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2021 Review of Notorious Markets for Counterfeiting and Piracy

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Overview of the Results of the
2021 Review of Notorious Markets for Counterfeiting and Piracy

Commercial-scale copyright piracy and trademark counterfeiting[1] 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 2021 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 2021, the Issue Focus examines the adverse impact of counterfeiting on workers involved with the manufacture of counterfeit goods. The illicit nature of counterfeiting requires coordination between relevant actors, including intellectual property (IP) right holders, labor organizations, workers' rights associations, and government enforcement agencies in order to effectively uncover and combat labor violations in counterfeiting operations across the globe.

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. IP owners, workers, consumers, and the economy. Some of the identified markets reportedly host a

[1] The terms "copyright piracy" and "trademark counterfeiting" appear below as "piracy" and "counterfeiting," respectively.

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 2020 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 process[2] and solicited comments through a Request for Public Comments published in the Federal Register (https://www.regulations.gov, Docket Number USTR-2021-0013). 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.

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

Issue Focus: The Adverse Impact on Workers Involved in the Manufacture of Counterfeit Goods

This Administration is committed to a worker-centric trade policy as an essential part of the Build Back Better agenda that protects workers' rights by fighting forced labor and exploitative labor conditions, and increases transparency and accountability in global supply chains. This year's NML Issue Focus[3] examines the adverse impact of counterfeiting on the workers who are involved in the manufacture of counterfeit goods. Inadequate labor market regulations contribute to the trade in counterfeit and pirated goods.[4] Counterfeit manufacturing often occurs in clandestine work places outside the reach of labor market regulations and inspection systems, which increases the vulnerability of workers to exploitative labor practices. Evidence indicates that the production of counterfeit goods exists alongside widespread labor abuses, from substandard and unsafe working conditions to child labor and forced labor. The illicit nature of counterfeiting requires coordination between relevant actors, including IP right holders, labor organizations, workers' rights associations, and government enforcement agencies in order to effectively uncover and combat labor violations in counterfeiting operations across the globe.

I. Counterfeit Manufacturers Operate Outside the Law, Increasing Worker Vulnerability

Counterfeit product manufacturing occurs in illicit operations that by nature do not operate within the wide range of regulations, licensing requirements, government oversight, and government inspections that not only ensure products are safe for consumers, but also ensure

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[3] Each 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 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), illicit streaming devices (2017), stream ripping (2016), emerging marketing and distribution tactics in Internet-facilitated counterfeiting (2015), and domain name registrars (2014).

[4] Organisation for Economic Cooperation and Development (OECD) and European Union Intellectual Property Office (EUIPO), Trends in Trade in Counterfeit and Pirated Goods (March 2019), https://www.oecd-ilibrary.org/trade/trends-in-trade-in-counterfeit-and-pirated-goods_g2g9f533-en.

that the rights of workers are protected. A recent report by the Transnational Alliance to Combat Illicit Trade (TRACIT) outlines how the illicit trade in counterfeit merchandise is a subset of the informal economy that exists beyond the reach of the state such that production of these goods may be partially or totally concealed to avoid payment of taxes or to avoid labor or product regulations.[5] The informal economy in which counterfeiting thrives makes the occurrence of labor abuses, including forced labor and child labor, in counterfeit production sites difficult to detect and report.

Counterfeiting operations often exist outside of the monitoring ability of organizations including international and non-governmental organizations, such as the International Labor Organization's Better Work Program, the Fair Labor Association, the Worker Rights Consortium, and the Clean Clothes Campaign.[6] These organizations issue detailed public reports on workers' rights violations, drawing upon their investigations, research, and interviews at production facilities. However, facilities engaged in the production of counterfeit goods do not receive the same level of oversight and are not included in these investigations or reports. Therefore, the public pressure on companies and governments to improve working conditions and address forced labor and child labor violations in legitimate production facilities does not exist in the same way for facilities that produce counterfeit goods.

The regulatory and supervisory pressure, whether by government oversight or inspections by other organizations, on producers of legitimate goods does not, of course, eliminate workers' rights abuses, leaving potential violations undetected or unremediated in workplaces around the world. Working conditions in counterfeiting facilities, however, are observed to a much lesser degree and, therefore, have a much smaller opportunity to be remedied. As pointed out by the United Nations Office on Drugs and Crime (UNODC), if workers' rights violations "can happen in

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[5] TRACIT, The Human Cost of Illicit Trade: Exposing Demand for Forced Labor in the Dark Corners of the Economy at 15 (December 2021).

[6] Standards can be based on codes of conduct and international labor standards, such as those set by the International Labor Organization. See International Labor Organization, Labor Standards, https://www.ilo.org/global/standards/lang--en/index.htm.

global companies whose supply-chain practices are at least open to some degree of scrutiny, then the situation would be much worse for workers in a clandestine setting."[7]

II. Evidence of Forced Labor and Other Labor Violations in Counterfeiting Operations

Government authorities, non-governmental organizations, and investigative journalists have documented evidence revealing that forced labor and child labor exists in counterfeit manufacturing operations, as well as other labor violations such as hazardous working and living conditions, restrictions on freedom of movement, and suppressed wages or wage garnishment. The informal economy, which includes the workplaces that produce counterfeit goods, is known to be where the vast majority of child labor, forced labor, and human trafficking occurs.[8] As reported by UNODC, workers are often coerced into producing counterfeit items, and children and migrants who have been smuggled into a country are among the most vulnerable targets.[9] The U.S. Department of Homeland Security agrees, explaining that counterfeit goods are "often produced in unsafe workplaces, with substandard and unsafe materials, by workers who are often paid little or sometimes nothing in the case of forced labor."[10] These abuses are not isolated to certain products or areas, but occur in counterfeit manufacturing facilities across countries, regions, and industrial sectors.

For example, in 2020 in Istanbul, Turkey, an investigative firm found evidence of child labor while conducting raids on production facilities of counterfeit luxury goods.[11] Children were working on machinery to produce counterfeit handbags and engaged in detailed sewing work, a task for which employers sometimes prefer to hire children. In 2017 in Lima, Peru, owners of a counterfeit lightbulb operation that were found to be utilizing forced labor, including of minors,

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[7] UNODC, Focus on the Illicit Trafficking of Counterfeit Goods and Transnational Organized Crime (February 2014), https://www.unodc.org/documents/counterfeit/FocusSheet/Counterfeit_focussheet_EN_HIRES.pdf.

[8] International Labor Organization, OECD, International Organization for Migration, and United Nations Children's Fund, Ending Child Labor, Forced Labor, and Human Trafficking In Global Supply Chains (November 2019), https://www.ilo.org/ipec/Informationresources/WCMS_716930/lang--en/index.htm.

[9] UNODC, Focus on the Illicit Trafficking of Counterfeit Goods and Transnational Organized Crime (February 2014), https://www.unodc.org/documents/counterfeit/FocusSheet/Counterfeit_focussheet_EN_HIRES.pdf.

[10] DHS, Combating Trafficking in Counterfeit and Pirated Goods at 13 (January 2020), https://www.dhs.gov/sites/default/files/publications/20_0124_plcy_counterfeit-pirated-goods-report_01.pdf.

[11] TV2, På dette bakrommet lages din falske luksus-veske (September 2020), https://www.tv2.no/a/11494616/.

were charged with aggravated human trafficking. The workers were reportedly locked in shipping containers while the production was carried out in twelve-hour shifts.

Non-governmental organizations and industry contacts have reported that factories located in China making counterfeit products often have unsafe working conditions that do not adhere to local or international environmental, health, and safety standards. Right holders report that detecting these facilities is increasingly difficult for them because the operators know their operations are illegal and therefore take measures to evade detection. For example, some factories producing counterfeit goods operate at night or with blacked out windows and limited ventilation, even if they use dangerous chemicals. One brand protection manager explained that factories making counterfeit goods often save money by using chemicals, dyes, and adhesives that look and perform similarly to those in legitimate products but are unsafe for workers. Another contact claimed to have visited three counterfeit manufacturing factories in 2021 and described the conditions as "horrendously unsafe."

