

# IFW Global Brand Protection Proposal to Siam Cement Group (SCG), Thailand

- Comprehensive Online Brand Protection
- Global Domain Name Management
- Global Anti--Counterfeiting Programme

# BACKGROUND

**ON Thursday August 14, 2014,**

IFW Executive Chairman, Ken Gamble, met with members of Siam Cement Group's ('SCG's) Intellectual Property team at SCG's corporate headquarters located at 1 Siam Cement Road, Bangsue, Bangkok 10800 Thailand. SCG provided Mr. Gamble with an overview of SCG's operations and intellectual property rights strategies. During these important discussions, SCG IP Specialists noted that SCG's intellectual property rights are being infringed on the Internet and that a comprehensive online brand protection strategy is required to protect SCG's intellectual property rights and to manage the overall domain name portfolio of SCG.

**On Friday August 15, 2014,**

Mr. Gamble had an additional meeting with members of SCG's Corporate Social Business department to discuss current IPR issues facing SCG and the recent emergence of fraudulent websites misrepresenting SCG's name and trademarks in Indonesia.

Submitted to:

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# IFW'S CAPABILITIES

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Internet Fraud Watchdog ('IFW') is an international Cyber Investigation firm that specialises in global online brand protection programmes in multi-jurisdictional environments with a strong focus on Asia and China. Founded in 2007, IFW has become an industry leader in the field of IP & Brand Protection, Cybercrime Investigations, Counter-Cyber Espionage and Digital Forensics. IFW shares close strategic alliances with Gamble Investigations International ('GII') Ltd and the International Association of Cybercrime Prevention ('IACP'), which operates in 20 countries around the world.

IFW specialises in both the online (digital world) and the offline (real world) investigations. The senior executive management of IFW has extensive on-the-ground investigative experience having contracted and consulted to some of the world's largest companies for over 25 years. IFW has an extensive global network of investigators and field agents, who support IFW's operations in various markets and jurisdictions. This extensive global reach provides IFW clients with the ultimate solution in IP and brand protection in today's challenging online environment.

IFW's Global Online Monitoring and Enforcement Programmes are currently being utilised successfully by a number of large publicly listed multinational brands including Fortune 500 and FTSE 100 corporations who rely on IFW to protect their brand and trademarks in global markets. IFW uses a combination of skilled computer science professionals, a highly trained research team, and state-of-the-art automated monitoring technology with advanced search capabilities to detect online IP and brand infringements.

IFW is one of the few firms in the world that has a direct working relationship with numerous law enforcement agencies in Asia. In particular, IFW liaises and provides assistance to various Anti Cybercrime police agencies such as the Technology Crime Suppression Division (TCSD) of the Royal Thai Police in Thailand and numerous other agencies around Asia. IFW is highly qualified to provide SCG with comprehensive online brand protection and domain name management as well as Anti-Counterfeiting solutions and other investigative matters.

# IFW'S PROPOSAL TO SCG

IFW proposes to work with SCG to protect its online assets, brands and intellectual property rights through our IMPARTS process:

- **Identifying** the unauthorised use of SCG's brands, company logos and images
- **Monitoring** for brand abuse in web page content, Meta tags and website code
- **Preventing** sites falsely claiming to be sponsored, affiliated or acting as an authorised agent of SCG
- **Alerting** SCG of potential brand infringements in domain name registrations
- **Reporting** on the amount, type, and seriousness of different types of infringement activities
- **Takedown** actions on infringing websites, auction listings and B2B/B2C sites
- **Stopping** squatters using the SCG name in their domains

IFW has conducted preliminary scans of the Internet and identified 2,136 advertisements for SCG brands (Cotto & Tra Chang) being advertised across 27 major B2B and e-Commerce platforms. This represents a potentially large number of IP infringements by unauthorised sellers and/or counterfeiters.

Brands to be monitored under this proposal:



## SCG CORPORATE

*"Trustmark of Innovative Quality"*

This is the SCG corporate brand with a reputation of innovation, quality and trust  
[www.scg.co.th](http://www.scg.co.th)

## COTTO

## COTTO

*"Share the World...Pleasure"*

COTTO offers a world class and high standard of innovative design and cutting edge technology in tiles, sanitary ware and fitting products.

[www.cotto.co.th](http://www.cotto.co.th)



## TRA CHANG

Tra Chang is one of SCG's major brands in cement, steel, roof, ceiling, accessories, walls and insulation, acoustic materials, synthetic wood and decorative materials.

