement tools, including:

- effective border enforcement measures to prevent the exportation of counterfeit and pirated goods manufactured in their countries, the importation of such goods into their countries, and the transiting or transshipment of such goods through their countries on the way to destination countries;
- the ability for customs and criminal authorities to detain, seize, and destroy counterfeit and pirated goods entering into and exiting from free trade zones;
- robust data sharing and border enforcement authority to interdict small consignment shipments, such as those sent through postal or express-courier services;
- asset forfeiture, which is a tool that can be used to reach owners of the markets or facilities where infringing products are manufactured, assembled, processed, sold, and stored;
- criminal procedures and penalties for trafficking in counterfeit labels and packaging; and
- enhanced criminal penalties for particularly serious cases, such as large-scale commercial trafficking in counterfeit products, and trafficking in counterfeit products that threaten security, health, and safety.

This year, stakeholders reported reduced activities at some physical markets due to the lack of tourism and other special circumstances arising from the ongoing COVID-19 pandemic. However, stakeholders also noted that such reductions or cessations in activity are not necessarily the result of improved policies or enforcement practices at these markets, and the re-

opening of tourism and lifting of pandemic-related restrictions in other regions has in some cases led to a re-emergence of infringing activities. Additionally, certain locations have been repurposed to support online sales of counterfeit goods or have reduced in scope as a result of the lack of demand. USTR will continue to monitor these markets and re-evaluate them accordingly.

ARGENTINA

Barrio Once, Buenos Aires

Barrio Once is a large neighborhood with a high concentration of indoor and outdoor street vendors of counterfeit products. Right holders report that vendors offer large quantities of easily visible counterfeit cosmetics, handbags, wallets, accessories, and shoes. The Buenos Aires police conducted raids in this market in late 2021, but progress has not been sustained in 2022.

La Salada, Buenos Aires

La Salada, an area covering about 50 acres that incorporates three markets, remains on the NML in 2022. Local officials have increased their focus on public safety in the market, but vendors in the market continue to sell counterfeit and pirated goods with no significant reported attempts at enforcement by local or national authorities since 2017. La Salada is also a distribution hub for counterfeit goods throughout the region and is home to factories that reportedly assemble and finish counterfeit goods. In August 2021, La Salada fully reopened after functioning with restrictions during the COVID-19 pandemic in 2020. During 2022, due to the continued macroeconomic crisis, contacts observed fewer domestic bus tours with buyers from the interior of Argentina coming to La Salada. However, shopping tours from neighboring countries such as Uruguay have increased. The continued depreciation of the Argentine peso and the large gap (more than 100%) between the non-official parallel exchange rate and official exchange rate make prices in La Salada more appealing. Additionally, in 2022, La Salada vendors continued their prior trend of selling online, mainly through social media.

BRAZIL*Rua 25 de Março, Sao Paulo*

The region surrounding Rua 25 de Março in central São Paulo, including Feira da Madrugada, Galeria Pagé, Nova Feira da Madrugada, Santa Ifigênia Shopping 25 de Março, Shopping Korai, and Shopping Tupan, remains notorious for hosting shopping malls that sell counterfeit and pirated goods and warehouses that store these goods. Right holders note that this region is one of the largest wholesale and retail counterfeit markets in Brazil and Latin America, with thousands of shops selling counterfeits of all kinds, including consumer electronics, clothing, footwear, and toys. The Rua 25 de Março region is also reportedly a distribution center for counterfeit and pirated goods throughout São Paulo. There have been some notable enforcement actions in this region. For example, in November 2022, the São Paulo interagency task force seized over 2,000 tons of counterfeit goods from Shopping 25 and other large malls in the area. Nevertheless, inconsistent judicial enforcement and lack of landlord liability have prevented lasting change in the neighborhood and have allowed counterfeit activity to continue.

CAMBODIA*Tuol Tompoung (Russian) Market, Phnom Penh*

Tuol Tompoung Market, also known as Russian Market, contains a large number of vendors selling counterfeit shoes, handbags, clothing, and fashion accessories, as well as pirated DVDs. Counterfeit products in Russian Market are both produced locally and imported from nearby countries. Right holders report several enforcement operations, but the amount of counterfeit products remains high.

