Report Highlights

• LegitScript estimates that about 3,000 websites, or 10% of the world’s rogue Internet pharmacies, primarily target Japan, making it the second-largest market for illegal online drug sellers.

• Out of roughly 1,000 companies accredited to sell domain names, 66% of illegal online pharmacies targeting Japan are registered with one registrar, GMO Internet (onamae.com).

• Most other registrars around the world regularly terminate services to websites unlawfully marketing unapproved drugs to the Japanese public, even if the registrar is not located in Japan.

• This report documents the policies of Japan’s largest domain name registrar and business relationships with foreign companies engaged in the marketing of unapproved drugs into Japan.
1.0 Summary

The Internet-based marketing of unapproved drugs and dangerous drugs is a serious health problem in Japan, as well as globally. Of the roughly 32,500 websites selling prescription drugs that are estimated by LegitScript to be online and active at any one time, about 10% primarily target Japan, making Japan the second-largest target of illegal online medicine sellers in the world (the US is the #1 target). Another 75% of illegal online pharmacies are written in English or other languages but offer to ship to Japan. Of the illegal online drug sellers targeting Japan, nearly all source the drugs not from licensed pharmacies, but from unregulated sources in India, Singapore, China, Turkey, and other locations, and sell prescription-only medicines without any medical supervision. As LegitScript has noted in the past, some of this market is controlled by cybercrime networks in Hong Kong, Singapore, Thailand, and India.1

Globally, as well as in Japan, this has led to real health consequences:

- The Japanese Ministry of Health, Labour and Welfare reports multiple incidents, including several deaths, caused by diet pills imported from Thailand.2 These diet pills contain sibutramine and diazepam.

- A British female, Eloise Aimee Parry, died after taking a diet drug sold online by an unlicensed online steroids and pharmaceuticals seller.3

- A Japanese man was hospitalized after taking counterfeit 50mg Cialis purchased online in 2011. He was found to have a blood clot in his brain, which resulted in convulsions and unconsciousness.4

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In 2011, a Japanese man died from interstitial pneumonia. Counterfeit Cialis 50mg was found in his house and was suspected to be a contributing factor in his death.\(^5\)

To address this problem, LegitScript works with domain name registrars around the world to disable the illegal and dangerous websites. Among roughly 1,000 companies globally accredited to sell domain names, the vast majority — even those registrars not located in Japan, such as GoDaddy (in the US) and Directi (India) — shut down domain names engaged in the illegal marketing of drugs to Japanese residents, in an effort to help protect the Japanese public from unregulated drugs. These registrars should be commended for their efforts in support of Japanese public safety.

However, this has led to the “clustering” of illegal online drug sellers at a small number of domain name registrars that steadfastly refuse to take action and permit the use of their registration services in furtherance of illicit online drug sales.

LegitScript’s data indicate that about two-thirds of illegal online drug sellers targeting Japan are sponsored by GMO Internet, also known as onamae.com, the largest domain name registrar in Japan.\(^6\) Specifically, LegitScript reviewed approximately 2,250 Japanese domain names that are used for the illicit advertisement and sale of unapproved medicines as of November 2015, and that constitute the bulk of the Japanese market. Out of those 2,250, about 1,500 are registered with GMO Internet, representing about two-thirds of the total Japanese rogue pharmacies. In other words, if GMO were to suspend the rogue Internet pharmacy domain names\(^7\) using its platform, the total number of Japanese rogue Internet pharmacy websites would


\(^6\) This report was conceived, prepared, and completed solely by LegitScript. It was not requested, funded, suggested, or in any way supported (financially or otherwise) by any third party whatsoever, including any domain name registrar, pharmacy, registry, ISP, government agency, pharmaceutical company, or any other entity or individuals.

\(^7\) Strictly speaking, websites that advertise and sell pharmaceutical products illegally are not “pharmacies” because they do not have valid Japanese pharmacy licenses issued by local prefectures. We use the term “Internet pharmacy” in this report as a general term because from the consumer’s perspective, they are marketed as “Internet pharmacies” or similar businesses.
be reduced to one-third of its present amount. This report also notes that, of those 1,500 illicit online pharmacies, GMO Internet is offering an anonymity service to approximately 1,200 of them, enabling the drug sellers to conceal their identity from regulatory authorities and the website’s own customers.

Fig 1: Of the roughly 1,000 companies accredited to sell domain names, 66% of illegal online pharmacies targeting Japan are registered with GMO Internet (onamae.com).