Recently, labor violations have been reported in the production of counterfeit personal protective equipment and other COVID-19 related products.[12] These counterfeit products have been reported to be made in unsterile conditions, including in sweatshops previously used to make other types of counterfeit goods.[13]

Finally, existing data shows a correlation between the use of forced labor and child labor in the global production of certain products and the types of products that are most commonly counterfeited. Data from the World Customs Organization,[14] Organisation for Economic

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[12] TRACIT, The Human Cost of Illicit Trade: Exposing Demand for Forced Labor in the Dark Corners of the Economy (December 2021).

[13] *E.g.*, B. Daragahi, Total Disregard for People's Lives': Hundreds of Thousands of Fake Masks Flooding Markets as Coronavirus Depletes World Supplies, The Independent (March 2020), https://www.independent.co.uk/news/health/coronavirus-face-mask-fake-turkey-medical-supply-shortage-covid-19-a9423426.html; M. Singh & S. Bhullar, The Epidemic of Fake Branded Masks (September 2020), https://law.asia/epidemic-fake-face-masks/.

[14] World Customs Organization, Enforcement and Compliance: Illicit Trade Report 2019 (June 2020), http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/enforcement-and-compliance/activities-and-programmes/illicit-trade-report/itr_2019_en.pdf.

Cooperation and Development,[15] and U.S. Customs and Border Protection[16] identifies some of the top counterfeited products as garments, electronics, footwear, and fashion accessories. As reported by the U.S. Department of Labor, these product categories are also among those associated with labor exploitation, including child labor and forced labor.[17] Similarly, China is the top country of origin for counterfeit goods seized by U.S. Customs and Border protection[18] as well as the country with the greatest number of products made with forced labor, including state-sponsored forced labor.[19]

III. More Research, Coordination, and Documentation Is Needed

The Federal Register Notice for the 2021 Notorious Markets List solicited information from the public on this Issue Focus. Few submissions provided relevant information.[20] The lack of information, examples, and anecdotes on this pervasive issue highlights not only the need for more data on the adverse impact of counterfeit manufacturing on workers, but also the need for coordination between entities monitoring and enforcing intellectual property violations and labor violations. Additional data in this area can also improve our understanding of how illicit supply networks operate, as well as how they recruit, use, and abuse their labor force.[21]

The lack of data can be largely attributed to the fact that counterfeiters work in the shadows of the informal economy and right holders only have visibility into counterfeit

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[15] OECD / EUIPO, Trends in Trade in Counterfeit and Pirated Goods (March 2019), https://www.oecd.org/corruption-integrity/reports/trends-in-trade-in-counterfeit-and-pirated-goods-g2g9f533-en.html.

[16] U.S. Customs and Border Protection, Intellectual Property Rights Seizure Statistics: Fiscal Year 2020 (September 2021), https://www.cbp.gov/sites/default/files/assets/documents/2021-Sep/101808 FY 2020 IPR Seizure Statistic Book 17 Final spreads ALT TEXT_FINAL (508) REVISED.pdf.

[17] *See* U.S. Department of Labor, Better Trade Tool, https://www.dol.gov/agencies/ilab/better-trade-tool (last visited December 6, 2021).

[18] *See* U.S. Customs and Border Protection, Intellectual Property Rights Seizure Statistics: Fiscal Year 2020 (September 2021), https://www.cbp.gov/sites/default/files/assets/documents/2021-Sep/101808 FY 2020 IPR Seizure Statistic Book 17 Final spreads ALT TEXT_FINAL (508) REVISED.pdf.

[19] *See* U.S. Department of Labor, Against Their Will: The Situation in Xinjiang, https://www.dol.gov/agencies/ilab/against-their-will-the-situation-in-xinjiang (last visited December 7, 2021).

[20] See the submissions by the American Apparel & Footwear Association and the International Intellectual Property Alliance, available at https://www.regulations.gov/search/comment?filter=USTR-2021-0013.

[21] TRACIT, The Human Cost of Illicit Trade: Exposing Demand for Forced Labor in the Dark Corners of the Economy at 38 (December 2021).

manufacturing facilities when they accompany law enforcement on raids. Law enforcement raids on counterfeiting facilities rarely involve participation from labor inspectors. The general absence of labor inspections in counterfeit manufacturing facilities leads to workers' rights abuses going undetected and unresolved, and leaves little recourse for workers who have been compelled by coercion or force to produce counterfeit goods.

In its recent report on the use of forced labor in counterfeit manufacturing and other sectors of the informal economy, TRACIT calls on governments to "strengthen inter-agency and inter-departmental cooperation at the national level, particularly by improving law enforcement capacities."[22] To help facilitate that coordination, the U.S. Department of Labor produces reports on international child labor and forced labor[23] and provides other tools like the Better Trade Tool[24] and Comply Chain[25] that serve as valuable resources for research, advocacy, government action, and corporate responsibility to document the current situation of global labor abuse and take action.[26] Further coordination between governments and relevant stakeholders would undoubtedly lead to the documentation and reporting of many more labor violations in the global counterfeit marketplace.

IV. Conclusion

Manufacturers of counterfeit goods operate outside of regulations and inspection systems, leading to widespread labor violations alongside already well-known intellectual property violations. There is an opportunity for the companies and enforcement authorities that work to shut down counterfeiting operations for intellectual property violations to collaborate and coordinate with those focused on forced labor and other workers' rights violations to

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[22] TRACIT, The Human Cost of Illicit Trade: Exposing Demand for Forced Labor in the Dark Corners of the Economy at 37 (December 2021).

[23] *See* U.S. Department of Labor, 2020 Findings on the Worst Forms of Child Labor, https://www.dol.gov/agencies/ilab/resources/reports/child-labor/findings (last visited December 10, 2021).

[24] *See* U.S. Department of Labor, Better Trade Tool, https://www.dol.gov/agencies/ilab/better-trade-tool (last visited December 7, 2021).

[25] *See* U.S. Department of Labor, Comply Chain: Business Tools for Labor Compliance in Global Supply Chains, https://www.dol.gov/general/apps/ilab-comply-chain (last visited December 7, 2021).

[26] U.S. Department of Labor, Child Labor, Forced Labor, and Human Trafficking, https://www.dol.gov/agencies/ilab/our-work/child-forced-labor-trafficking (last visited December 7, 2021).

uncover and remedy these critical issues. If labor inspectors, labor-focused organizations, workers' rights associations, and others target counterfeit manufacturing facilities for enforcement, this will not only protect workers and consumers, but will also reduce global trade in counterfeit goods. Increased coordination between those that engage in labor monitoring and those that engage in intellectual property enforcement holds the potential to advance research on the subject and to remedy labor abuses that currently go unaddressed.

Positive Developments

Since the 2020 Notorious Markets List

Since the release of the 2020 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 2021 NML, to engage in sustained and meaningful efforts to combat piracy and counterfeiting.

This past year, the world continued to adjust to the COVID-19 pandemic. Government restrictions on tourism and movement resulted in some markets known for openly selling counterfeit goods, such as MBK Shopping Mall, Patpong Street Market, and Soi Nana in Thailand, reportedly having no, or very few, of the problematic stores open. Some shops have adapted, however, with sellers of counterfeit goods 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 also increased 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.

Government Enforcement Activities: Counterfeit Goods

Governments have steadily resumed enforcement efforts to combat sources of the global trade in counterfeit goods. For example, in the United Arab Emirates, the Ajman Department of Economic Development performed multiple inspections and seizures of counterfeit goods at the Ajman China Mall, which was listed as a notorious market for several years and is now essentially free of counterfeit goods. Ajman authorities have established a permanent IP inspection presence at the mall to prevent recidivism.

In Brazil, São Paulo authorities re-arrested the operators of a factory where manufacturing, packaging, and distribution of counterfeit perfumes took place, and seized over 2.5 million counterfeit units. The operators were arrested in 2019 but released on lesser charges.