CANADA*Pacific Mall, Toronto*

Right holders report that the level of counterfeit goods offered for sale at Pacific Mall has continued to increase, with Pacific Mall management not taking the necessary measures against

sellers and law enforcement not prioritizing actions against counterfeit trade. Noticeably counterfeit luxury goods, apparel, and electronics are reportedly on display or hidden under tables or in back rooms but are available upon request. Also, some higher-end counterfeit products are being sold as authentic, with packaging and tags resembling the authentic brands but at reduced price.

CHINA

China continues to be the number one source of counterfeit products in the world. Counterfeit and pirated goods from China, together with transshipped goods from China to Hong Kong, accounted for 75% of the value (measured by manufacturer's suggested retail price) of counterfeit and pirated goods seized by U.S. Customs and Border Protection (CBP) in 2021.³³ As a result of COVID-19 restrictions, foot traffic has declined at many Chinese physical markets. However, sellers of counterfeit merchandise increasingly use their brick-and-mortar storefronts as points of contact for customers, sites for "sample/product testing," and centers for fulfillment of online sales. Consequently, major notorious markets with lower foot traffic nonetheless remain key centers for counterfeit sales in China's biggest cities. Although some local authorities have conducted raids and seizures at these physical markets, many sellers have responded by maintaining most inventory in offsite warehouses, conducting most sales of counterfeit products online, or adjusting store hours to when raids typically do not occur. USTR encourages China to modify and expand the scope of robust enforcement actions to respond to the changing nature of counterfeit sales at physical markets, with a special focus on the following key markets. This is especially important as signs indicate China may be adjusting its COVID-19 restrictions in the months to come. These markets may see more foot traffic and possibly a corresponding increase in the volume of counterfeits sold if more vigorous enforcement is absent.

³³ CBP, Intellectual Property Rights Seizure Statistics, Fiscal Year 2021, <https://www.cbp.gov/document/annual-report/fy-2021-ipr-seizure-statistics>.

Chenghai District, Shantou, Guangdong Province

Right holders report that the Chenghai District is well-known for its factories that not only produce counterfeit toys, plastic products, and other consumer goods but also feature attached showrooms to facilitate sales. Enforcement in the region is reportedly extremely difficult due to the closed nature of industry in the district and the close relations businesses have with local administrative and criminal law enforcement authorities. Right holders describe local officials as unhelpful or unwilling to pursue investigations recommended by either firms or enforcement officials from other cities.

Huaqiangbei Electronics Malls, including the Yuan Wang, Huaqiangbei Digital World, Long Sheng Communications Market, and Man Har Digital Plaza Malls, Shenzhen, Guangdong Province

Described by right holders as “the epicenter of the counterfeit electronics trade,” the approximately twenty malls in this area serve as a central distribution hub for counterfeit electronic devices and components, including counterfeit computer chips, wiring, capacitors, and LEDs used by manufacturers of counterfeit consumer electronic devices in China and around the world. Vendors at these malls also offer counterfeit smartphones, tablets, wireless earbuds, and other peripherals. Right holders report that, with declining foot traffic, many counterfeit sales have moved online. Increasingly, brick-and-mortar stores instead serve as contact points that provide product sample testing, call centers, and customer fulfillment services for online sales via local and international parcel delivery services.

Silk Market, Beijing

Listed in the NML since 2011, Silk Market remains one of the biggest markets for counterfeit goods in Beijing but has lost foot traffic with the decline of tourism due to the COVID-19 pandemic. Vendors often openly admit to selling counterfeit products. As counterfeit goods sales have moved online, some sellers reportedly offer to ship counterfeit goods to foreign countries and manage to evade detection by customs enforcement authorities. Right holders report that although some raids have been conducted at the market, they happen too

infrequently to result in any lasting changes. USTR will continue to monitor the long-term impact of the raids.

Wu'ai Market, Shenyang, Liaoning Province

This large wholesale and retail market in Northeastern China, which has a management company that is state owned, remains a hub for the distribution of counterfeit shoes, jewelry, handbags, luggage, and apparel throughout the region. E-commerce competition has hurt business at the physical market, but medium- to low-quality counterfeit goods remain highly visible. Right holders report that raids have been conducted periodically, but they have had little effect on the amount of counterfeits available at the market. Additionally, local authorities are reportedly concerned about how actions against infringing vendors could harm employment in the region.

Xingwang International Clothing Market, Shanghai

This Shanghai market is a notable source of medium- to high-quality counterfeit fashion accessories, cosmetics, footwear, jewelry, and watches. Right holders report that a notice has been publicly posted in the market to warn sellers against selling counterfeit products, but that this notice has been insufficient in deterring sales of counterfeits by vendors.

