



OFFICE OF THE DIRECTOR-GENERAL

October 9, 2023

The Honorable Christopher Coons
Chairman, Senate Intellectual Property Subcommittee

The Honorable Thomas Tillis
Ranking Member, Senate Intellectual Property Subcommittee

Dear Senators,

The Transnational Alliance to Combat Illicit Trade (TRACIT) strongly supports the bipartisan *Stopping Harmful Offers on Platforms by Screening Against Fakes in E-Commerce of 2023 (SHOP SAFE) Act* as introduced. We appreciate your leadership and pledge to support you to achieve passage of this legislation.

SHOP SAFE is important because it will for the first time hold ecommerce platforms liable for facilitating and profiting from the sale of counterfeit and illicit products – if they don't adhere to a set of prescribed actions including screening third party sellers, disclosing more information about sellers to online shoppers, removing counterfeit and stolen product listings, and barring bad actors from selling on their platforms.

Given the pandemic-driven escalation in online shopping, which exceeded \$1 trillion last year, SHOP SAFE also builds on America's legacy of ensuring the world's most meaningful and comprehensive body of consumer protection measures worldwide.

Shady sellers have set up shop in online marketplaces and sell unsafe counterfeit products to consumers. These are substandard products that are either in violation of US trademark laws or they're manufactured to look like legitimate products without adhering to safety standards, environmental controls or fair labor laws. Consequently, American consumers are unknowingly buying unsafe products and bringing them into their homes, all while funding criminal activity. Illicit products coming from China and Hong Kong accounted for 75% of the value of counterfeited and pirated goods seized by US Customs and Border Patrol in 2021.

Ecommerce and social platforms like Amazon, Facebook and Instagram are prime hotspots for counterfeiters because they have not taken sufficient steps to secure their infrastructure from sellers who are eager to exploit platform system weaknesses to list unsafe counterfeits and other illicit products.

It is past time to stop relying on voluntary policies that vary by platform and are inadequately enforced. It is time for Congress to pass SHOP SAFE.

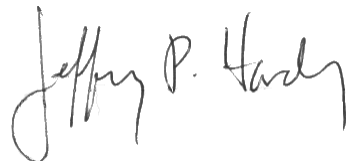
The liability provisions should provide platforms with strong incentives to operate their businesses more responsibly and to proactively do a better job scrutinizing third-party sellers, removing unsafe counterfeit listings and banning repeat offenders from selling harmful counterfeits again and again.

TRACIT strongly supported passage of the INFORM Consumers Act in the last Congress because it requires online marketplaces to perform a more rigorous third-party seller vetting process. Beyond INFORM, online marketplaces and social media platforms must continue to do more as prescribed by SHOP SAFE to protect consumers.

Unfortunately, counterfeiters have exploited many industries to create and sell unsafe products that end up in Americans' homes and businesses. Attached to this letter is a lengthy list of such products along with the specific potential dangers associated with their production outside of our legal and regulatory system.

TRACIT joins with other businesses across multiple industries in the SHOP SAFE Coalition to support SHOP SAFE. Brand owners are and will continue investing significantly in human and technology resources to monitor their brands online, work with platforms when counterfeit products are found, and work with law enforcement to pursue bad actors.

Warm regards,



Jeffrey P. Hardy
Director-General
Transnational Alliance to Combat Illicit Trade

cc: Senate Subcommittee on Intellectual Property

About TRACIT

The Transnational Alliance to Combat Illicit Trade ([TRACIT](#)) is a US-headquartered, independent, private sector initiative to mitigate the economic and social damages of illicit trade by strengthening government enforcement mechanisms and mobilizing businesses across industry sectors most impacted by illicit trade.