In 2021, the operators received 4.5-year prison sentences. In a separate raid, São Paulo authorities seized 1.5 million pairs of counterfeit shoes that had been manufactured elsewhere in Brazil.

In Thailand, the Consumer Protection Police seized over 38,000 counterfeit cosmetic products from a warehouse in Bangkok and arrested the warehouse owner. The Royal Thai Police arrested an online seller of counterfeit batteries, a Chinese national who had brought the counterfeits from Shenzhen, China, to sell online in Thailand.

In Ukraine, officials uncovered numerous illicit operations distributing counterfeit goods including apparel, electronic devices, agricultural chemicals, seeds, food products, toys, and alcohol; it remains to be seen, however, which of these investigations will result in criminal prosecutions with deterrent effect.

The Philippines Bureau of Customs seized counterfeit medicine and personal protective equipment, such as face masks, in Manila, as well as a substantial amount of counterfeit luxury goods from the Baclaran Bagong Milenyo Plaza, a shopping mall in Pasay City. The Intellectual Property Office of the Philippines (IPOPHL) signed several Memorandums of Understanding (MOU) in 2021 to combat the global trade in counterfeit goods and online piracy. IPOPHL's MOU with the International Trademark Association helps to fight against counterfeiting by improving the capacities of trademark examiners, customs, and enforcement authorities, as well as building public awareness of the dangers of counterfeit goods. IPOPHL's MOU with the Asia Video Industry Association improves collaboration between the two organizations to reduce online piracy, including the development of mechanisms and channels for sharing information, the development of piracy monitoring processes, and increasing the expertise and technical knowledge of local authorities. IPOPHL's MOU with brand owners and e-commerce platforms Lazada and Shopee establishes a notice-and-takedown procedure and a feedback mechanism in order to build stronger coordination to combat online counterfeiting.

Government 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),[27] also continued this past year. The third 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 334 piracy websites and 94 piracy applications, improving upon the impressive results from the second phase in 2020.

Authorities in India took the infamous torrent site TamilRockers offline, along with many of its copycat sites including Tamilblasters and TamilMV.

Although Phimmoi remains a notorious market this year, the Ho Chi Minh City Police Investigation Department in Vietnam recently identified and summoned the developers and operators of Phimmoi.net, and are currently investigating and pursing a case against the site.

In Germany, authorities seized encoders, receivers, smart cards, and other computing and network hardware in a raid against a pirate IPTV provider.

In Thailand, the Department of Special Investigation seized more than 100 broadcasting and streaming devices that were reportedly used to provide pirated content for the "fwiptv" service.

Other Enforcement Activities: Pirated Content

Private companies and associations are also achieving impressive results against online piracy services. For example, the Alliance for Creativity and Entertainment reportedly shut down Serbia-based pirate IPTV and card-sharing service[28] PremiumCCcam, pirate IPTV service King-platinum-iptv.com, and online pirate streaming services filelinked, iconicstreams, mytvboss, eztvstreaming, and flixanity.

Dutch anti-piracy group BREIN conducted 479 investigations which resulted in the shutdown of 466 piracy sites and services.

The Singapore company StarHub launched a program that encouraged owners of ISDs to exchange the illicit devices for a free two-year rental of the StarHub TV+ Box.

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[27] IPTV-based piracy generally occurs by means of an application (app) which 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.

[28] Card-sharing enables users of satellite services to receive unauthorized premium channels over the air and then use the credentials from legitimate cards to unscramble programming.

Radio Canada's program Décrypteurs published a detailed investigation into one of the largest piracy-related scam operations that was seemingly related to Montreal-based affiliate network AdCenter, resulting in the closure of its operations.

Studies and Reports

Several studies this year addressed global trade in counterfeit and pirated goods. The European Commission issued its second Counterfeit and Piracy Watch List in December 2020 that identifies significant examples of different types of online service providers and physical markets outside the European Union that play, directly or indirectly, a relevant role in the counterfeiting or piracy of European IP-protected goods and content.[29]

Also, in December 2020, the Digital Markets Taskforce of the United Kingdom's Competition and Markets Authority published its advice on the potential design and implementation of measures for unlocking competition in digital markets, which flagged the need to monitor scam advertisements and the sale of counterfeit goods.[30]

In August 2021, the Digital Citizens Alliance published a report titled "Breaking (B)ads: How Advertiser-Supported Piracy Helps Fuel a Booming Multi-Billion Dollar Illegal Market."[31]

In December 2021, TRACIT released a report that discusses how illicit trade, including the trade in counterfeit and pirated goods, drives demand for forced labor.[32]

The United States commends 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.

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[29] European Commission, Counterfeit and Piracy Watch List (December 2020), https://trade.ec.europa.eu/doclib/docs/2020/december/tradoc_159183.pdf.

[30] United Kingdom Competition and Markets Authority, Advice of the Digital Markets Taskforce (December 2020), https://www.gov.uk/cma-cases/digital-markets-taskforce#taskforce-advice.

[31] Digital Citizens Alliance & White Bullet Solutions Limited, Breaking (B)ads: How Advertiser-Supported Piracy Helps Fuel A Booming Multi-Billion Dollar Illegal Market (August 2021), https://www.digitalcitizensalliance.org/clientuploads/directory/Reports/Breaking-Bads-Report.pdf .

[32] TRACIT, The Human Cost of Illicit Trade: Exposing Demand for Forced Labor in the Dark Corners of the Economy (December 2021).

Results of the
2021 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.[33] 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

[33] *E.g.*, International Trademark Association, Addressing the Sale of Counterfeits on the Internet (June 2020), 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-and-responsibilities-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 2021 Notorious Markets List identifies examples of various technologies,[34] 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 is abused by providers of pirated content. 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.[35]

This year, right holders identified a new group of operators in the copyright infringement ecosystem who provide services that make it easy for would-be pirates to create, operate, and monetize a fully functioning pirate operation. So-called "piracy-as-a-service" offerings include website templates that facilitate the creation of streaming websites, databases of infringing content, dashboards that allow a pirate IPTV operator to oversee the infrastructure of their 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

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[34] 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.

[35] U.S. Chamber of Commerce, Impacts of Digital Piracy on the U.S. Economy (June 2019).

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.

Over the past two years, the NML has identified a continuing and growing concern about the proliferation of counterfeit sales[36] facilitated by social commerce platforms. Right holders note that social commerce platforms – social media platforms with integrated e-commerce ecosystems – often lack the anti-counterfeiting policies, processes, and tools that are becoming commonplace on many traditional e-commerce platforms, such as effective notice-and-takedown procedures, proactive anti-counterfeiting filters and tools, and strong policies against repeat infringers. Social commerce platforms can begin to address these 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 becoming more popular with sellers of counterfeit goods are so-called hidden links, which were described in last year's Issue Focus. With a hidden link scheme, a seller of counterfeit goods will advertise a 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. 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.

On a positive note, many e-commerce and social commerce platforms filed public submissions during this year's NML process that describe how they are implementing some common anti-counterfeiting practices and creating innovative tools and processes to combat the

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[36] This year, several submissions identified the role that social media platforms play in facilitating the trafficking of counterfeit pharmaceuticals laced with fentanyl and other adulterants. Submissions by the Alexander Neville Foundation, Victims of Illicit Drugs, Drug Induced Homicide, and many concerned parents and other individuals describe how sellers of counterfeit pharmaceuticals use social media and move across social media services to advertise and arrange for sale and delivery, often operating outside of the traditional construct of an e-commerce ecosystem.

global trade in counterfeit goods. Other submissions, such as those by the U.S. Chamber of Commerce and the American Apparel & Footwear Association (AAFA),[37] identify recommended best practices for e-commerce platforms to implement. 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 counterfeit goods across the Internet 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.

This popular website provides links to torrent files, which are small files that contain the information necessary to download other files from the bittorrent network[38] in order to gain access to unlicensed movies, TV 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.

