



Advocacy that fits.

740 6th Street, NW • Washington, DC 20001 | P: 202-853-9080 | www.aafaglobal.org

November 7, 2023

The Honorable Dick Durbin
Chair
Committee on the Judiciary
U.S Senate
Washington, DC 20510

The Honorable Lindsey Graham
Ranking Member
Committee on the Judiciary
U.S Senate
Washington, DC 20510

The Honorable Chris Coons
Chair
Subcommittee on Intellectual Property
Committee on the Judiciary
U.S Senate
Washington, DC 20510

The Honorable Thom Tillis
Ranking Member
Subcommittee on Intellectual Property
Committee on the Judiciary
U.S. Senate
Washington, DC 20510

Dear Chairs Durbin, Coons, and Ranking Members Graham and Tillis:

Thank you for holding the important “Back to School with the SHOP SAFE Act: Protecting Our Families from Unsafe Online Counterfeits”¹ hearing before the U.S. Senate Committee on The Judiciary, Subcommittee on Intellectual Property on October 3, 2023. I was honored to testify and look forward to remaining engaged on behalf of our members.

Please find answers to several questions that were posed since the hearing outlined below.

Let me reiterate that we have an opportunity to build on the momentum of the INFORM Consumers Act with the passage of SHOP SAFE this Congress. As you know, the INFORM Consumers Act now requires third party platforms to disclose more information to consumers about high volume sellers. AAFA celebrated the Congressional passage of INFORM,² and we continue to call for strong enforcement, as INFORM helps take away the ability of criminals to sell counterfeits by unmasking them. But this was only a first step in what is now needed to help bring our anti-counterfeit tools into the age of ecommerce. We still need proactive measures to make sure counterfeits do not get listed on third-party marketplaces in the first place. SHOP SAFE will hold third-party online platforms accountable so they will be incentivized to make the necessary changes that will keep counterfeits and other unsafe goods off their ecommerce markets. Platforms will need to meet the same

¹ Back to School with the SHOP SAFE Act: Protecting Our Families from Unsafe Online Counterfeits
<https://www.judiciary.senate.gov/committee-activity/hearings/back-to-school-with-the-shop-safe-act-protecting-our-families-from-unsafe-online-counterfeits>

² AAFA Applauds Passage of INFORM Consumers Act with Omnibus Spending Package
https://www.aafaglobal.org/AAFA/AAFA_News/2022_Press_Releases/AAFA_Aplauds_INFORM_passage_Omnibus.aspx#:~:text=American%20Apparel%20%26%20Footwear%20Association%20President%20and%20CEO,part%20of%20the%202023%20omnibus%20spending%20package%20today.

requirements and face the same accountability, as brick-and-mortar retailers, and your mom-and-pop store down the street, when it comes to stopping the sale of counterfeit or illicit products.

We thank you for your efforts and strong commitments to American jobs, American IP, and American consumers.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Lamar". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephen Lamar
President and CEO
American Apparel & Footwear Association

Q: DO BRANDS/RIGHTS HOLDERS CURRENTLY PARTNER WITH PLATFORMS TO ADDRESS ISSUES WITH COUNTERFEITS AND INFRINGING PRODUCTS?

- Yes, AAFA members of all sizes spend considerable resources to police third party marketplaces, try to remove shady websites, and take down fraudulent ads with a mission to address the growing counterfeit problem and protect consumers.³
- However, the current reactive status-quo is not working to catch the dangerous counterfeits because it places an imbalance on brands to identify, flag for the platform, follow-up again and again.
- AAFA has chronicled the growing challenges our members face in the last five Notorious Markets for Counterfeiting and Piracy (NML) comment rounds to the Office of the U.S. Trade Representative (USTR), where some members found 100% of the items searched with a brand keyword as being *all* counterfeit items.
 - a. 2023:
 - i. Nominated Meta (all Meta platforms), Alibaba Cloud, Shopee, DHgate, and Lazada.⁴
 - b. 2022:
 - i. Nominated Shopee and all Meta platforms.
 - ii. Identified platforms of concern: Alibaba Cloud and Lazada – they were not formally named in 2022.
 - iii. Noted concerns raised by our members related to Amazon.
 - c. 2021:
 - i. Nominated: Facebook (including Instagram, and WhatsApp), Bukalapak, Shopee, Tokopedia
 - ii. Comments on other online markets: Alibaba, Amazon⁵
 - d. 2020:
 - i. Nominated: Amazon, Facebook, (Instagram) Redbubble (Australia), Allegro (Polish), Avito.ru (Russia), Bigl.ua and Prom.ua (Ukraine), VK (Russia), WeChat, Bukalapak, Tokopedia, Carousell, and Shopee⁶
 - ii. USTR names Amazon on the NML for the first time⁷
 - e. 2019: Nominated: Amazon, Bukalapak, Lazada, OfferUP, Shopee, Tokopedia, Wanelo, WeChat⁸

³ AAFA submitted 2022 comments to the U.S. Trade Representative quantifying the abundance of counterfeits across platforms and detailing the resources brands reallocate to police marketplaces across the destructive counterfeiting value chain.