Counterfeit Products with Potential Health and Safety Risks

All counterfeits present an absolute product safety risk. They are manufactured outside legal frameworks, are unregulated and do not comply with safety standards that are prescribed either internationally or locally within a country. If a counterfeit product is ingested, applied to the body or used as a safety device, the risks become even greater. The list of products presenting exposure to health and safety risks is endless, starting with the products listed here:

Product Categories	Examples of Product Types	Associated Risks
Beauty Products	Shampoo, conditioner, cosmetics, hair styling products, soaps, lotions, moisturizers, deodorants, perfume, razors (manual and electric)	Bacterial contamination; inadequate or missing preservative systems; toxic/hazardous ingredients (chemical and biological hazards, heavy metals); non-disclosed or high levels of allergens; presence of banned ingredients; presence of mold; absence or decreased levels of drug and/or sanitizing/disinfectant active ingredients; electrical and/or burn hazards
Disinfecting/sanitizing Products	Liquid hand sanitizers, wipes, surface sprays, etc.	
Feminine Care Products	Tampons, Menstrual cups, sanitary pads, adult incontinence products	
Food and Beverages	Groceries, fresh products (cheese, eggs, etc.), hard liquor	
Medicines	Prescription and over-the-counter drugs, supplements, vaccines, products containing sunscreens	

Oral Care Products	Toothpaste, teeth whitening, mouth rinse, denture adhesives and/or cleaners, dental floss, toothbrushes (manual and electric)	
Pet Products	Food, toys, medications, grooming items, etc.	
Children's Products	Diapers, car seats, strollers, mattresses, toys, bedding, cribs, bottles, rattles, etc.	Noncompliance with safety standards; toxic/hazardous/flammable ingredients
Cleaning/Laundry products	Detergents (laundry, dish), hard surface cleaners, etc.	Toxic/hazardous/banned ingredients
Construction Products	Power tools, building supplies (supports, engineered joists, flooring, plumbing, etc.)	Fire/electrical hazards; critical engineering failures
Digital/Communication Products, Replacement Parts/Equipment or Networks	Laptops, cell phones, digital device chargers, batteries (rechargeable, alkaline, lithium, etc.), routers, modems, cabling (HDMI, VGA, LAN, indoor/outdoor), software	Fire/electrical hazards; noncompliance with manufacturing/safety standards; failure at critical moments
Electrical appliances/equipment and replacement parts	Refrigerators, water filters, ovens, dishwashers, microwaves, water heaters, washing machines, dryers, clothing irons, fire detectors, home safety/security equipment, etc.	Noncompliance with manufacturing/safety standards; fire/electrical hazards; toxic/hazardous chemicals

Furniture	Tables, chairs, mattresses, sofas, shelving, etc.	Noncompliance with manufacturing/safety standards; toxic/hazardous/flammable ingredients
Jewelry, Luxury Goods, Textiles	Clothing, belts, accessories, purses, jewelry, etc.	Allergic reactions; treated with chemicals that can be hazardous, flammable, toxic
Nicotine containing products	Cigarettes, cigars, pipe tobacco, chewing tobacco, e-cigarettes/vaping	Toxic/hazardous/banned ingredients
Office supplies	Printer ink/toner cartridges	Toxic/hazardous chemicals; equipment damage
Health Care Equipment, Medical Devices	Wheelchairs, hospital beds, thermometers, blood pressure monitors, in-vitro diagnostic kits, bandages, etc. Pacemakers, artificial joints, stents, breast implants, laser hair removal equipment, syringes, surgical utensils, etc.	Noncompliance with safety standards; fail at critical moments; long term health effects due to toxic/hazardous/flammable ingredients (chemical, biological, bacterial, heavy metals)
Personal Protective Equipment (PPE)	Face masks, eye protection, gloves, gowns, ear plugs, respirators, etc.	
Product Packaging	Tubes, jars, cans, buckets, cartons, tubs, bottles, etc.	
Pesticides	Bug sprays (crop maintenance, home usage)	Toxic/hazardous chemicals; environmental impact
Sports equipment	Footwear, protective gear (helmets, safety pads/guards, life jackets, etc.), camping gear, golf clubs, sports balls	Noncompliance with safety standards; fail at critical moments; toxic/hazardous ingredients

	(baseball, basketball, softball, golf, etc.), hiking gear, etc.	
Transportation and replacement parts	Automobiles, planes, trains, hoverboards, pedestrian powered modes of transportation (Bikes, scooters, skates, skateboards, etc.)	Fire hazards, system severely impacted; compromised data transmission of confidential/critical, Personal identifiable, healthcare related, educational, military information