1FICHIER

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 cyberlocker[39] is popular in France and reportedly makes premium pirated content, such as unlicensed movies and video games, available to the public. Right holders regularly complain about 1Fichier's extremely low response rate to takedown requests. For example, one

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[37] AAFA notes that its submission was guided by the "Private Sector Best Practices" included in the January 2020 report by the Department of Homeland Security (DHS), *Combatting Trafficking in Counterfeit and Pirated Goods*.

[38] Bittorrent is a distributed peer-to-peer software that allows users to join "swarms" of other users who are distributing particular files. As each user downloads pieces of the file, their computer can distribute the pieces to others in the swarm. Bittorrent websites facilitate file sharing by organizing and indexing torrent files, and initiating and managing the download process.

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

right holder reported a response rate to notice-and-takedown requests of 0.71 percent in 2021. According to media reports, a right holder filed a lawsuit in France against the operator and hosting company of the site, Dstorage SAS, and recently received a ruling that Dstorage could be held liable for failing to remove infringing content after receiving copyright infringement notices. Media reports also state that Dstorage was also recently convicted of copyright infringement by a French criminal court.

2EMBED

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

2embed allegedly provides a database of infringing content that it populates by scraping infringing content from across the Internet, including from many pirate sites around the world. It offers its database to other illicit streaming websites and pirate IPTV apps, and monetizes the infringing content by inserting advertisements into the streams. 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. Sellers on AliExpress provide wholesale offerings and order fulfillment services for dropshipping retailers that do not maintain their own inventory. AliExpress is owned by Alibaba and shares certain anti-counterfeiting tools and systems with other Alibaba platforms. As a whole, Alibaba is known for having some of the best anti-counterfeiting processes and systems in the e-commerce industry, having much-improved communication with right holders, including micro-, small-, and medium-sized enterprises (MSMEs), on their IP protection and enforcement issues, and for providing significant support for offline investigations and enforcement actions against the companies that manufacture and distribute counterfeit goods. Although these efforts are laudable, this year, right holders have

noted a significant increase in counterfeit goods being offered for sale on AliExpress, including goods that are blatantly advertised as counterfeit and goods that are falsely advertised as genuine. Right holders also report a vast increase in the number of sellers offering counterfeit goods. Alibaba notes that AliExpress sellers must provide a business license in order to sell on the platform, but these sellers apparently are not sufficiently vetted to ensure that they will not be selling counterfeit goods. Another key concern of right holders is that known sellers of counterfeit goods on AliExpress remain prevalent, purportedly due in part to the lenient seller penalty system and a removal process that does not deter sellers from continuing to offer counterfeit goods.

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. According to right holders, infringers widely share links to pirated movies, TV shows, and books stored on Baidu Wangpan. While right holders report some cooperation from Baidu in recent years and Baidu provides some tools for taking down unauthorized motion picture and television content, takedown times are reportedly lengthy, and right holders often have to follow-up with Baidu to ensure that pirated content does not reappear on the platform. Right holders also raise concerns that they are required to submit thousands of infringement notices to remove multiple instances of a single piece of pirated content, as the platform has no proactive procedures in place to detect pirated content.

BESTBUYIPTV

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

IPTV apps[40] that provide pirated audiovisual content through subscription services are an increasingly popular form of online piracy. BestBuyIPTV offers illicit IPTV apps that are compatible with most platforms and operating systems. BestBuyIPTV reportedly offers over 7,300 unauthorized high definition channels from 38 countries, as well as 9,600 pirated video-on-demand titles in multiple languages. BestBuyIPTV also provides reseller and re-streamer services with over 900,000 users, 12,000 resellers, and 2,000 re-streamers.

BLUEANGELHOST

BlueAngelHost, with servers reportedly located in Bulgaria, openly advertises itself as a "DMCA Ignored" hosting provider—i.e., one that willfully ignores notice-and-takedown requests from right holders to remove pirated content. According to right holders, BlueAngelHost is increasingly becoming a major safe haven for the operators of pirate sites.

BUKALAPAK

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

Bukalapak, founded in 2010, is one of the largest e-commerce markets in Indonesia with a reported 100 million active users and 6.5 million sellers on its platform. This website provides a platform for third-party sellers to connect with buyers, and these sellers offer a wide variety of products, including consumer electronics, books, automobile parts, and apparel. Right holders note that the majority of branded products on this platform are not genuine and that items are often openly labeled "replicas" of branded products. While Bukalapak recently made several improvements to its anti-counterfeiting systems, including to its seller vetting protocols and takedown processes, right holders continue to have concerns that Bukalapak's seller vetting protocols do not sufficiently prevent sellers of counterfeit goods from registering with the

[40] Many legitimate services also provide IPTV apps that deliver authorized movies and TV shows to application-enabled televisions, tablets, smartphones, and streaming devices. These are distinguishable from IPTV apps that are used primarily to deliver pirated content.

platform. Right holders have also noted that those who have been caught selling counterfeit goods on Bukalapak have been allowed to use multiple accounts or re-register for a new account in order to continue selling their counterfeit goods. Other concerns include the lack of proactive anti-counterfeiting processes, a slow and inefficient notice-and-takedown process for infringing seller profiles and product listings, the lack of transparency with right holders regarding the status and results of takedown notices, and the lack of enhanced post-discovery actions.

CHALOOS

Chaloos, based in Erbil, Iraq, owns and operates companies reportedly involved in the sourcing and distribution of pirated content online, including the Mediastar and Forever IPTV 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 pirate television streams used by other IPTV redistribution services throughout the Middle East. One right holder reported that Mediastar is a source of more than a quarter of its pirated channels that are illegally redistributed across the Middle East and North Africa region, as evidenced by the Mediastar logo overlaid on the video stream. Forever IPTV is reportedly a wholesaler of pirated IPTV channels and on-demand pirated content, including thousands of on-demand movies and TV shows, used by other illicit IPTV apps.

CHOMIKUJ

Nominated as chomikuj.pl. Reportedly hosted in the Netherlands, but utilizes reverse proxy services to mask the location of its hosting servers.

Chomikuj is the most popular cyberlocker in Poland. Right holders report that a broad range of unlicensed songs by U.S. artists are available on this platform, in addition to TV shows, movies, and e-books. Chomikuj allegedly rewards users who upload popular content that is then downloaded by other users. While the site responds to takedown requests from right holders, it allows prompt re-upload of the same pirated content. Right holders report that in 2017, the Krakow Court of Appeal ordered the site to pay damages to right holders on the basis that it had

directly infringed the “making available” right and was not able to claim safe harbor protection because it was not a passive actor.

CUEVANA

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

Cuevana is the most popular site in the Spanish-speaking part of Latin America for streaming thousands of unlicensed television and movie titles, relying on cyberlockers for the underlying content. Right holders have reported some success with enforcement efforts against Cuevana, resulting in the 2012 arrest of the alleged operator, obtaining a blocking order in Argentina against the site in 2018, and seizing control of over 30 Cuevana domains in 2021. However, Cuevana’s use of multiple domains have allowed variants of the site to remain operational.

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. This year, right holders again identified DHgate’s inadequate seller vetting, ineffective proactive anti-counterfeit processes, and lack of transparency as likely reasons why the volume of counterfeit goods on the platform remains unacceptably high. DHgate reported continued improvements to its seller vetting system over in 2021 that incorporates a third-party database to further verify sellers. DHgate should continue to explore whether the information it requires of sellers and the vetting performed on that information is commensurate with the number of sellers that offer wholesale counterfeit goods on its platform. Regarding proactive anti-counterfeiting processes, DHgate revealed that it recently added approximately 3,399 keywords to its database that scans new products listings, and that it hired five new inspectors to manually review listings. As sellers of

counterfeit goods grow increasingly adept at evading detection by altering product images, blurring logos, and using code words to conceal the illicit nature of the goods they offer, the processes used to proactively keep those listings off the DHgate platform will likely have to grow and evolve. Finally, transparent communication with right holders and other stakeholders regarding the steps taken to remove listings and ban sellers after a notice has been submitted, and proactive engagement with right holders and law enforcement to track down the source of counterfeit goods on the platform will instill confidence that DHgate recognizes and embraces its role in combating the global trade in counterfeit goods.