<https://www.aafaglobal.org/AAFA/AAFA News/2022 Letters and Comments/AAFA Files 2022 Notorious Markets Comments USTR.aspx>

⁴ AAFA Files 2023 Notorious Markets Comments to USTR

<https://www.aafaglobal.org/AAFA/AAFA News/2023 Letters and Comments/AAFA Files 2023 Notorious Markets Comments USTR.aspx>

⁵ AAFA submitted 2021 comments to USTR

<https://www.aafaglobal.org/AAFA/AAFA News/2021 Letters and Comments/AAFA Comments to USTR on Notorious Markets.aspx?WebsiteKey=49c45f4d-69b3-4c66-823a-6d285960fed2>

⁶ AAFA submitted 2020 comments to USTR

<https://www.aafaglobal.org/AAFA/AAFA News/2020 Letters and Comments/AAFA Comments to USTR on Notorious Markets.aspx>

⁷ 2020 Review of Notorious Markets for Counterfeiting and Piracy

[https://ustr.gov/sites/default/files/files/Press/Releases/2020%20Review%20of%20Notorious%20Markets%20for%20Counterfeiting%20and%20Piracy%20\(final\).pdf](https://ustr.gov/sites/default/files/files/Press/Releases/2020%20Review%20of%20Notorious%20Markets%20for%20Counterfeiting%20and%20Piracy%20(final).pdf)

⁸ AAFA submitted 2019 comments to USTR

- The U.S./China Phase One agreement⁹ positions the U.S. to take action with U.S. based platforms.
 - a. “The Parties shall combat the prevalence of counterfeit or pirated goods on e-commerce platforms by taking effective action with respect to major e-commerce platforms that fail to take necessary measures against the infringement of intellectual property rights.”
- Lastly, AAFA included the below section in the association’s 2022 comments to show the direct cost to brands to police platforms, including an almost impossible task for smaller or recently launched brands.

Monetary Resources Lost

- *Annually, one brand spends \$300,000 alone on vendors to help monitor and address the problem as each platform typically employed a reactive, nuanced process for notice and takedown. For another AAFA member, the legal costs in enforcing against counterfeiters and the destructive value chain (i.e., the supply chain of digital counterfeiting from the fraudulent ads to the fake websites and the listing of counterfeit goods across platforms) equals at least \$2 million per year.*
- *A third AAFA member shared that the company spends close to \$1 million per year as the number of enforcements against counterfeiters has increased yearly by at least 100,000 reported products.*
- *A fourth AAFA member, a small business with approximately 18 employees, estimated allocating at least \$50,000 towards brand protection efforts yearly.*
- *A fifth AAFA member shared that this brand allocates \$300,000 per year to online monitoring and enforcement across three key vendors to combat global counterfeiting, resulting in the removal of over 170,000 infringing e-com shops, social media profiles, fraudulent paid ads, and third- party websites in 2021. Additionally, this same brand allocates \$1.7 million annually towards its global brand protection efforts to combat counterfeit goods both online and offline.*

Loss in Revenue Estimated and Hours Reallocated

- *Year-to-date the loss to one AAFA member is estimated at \$3 million with some members devoting at least one full time in-house staff member per brand to monitoring anti-counterfeiting efforts.*

Additionally, given that it is impossible to effectively enforce across all infringing platforms, AAFA members have needed to prioritize enforcement as each platform mandates a time and resource-intensive nuanced, reactive process. Resources are diverted from growing companies to monitoring illicit activities.