Yiwu International Merchandise City, Yiwu, Zhejiang Province

This market remains one of the biggest small-commodities venues linking manufacturers of counterfeit goods with large-scale distributors. Many of the goods sold in this market are unbranded and non-differentiable, but right holders report that some vendors openly display and sell infringing handbags, shoes, and apparel to consumers. Right holders also report that local authorities have conducted regular raids and seizures against shops and related warehouses associated with infringing products and have levied penalties against infringers. Nevertheless, right holders report that these efforts have been inadequate at reducing the visibility of infringing products at this market.

Zhanxi Market / Watch Market, Guangzhou Province

This is a group of large, mall-sized markets near Zhanxi Road in Guangzhou that are located within a mile of each other and offer mainly counterfeit apparel, shoes, and watches. Right holders report some cooperation from the operators of the markets and law enforcement to curb the sale of counterfeits, such as frequent inspections and shop closures, but law enforcement authorities reportedly refrain from taking strong enforcement measures to minimize employment losses. Medium- to low-quality counterfeits are displayed openly, while higher-quality counterfeit goods are kept out of view in drawers or upper floors. A number of markets in this area have closed due to pandemic restrictions, but the markets that remain open reportedly continue to sell primarily counterfeit merchandise.

INDIA

Heera Panna, Mumbai

A major indoor market located in the heart of Mumbai, Heera Panna reportedly offers counterfeit watches, footwear, electronics, accessories, and cosmetics. Right holders warn that counterfeit cosmetics sold at this market have health and safety risks.

Kidderpore, Kolkata

Locally known in Kolkata as “Fancy Market,” Kidderpore contains shops allegedly selling a variety of counterfeit and pirated goods, including apparel, cosmetics, electronics, optical media, and software.

Sadar Patrapa Road Market, Bengaluru

Sadar Patrapa (SP) Road Market is reported by right holders to be a “hot spot” for a wide variety of counterfeit electronic products, attracting large numbers of both locals and tourists. The market was found to have a lot of brokers loitering around luring customers. Despite a raid

on counterfeits in this market in early 2022, enforcement efforts by local authorities have been insufficient to encourage improvement in this Bengaluru market.

Tank Road, Delhi

Right holders report that this New Delhi market continues to sell counterfeit products, including apparel, footwear, watches, handbags, electronics, and beauty products. Wholesale counterfeit goods are also reportedly supplied from this market to other Indian markets, including Gaffar Market and Ajmal Khan Road. Right holders note that local police have shown some willingness to conduct enforcement actions, but these efforts have been insufficient in terms of substantially reducing sales of counterfeits in the market.

INDONESIA

Mangga Dua Market, Jakarta

Mangga Dua is a popular market in Jakarta selling a variety of counterfeit goods, including handbags, wallets, children's items, clothing, and fashion accessories, with reportedly minimal government enforcement. The raids that do occur are reported by right holders to be difficult to coordinate, and warning letters issued to sellers are largely ineffective. Indonesia should take robust and expanded enforcement actions in this and other markets, including through actions by the IP Enforcement Task Force.

KRYGYZ REPUBLIC

Dordoi/Dordoy Market, Bishkek

Known locally as the "Container City," this market stretches for more than a kilometer on the northeastern outskirts of Bishkek and is one of the largest markets in Asia. Large volumes of various types of counterfeit goods are reportedly easy to find. Dordoi Market has traditionally been the center of the Kyrgyz Republic's re-export activity, and thus a transit hub for China-made goods, including counterfeits, en route to Europe and Russia. Activity in the market appears to

have returned to near pre-pandemic levels, and large purchases for re-export are common. Laws prohibiting counterfeit goods are rarely enforced in the market.

MALAYSIA

Petaling Street Market, Kuala Lumpur

Petaling Street Market is a well-known market in Kuala Lumpur that sells large volumes of counterfeit items, including watches, shoes, handbags, wallets, sunglasses, and other consumer goods. Although market activity has not returned to pre-pandemic levels because foreign tourism remains depressed, the majority of goods that are currently available appear to be counterfeit. Local authorities are not proactive in conducting enforcement activity without right holders' initiative. Even when right holders try to initiate enforcement activities, they report difficulties due to local favoritism and the involvement of organized crime at this market. Local authorities are reportedly responsive to right holder complaints only after substantial efforts from the right holders. Specifically, right holders are often required to present substantial evidence prior to authorities agreeing to act.