DYTT8

Nominated as dytt8.net. Related sites include dy2018.com, dygod.net, and ygdy8.com.

DYTT8 is one of the most popular non-English torrent sites in the world, providing links to unlicensed movies, TV shows, music, and software. With a user-friendly interface, DYTT8 remains a particular threat to legitimate content providers both within and outside China.

EGY.BEST

Nominated as egy.best. Related sites include egybest.xyz and egybest.co. 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. The Egyptian government has repeatedly attempted to block EGY.best, but the site continues to operate. 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

Like BlueAngelHost, FlokiNET is another example of the growing problem of so-called “bulletproof” hosting providers that support known notorious websites by refusing to respond to notices of infringement and by failing to cooperate with right holders and law enforcement. FlokiNET’s website advertises anonymity: “We do not require any personal details or identification, any valid e-mail address is enough information to be our client.” With servers

reportedly in Finland, Iceland, and Romania, FlokiNET 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 highlighted again this year as an example of the stream-ripping[41] phenomenon that continues to threaten legitimate streaming audio and video services, music performers, and composers. This site allows users to download converted YouTube videos as digital audio files, but right holders claim it does not appear to have permission from YouTube or from right holders for a wide variety of copyrighted music.

FMOVIES

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 TV 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, India, Malaysia, and Singapore.

INDIAMART

IndiaMART, an e-commerce website and mobile app that connects buyers with suppliers, describes itself as the world's second largest online business-to-business market. Counterfeit goods can allegedly be found in large volumes on IndiaMART, including counterfeit pharmaceuticals, electronics, and apparel. Right holders are concerned with IndiaMART's failure to adequately implement anti-counterfeiting best practices, including seller verification, penalties against known sellers of counterfeit goods, or proactive monitoring of infringing goods. IndiaMART apparently has a notice-and-takedown system, but right holders report that it is

[41] For a description of stream-ripping, see the 2016 NML.

burdensome to use, the time-to-takedown is slow, and the status of notices is not transparently communicated to right holders.

ISTAR

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

LIBGEN

Nominated as libgen.is. Related sites include libgen.rs, libgen.me, libgen.lc, z-lib.org, and many other mirror sites.

Libgen, also known as the "Library Genesis Project," hosts 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 non-fiction books, 400,000 magazine issues, 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.

MP3JUICES

Nominated as mp3juices.cc. Reportedly hosted in the Netherlands and Russia.

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. According to right holders, the site provides a search functionality to locate desired YouTube videos and then utilizes a separate service as the backend for delivering the audio file to the user.

MPGH

Nominated as mpgh.net. Reportedly hosted in France.

Mpgh is an example of a site that provides "cheats" and reportedly offers several hundred thousand free cheats to over 4 million users, as well as a marketplace where players can buy and

sell digital goods. The video game industry continues to be concerned about the unauthorized sales of in-game digital items, cheat software that enables the modification of a game to give players an advantage, and players who collect and aggregate virtual goods that would otherwise be purchased in-game. 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, via phishing, or attempts to steal users' payment information connected to in-app purchases.

NEWALBUMRELEASES

Nominated as newalbumreleases.net. Reportedly hosted in the Czech Republic but utilizes reverse proxy services to mask the location of its hosting servers.

NewAlbumReleases is an example of a website that reportedly provides unauthorized downloading of pre-release and newly-released popular music. According to right holders, the site links to infringing content 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 been ineffective.

PELISPLUS

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

Pelisplus offers a content management system—a database offered to others for a fee that provides access to pirated movies and TV series—that lowers the barriers to entry for commercial piracy services. Pelisplus also operates its own Spanish-language piracy site that is popular in Latin America and Spain. According to right holders, the site offers more than 7,000 links to unlicensed copies of more than 4,000 movies and television series.

PHIMMOI

Hosted in Vietnam.

Phimmoi is a Vietnamese-language streaming website that offers thousands of unauthorized movies and TV series, including many titles owned by U.S. right holders. Since 2019, the Ministry of Public Security in Vietnam has been investigating and taking action against the operators of the site, resulting in several domains becoming inaccessible. However, Phimmoi appears to continue operating using other domains that mirror the Phimmoi content. The Ministry of Public Security recently opened a criminal investigation against the founders of Phimmoi, which is ongoing.

PINDUODUO

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

Pinduoduo, a "social commerce" app, is China's second largest e-commerce platform as measured by the number of users. Despite significant improvements to its anti-counterfeiting tools, processes, and procedures in the past few years, the large volumes of counterfeit goods that stubbornly remain on the platform evinces the need to improve the effectiveness of the tools or close the gaps in their implementation. This year, right holders conveyed that Pinduoduo appears to be moving in the wrong direction, with delays in takedowns, lack of transparency with takedown procedures, more burdensome and expensive processes, less effective seller vetting, and reduced cooperation with brands participating in the Brand Care program, as well as those unable to join the Brand Care program. Right holders also report difficulties in receiving information and support from Pinduoduo in pursuing offline follow-on investigations to uncover the manufacturing and distribution channels of the counterfeit goods.

POPCORN TIME

Known as the "Netflix of piracy," Popcorn Time is an application for mobile phones, tablets, and other streaming devices that aggregates bittorrent files for streaming pirated movies. According to right holders, there are different versions of Popcorn Time, including one version that exclusively offers pirated children's movies. An individual who operated a Popcorn

Time app in Denmark was recently sentenced to probation and fined by the Danish Supreme Court. Popcorn Time apps are reportedly blocked in Belgium, Denmark, Italy, Norway, Portugal, and the United Kingdom.

PRIVATE LAYER

Private Layer, reportedly operated from Panama with data center and hosting operations in Switzerland and elsewhere, is another example of a "bulletproof" hosting provider that supports known notorious websites by refusing to respond to notices of infringement and by knowingly refusing to cooperate with right holders and law enforcement. This is the eighth consecutive year that the NML has stressed the significant international trade impact of Private Layer's hosting services and the pirate sites it hosts. Other listed and nominated sites may also be hosted by Private Layer but are using reverse proxy services to obfuscate the true host from the public and law enforcement.

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.

Commenters from the book publishing, television, and music industries all nominated Rapidgator, one of the largest file sharing websites in the world, for inclusion on this year's NML. Right holders report that it 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. While Rapidgator reportedly takes down some infringing content, there are no proactive measures in place to prevent the same content from being reuploaded or from finding and removing the same infringing content throughout the site. 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.

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. 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 of potential malware.

REVENUEHITS

Nominated as revenuehits.com. Reportedly based in Israel.

Many of the notorious online piracy markets in this year's NML are funded by advertising revenue, and several of the major piracy ad networks are allegedly based in Israel. A recent report estimates that advertising brings in $1.34 billion in annual revenues for piracy websites and illicit IPTV apps.[42] According to right holders, RevenueHits is one of the most popular advertising networks among pirate sites. In 2019, RevenueHits was ordered by a Florida court to hand over its revenue from several piracy sites to a Philippines media company.

