Dangers of the Digital Devalue Chain of Counterfeits®

Jennifer Hanks, Senior Director of Brand Protection

American Apparel & Footwear Association (AAFA)

World Intellectual Property Organization: Advisory Committee on Enforcement

June 4, 2026

Geneva

AMERICAN APPAREL & FOOTWEAR ASSOCIATION

AMERICAN APPAREL & FOOTWEAR ASSOCIATION

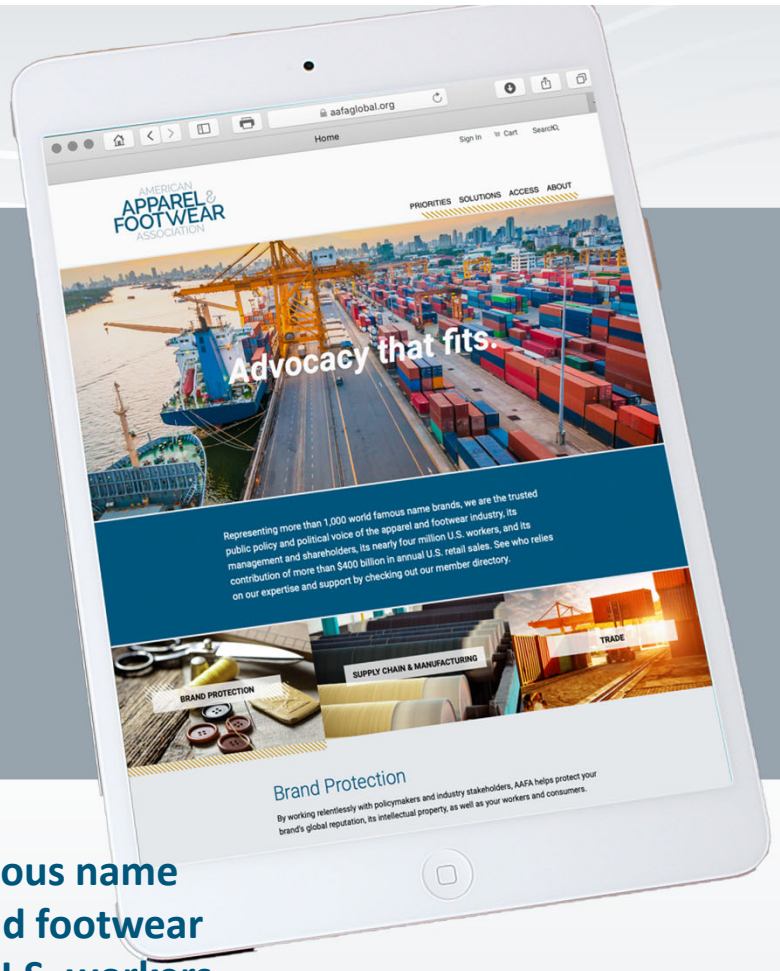
AAFA BY THE NUMBERS

1,100
BRANDS

REPRESENTED BY
350 +
MEMBER COMPANIES

GENERATING MORE THAN
$523 billion
IN ANNUAL US RETAIL SALES

EMPLOYING
3.6+ million
WORKERS IN THE U.S.



American Apparel & Footwear Association represents 1,100 world famous name brands, is the trusted public policy and political voice of the apparel and footwear industry, its management and shareholders, its more than 3.6 million U.S. workers, and its contribution of more than $523 billion in annual U.S. retail sales.

KEY AAFA PRIORITIES

- Anti-Counterfeiting
- 3rd Party E-Commerce Marketplaces
- Trademark Abuse
- Foreign Country Practices

- Chemical Management
- Product Safety
- Social Responsibility
- Sustainability
- Traceability