Based on intel from AAFA members, there is a clear disconnect between what many platforms say is being done to address the current range of the counterfeiting problem and what brands see in the reactive day-to-day notice and takedown regimes across the digital devalue chain to address and remove counterfeits.¹⁰

https://www.aafaglobal.org/AAFA/AAFA_News/2019_Letters_and_Comment/AAFA_Comments_to_USTR_on_Notorious_Markets.aspx

⁹ USTR: Economic and Trade Agreement Between the Government of the United States of America and the Government of the People’s Republic Of China

https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/Economic_And_Trade_Agreement_Between_The_United_States_And_China_Text.pdf

¹⁰ regulations.gov Docket: USTR-2021-0013: <https://www.regulations.gov/search/comment?filter=USTR-2021-0013%20%20>

Q: WOULD BRANDS CONTINUE TO HAVE LEGAL OBLIGATIONS OR OTHER INCENTIVES TO PARTNER WITH PLATFORMS AND SHARE INFORMATION IF SHOP SAFE WERE ENACTED?

- It is in a brand's interest to continue to make sure that platform partners are educated. Brands have and will continue to have a duty to police marks;¹¹ anything else is costly and harmful to a brand.¹²
- Policing trademarks across online platforms is an almost impossible task for small businesses, especially brands that only sell directly to consumers—not on a platform.
 - From the DHS report: “These rights holders must invest significant resources to scour millions of listings across multiple platforms to identify potentially counterfeit listings and notify the third-party marketplace or e-commerce platform. This kind of comprehensive policing of e-commerce often is not possible for smaller enterprises.”
- AAFA members share that there is a large business concern with sharing business confidential information with many platforms also making like products.¹³

Q: IS THERE A HIGHER BAR FOR SELLING PRODUCTS THROUGH A BRICK-N-MORTAR RETAILER THAN THERE IS TO SELL DIRECT TO CONSUMERS ON A PLATFORM?

- U.S. law currently contains many guardrails to make sure brick and mortar retailers of all sizes do not sell counterfeit items. Authentic brands do not have to visit every store across the country to make sure these brick-and-mortar locations are only selling legitimate goods. They do not have to go through lengthy takedown fights with these physical stores, only to find fake goods pop up again shielded by a new name. In the online world, things are very different. Brands must monitor every platform out there, with new platforms popping up every day. And when brands find counterfeits, fake websites, dupe influencers,¹⁴ or fraudulent ads¹⁵ promoting those websites, they must beg and fight the platforms to get those products, ads, and websites removed. If the platform removes them at all, it can be weeks or months later, all that time allowing the counterfeiters to profit. Often, the infringers pop back up within days.
- Our members invest millions to build, train, and inspect supply chains to ensure that the clothes, shoes, and accessories bought and worn by American families are not only fashionable and affordable but are also ethically and sustainably sourced and made, and are safe for consumers. This is an area of continuous improvement as each day we are looking further back in our supply chains and implementing increasingly complicated transparency, traceability, and product safety requirements to make sure that the clothes and shoes worn by everybody in this room, and everybody in this country, are responsibly made.

¹¹ A-CAPP Guide to Brand Protection for Small & Medium Sized Enterprises <https://a-capp.msu.edu/guide-to-brand-protection-for-small-and-medium-sized-enterprises/>

¹² USPTO: Registration Maintenance/Renewal/Correction Forms <https://www.uspto.gov/trademarks/maintain>

¹³ CNBC: How Amazon’s big private-label business is growing and leaving small brands to protect against knockoffs <https://www.cnbc.com/2022/10/12/amazons-growing-private-label-business-is-challenge-for-small-brands.html>

¹⁴ AAFA: Dupe Influencers <https://www.aafaglobal.org/DupeInfluencers>

¹⁵ AAFA & TRACIT: FRAUDULENT ADVERTISING ONLINE EMERGING RISKS AND CONSUMER FRAUD https://www.tracit.org/uploads/1/0/2/2/102238034/tracit_fraudulentadvertisingonline_july21_2020_final.pdf

Q: TO YOUR KNOWLEDGE, ARE THERE ANY PRACTICES THAT ARE MORE CURRENT THAN THE PRACTICES LISTED IN THE SHOP SAFE ACT OR THAT SHOULD BE SUFFICIENT TO AVOID SECONDARY LIABILITY THAT ARE NOT COVERED BY THE BILL?