In recent years, several governments and private sector stakeholders have developed approaches to disrupting ad-backed funding of pirate sites. For example, the London Police Intellectual Property Crime Unit (PIPCU), with funding from the United Kingdom Intellectual Property Office, was one of the first to develop an Infringing Website List that advertisers, agencies, advertising technology platforms, and other intermediaries can consult and decide voluntarily to cease ad placement on those sites. The French Ministry of Culture has facilitated a voluntary Code of Good Advertising Practices for the Enforcement of Copyright and Neighboring Rights between right holders, advertisers, and advertising professionals to contribute to the fight against piracy and develop confidence in the digital economy. At least one web browser with

[42] Digital Citizens Alliance & White Bullet Solutions Limited, Breaking (B)ads: How Advertiser-Supported Piracy Helps Fuel A Booming Multi-Billion Dollar Illegal Market (August 2021), https://www.digitalcitizensalliance.org/clientuploads/directory/Reports/Breaking-Bads-Report.pdf.

global popularity proactively filters ads that do not fall within the Coalition for Better Ads' "Better Ads Standards," which could disrupt ad revenue flows to pirate sites.[43]

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. 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[44] facilitate unauthorized access to approximately 88 million journal articles and academic papers, which is 85 percent of all articles published in toll-access journals, a proportion greater than what is available legally to major institutional subscribers.[45] Right holders allege that at least some of the material available on Sci-Hub was obtained by using the credentials of victims of phishing scams, and there are documented instances where Sci-Hub paid for credentials of unknown provenance to access university subscriptions. Copyright-protected material obtained by Sci-Hub is reportedly cross-posted to Libgen, another notorious market. Right holders have taken legal action against Sci-Hub and have been successful in having U.S. district courts grant them injunctions, damages, and

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[43] Improving User Experience with the Better Ads Standards, https://admanager.google.com/home/resources/feature-brief-better-ads-standards/; see Coalition for Better Ads, https://www.betterads.org.

[44] A "mirror site" is a website that is a proxy or clone of an original site and may offer the same, new, or cached content as the original site. Some mirror sites are designed to spread malware, steal personal information through spyware, or extort payments with ransomware. Mirror sites can complicate or delay sustained enforcement against the original pirate site. In some jurisdictions, court-ordered injunctions can be designed to capture existing mirror sites and adapt quickly to new mirror sites.

[45] D. Himmelstein et al., Sci-Hub Provides Access to Nearly All Scholarly Literature, 7 eLife e32822 (Mar. 1, 2018), https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5832410/.

control over Sci-Hub's U.S.-based domain names. Sci-Hub is reportedly subject to blocking orders in Belgium, Denmark, France, Germany, Italy, Portugal, Russia, Spain, and Sweden.

SHABAKATY

EarthLink Telecommunications, an Iraqi company and the largest Internet service provider in Iraq, is reported to host a pirate IPTV service, mobile app, and website called Shabakaty and offers this service to the subscribers of its Internet service for no additional charge. Shabakaty is purportedly available to other Internet users in Iraq for the equivalent of $8 per month. Shabakaty has a reported 500,000 subscribers, and the content that it provides includes unauthorized sports broadcasts, TV series, and movies, much of which is owned by U.S. right holders.

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, Latin America, and Europe. U.S. right holders report very high levels of counterfeits being sold on all of Shopee's platforms, with the exception of Shopee's Taiwan platform. Right holders report that Shopee's notice-and-takedown procedures are burdensome, decentralized, ineffective, and slow. Shopee's procedures for vetting sellers reportedly do not keep sellers of counterfeit goods off its platforms or prevent repeat infringers from re-registering. Furthermore, right holders assert that Shopee has not created an environment where sellers are deterred from offering counterfeit goods, in part due to the insufficient penalties that Shopee assesses against sellers of counterfeit goods, and the absence of cooperation that Shopee provides to right holders in their investigations of the supply chain for counterfeit goods purchased on the platform. Shopee has increased engagement with right holders in an effort to address these issues.

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, which provide unauthorized access to live sports streams, live and time-shifted TV stations, and on-demand movies and TV shows.

TAOBAO

Nominated as taobao.com. Headquartered in China.

Owned by Alibaba Group, Taobao is one of China's largest e-commerce platforms. Taobao has been identified as a notorious market since 2016 in response to significant right holder concerns about large numbers of counterfeit goods being openly sold on the platform. Alibaba has made strides to improve the anti-counterfeiting processes and tools across its platforms, including Taobao, and has proactively engaged with right holders and the U.S. government on issues of counterfeits on Taobao, which have resulted in a reduced number of NML nominations this year. However, right holders report that the improvements have not led to a decrease in the high volume of counterfeit products on Taobao. This year, right holders expressed concerns that the requirements for takedown notices have become more stringent in recent months, particularly when compared to what other e-commerce platforms require. For example, right holders are evidently being required to submit heightened proof that an item is counterfeit, which in some instances can only be done by disclosing the anti-counterfeiting aspects of the products or testing systems that the right holders claim may be their trade secrets. The stringent criteria for takedown requests has been especially problematic for MSMEs that do not necessarily have the resources to constantly monitor for counterfeit goods on Taobao and then submit thorough proof for each identified item. USTR will continue to monitor whether Taobao's anti-counterfeiting efforts are demonstrably effective in addressing ongoing complaints about the pervasiveness of counterfeit goods on the platform.

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. Authorities in Argentina, Australia, Austria, Belgium, Brazil, 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. It serves as a platform for third-party vendors to post listings, and the site offers a vast range of goods, including clothes, electronics, and textbooks. Right holders report finding high rates and volumes of counterfeit clothing, counterfeit cosmetics and accessories, pirated textbooks, and other pirated English-language materials on this platform. Some right holders have recognized improvements in Tokopedia's notice-and-takedown system and its increased engagement with brands to address concerns about counterfeits on its platform. However, other right holders believe that Tokopedia's system creates a burden on right holders by requiring more information than necessary, does not result in the expeditious removal of counterfeit listings, and does not allow right holders to track the status or result of their notices. Other concerns include ineffective seller vetting and a penalty point system for repeat offenders that places a higher burden on right holders to identify multiple counterfeit goods before Tokopedia prevents the seller from listing such goods. Tokopedia could also continue improving on its proactive keyword, price, and image filtering technology to detect and remove counterfeit listings before they are shown to users.

UPLOADED

Nominated as uploaded.net. Related sites include ul.to and uploaded.to. Reportedly hosted in the Netherlands and operated from Switzerland.

This popular cyberlocker reportedly operates through multiple redundant domains and provides access to a broad range of infringing content, such as unlicensed digital books, movies, and television shows. Uploaded uses a combination of multi-tiered subscriptions, a referral program, and a rewards scheme to generate revenue, incentivize unauthorized sharing of popular copyright-protected content, and expand its user base. For example, the site pays rewards to users based on large file sizes, such as those for copyright-protected movies and TV shows. It also pays rewards based on the number of times a file is downloaded, paying more for downloads originating from so-called "Top-Countries." Courts in India and Italy have issued blocking orders against the site. Right holders sued the operator of this site, Cyando AG, for providing infringing content. After conflicting decisions in the trial and regional courts, in November 2018, the German Supreme Court referred questions on this case to the Court of Justice of the European Union, which recently held that a platform will not be liable for the unauthorized communication to the public of protected works by its users unless it contributes, beyond merely making the platform available, to giving the public access to the content in breach of copyright. For example, a platform may contribute to giving the public access to the content if it fails to take appropriate measures to remove or block access to the infringing content of which it has specific knowledge, or where the platform knows or "ought to know" that infringing activity is occurring, fails to adopt appropriate technological measures to mitigate against further infringing activity, or where the platform selects infringing content to communicate to the public, provides tools specifically intended for sharing infringing content, or knowingly promotes such sharing. This case now returns to the German Supreme Court to determine liability under this framework.

VK

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

Nominated again this year, VKontakte / VK is one of the most popular sites in the world and continues to operate as an extremely popular social networking site in Russia and its neighboring countries. VK 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. Right holders acknowledge that VK has a notice-and-takedown system, but note that it lacks an effective repeat infringer policy and other processes to effectively reduce the volume of infringing content posted by its subscribers.

