

Rules of Intellectual Property Rights Protection

1. General Rules

1.1 Purpose

The Rules of Intellectual Property Rights Protection (the “Rules”) are basic rules made by Epec E-commerce Co., Ltd. (the “Platform Operator”), the operator of Epec International Business Platform (the “Platform”), in accordance with relevant rules, laws and regulations, which are designed to regulate the Platform transactions and protect IPR (as hereinafter defined) of the Registered Members and prevent the transactions from violating laws or regulations.

1.2 Definitions

“IPR”, as used in the Rules means the intellectual property rights of the applicable right holders to legally own, use, benefit from and dispose of products of their intellectual activity, including but not limited to the trademark rights, patent rights, copyrights and proprietary technologies, etc.

1.3 Party and scope of application

The Rules are applicable to the IPR protection of the parties related to the Platform, including but not limited to the IPR protection in the following process, product release, price research and enquiry, order placing and other transaction behaviors for all goods and services of the relevant parties on the Platform; as well as the behaviors such as field service, maintenance and technical consultancy after the ownership of the goods is transferred.

2. Rules of IPR protection

2.1 Infringement on IPR

Registered Members or any other relevant party should not use the Platform to infringe on legitimate IPR of others. The IPR infringement includes but not limited to the following behaviors:

2.1.1 General infringement:

- (1) Without authorization, improperly use the trademark rights, copyright, patent rights and other rights of others in the goods or services information or other announcements;
- (2) Improperly use the trademark rights, copyright, patent rights and other IPR of others on the goods or services;

(3) The goods or services information released or other information used on the Platform causes confusion or false recognition by other members;

(4) Other behaviors that violate applicable laws and cause or might cause direct or indirect damages to the rights of right holders.

2.1.2 Serious infringement:

(1) Without approval of owner of registered trademark, use on the same kind of goods or service the trademark that is identical to other's registered trademark, or sell on the Platform goods or services known as the fake registered trademark;

(2) Release and sell the copied books, audio & video products or software without approval of the copyright owner;

(3) Release or sell the goods produced by the registered trademark right holder or the licensee in the non-source country of goods;

(4) Other behaviors that violate applicable laws and cause or might cause serious direct or indirect damages to the rights of obligee.

2.2 Infringement complaint

The right holders of IPR has the right to file infringement complaint to the Platform Operator against goods or services suspected of infringement, infringement behaviors and infringing people and request the Platform Operator to adopt necessary measures such as deleting, shielding or removing hyperlink, terminating transaction and services by providing evidence of infringement behaviors, such as relevant judicial decisions, administrative decision documents, power of attorney, registration certificates and valid purchase certificates, etc. The complaining party shall bear the burden of proof for the authenticity, legitimacy and validity of its evidence. If a false complaint causes the respondent any economic losses or the Platform any losses, the Platform Operator has the right to pursue against the complainant for any losses.

Upon receipt of the complaint notice, the Platform Operator has the right to adopt necessary measures, including but not limited to deleting, shielding or removing hyperlink, terminating transaction and services. If the complaints are to be disproved later, the Platform Operator shall not assume the losses caused by taking such necessary measures to the Respondent or the purchaser of the Respondent's goods or services.

2.3 Complaint notification and respond statement

After receiving the infringement complaint and making preliminary review, the Platform Operator will notify the respondent Registered Member, who should respond for the complained infringement within three working days and may issue a Statement (“Statement”) that there does not exist any infringement. The Statement shall include proof of non-infringement claims, such as relevant judicial decisions, administrative decision documents, comparing materials of non-infringement, power of attorney, and valid purchase certificates from the right holder, etc. The respondent Registered Member is held legally accountable for the authenticity, legitimacy and validity of the counter-notice materials. If the respondent fails to provide such proof within the specified period, such failure is deemed as a waiver of the relevant right of explanation. The Platform Operator has the right to make punishment decisions based on analysis of relevant complaints in accordance with Article 2.5 and 2.6.

Upon the receipt of such Statement, the Platform Operator shall forward it to the complainant and inform the complainant that he can complain to the relevant regulating authorities or bring a lawsuit in a People’s Court. If, 15 days after the forwarded Statement arrives at the complainant, the Platform Operator does not receive the notice (demonstrated by the written notice of the relevant regulating authorities accepting the complaint or the case acceptance notice of the court, the same below) that the complainant had complained to the relevant regulating authorities or had brought a lawsuit, the measures taken against the respondent in Article 2.2 shall be timely terminated. If the Platform Operator receives the above notice, the Platform Operator may continue the necessary measures in Article 2.2.