There are two things that are ironic about this. First, of course, is that the websites, despite sometimes marketing themselves as “Internet pharmacies,” are not licensed pharmacies in Japan — or, typically, anywhere. Nor, for that matter, are they necessarily operated by Japanese citizens, despite making use of a Japanese domain name registrar. Rather, the drugs are sold by multinational networks based in China, India, the Middle East, and various offshore islands. The second ironic point is that over the last two years, LegitScript has worked with hundreds of other domain name registrars in countries outside of Japan to protect public health in Japan by shuttering more than 1,500 websites marketing unapproved medicines to Japanese
residents, in violation of Japanese laws and regulations. A wide range of companies, including GoDaddy in the United States, Directi in India, IP Mirror in Singapore, Gandi SAS in France, and Key-Systems in Germany have suspended illegal online drug websites targeting Japan even though their own countries were not the target of these cybercriminals. Ironically, then, despite being located in Japan, GMO Internet is one of the few registrars around the world that has refused to do so, resulting in the clustering of illegal online drug sellers utilizing the company’s services.

This report summarizes the multiple communications in which LegitScript has engaged with GMO Internet, including multiple emails, explanations of Japanese laws and regulations, certified documentation, and an offer to meet with GMO Internet’s staff at the company’s Tokyo headquarters. GMO Internet has consistently refused these entreaties, instead opting to continue doing business with illegal online drug marketers. As a consequence, most of the illegal online drug sellers targeting Japan that GMO Internet has been notified about remain online, violating Japanese laws and regulations and putting Japanese citizens’ health and safety at risk.
2.0 Examples of Rogue Pharmacy Domain Names that GMO Allows to Operate

This section contains examples of domain names used to illegally market unapproved drugs to the Japanese public. As outlined below, these websites are not otherwise-legal pharmacies engaged in a few unintentional regulatory violations. Rather, their sole purpose is to market unregulated and unapproved drugs to the Japanese public.

All of the domain names below have been provided to GMO Internet as part of an anti-abuse notification, along with hundreds of others. These websites continue to operate and put Japanese residents’ health at risk due to the lack of responsiveness by GMO Internet.

Example #1: タダシップ.com

Below is a screenshot of タダシップ.com, which advertises and sells Tadacip and Kamagra. Tadacip contains tadalafil, and Kamagra contains sildenafil. Both tadalafil and sildenafil are prescription-only active pharmaceutical ingredients. While the ingredients are approved and safe under certain circumstances when approved by the Japanese Ministry of Health, Labour and Welfare, neither Tadacip nor Kamagra are lawfully approved drugs in Japan, and as such, pose a risk to patient safety.
Example #2: 低用量ビル通販.com

While rogue Internet pharmacies are infamous for selling lifestyle medicines such as Viagra, they also advertise and sell a wide variety of medicines including birth-control pills, diet pills, and dietary supplements that contain restricted ingredients. Below is an example of a website that specifically targets female customers with unapproved drugs. 低用量ビル通販.com
advertises and sells the prescription-only medicine Triquilar. This website links to goodjob.click, which processes orders for an illegal online pharmacy network based in Hong Kong.

**Fig 3: Screenshot of 低用量ピル通販.com**

**Example #3: doctor-9.com**

Below is a screenshot of doctor-9.com, which advertises and sells a diet drug called Reduce-15 mg, which contains sibutramine, a pharmaceutical ingredient that is not approved in Japan. Sibutramine was found to cause heart failure and stroke, and has been withdrawn from the market in many countries.
The three websites that are discussed above are blatantly violating the Japanese Pharmaceutical Affairs Laws by advertising and selling medicines that are unapproved in Japan. Although Japan allows the personal importation of medicines in very limited cases, the marketing of unapproved medicines is strictly prohibited.

These domain names are not “borderline cases,” nor are their legal statuses open to subjective interpretation. LegitScript only notifies registrars when the websites are clearly operating in violation of applicable laws and regulations.
A partial list of other illegal online drug marketers that GMO Internet was notified about, but that remained online at the time of this writing (December 2015), include:

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<tr>
<th>TextileInternet.com</th>
<th>プロペシアアミノキシジル.com</th>
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<td>glyco-therapy.org</td>
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<td>jirikiseitai.com</td>
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<tr>
<td>hi-9.biz</td>
<td>格安バイアグラ.バイアグラの通販.com</td>
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<td>genki-mobile.com</td>
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<td>onayami-muyo.com</td>
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<td>blogofmuscle.com</td>
<td>indiagenericsrx.com</td>
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<td>ベストケンコー楽天.com</td>
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<td>iscubix.com</td>
<td>troublee.com</td>
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<td>医薬品ネット販売.com</td>
<td>worldpharmaceuticalforum.com</td>
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<td>kusuri-navi.net</td>
<td>スーパーpフォース.biz</td>
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<tr>
<td>aga薬.com</td>
<td>レピトラ通販ジェネリック.com</td>
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<tr>
<td>drug-store.biz</td>
<td>フィンペシア激安.net</td>
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<tr>
<td>kusuri-brand.com</td>
<td>ルミガン通販.biz</td>
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<tr>
<td>海外医薬品個人輸入.com</td>
<td>エフペシア効果.com</td>
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<tr>
<td>トリキュラー通販.biz</td>
<td>zeroxrecords.net</td>
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<tr>
<td>早漏治療薬.biz</td>
<td>ケアプロスト通販.co</td>
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<tr>
<td>海外医薬品通販.com</td>
<td>パントガール.jpn.com</td>
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3.0 GMO Contractual Responsibilities

