



Andrei Iancu, Co-Chair
David Kappos, Co-Chair
Judge Paul Michel (Ret.), Board Member
Judge Kathleen O'Malley (Ret.), Board Member
Frank Cullen, Executive Director

October 3, 2023

The Honorable Chris Coons
218 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Thom Tillis
113 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Coons and Ranking Member Tillis,

The Council for Innovation Promotion is a bipartisan coalition dedicated to promoting strong and effective intellectual property rights that drive innovation, boost economic competitiveness, and improve lives everywhere. As such, we applaud your recent introduction of the SHOP SAFE Act of 2023, S. 2934, and for quickly scheduling today's hearing to consider the bill and the serious problem of counterfeits being sold through online platforms.

Protecting brands through meaningfully enforceable trademark rights protects consumers and improves the American economy. Sales of counterfeits not only hurt consumers but deprive legitimate businesses of revenue and the ability to invest in future research and development. C4IP supports the SHOP SAFE Act and urges its swift passage.

Unsuspecting consumers may not even realize they have purchased a counterfeit, given the growing sophistication of counterfeiters in imitating a company's trademarks and packaging. But counterfeiters, unlike trademark holders of genuine brands, do not have an incentive to invest in quality and adhere to safety standards. There are reports of fake toys breaking apart too easily and being swallowed by children, fake electronics malfunctioning or catching on fire, and fake cosmetics containing unsafe compounds. Consumers are hurt, and genuine brands suffer reputational damage in addition to lost sales.

The current legal regime does not put enough accountability on online platforms to clean up their marketplaces, leading trademark owners to bear the considerable

cost and burden of policing the platforms themselves to stem the tide of fake products. The SHOP SAFE Act would achieve a more equitable balance by requiring that platforms take reasonable measures themselves to better monitor their marketplaces, such as removing repeat counterfeiters and proactively policing for suspected counterfeits. This is a straightforward approach that should lead to a significant reduction in the number of counterfeits reaching consumers.

We thank you both for continuing to tackle this difficult problem with the thoughtful, bipartisan legislation that is the subject of today's hearing. Please let us know if we can be of assistance as you work to pass this bill.

Sincerely,



Frank Cullen
Executive Director
Council for Innovation Promotion