[www.trachang.co.th](http://www.trachang.co.th)



# COMPREHENSIVE ~~ONLINE~~ BRAND PROTECTION

IFW's comprehensive online brand protection programme involves Internet monitoring, investigations and enforcement activities on a month-to-month basis relating to any online violations of the SCG brands and trademarks. These violations include the following categories:

## Image and Keyword Violations

IFW will monitor the Internet, focusing on over 200 of the world's largest B2B and e-Commerce platforms for any image or keyword violations relating to the SCG, Cotto or Tra Chang brands. Once violations are identified and tagged in our monitoring system, enforcement action will immediately commence to remove the offending violations from the respective B2B platform or website. A full list of authorised suppliers and distributors will need to be provided by SCG upon the commencement of the programme. Once infringements are identified and approved for action by SCG IP Specialists, IFW will conduct enforcement action through our close working relationship with major B2B sites such as Alibaba.com, to remove the offending violations.



Sample screen shot of keyword violation

## Meta Tag Violations

A Meta tag is a line of HTML coding that contains metadata about a webpage. Meta tags are one piece in a large algorithmic puzzle that major search engines search for when deciding which results are relevant to show users who have typed in a search query. IFW will scan suspect websites for potential Meta tag violations relating to the SCG, Cotto or Tra Chang brand name. These violations are detected using IFW's specialist scanning technology and offending Meta tags can result in the website being closed down for IP breaches. IFW first provides a written warning to the offender requesting the offending Meta tags to be removed prior to engaging in further action if required.

```
1 <!--DOCTYPE HTML PUBLIC "-//W3C//DTD 2
2 <html xmlns="http://www.w3.org/1999/
3 <head>
4 <title>Cotto Wall & Floor Tile
5 <meta http-equiv="Content-Type" cont
6 <meta name="description" content="
7 <meta name="keywords" content="" />
8 <meta name="robots" content="INDEX,F
9 <link rel="icon" href="http://www.fi
10 <link rel="shortcut icon" href="http
11 <!--[if lt IE 7]>
12 <script type="text/javascript">
13 //</pre></div><div data-bbox="669 862 937 892" data-label="Caption"><p>Sample source code containing Cotto Meta tags</p></div><div data-bbox="71 956 527 970" data-label="Page-Footer"><p>CONFIDENTIAL PROPOSAL – NOT FOR DISTRIBUTION – © 2014 IFW</p></div>
```

The details recorded by IFW include all identifying data including but not limited to their name, address, telephone, fax, email, website and domain names, Internet Service Provider, IP address, physical address and geographical location. IFW will also store time-stamped copies of the offending advertisements for evidence if required in legal proceedings. IFW's Anti-Counterfeiting Programme is addressed under a separate heading in this proposal.

### Fraud Websites

IFW will investigate any complaints to SCG about impersonators and fraudsters who exploit SCG's brands.



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### Unauthorised Sellers

IFW will request the removal of any offending advertisements on major e-Commerce platforms where unauthorised sellers claim to have a relationship with SCG related brands. These advertisements often relate to grey market or parallel importing of product through unauthorised channels and sometimes, counterfeit product. IFW will discuss these offending advertisements with SCG to seek authorization on which advertisements SCG wish to remove from the Internet.



Sample screen shot of B2B advertisement selling Cotto brand

### Counterfeit Products

IFW can, on request, monitor for the sale of any counterfeit SCG, Cotto or Tra Chang products on major B2B and e-Commerce platforms and record details of offenders for follow up investigations.



Photograph of counterfeit chemicals in Vietnam

# GLOBAL DOMAIN NAME MANAGEMENT

## Overview

IFW proposes to manage the domain portfolio of SCG and provide both technical and administrative solutions. SCG presently maintains about 150 registered domains for its corporate affiliates, subsidiaries and branches. The following table represents the Domain Name Management services provided by IFW:

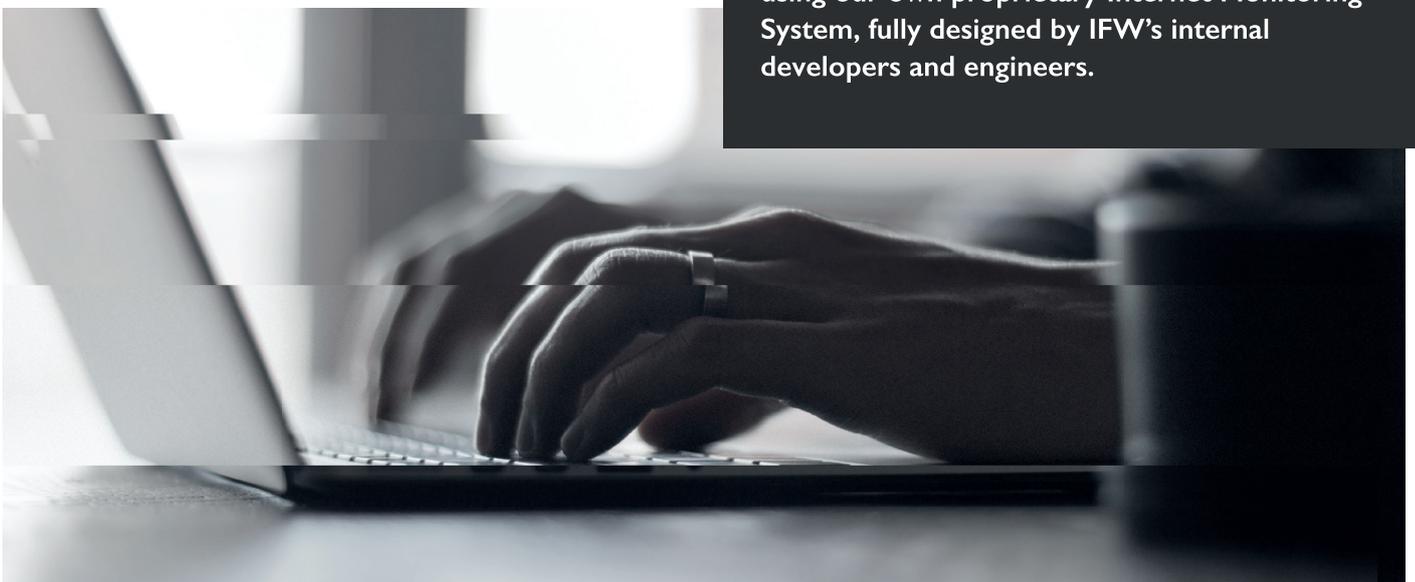
### Administrative Services

- SCG Domain Management Portal
- Full Audit and Optimization of Existing Domains
- Domain Registration Strategy for SCG relevant domains
- Renewal Schedule Management
- Adherence to standard Theme / Layout consistency
- Monitor for Trademark / Logo Violation (Skewed or Stretched Images, Wrong Color, Incomplete Logos)
- Coordination with Content Managers
- Domain Dispute Process

### Technical Services

- Daily Screenshots and Archiving
- DNS Entry Management
  - Mail
  - World Wide Web
- Hosting
  - Speed
  - Reliability
  - Downtimes

IFW provides a comprehensive and fully automated Domain Name Management service using our own proprietary Internet Monitoring System, fully designed by IFW's internal developers and engineers.



# GLOBAL ANTI-COUNTERFEITING PROGRAMME

Counterfeiting is a major global concern that costs multinational brand owners up to an estimated \$600 billion annually. The presence of counterfeit goods in the local market not only impacts on sales of genuine goods but also can significantly damage the reputation of a brand, particularly if it becomes associated with poor quality imitation products.

IFW has been at the forefront of Anti-Counterfeiting since its inception and IFW senior management have managed Anti-Counterfeiting programmes worldwide for some of the world's largest corporations for over 25 years. The Anti-Counterfeiting programmes are designed to gather intelligence on the ground and in the marketplace, using both online; and offline resources to identify, track, monitor; collect intelligence and gather evidence against offenders; and work with Customs and Law Enforcement authorities to take action against offenders.

IFW proposes to provide SCG with a Global Anti-Counterfeiting programme to monitor infringements against SCG brands in Thailand and globally.

A strong Anti-Counterfeiting programme will increase the value of the SCG brands and provide peace of mind to shareholders, customers and other stakeholders.



# SCG GEOGRAPHICAL LOCATION MAP IN ASIA





NORTH  
KOREA

SOUTH  
KOREA

JAPAN

HONG  
KONG

TAIWAN

VIETNAM

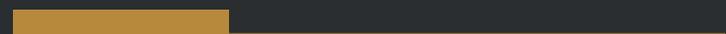
CAMBODIA

MALAYSIA

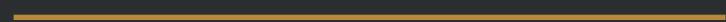
PHILIPPINES

KUALA  
LUMPUR

INDONESIA



Product counterfeiting is a big business -  
estimated to cost hundreds of billions..



# WHY SHOULD SCG BE CONCERNED ABOUT COUNTERFEITING?

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## Consumers

- Exposure to serious health and safety risks associated with counterfeit building construction materials such as cement, sanitary ware and building products.
- People that unknowingly purchase counterfeit products anticipating a bargain are actually paying an inflated price for an inferior product.
- In the United States alone, it is estimated that the crime of counterfeiting has caused the loss of over 750,000 jobs.

