

# SHOP SAFE ACT

protects U.S. consumers from fraudulent and stolen goods sold through online marketplaces.

## FACT SHEET

### CRITICAL CONSUMER AND IP PROTECTIONS SUPPORT AMERICAN INNOVATION, JOBS AND COMPETITIVENESS

The SHOP SAFE Act and the INFORM Consumers Act protect consumers from harmful counterfeit products, defend against identity theft, safeguard American jobs, bolster innovation, enhance competitiveness, and thwart criminal organizations that benefit from the sale of illicit goods. We urge lawmakers to work together to pass these well-vetted, bicameral, bipartisan measures to protect all American consumers who are increasingly shopping online.

Without SHOP SAFE, e-commerce platforms are not held properly liable. Without INFORM, law enforcement lacks vital tools to go after criminals. Thus, both legislative proposals are needed.

### THE SHOP SAFE ACT & THE INFORM CONSUMERS ACT:

- Help protect consumers from counterfeit products that could harm their health and safety and from criminals who could invade their privacy and steal their financial information.
- Safeguard brand owners, their innovation, and the jobs they create across the United States from intellectual property (IP) theft.
- Bring accountability to online marketplaces.
- Make it harder for criminals to profit from illicit actions.

### PROTECT CONSUMERS

- The ongoing COVID-19 pandemic shifted how frequently consumers shop online, likely permanently, with online spending [up 42% since 2020](#)—according to Adobe.
- The National Association of Manufacturers (NAM) [reports](#) that this growth in online shopping has been accompanied by a surge in the sale of counterfeits, meaning greater consumer exposure to health and safety risks, including the availability of fake [over-the-counter medicines](#), [testing kits and masks](#), [replacement water filters for refrigerators](#), [automotive parts](#), [apparel and footwear](#) and [toys](#).
- SHOP SAFE and INFORM require online sellers to comply with the same, long-established federal health and safety regulations that govern all other commercial transactions.
- [AARP](#) explained that privacy concerns are rising, especially among older people, with 83% lacking confidence that what they do online remains private. SHOP SAFE helps protect consumers from criminals using the sale of fakes online to steal personal/financial data.

### SAFEGUARD AMERICAN JOBS, BRANDS, AND INTELLECTUAL PROPERTY

- NAM [estimates](#) that counterfeits steal nearly [\\$131 billion](#) from the U.S. economy, using 2019 NAM metrics.

- That means \$22.3 billion in lost income for American workers, 325,542 fewer American jobs, \$5.6 billion in lost federal tax revenues, and nearly \$4 billion in lost state and local tax revenue according to [NAM](#).
- Counterfeiting and illicit items impact America's bottom line, challenge domestic manufacturing and harm intellectual property, hampering American innovation and creativity.

## BRING ACCOUNTABILITY TO ONLINE MARKETPLACES

- The SHOP SAFE Act will establish better and uniform rules for platforms to work with brands for secure and safe conduct of e-commerce in the United States. This will immediately require online sellers to play by the same rules that have safe-guarded American consumers and governed business and for more than a century.
- At its core, the Act holds online marketplaces accountable, and liable, for screening third-party sellers, disclosing more information about the seller to online shoppers, removing counterfeit and stolen product listings, and barring bad actors from selling on their platforms – consumer and small business protections that have all been missing for far too long.
- As noted by Michigan State University's Center for Anti-Counterfeiting and Product Protection, SHOP SAFE was first introduced in 2020 and has since been vetted by Congress, scrutinized in hearings and circulated, [marked-up and strengthened](#) to accommodate concerns from large and smaller ecommerce platforms and brand owners.

## MITIGATES CRIMINAL ACTIVITY AND STRENGTHENS NATIONAL SECURITY

The U.S. Department of Homeland Security ([DHS](#)) cautions that counterfeiting is a threat to our national security and public safety.

- As noted by the United Nations, counterfeiting plays a key role in the operations of [transnational criminal organizations](#) and *"helps fund other criminal activities such as extortion, illegal drugs and human trafficking, compromises the international financial system for money laundering purposes and, ultimately, makes it more difficult for existing law enforcement measures to be effective."*
- Reports detail how [terrorist networks](#) organize the manufacture and distribution of counterfeits to finance their military operations.

## ADDITIONAL RESOURCES

- [House Hearing](#) "The SHOP SAFE Act: Stemming the Rising Tide of Unsafe Counterfeit Products Online"
- [FAQ](#): Frequently Asked Questions about SHOP SAFE and INFORM
- [WOAS Reference Document](#): Why Critical Consumer and IP Protections Are Needed Now
- [Senate Hearing](#) "Cleaning Up Online Marketplaces: Protecting Against Stolen, Counterfeit, and Unsafe Goods" discusses INFORM + SHOP SAFE
- [Anti-counterfeiting Resources](#)
- [SHOP SAFE Resources](#)