On May 18, 2015, LegitScript notified GMO Internet about 500 rogue pharmacy domain names, including the three discussed above in Section 2. We sent multiple follow-up emails explaining how these websites are violating Japanese laws and why the domain names should be suspended, on May 21, June 12, June 22, June 26, and July 2, 2015. This section explores GMO Internet’s responsibilities to the Internet-using public.

3.1 Problems with GMO Internet’s Approach

In response to LegitScript's abuse notifications, GMO Internet has directed us to contact the server companies instead of the registrar. However, this strategy would have little effect: criminals keep backups of their content and can immediately, and repeatedly, repost the illegal content at the same website name. The only way to adequately protect patient safety is to suspend the domain name and keep it locked until the domain name registration expires. This is the approach that most registrars, registries, and law enforcement agencies around the world take, with the notable exception of GMO Internet. To explain this further:

1. Server operators are not equipped to permanently take websites offline. Servers can “remove” the content temporarily, but even when a website content is removed by one server, the website operator can simply sign up for another server and keep operating the website under the same domain name. Furthermore, some rogue pharmacy networks operate their own servers. Therefore, the only way to terminate the illegal activity of a rogue pharmacy website is to suspend and lock the domain name.

2. GMO is accredited by the Internet Corporation for Assigned Names and Numbers (ICANN). As an ICANN-accredited registrar, GMO is bound to the 2013 Registrar Accreditation Agreement. RAA 3.18.1 (https://www.icann.org/resources/pages/approved-with-specs-2013-09-17-en) states: “Registrar shall take reasonable and prompt steps to investigate and respond appropriately to any reports of abuse.” RAA 3.18.2 states: “Well-founded
reports of Illegal Activity submitted to these contacts must be reviewed within 24 hours by an individual who is empowered by Registrar to take necessary and appropriate actions in response to the report.” Note that this is a contract between ICANN and GMO, not the server companies, which have no comparable accreditation requirements. But more importantly, it is a statement of the registrar’s obligation to the Internet-using public: not to knowingly facilitate illegal activity.

3. GMO’s domain name registration agreement Article 19 ([http://www.onamae.com/agreement/a_ag/registration.html](http://www.onamae.com/agreement/a_ag/registration.html)) states: “GMO has a right to take actions that are needed, including refusal of application for the registration, cancellation of the registration, suspension of domain name transfer, restricting the domain name usage, or take other necessary actions without notifying and warning to the members, registrant, and other third-party agent, when the domain name registration and usage applies to the conditions listed below (当社は、ドメイン名の登録または使用が以下の事由に該当すると判断した場合，会員，登録者その他の第三者に対し通知，催告その他手続きを要することなく，当該ドメイン名について，登録申請の拒否，登録の取消，登録の移転，使用の一時停止，利用制限その他，当社が必要と考える措置を行うことができるものとします。).” And the prohibition includes any website that “violate(s) or may violate laws and regulations (法令に違反したままたは違反するおそれがある場合).” GMO clearly states on its website that the company has a right to suspend the domain name usage when the domain name is, or may be, used for illegal activities.

In short, GMO Internet’s Terms and Conditions state that the use of domain names for illegal activity is prohibited (and that GMO Internet may suspend services); however, when it is notified that illegal activity is occurring, the company washes its hands of any responsibility.

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8 LegitScript submitted a complaint to ICANN regarding GMO Internet. The complaint was subsequently closed. Note that ICANN has consistently taken the public position that it will tolerate its accredited registrars knowingly sponsoring criminal activity, so the closure of our complaint to ICANN should not be interpreted as a determination that the websites are actually operating legally.
Additionally, even the company’s directive that complainants should instead notify the server company rings hollow — no other registrars that we are aware of currently offer this excuse, and besides, if GMO Internet really believed that it is the server’s responsibility to remove illegal content, then why are the websites that use GMO’s servers still operating illegally several months after we notified GMO about them?

Take the illegal online drug sellers bb-drugs.net, for example. The website is marketing a variety of unapproved medicines to residents of Japan, ranging from birth control pills to antidepressants. In the screenshot below, bb-drugs.net is advertising and selling the birth control pill Gynera, an unapproved medicine in Japan.

**Fig 5: Screenshot of bb-drugs.net**

The domain name bb-drugs.net was registered with GMO Internet, and LegitScript’s records shows that we have notified GMO of this domain name multiple times since November
2012. But GMO Internet is also providing servers for the website: the server used for this domain name is GMO DigiRock (digirock.co.jp), a “Group Company” of GMO Internet.