- We appreciate all the work, the process, and the compromise across so many stakeholders to reintroduce SHOP SAFE 2023. Some brands would argue we need more and that SHOP SAFE does not go far enough, but that is the art of compromise.
- What is outlined in SHOP SAFE (as of October 2023) is a minimum floor to help address the current situation. We would like to understand why the steps outlined now are so impossible, for example,
 - Why is it not possible to require images from sellers that accurately depict goods or,
 - Why is it such a problem to have sellers consent to the jurisdiction of U.S. courts when selling to U.S. consumers.
- Platforms should meet the same requirements, and face the same accountability, as brick-and-mortar retailers, and your mom-and-pop store down the street, when it comes to stopping the sale of counterfeit or illicit products. If they take commonsense, easily achievable steps—like asking sellers for key pieces of needed information, implementing proactive measures for screening listings before displaying the goods to the public and denying their platform to repeat infringers—they will clean up their own sites and achieve safe harbor from the legislation’s tough liability provisions. If they do not, they expose themselves to liabilities that will make hosting counterfeits more than just a cost of doing business.
- The accountability and proactive measures required by SHOP SAFE are vital.
- As we discussed during the hearing, technological solutions are available now. Most platforms are now making extensive use of data and algorithms for business purposes: to adjust the price of items based on demand (dynamic pricing) or to suggest the most relevant product to a buyer when there are multiple sellers for a similar product or to dynamically change the order or relevance of listings. This same technology could be put to good use in the fight against illegal content to remove illegal products once they have been posted, but also, more efficiently, to prevent such products from being posted on their platforms in the first place. Platforms are much better equipped to act efficiently against illegal goods than any other stakeholder.
- SHOP SAFE will put counterfeiters on notice and the steps will make sure that counterfeit goods do not even get offered to U.S. consumers in the first place. Thus, we deny the market to the counterfeiters, so the financial incentive for the counterfeiters to even start down the path immediately dries up.
- As the U.S. Department of Homeland Security stated “... listing goods on well-known platforms provides an air of legitimacy”¹⁶ we must go further than the *status-quo* of today to protect consumers.

Q: SHOULD PLATFORMS BE REQUIRED TO NOTIFY CONSUMERS WHEN THEY REMOVE A LISTING BECAUSE IT APPEARED TO BE SELLING COUNTERFEIT PRODUCTS?

- Yes, we would advise alerting all related as soon as possible.
- In addition, clear mitigation steps are needed to alert previous consumers, alert the brand, and develop clear standard operating procedures for the return of the item when removing the counterfeit products from the supply chain. We would also include going further to ensure the counterfeiter’s full profile and

¹⁶ DHS: Combating Trafficking in Counterfeit and Pirated Goods
https://www.dhs.gov/sites/default/files/publications/20_0124_plcy_counterfeit-pirated-goods-report_01.pdf

footprint across all platforms is immediately reviewed with firm repeat infringer mitigation measures in place.

- Brands continue to ask for transparency around this process, including how counterfeits are destroyed.
- Additionally, brands have issues with seeing reporting data after reporting a counterfeit within platform reporting tools on certain platforms. These issues with transparency hinder the ability of a brand to package a case with all the details needed for law enforcement consideration. AAFA has discussed these issues in our NML comments and with platforms. Brands continue to voice concerns when brands are not able to see information submitted the same week or after 90-days.

Q: SHOULD ANY REVISIONS BE MADE TO THE DEFINITION OF “GOODS THAT IMPLICATE HEALTH AND SAFETY?”

- To answer this question, we need to first ask ourselves the question: What is an acceptable level of counterfeits? What is an acceptable level of dangerous counterfeits?
- Even one fake counterfeit – particularly if it harms an unsuspecting consumer – is one too many.
- It is for this reason, that Congress should make sure the definition of goods that implicate health and safety is seen as the most expansive possible.
- In 2021, we shared that “the proposed scope of the SHOP SAFE Act is limited only to “goods that implicate health and safety.” However, adopting this narrow approach will mean that some of the most often counterfeited products and some of the most prolific counterfeiters will remain beyond the scope of the law’s standards. Such a limitation not only overlooks potential but less obvious product safety and health risks of certain products, it also devalues the function of a trademark and signals a lack of willingness to protect all trademark owners and all consumers. Moreover, this would also impose more difficult judgment evaluations on platforms as to whether a particular product falls within the scope and what steps must be taken with regard to that particular product. For this reason, AAFA encourages the Subcommittee to consider broadening the scope of the bill beyond “goods that implicate health and safety.”¹⁷
- Counterfeits expose consumers to unconscionable risks.
 - AAFA is part of a broad industry coalition supporting the SHOP SAFE Act in 2023,¹⁸ in 2022 and previous years,¹⁹ spanning diverse sectors of the economy that have shared concerns about the growing danger posed by counterfeits that are too easily allowed onto our front steps and into our living rooms. While headlines scream about the dangers of counterfeit airbags, batteries, and prescriptions, the dangers posed by counterfeits are everywhere, including apparel, footwear, accessories, toys, personal care products, and more.