WECHAT (WEIXIN) E-COMMERCE ECOSYSTEM

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

WeChat, along with Weixin, which is the China-facing version of WeChat, is reportedly viewed as one of the largest platforms for counterfeit goods in China. WeChat reported over 1.2 billion active users around the world in 2021, and describes itself as a "social communication tool and information publishing platform." Of particular concern, however, is the e-commerce ecosystem that seamlessly functions within the overall WeChat platform and facilitates the distribution and sale of counterfeit products. For example, sellers of counterfeit goods are allegedly directing potential buyers to their counterfeit product offerings by advertising on WeChat through livestreams, the Moments feature, the Channels feature, and other communication portals that are available to all users such as scanning of QR codes at physical stores. The counterfeit goods can then be seamlessly purchased on the profile page of an Official Account[46] or through a Mini Program.[47] Official Account pages and Mini Programs can provide the

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[46] According to WeChat, Official Accounts are intended for brands to use for attracting followers, although sellers of counterfeit goods are also apparently approved for Official Accounts. There are reportedly more than 20 million Official Accounts. The profile pages of Official Accounts can be augmented with e-commerce features, through which sales can be conducted.

[47] According to WeChat, Mini Programs are "sub-applications" developed and operated independently of WeChat, and are used to provide various services such as education, entertainment, and e-commerce. There are reportedly more than 3.2 million Mini Programs. Weidian is an example of a Mini Program that was listed in the 2020 Notorious Markets List. The Weidian Mini Program provides a platform that allows individuals to easily open storefronts in the

integrated product catalog, shopping cart, and payment processing features of traditional e-commerce platforms. Additionally, potential buyers can search for products across Official Accounts or Mini Programs, and counterfeit goods are reportedly prevalent within search results.

Right holders identify weaknesses in WeChat's seller vetting as a significant reason for the high volume of counterfeit goods on the platform. According to WeChat, applicants for an Official Account should submit their trademark registration and business certificate information, and Mini Program applicants must submit similar authentication documentation. Right holders, however, assert that the required information, and WeChat's verification of this information, is lacking such that counterfeiters are able to easily set up their own Official Accounts and Mini Programs. Right holders also identify instances where WeChat reinstated sellers who provided clearly fraudulent documentation to demonstrate the "authenticity" of the goods offered for sale.

Once sellers of counterfeit goods are allowed onto the WeChat platform, the ability for brands to find and take down listings of counterfeit goods has been described as ineffective. According to WeChat, anyone can report content on Official Accounts and Mini Programs as infringing an intellectual property right. However, WeChat does not appear to allow registered brands to holistically search or monitor information available to all users for counterfeit goods, making it "extremely challenging" to find bad actors, and right holders describe WeChat's brand protection portal as "overly bureaucratic and ineffectual." Right holders also note that the reporting tool is often misused by others who submit non-IP-related complaints, which requires them to sift through completely unrelated or useless content resulting in an unrealistic and unsustainable amount of time to research and follow up on all complaints.

Right holders also complain about WeChat's three-tiered penalty system for accounts caught selling counterfeit goods. Although there is a lack of transparency regarding the system, from what these right holders can tell, the punishments often involve little more than a brief

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WeChat system, with right holders complaining that the high volume of counterfeits available on Weidian storefronts can make it difficult to find non-counterfeit products.

suspension. Account terminations are reportedly rare and difficult to obtain, and sellers appear to re-register for new accounts with ease.

Finally, right holders contend that WeChat should do much more to investigate and facilitate brand-led inspections into the manufacturers and distributors of the counterfeit goods caught on WeChat's system. Although WeChat reports that it has worked with law enforcement, administrative, or judicial authorities on many occasions, right holders state that such authorities are frequently unable to obtain cooperation. WeChat points to privacy and data security laws that prevent it from disclosing some information in certain circumstances, but right holders state that they are only looking for the same type of cooperation and information sharing provided by other e-commerce companies operating under the same laws.

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 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 many 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. In some

cases, the 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 should infringing activities re-emerge.

ARGENTINA

Avenida Avellaneda, Buenos Aires

Located in the densely populated neighborhood of Flores, Avenida Avellaneda is a hot spot for sales of counterfeit products, including apparel and footwear, watches, electronics, sunglasses, and toys. Sales by street vendors, or "manteros," have increased significantly since mid-2021 and reports indicate little to no response by federal or local law enforcement. Street vendors sell most of the counterfeit goods, although formal shops in the area sometimes sell counterfeit sportwear, especially soccer t-shirts and shorts.

La Salada, Buenos Aires

La Salada, an area covering about 50 acres that incorporates three markets, remains on the NML in 2021. 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 2020 and 2021, La Salada vendors continued efforts to sell online, mainly through social media. In addition, due to the success of these new sales channels, La Salada legally registered its own mobile app that allows its vendors to ship purchases domestically as well as internationally to Uruguay. The app not only contains vendors established within La Salada, but also vendors in Avenida Avellaneda, another notorious market. The app allegedly lacks controls to combat the sale and distribution of counterfeit and pirated goods.

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 Ifigenia Shopping 25 de Março, and Shopping Korai, 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, including a recent action in September 2021 in which São Paulo state police appear to have seized more than 22,400 counterfeit clothes, children's toys, and electronics from six physical stores in the Rua 25 de Março market area. Nevertheless, inconsistent judicial enforcement and lack of landlord accountability have prevented lasting change in the neighborhood and have allowed counterfeit activity to continue.

CAMBODIA

Central Market, Phnom Penh

Central Market, a sprawling market and historic landmark in Phnom Penh, remains on the NML in 2021. Stores throughout the market reportedly sell many kinds of counterfeit goods, including apparel, shoes, handbags, and pirated media. The Cambodian Counterfeit Committee's enforcement actions have been focused on products that clearly impact human health and safety, such as counterfeit medicines, while the sale of other counterfeit goods remain unchecked.

CANADA

Pacific Mall, Toronto

Pacific Mall was previously listed as a notorious market, but increased efforts by Pacific Mall management as well as from law enforcement authorities against sellers of counterfeit

goods led to its removal from the NML in 2018. Right holders report that the level of counterfeit goods offered for sale has increased since then, with Pacific Mall management not taking the necessary measures against sellers, and law enforcement not prioritizing actions against counterfeit trade. Counterfeit luxury goods, apparel, and electronics are reportedly on display or hidden under tables or in back rooms but available upon request.

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 83 percent of the value (measured by manufacturer's suggested retail price) and 79 percent of the volume of counterfeit and pirated goods seized by U.S. Customs and Border Protection (CBP) in 2020.[48] Although foot traffic has declined at some Chinese physical markets as a result of the growth in counterfeit sales online, sellers of counterfeit merchandise now often use their brick-and-mortar storefronts as points of contact for customers and for fulfillment of online sales. Consequently, major notorious markets remain key centers for counterfeit sales in China's biggest cities. Although raids and seizures have occurred at some of these markets, sellers have shifted tactics such as maintaining less inventory on site and offering a larger range of counterfeit products online. Many of the markets included on this year's NML were repeat offenders, underscoring the ineffectiveness of enforcement efforts to date. USTR encourages China to adopt and expand the scope of robust enforcement actions throughout China to more effectively combat the widespread sale of counterfeit products within its borders, with a special focus on the following key markets.

Anfu Market, Putian, Fujian Province

Right holders report that Anfu Market remains a hub for the wholesale distribution of counterfeit footwear produced by hundreds of factories and workshops surrounding the city of

[48] CBP, Intellectual Property Rights Seizure Statistics, Fiscal Year 2020, https://www.cbp.gov/document/report/fy-2020-ipr-seizure-statistics.

Putian, which is reportedly known nationally as the epicenter of the Chinese counterfeit footwear industry. Anfu Market allegedly hosts at least one hundred street-level shops, the vast majority of which offer counterfeits of well-known brands. Although right holders report that authorities have conducted raids and prosecuted some infringers through 2019, enforcement against manufacturers in this area is notably difficult due to close personal connections, including familial ties, that manufacturers of counterfeit products may have with some local officials.

