Alibaba's Taobao steps up measures to fight fake luxury goods

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Alibaba Group Holding Ltd's online shopping platform Taobao is tightening controls on the sales of luxury goods, requiring sellers to show proof of authenticity, as it fights sales of fake items on one of China's top online platforms.

From May 20, sellers of luxury products will be required to upload proof, such as an invoice or authorization letter from the luxury brands, for examination by Taobao, or the goods will be removed from the portal, while their funds can be frozen.

"To create a healthy shopping environment with a high level of integrity and to protect the legal interests of consumers and brand owners, Taobao is gearing up to regulate sales of luxury brands' products," it told sellers in a notice dated May 4.

It tells sellers to act promptly to examine and rectify counterfeit goods, under threat of possible shop closures and other penalties.

Last week, the official People's Daily newspaper said Chinese authorities would launch a campaign to clean up e-commerce, targeting trademark violations, counterfeit and poor quality products, in a move potentially affecting Alibaba, JD.com Inc and Baidu Inc.

The campaign by the State Administration for Industry and Commerce will run from May to November, and will hand out harsher punishments for violations of regulations.

Gucci, Yves Saint Laurent and other brands held by Paris-based Kering SA filed a suit in New York in May last year accusing Alibaba of being a giant conduit for counterfeiters and alleging that the e-commerce leader had knowingly made it possible to sell fakes.