Fig 6: The IP address for bb-drugs.net shows 202.172.28.54

![IP Address Screenshot](image)

Fig 7: The IP address shows server is GMO DigiRock, Inc., a “Group Company” of GMO Internet

![Server Information](image)

Below is a screenshot of GMO DigiRock (digirock.co.jp), which clearly shows its affiliation with GMO Internet. Thus, in this example, GMO Internet refused to suspend and lock bb-drugs.net because it argues that it’s the responsibility of the server to remove illegal content; however, the server is owned by GMO Internet, and yet the website remains online despite repeated notifications made by LegitScript.

*image appears on following page*
Fig 8: digirock.co.jp, a server company of bb-drugs.net, is a group company of GMO Internet Group.

Thus, while the company’s response to abuse notifications “Go talk to the server company” — is misplaced anyway, it especially rings hollow in light of the fact that some of the illicit online drug marketers are with GMO Internet or its subsidiaries.

Similarly, in some cases, GMO Internet has implied that LegitScript should contact the illegal online drug sellers and ask them to stop their activities. This approach is specious: Cybercriminals, particularly those hiding their identities, do not cease their activities, particularly those that are highly profitable, simply based on a polite request.

Indeed, LegitScript has even attempted to approach this issue in a conciliatory fashion by following GMO’s suggested approach: notifying server companies and sending warning emails to the cybercrime operators. As proof that this approach is ineffective, the majority of the websites still continue to be engaged in illegal activities. After multiple subsequent notifications
to GMO Internet, the company replied that “for instances that (GMO) controls the servers, we will confirm the situation of the usage again, and take appropriate actions. (弊社サーバーにつきましては、あらためて利用状況を確認のうえ、随時適切な対応をさせていただきます。)” Yet, as seen with bb-drugs.net, the example discussed above, GMO tolerates the misconduct when GMO itself sells the server space to the illegal online drug marketer.
The problem of illegal online drug sellers poses a serious threat to human health. Japan is the world's second-largest target market for cybercriminals illegally marketing unapproved drugs. Across the world, hundreds of domain name registrars have acted in support of the Japanese public by terminating services to unlicensed sellers of unapproved drugs.

GMO Internet, Japan’s largest domain name registrar, is a notable exception. As a result of this policy decision, it has become a magnet for illegal online drug sellers. Despite the fact that GMO Internet is but one of about 1,000 companies accredited to sell domain names, LegitScript's data indicate that the company has nearly 66% of domain name registrations for illegal online drug sellers targeting Japan. Over the last several years, LegitScript has reached out to GMO Internet on dozens of occasions; LegitScript's CEO, John Horton, even contacted GMO Internet's CEO, Masatoshi Kumagai, directly, to no avail.

GMO Internet is a publicly traded company. As such, it should welcome open, public, and transparent discussion of its policies, and the implication of those policies for Japanese public health and safety. At present, the company's policy on domain names used to illegally market unapproved and potentially unsafe medicines to the Japanese public is: Go talk to someone else; it's not our problem. All the while, the company continues to quietly profit from this policy, becoming a magnet for thousands of illegal online pharmacies and thus increasing its market share of the illegal online drug market.

But GMO Internet is more than just a registrar, and more than just a publicly traded company. It is the largest Japanese domain name registrar, and serves as a symbol of Japan’s Internet community to the outside world. GMO advertises itself as (roughly translated) “The Internet Group that represents Japan” (日本を代表する総合インターネットグループへ). And indeed, it does: As the largest domain name registrar in Japan, it may be seen by the outside
world as a representative of Japan’s Internet industry. As such, LegitScript believes that the company also has an obligation to set a positive example for Internet safety and public health.

Fig 9: Facebook cover page for GMO Internet, “The Internet Group That Represents Japan”

When given every opportunity to clear its platform of domain names being used to facilitate drug-related cybercrime, GMO Internet instead elected to continue serving illegal marketers of unapproved drugs. As a result, GMO’s platform is heavily abused by rogue pharmacy operators, harboring two-thirds of the current Japanese rogue pharmacy domain names. By contrast, most other registrars around the world terminate services to websites illegally marketing unapproved drugs to Japanese residents, even if those registrars are not located in Japan. These include eNom (US), Internet.bs (Bahamas), URSolutions (Panama), Directi (India), and LogicBoxes (India), all of which have voluntarily acted to help the Japanese public. Some Japanese ICANN-accredited domain name registrars, such as NetOwl, have done the same and deserve credit.

LegitScript encourages GMO Internet to update its anti-abuse policies and follow the lead of other registrars around the world, most of which prohibit the use of their services by illegal online drug sellers. The citizens of Japan deserve nothing less.