MEXICO

La Pulga Rio, Monterrey

A major market with approximately 300 stalls located in the heart of Monterrey, La Pulga Rio reportedly offers counterfeit apparel and accessories and pirated video games. This market appears to have a large online presence with its own website and a Facebook page, both of which offer delivery of counterfeit and pirated goods.

Mercado San Juan de Dios, Guadalajara

Mercado San Juan de Dios, also known as Mercado Libertad, is the largest indoor market in Latin America, spanning over 430,000 square feet and hosting over 3,000 shops in Guadalajara. Right holders note that around half of the stalls in this market sell counterfeit apparel, footwear, and accessories. Despite these reports, no major IP enforcement raids were conducted in 2021.

Tepito, Mexico City

Tepito, an open-air 80-square-block market in the middle of Mexico City, is a major distribution hub for counterfeit and pirated goods in local markets across Mexico and Central America. Right holders reveal that Tepito remains dangerous due to criminal activity, making it nearly impossible for right holders to enforce their rights. Infringing items sold at Tepito include video games, modified game consoles, and devices that enable the circumvention of technological protection measures, as well as counterfeit apparel and perfumes.

PARAGUAY

Ciudad del Este

Ciudad del Este has been named in the NML or the Special 301 Report for over 20 years. The border crossings at Ciudad del Este and the city itself have long been known as a regional hub for the manufacture, assembly, and distribution of counterfeit and pirated products in the Brazil-Argentina-Paraguay tri-border area and beyond. Ciudad del Este thrives on a mainly Brazilian customer base attracted by the low prices of wholesale counterfeit goods. In 2022, although Paraguayan customs reported a decrease in the traffic of goods in the market, right holders continued to report ongoing smuggling and selling of counterfeit items by hundreds of wholesale shops. Paraguayan authorities reported some IP-related investigations and seizures in 2022, and the value of seized goods increased considerably in 2022 compared to 2021. However, the investigations did not appear to lead to an appreciable increase in counterfeit-related convictions or an appreciable decrease in the counterfeiting activity in the market.

PERU

Gamarra, Lima

Gamarra remains Peru's primary textile market and includes large, multistory complexes with hundreds of stalls where vendors sell counterfeit apparel. Reviews on travel websites note its wide selection of counterfeit products. The market has an e-commerce site with a directory of Gamarra vendors, including photos of counterfeit merchandise available in the market.

However, the site does not have a mechanism for purchasing goods online directly but instead functions to route customers to the physical market.

PHILIPPINES

Greenhills Shopping Center, San Juan, Metro Manila

Greenhills Shopping Center is a large mall located in San Juan, Metro Manila, with a new seven-story building scheduled to open in early 2023. Greenhills Shopping Center has expressed willingness to cooperate with authorities and a belief that the opening of this building will provide leverage to transition sellers of counterfeit goods into “legitimate” sellers. Currently, many of the storefronts in this mall sell counterfeit goods, including electronics, perfumes, watches, shoes, accessories, and fashion items. Law enforcement authorities have taken action to seize counterfeit luxury goods, notably during a high-profile raid in April 2022. Right holders report enforcement activity in the form of warning letters and subsequent suspension of business, but the targets of enforcement often evade such efforts by moving the location of their stalls.

RUSSIA

Dubrovka Market, Moscow

This market in the southeast of Moscow hosts an estimated 700 vendors, and its location next to a large transport interchange provides easy access for buyers from Moscow and surrounding areas. The vast majority of the goods sold at this market appear to be counterfeit footwear, apparel, and luxury watches. There is no apparent enforcement presence at this market.

Gorbushkin Dvor Mall, Moscow

Gorbushkin Dvor Mall is reportedly known primarily for its high volume of counterfeit electronics and high-end home appliances, such as refrigerators, washing machines, and flat screen televisions. Counterfeit luxury watches and pirated movies and software are also

available at a fraction of normal retail prices. There are presumably more than 1,000 vendors in this market. Some right holders reported that a de-prioritization of IP enforcement by Russia has led to a significant increase in the sale of counterfeit and pirated goods through well-known outlets, including this market and Sadovod Market listed below.