¹⁷ AAFA Submits Statement for the Record for the House Judiciary Committee’s Subcommittee on Courts, Intellectual Property, and the Internet hearing on the “Stopping Harmful Offers on Platforms by Screening Against Fakes in E-commerce Act of 2021” (SHOP SAFE Act of 2021).

https://www.aafaglobal.org/AAFA/AAFA_News/2021_Letters_and_Comments/AAFA_Submits_Statement_for_the_Record_on_SHOP_SAFE_Act.aspx

¹⁸ AAFA Leads Cross-Industry Letter to Advocate for SHOP SAFE

https://www.aafaglobal.org/AAFA/AAFA_News/2023_Letters_and_Comments/AAFA_Leads_Cross_Industry_Letter_to_Advocate_for_SHOP_SAFE.aspx

¹⁹ Cross-Industry Letter Calls on Congress to Pass Legislation to Stop the Sale & Promotion of Dangerous Counterfeits Online

https://www.aafaglobal.org/AAFA/AAFA_News/2022_Press_Releases/Cross_Industry_Letter_Congress_Stop_Sale_Counterfeits.aspx

- In 2022, AAFA commissioned a study of 47 counterfeit clothes, shoes, and other accessories – items that we would wear daily. We found that 17 of those products – just over 36 percent – had dangerously high levels of poisonous materials, like lead, arsenic, and phthalates.²⁰ Not only did these items fail U.S. safety rules, but they also could have made consumers seriously ill if they had bought and used them. To say that counterfeits kill is not an exaggeration, as Congress’ own watchdog noted in a 2018 GAO report.²¹
- We would argue that all counterfeits are dangerous, including the intersection of counterfeits with all the dangers related to the illicit economies²² and financial risks posed to consumers.²³

Q: ARE THERE ANY ADDITIONAL BEST PRACTICES PLATFORMS SHOULD IMPLEMENT TO HELP PREVENT INFRINGING USE BY THIRD PARTY SELLERS ON THEIR PLATFORMS?

- Yes, many; however, we know that SHOP SAFE has encountered wide-ranging feedback in the process to today. We are agreeable with the floor on what we have set in the bill now. If opportunities open as the process continues, we would be open to providing additional measures to strengthen and expand where we are in October 2023.
- To position some further best practices for wider consideration:
 - We have covered some suggestions in our NML comments over the years, including AAFA’s dupe influencer report²⁴ and fraudulent advertising report²⁵ with TRACIT.
 - Brands share that they have seen platforms are able to do more, specifically in pilot projects.
 - Moreover, platforms could do far more with the information they already have from existing brand partnerships. For example, they can cross-reference what a verified legitimate brand provides against those listed in the system now and going forward. Platforms can also cross-check email addresses to ensure emails are from a legitimate brand and more.
 - Additional protocols could start with strong anti-counterfeiting, IP infringement education for all sellers (in and outside the United States) before each seller is able to list a product. Sellers should opt-in that each seller understands and agrees with the terms and conditions before the first sale.
 - Stronger repeat infringer policies are a must. For example, as we shared in our 2023 NML comments, “...one seller recreated an Instagram account 11 times using the following [username], [same username]2, [same username] 3, etc. This was the same seller, with the same pictures promoting the same counterfeit goods that the brand needed to continue to

²⁰ AAFA Fashion Industry Study Reveals Dangerous Chemicals, Heavy Metals in Counterfeit Products https://www.aafaglobal.org/AAFA/AAFA_News/2022_Press_Releases/Fashion_Industry_Study_Reveals_Dangerous_Chemicals_Heavy_Metals_Counterfeits.aspx

²¹ GAO: INTELLECTUAL PROPERTY "Agencies Can Improve Efforts to Address Risks Posed by Changing Counterfeits Market" <https://www.gao.gov/assets/gao-18-216.pdf>

²² Meridian: INTERNATIONAL DIALOGUES TO FIGHT ILLICIT ECONOMIES <https://www.meridian.org/diplomacy/fighting-illicit-economies/>

²³ IACC: What is Counterfeiting? <https://www.iacc.org/resources/about/what-is-counterfeiting#:~:text=It%E2%80%99s%20Dangerous%3A%20Counterfeit%20goods%20are%20often%20made%20using,you%20provide%20a%20counterfeit%20merchant%20with%20your%20information.>