## Retailers

- The sale and distribution of counterfeit products has clear legal risks - whether sold with intent or without any knowledge whatsoever.
- Retailers pay the costs in return for inferior quality products and suffer the loss of goodwill and direct sales as a result.
- Cost of recalls. Counterfeiters are hard to trace -- in the case of an injury associated with a defective counterfeit product - the retailer may be the only traceable company associated with its distribution.

## Manufacturers

SCG invests heavily into research and development, innovation, quality materials and manufacturing processes, and the company works to meet the conformity assessment schemes of their markets. SCG works hard to build brand recognition and to foster goodwill with their end users. The counterfeiters that are their direct competition rely on stealing SCG brand names and profiting from SCG's goodwill and reputation resulting in the following:

- Direct loss of sales
- Loss of goodwill
- Irreparable damage to corporate brand/reputation
- Trademark dilution
- Costs of protecting and enforcing their intellectual property rights



# PHASE-BY-PHASE IFW ANTI-COUNTERFEITING PROGRAMME

The following table sets out an example of a Phase-by-Phase IFW Anti-Counterfeiting programme and the estimated days to allow for the work to be completed on each phase:

PHASE 1 ↓	Internet Research and review of all major 828 sites to locate counterfeit SCG products in the ASEAN and China regions. Profile and categorise the sellers order of priority for further action (biggest first)  ESTIMATE 7-10 DAYS
PHASE 2 ↓	Engage the target internet sellers using undercover means and methods to gather evidence of locations company names, website, offender identities etc. Conduct trap purchases for product analysis by SCG  ESTIMATE 10-15 DAYS
PHASE 3 ↓	Engage the seller in an order of counterfeit product to be shipped to an IFW front trading company. IFW to track the shipment and conduct detailed analysis of the goods upon arrival. Record all evidence  ESTIMATE 20-25 DAYS
PHASE 4 ↓	Investigation and identification of the source of the products using various technical and physical methods to include liaison with courier or shipping companies. Western Union, GPS tracking etc.  ESTIMATE 10-15 DAYS
PHASE 5	Reports and Briefing once manufacturer is identified IFW to start gathering evidence of volume, customer base, shipping channels, links to OEM, size and scope of operation. Reports to SCG, Customs. Police  ESTIMATE 30-60 DAYS

# BUDGET & PAYMENT

## I. Online Brand Protection & Domain Name Management

IFW recommends the following budget allowances for the online brand protection and domain name management project:

Brand name	Service	Cost per month USD	Reporting
SCG Corporate Logo	Online monitoring & enforcement	2500	Monthly
Cotto	Online monitoring & enforcement	2500	Monthly
Tra Chang	Online monitoring & enforcement	2500	Monthly
SCG Domains	Domain Management of 150 domains	2500	Monthly
<b>TOTAL</b>		<b>10,000</b>	<b>Monthly</b>

Based on the above table, we recommend that SCG allocate a \$10,000 budget per month towards the IFW comprehensive online brand protection and Domain Management programme.

## 2. Anti-Counterfeiting Programme

Whilst it is difficult to provide an exact cost for the IFW Anti-Counterfeiting Programme, we believe the value that IFW can provide SCG will lead directly to increased orders and ultimately increased revenue, and significantly reduce the volume of counterfeit SCG products in the marketplace.

The IFW Anti-Counterfeiting Programme, as outlined, has 5 key phases. As a guide for budget purposes, the table below outlines our daily rate and budget allowance that SCG should allow for this programme.

This project would be billed on a time-and-materials basis, with detailed time sheets being made part of the reporting process at the end of each phase.

### Estimated budget allowance per target:

PHASE	EST # DAYS	Daily rate (USD)	Budget allowance
Internet Research (Identify targets)	1-2	800	\$800 to \$1600
Engage Target	1-2	1200	\$1200 to \$2400
Engage Seller*	2-3	1200	\$2400 to \$3600
Investigate and Identify	1-2	1200	\$1200 to \$2400
Reports and Briefing	1-2	800	\$800 to \$1600

\* Costs of the counterfeit product order are not included in this table

Based on the estimates set out in the table, the average cost of an investigation into a counterfeiting target from start to finish is between \$6,400 and \$11,600 plus expenses (travel, accommodation, courier, shipping, products).

At the completion of each Phase, IFW would review the outcomes and deliverables against the goals and desired outcomes, to ensure the programme is on track. At the completion of each Phase a GO/NO-GO decision would be taken by SCG before IFW proceeds to the next phase.

The budget allowance does not include any additional phases of work at this time. Any additional work not covered as part of this proposal would form the basis of a change request and be quoted separately. Any additional expenses (travel, accommodation, etc.) do not form part of the daily rate and will be agreed to prior to writing from SCG.

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