Asia-Pacific Xinyang Clothing & Gifts Plaza, Shanghai

Described by online tourist directories as "an underground maze" connected to a metro station near Shanghai's popular sights, this market hosts numerous stalls openly offering counterfeit apparel and fashion accessories. Right holders report that authorities have not conducted any recent raids on the market and that the majority of the goods are counterfeit. Beyond the counterfeit merchandise openly on display, some sellers of counterfeit merchandise allegedly also offer "high end" counterfeits on demand via delivery.

Chenghai District, Shantou, Guangdong Province

Right holders report that the Chenghai District is well-known for its factories that not only produce counterfeit toys 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 the industry in the district, and the close relations businesses have with local administrative and criminal law enforcement authorities.

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 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. Many 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.

Kindo and Zhanxi Garment Wholesale Markets and Southern Watch Trading Center near Zhanxi Road, Guangzhou, Guangdong Province

These large, mall-sized markets near Zhanxi Road in Guangzhou are located within a mile of each other and offer mainly counterfeit apparel, shoes, and watches. Right holders report some level of 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. Lower-quality counterfeits are displayed openly, with higher-quality counterfeit goods kept out of view in drawers or upper floors. Although lower customer foot traffic has led to the closure of many booths, sellers of counterfeit merchandise have nevertheless maintained their businesses through online sales.

Luohu Market, Shenzhen, Guangdong Province

This is a well-known mall located next to the Luohu border crossing between Shenzhen and Hong Kong. Right holders report that its location and size give it a high profile with international appeal, making it a popular destination for tourists and cross-border travelers. Reportedly half of the merchandise at the market consists of counterfeit or pirated goods. Sellers of counterfeit merchandise allegedly retain a low amount of inventory at the market while offering a larger range of products online or via nearby warehouses. Law enforcement conducts regular raids at the market and connected warehouses and factories, but the continued prevalence of infringing products requires increased efforts.

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. 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 reported that although some raids have been conducted at the market, they happened too infrequently to result in any lasting changes. In January 2022, enforcement authorities conducted a raid against sellers of counterfeit goods, with some sellers reportedly being put in prison. USTR will continue to monitor the long-term impact of the raids.

Wu'ai Market, Shenyang, Liaoning Province

This market remains the largest wholesale and retail market in Northeastern China, and is a hub for the distribution of counterfeit shoes, handbags, luggage, and apparel throughout the region. With the loss of sales to e-commerce markets, the watch area of the market reportedly has closed down, and sales of high-end counterfeit products made in Guangdong Province reportedly have ceased. However, medium- to low-quality counterfeit goods remain highly visible. Right holders report that a local court held the market jointly liable with the shops for trademark infringement, but the settlement agreement into which the right holders subsequently entered with the market did not prove to be effective. Right holders also report that raids against the market occur from time to time, but have minimal effect because the management company for the market is state-owned.

Yiwu International Merchandise City, Yiwu, Zhejiang Province

This market remains one of the biggest small-commodities venues that links 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. The

operator of the market has also cooperated with right holders by posting warnings against counterfeiters, creating a list of protected brands, and distributing IP protection brochures. Nevertheless, right holders report that these efforts have been inadequate at reducing the visibility of infringing products at this market.

INDIA

Heera Panna, Mumbai

A major indoor market located at the heart of Mumbai, Heera Panna reportedly offers counterfeit watches, footwear, accessories, and cosmetics. Right holders warn that counterfeit cosmetics sold at this market have health and safety risks. A raid at Heera Panna in September 2021 resulted in arrests for selling counterfeit versions of premium watches.

Kidderpore, Kolkata

Locally known as "Fancy Market," Kidderpore allegedly sells counterfeit apparel and cosmetics, often in wholesale quantities. Severe skin problems, rashes, irritation, and eye diseases have reportedly been caused due to the poor quality of the counterfeits.

Palika Bazaar, New Delhi

Palika Bazaar remains on the NML in 2021. This underground market in Delhi is seemingly well-known for the trade of counterfeit products, such as mobile accessories, cosmetics, watches, and eyewear. Many shoppers are reportedly students and other young people who want trendy products at cheap prices. The market is also a popular destination for tourists.

Tank Road, Delhi

Right holders report that this 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 conducting enforcement actions at this

location is challenging, as the market is located in a residential area and sellers often appear to have advanced knowledge of raids, limiting their effectiveness.

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 against those who sell counterfeit goods. Indonesia should adopt and expand the scope of robust enforcement actions in this and other markets, including through actions by the newly formed IP Enforcement Task Force.

KRYGYZ REPUBLIC

Dordoy/Dordoi Market, Bishkek

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. Dordoy 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. While the government is generally responsive upon receiving complaints of counterfeiting activity, specific enforcement actions against those who distribute and sell counterfeit goods in the Dordoy Market have been lacking in recent years.

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. Despite restrictions due to the COVID-19 pandemic that kept the market closed for significant portions of 2020 and 2021, the majority of goods that are currently available appear to be counterfeit. Right holders report difficulties in initiating enforcement activities due to local protectionism and the involvement of organized crime at this market.

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 or footwear, or pirated video games. 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, seemingly remains 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, devices that enable the circumvention of technological protection measures, and counterfeit apparel.

PARAGUAY

Ciudad del Este

Ciudad del Este has been named in the NML or the Special 301 Report for over 19 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. Although Paraguayan authorities reported some IP-related investigations and seizures in 2021, 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 is 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. Authorities raided Gamarra five times in 2021, seizing approximately 12,000 counterfeit apparel items. The market has an e-commerce site where registered users can purchase apparel directly from Gamarra vendors, including apparently counterfeit items, without any basic anti-counterfeiting processes such as notice-and-takedown tools.

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 2022. Many of the storefronts in this mall sell counterfeit goods, including electronics, perfumes, watches, shoes, accessories, and fashion items. Although the Philippines government established an enforcement and monitoring agreement with the city of San Juan and created a working group composed of various agencies from the National Committee on Intellectual Property Rights and the Department of Information and Communications Technology, sellers of counterfeit goods are reportedly becoming bolder in displaying and openly discussing the illicit nature of the counterfeit goods, instead of discretely hiding the counterfeit goods under the tables as they did in the past.

RUSSIA

Dubrovka Market, Moscow

This market in the southeast of Moscow hosts an estimated 700 vendors, and its location next to a taxi terminus 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 revealed to be available at a fraction of normal retail prices. There are presumably more than 1,000 vendors in this market. The local authorities purportedly do not have a presence at this market.

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, which are widely available. 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.

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.

UKRAINE

7th Kilometer Market, Odessa

The 7th Kilometer Market continues to serve as a critical wholesale market for counterfeit goods. Vendors in this market are reported to sell large volumes of counterfeit goods, including counterfeit clothing, jewelry, luxury goods, and perfume, sourced from China and other Asian countries. There has been little reported enforcement activity from Ukrainian authorities in 2021. As a result, it is understood that sellers continue to engage in counterfeit sales with impunity.

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

Ben Thanh Market, Ho Chi Minh City

Ben Thanh Market in Ho Chi Minh City is a local landmark, typically attracting many tourists and visitors. It offers a large variety of goods, including locally-produced souvenirs and cosmetics. Apparel, footwear, and accessories are also available, much of which is reportedly counterfeit. Strict lockdowns due to the COVID-19 pandemic closed the market during parts of 2021, but it recently resumed operations.

Dong Xuan Market, Hanoi

Dong Xuan is a market located in the old quarter of Hanoi, and its vendors sell a variety of goods, including allegedly counterfeit apparel, footwear, accessories, and cosmetics. Fewer locals are seemingly shopping for infringing goods at this market due to generally rising living standards and changing tastes among local consumers. However, the level of trademark infringement here remains significant, in part because of the size of the market.

Public Information

The 2021 Notorious Markets List is the result of the twelfth out-of-cycle review of notorious markets, which USTR initiated on August 30, 2021, through a Federal Register Request for Public Comments. The 85 public submissions this year are available at https://www.regulations.gov, Docket Number USTR-2021-0013. USTR developed the 2021 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/intellectual-property.

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.