Sadovod Market, Moscow

Sadovod Market is the largest trading center for consumer goods in Russia, spanning nearly 100 acres with over 8,000 stores frequented by approximately 36 million people a year. Businesses from across Russia and Central Asia allegedly use the market to make wholesale purchases of counterfeit apparel, accessories, and toys. Right holders note that local authorities rarely operate in the market, and vendors openly display counterfeit products. The open trade in counterfeit goods suggests a lax attitude toward IP enforcement.

THAILAND

MBK Center, Bangkok

MBK Center in Bangkok reportedly sells a variety of counterfeit products, including handbags, clothing, watches, and shoes. This market primarily caters to tourists and thus saw a significant drop in activity during the COVID-19 pandemic. However, with the easing of travel restrictions, the sale of counterfeit goods at MBK Center has returned to pre-pandemic levels. Prior to the pandemic, Thailand had implemented successful measures such as the creation of an on-site IP Enforcement Center and patrols by specially trained police and IP office representatives. Operators of the market had cooperated by terminating leases of sellers criminally charged by enforcement authorities. With the return of tourists, Thailand has taken action to address the sale of counterfeit products, including high-profile public education campaigns against IP-infringing goods, inspections by police and IP office representatives on a regular basis, and continued operation of the IP Enforcement Center, where consumers can take suspected counterfeit goods for inspection. As a result, enforcement activity in this market has increased, although not to pre-pandemic levels, and a large number of counterfeit goods still

remain. Right holders report that local police often give verbal warnings to sellers, but sellers of counterfeit goods quickly return once the police have left.

TURKEY

Tahtakale, Istanbul

Turkey's geographic location makes it a major transit hub for counterfeit goods coming from China into European and Middle Eastern markets. The Tahtakale district of Istanbul adjoins the walled Grand Bazaar, but is commercially separate. The shops in the Tahtakale district deal in a wide variety of inexpensive goods, many of which are counterfeit clothing and shoes. Right holders report that the district also contains a large concentration of counterfeit consumer electronics. Right holders have reported recent increases in activity among local law enforcement, which has led to a number of raids and prosecutions. However, they continue to state that more sustained actions are necessary.

UNITED ARAB EMIRATES

Markets in Deira District, Dubai

The Deira District is home to a number of markets including the Dubai Souk, Deira Old Souk, Dubai Gold Souk, Dubai Spice Souk, and Perfume Souk. Right holders report that these markets are well-known among tourists and locals alike for selling IP-infringing goods. Right holders report that the Dubai Police and the Dubai Department of Economic Development conduct frequent raids against sellers of infringing products at these markets. However, while authorities will fine sellers for IP violations, the sellers are typically not assessed deterrent-level fines or forced to close their shops, even if they are repeat violators.

VIETNAM

Tan Thanh Market, Lang Son Province

Tan Thanh Market, located in Lang Son province on the border with China, is a well-known venue for the sale and distribution of Chinese-made counterfeit consumer goods, including clothing, toys, and electronics. Right holders note their appreciation for enforcement

efforts by Vietnam, but also report that the widespread sale of counterfeits appears to have continued in this market.

Saigon Square Shopping Mall, Ho Chi Minh City

Saigon Square Shopping Mall, located in Ho Chi Minh City, was nominated by right holders as a reported venue for the sale of a large volume and variety of counterfeit luxury products, including handbags, wallets, jewelry, and watches. Right holders again acknowledge the regular and repeated enforcement efforts by Vietnam, but note that the fine for violations is low and has little deterrent effect.

Public Information

The 2022 Notorious Markets List is the result of the thirteenth out-of-cycle review of notorious markets, which USTR initiated on August 26, 2022, through a Federal Register Request for Public Comments. The 55 public submissions this year are available at <https://www.regulations.gov>, Docket Number USTR-2022-0010. USTR developed the 2022 NML in coordination with the federal agencies represented on the Special 301 Subcommittee of the Trade Policy Staff Committee (TPSC). Information about Special 301 and other intellectual property-related processes and issues is available at <https://ustr.gov/issue-areas/intellectualproperty>.

To assist U.S. right holders and consumers who confront IP infringement online, the U.S. Government continues to expand the tools available on <https://www.stopfakes.gov>, including by providing links to infringement reporting mechanisms at a number of popular online retailers and markets. Victims and interested parties may report IP theft and import violations to U.S. law enforcement agencies through <https://www.stopfakes.gov>, <https://eallegations.cbp.gov>, or <https://www.iprcenter.gov/referral/report-ip-theft-form>.