²⁴ Dupe Influencers on Social Media <https://www.aafaglobal.org/DupeInfluencers>

²⁵ AAFA & TRACIT: FRAUDULENT ADVERTISING ONLINE EMERGING RISKS AND CONSUMER FRAUD https://www.tracit.org/uploads/1/0/2/2/102238034/tracit_fraudulentadvertisingonline_july21_2020_final.pdf

report in all the ways required by Meta across all channels and all infringements. After seven rounds of enforcing, the seller made his account private, and the team had to privately follow the seller to collect evidence before submitting.” More can be done with existing reports and all the information, data, and learnings that platforms hold from brands right now. A seller should not be allowed to use the same username 11 times and it is on the brand to devote large resources to find, flag, and plea for enforcement.

- Anti-counterfeiting work should reflect the size and scale of the platform. Given that many in the tech sector with platforms are seeing large projected increases,²⁶ brand protection resources should reflect the size and technical capabilities of platforms. Many are responsible for large technical advancements from cloud computing, running almost every device in a connected home to breakthroughs in AI.²⁷
- Finally, platforms should also avail themselves of the existing public information relating to trademark and copyright databases.
- We would be happy to continue this discussion.

Q: ARE THERE ANY ADDITIONAL CHANGES THAT YOU WOULD LIKE TO SEE MADE TO THE SHOP SAFE ACT AND WHY?

- As mentioned above, we know SHOP SAFE has encountered wide-ranging feedback in the process, so we are agreeable to the floor we have set in the bill as of October 2023.
- If there is a time as the process continues, we would be open to providing additional measures to strengthen and expand ways to protect brands and consumers.
- Nobody wants to buy clothes or shoes that will sicken their kids, or that were made by forced labor, or that were produced in sweatshops, or that destroyed the environment. But that’s exactly what happens when consumers buy counterfeits.

Q: WHAT MORE CAN CONGRESS DO TO HELP STEM THE SALE OF COUNTERFEIT GOODS ONLINE?

- We recommend passing SHOP SAFE immediately.
- This committee has shown a commitment to raise awareness of the dangers of counterfeits. We would ask for additional hearings across the range of issues discussed above. As work across Congress continues to hold platforms accountable for disinformation and misinformation, among other things relating to kids and national security, the same arguments can be made with counterfeiting and IP infringements. All are illegal and have dangerous consequences.
- Additionally, where checks and balances are made to address misuse across platforms, we would also ask these reinforcements be made to the sale of products and IP infringements as this is a danger to U.S. jobs and economic development. It is beyond dispute that counterfeits cause grave harm to innovation and our economy. The National Association of Manufacturers estimates that counterfeits sucked \$131

²⁶ Forbes: Big Tech Stocks: Q3 Earnings Preview

<https://www.forbes.com/sites/bethkindig/2023/10/19/big-tech-stocks-q3-earnings-preview/?sh=6907c5ed2290>

²⁷ White House: Biden-Harris Administration Secures Voluntary Commitments from Leading Artificial Intelligence Companies to Manage the Risks Posed by AI

<https://www.whitehouse.gov/briefing-room/statements-releases/2023/07/21/fact-sheet-biden-harris-administration-secures-voluntary-commitments-from-leading-artificial-intelligence-companies-to-manage-the-risks-posed-by-ai/#:~:text=As%20part%20of%20this%20commitment%2C%20President%20Biden%20is,safe%2C%20secure%2C%20and%20transparent%20development%20of%20AI%20technology.>

billion (about \$400 per person in the U.S.) from the U.S. economy in 2019, and in the process destroyed more than 300,000 U.S. jobs and wiped away nearly \$10 billion in federal, state, and local tax revenues.²⁸ Reports²⁹ and law enforcement groups³⁰ continue to raise red flags about the funding of counterfeit financing “funneled back to support a broad range of illegal crimes,” according to the National Intellectual Property Rights Coordination Center.

- We, and all cross-industry groups backing SHOP SAFE, welcome the opportunity to be a resource on this issue and many others that cross with our top member priorities.

²⁸ The National Association of Manufacturers: Countering Counterfeits: The Real Threat of Fake Products
https://www.nam.org/wp-content/uploads/2020/07/CounteringCounterfeits.vF_.pdf

²⁹ OECD: Global Trade in Fakes
<https://www.oecd.org/governance/global-trade-in-fakes-74c81154-en.htm>

³⁰ National Intellectual Property Rights Coordination Center
<https://www.iprcenter.gov/>