2.4 Infringement review

After receiving the infringement complaint, the Platform Operator will finalize review of the proofs provided by the complainant and feed back the review results to the respondent within ten working days. The Platform Operator only makes formal review of the proof and mainly refers to the valid judicial decisions or decisions made by relevant authorities. The Platform Operator will promptly publicize the above complaint, Statement and the result of handling the complaint.

2.5 Dealing with general infringement

General infringement	Type	Punishment	
	General infringement	The same member, for the first time, has	Platform announcement

	listed in Article 2.1.1	been complained about infringing an IPR, and such complaint has been established.	
	Other infringement: including but not limited to behaviors trying to avoid punishment by misplacing category, using deformed words, covering trademark, passage and diversion.	The same member, has been complained for more than once (including being complained with respect to more than one IPRs) and such complaints have been established.	Suspend transaction qualifications for six months; cancel the membership if infringement is serious.

Note:

1. One IPR: a specific right (such as reproduction right, right of authorship, right to preserve the integrity of work, information network transmission right, trademark, copyright) on a specific IPR carrier (such as a specific work, trademark, patent, name, domain name, software, etc.). To avoid doubts, if there is any concurrent infringement in an established complaint (such as infringing trademark and meanwhile also infringe the right to preserve the integrity of work), then it shall be calculated as two or more established complaints.
2. Compliant Established: the Registered Member who has been complained fails to provide Statement within the required period under Article 2.3, or the Statement was provided but the Platform Operator considers the Statement to be obviously unreasonable, or the complaint has been supported by valid judicial decisions or decisions by relevant authorities.
3. If the complainant withdraws the complaint, or the complainant fails to make a complaint to relevant authorities or bring a lawsuit after the Platform

Operator has forwarded the Statement to the complainant, or the Statement has been supported by valid judicial decisions or decisions by relevant authorities, the punishment against the member shall be canceled.

2.6 Dealing with serious infringement

	Times	Punishment
Serious infringement	First complaint establishes	Suspend the transaction qualifications for six months; cancel the membership if infringement is serious.
	12 complaints establish in total	Cancel the membership.

Note:

1. One IPR: the definition is the same with the definition in Article 2.5
2. Compliant Established: the definition is the same with the definition in Article 2.5
3. If the Member is complained for one serious infringement, and the complaint is established, the next established complaint would be counted as a new established complaint unless such next complaint occurs within 5 days from the establishment of the first complaint and such next complaint is caused by the same infringement towards the same IPR with the first complaint.
4. If the Member has serious infringement, the Platform reserves the right to close the membership account and levy other punishments.
5. After the serious infringement is counted, if the complainant withdraws the complaint, or the complainant fails to complain to relevant authorities or bring a lawsuit after receiving the Statement, or the Statement provided by the Registered Members has been supported by valid judicial decisions or decisions by relevant authorities, the corresponding serious infringement counts and punishments will be canceled; if the times of serious infringement by the Member accumulate to the punishment level of canceling the membership, the punishment will not be canceled even if the above situation happens.

2.7 Disposal of infringing goods and services

When taking the above measures, the Platform Operator can take measures according to the situation, and does not assume the losses caused by taking such measures to the infringer or the purchaser of infringing goods or services.

- (1) Remove infringing goods or services, and delete, shield or remove the hyperlink;
- (2) Make removal announcement in the Platform Announcements, terminate the transaction and service;
- (3) Issue the notification to the Buyer Members making infringement transactions and services;

2.8 Other disposals

The Platform Operator can take other necessary measures, including recording the infringement behaviors into Membership Archives.

3. Supplementary Provisions

3.1 The Rules shall be effective on January 1, 2019.

3.2 The Rules shall be interpreted by the Platform Operator.

3.3 The Platform Operator reserves the right to amend the Rules or formulate the supplementary rules and publicize the amended rules or the supplementary rules from time to time based on operation needs. The amended rules or relevant supplementary rules will be effective on the designated date in the public announcement. The Rules shall be legally binding on all relevant parties on the Platform from the effective date.

3.4 The Platform Operator reserves the right to cancel transactions and suspend memberships and information service against the IPR-infringing Supplier Members and goods or services, and other remedies, in accordance with laws, regulations, administrative decrees and other documents with legal force.