

▶ Online Pharmaceutical Brand Abuse

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▶ Online Risks in Drug Brands - Methodology

- Six leading drug brands surveyed
 - Three top online revenue products
 - Three most searched drugs online
- What we examined
 - Online promotions
 - Sales channel
 - Supply chain
- Source data
 - 20,000+ domains abusing drug trademarks
 - 2,986 pharmacies
 - 11,000 search advertising sites
 - 60 million spam emails
 - Online B2B exchanges

Online Risks in Drug Brands – Observations

- Problem continues to grow
 - More traffic to online pharmacies
 - Higher estimated revenue from online pharmacy sales
 - Greater availability of pharmaceuticals in the online supply chain
- Very aggressive marketing
 - Greater discounts
 - Pharmacy operators promoting their sites via paid advertising
- Established, ongoing businesses
 - 60% of pharmacies identified in 2007 study still operating
 - 59% of online exchange listings identified in 2007 remain active
- Growing supply chain
 - 36% growth in listings on B2B exchanges

Pharmaceutical Brandjacking

Analysis of six top drug brands in June 2008

Threat Type*	Q2-07	Q2-08	YOY	YOY BJI-30
Cybersquatting	13,065	17,625	35%	38%
Offensive Content	300	560	87%	-33%
eCommerce Sites	3,052	5,070	66%	-7%
False Association	7,849	8,149	4%	-20%
Pay-Per-Click Abuse	3,625	1,471	-59%	-57%

- Threat types are not mutually exclusive. Data is based on weekly samples averaged over one month
- Drugs.com study, "Top 200 Brands for 2007 by U.S. Sales"

Online Pharmacies



Online pharmacy example

- “Canadian” online pharmacy
- Hosted server in Russia
- U.S. phone
- Tracked since 2007
- Faked accreditation and certification

Questionable Health and Business Practices

Online Pharmacies Abuse Trends

Online Pharmacies	Q2-07	Q2-08
Total number of unique online pharmacies*	3,160	2,986
VIPPS certified	4	2
No protection measures for customer data	50%	64%
Alexa-ranked	33%	36%
Number of daily visitors per site	32,000	99,000
Estimated annual sales from ranked site**	\$4 Billion	\$12 Billion

Search Advertisement Landing Page

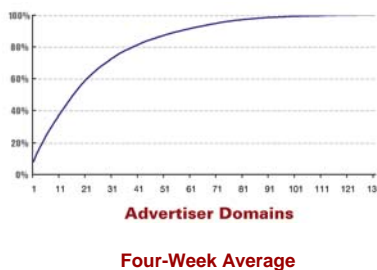


- Professional
- Falsified accreditation
- Counterfeit safe shopping seals
- Selling generics for patented medications

Convincing & Professional Looking

Search Engine Advertising

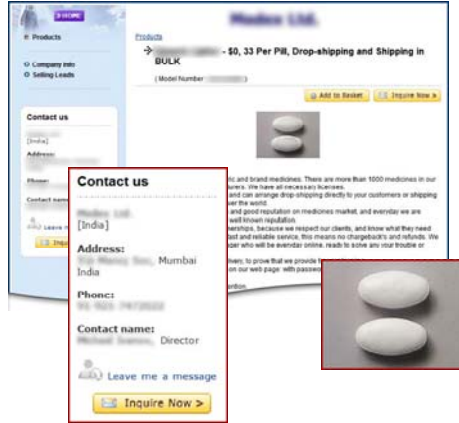
Search Advertisements



- 11,836 Search Ads
- 131 Advertiser Domains
- \$26 MM Estimated Spend
- >66% with Trademark Infringement
- No Legitimate Certified Sites

Search Spend Validates Site Revenue Estimates

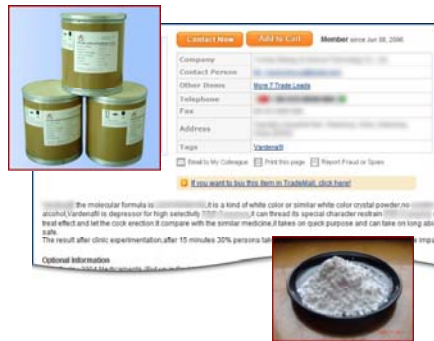
Exchange Listing



- 93% Retail Discount
- India Hosted
- Listing Contacts Russian

Exchange listing example

Active Pharmaceutical Ingredient Exchange Listing



- Chinese manufacturer
- Selling patented APIs
- Minimum order 5kg

Active Ingredients Exchange Example

Questionable Health and Business Practices

Exchange Sites

B2B Exchanges	Q2-07	Q2-08
Number of exchange listings selling pills*	390**	530
Number of sellers	238	185
Percent of listings not specifying country	56%	81%
Number of listings with volume specified	21	40
Number of exchange listings selling APIs as powder	n/a	229

Supply Chain Has More Active Sellers, Smaller Volumes

Spam Landing Pages



31,038 spam landing pages

Professional Appearance

Spam Landing Pages



By Country and Region

- 31k new unique spam landing pages in June 2008
- 48% of spam landing pages hosted in U.S.
- Shift from China to U.S. could be masking technique

Registrars Enabling Online Pharmacies

Registrars Enabling Online Pharmacies	
1	GODADDY.COM, INC. 20%
2	ENOM, INC. 9%
3	ESTDOMAINS, INC. 8%
4	PUBLICDOMAINREGISTRY.COM 6%
5	NETWORK SOLUTIONS, LLC. 5%
6	TUCOWS INC. 3%
7	WILD WEST DOMAINS, INC. 2%
8	DIRECT INFORMATION PVT LTD D/B/A PUBLICDOMAINREGISTRY.COM 2%
9	INTERCOSMOS MEDIA GROUP, INC. 1%
10	D/B/A DIRECTNIC.COM 1%
	MELBOURNE IT, LTD. D/B/A INTERNET NAMES WORLDWIDE 1%

Top Enabling Registrars, Q2-08

- 2,986 online pharmacies*
- Top 20 by IP address account for 544 unique** domains
- 10 Registrars account for 58% of unique domains

*Six drug brands in June 2008

**Unique brand domain pairs means no double counting for multiple drug brands

Consumer Purchase Experience



Consumer Purchase Experience

The screenshot shows the 'Secure Order' form on the Interpill website. The form is divided into several sections: 'Fill from billing information', 'Credit Card information', and a 'Submit order' button. The 'Fill from billing information' section includes fields for First name, Last name, Address, City, Zip or postal code, State, and Country. The 'Credit Card information' section includes fields for Cardholder name, Credit card No., Expiration date, and CV2 / CVV2. There is also a 'Your comments' text area. At the bottom of the form, there are logos for 'VERIFIED by VISA', 'MasterCard SECURECODE', and 'HACKER SAFE'. A disclaimer at the bottom states: '* Your address is kept for fraud prevention. * FRAUD WILL BE PROSECUTED TO THE FULLEST EXTENT OF THE LAW.'

Consumer Purchase Experience



Brand Rights Holder Recommendations

- Create strong online rights ownership through a defensive domain portfolio
- Defend yourself against all forms of online infringement
- Use tools that leverage your enforcement capabilities

MarkMonitor®

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