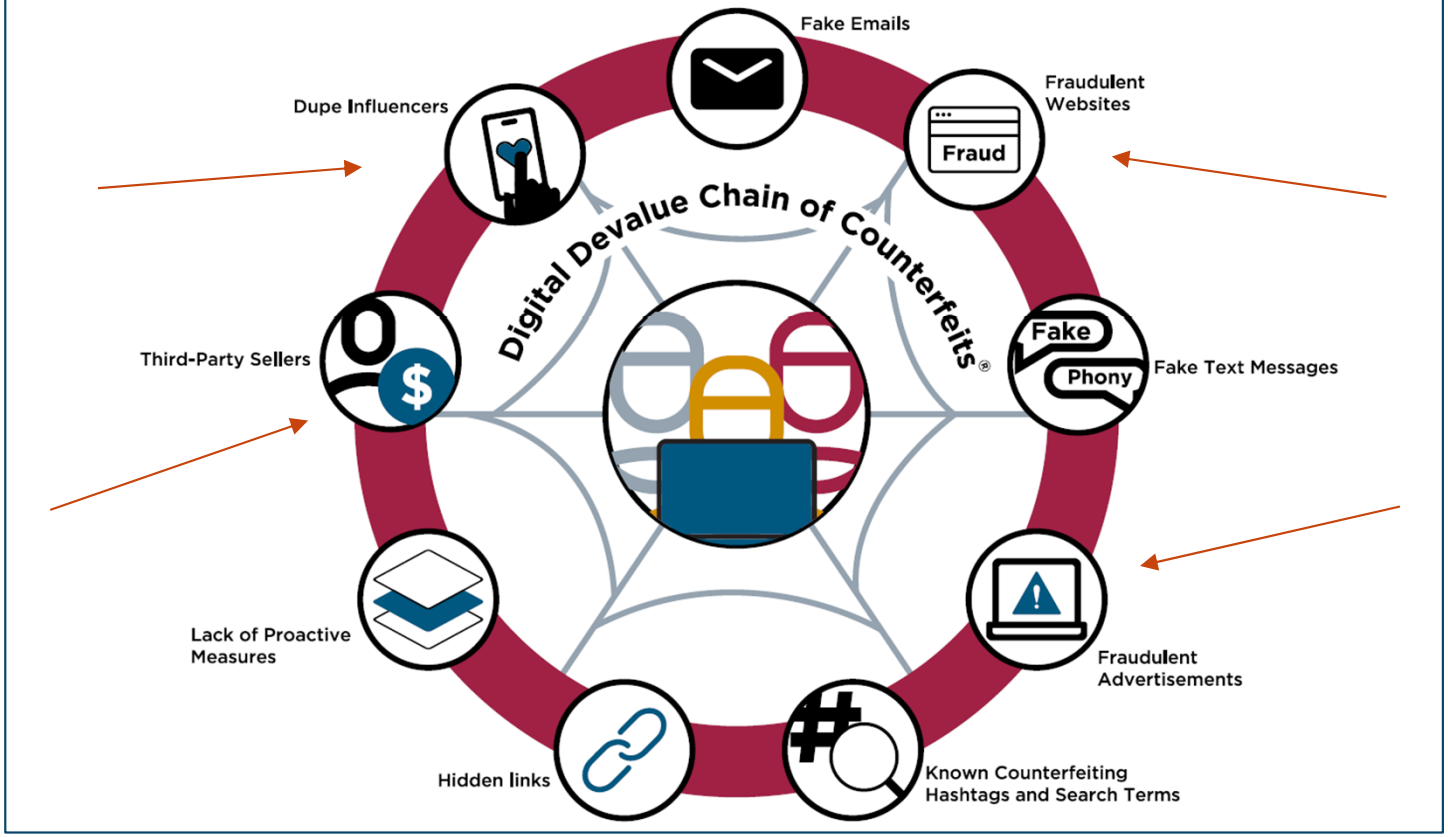
- Customs
- Labeling
- Tariff and Non-Tariff Barriers
- Transportation & Logistics
- Manufacturing & Gov't Contracts

THE DIGITAL DEVALUE CHAIN OF COUNTERFEITS®

Video: Devalue Chain Explainer on aafaglobal.org

AMERICAN APPAREL & FOOTWEAR ASSOCIATION

Explore the dangers & solutions aafaglobal.org/CounterfeitDevalueChain



UNBOXING FAKE FASHION
UNLEASHING REAL DANGERS

41% of counterfeit products tested failed to comply with product safety standards

Case Studies–Product Safety & Devalue Chain

Sports Hat

- **~10x** the limit for **formaldehyde**
- Purchased from a fraud website & the illicit seller also had leveraged **fraud ads from social media** to link to the **fraud website.**

High-Top Sneakers

- Over **151x the limit for phthalates & PFAS**
- Purchased via an **online marketplace**. The seller also had a presence across **social media**, and an **online sales platform**.

Brown Handbag

- **98x the phthalate limit** and **included toxic levels of nickel**
- Purchased from a **fraud website promoted by a social media dupe influencer**.

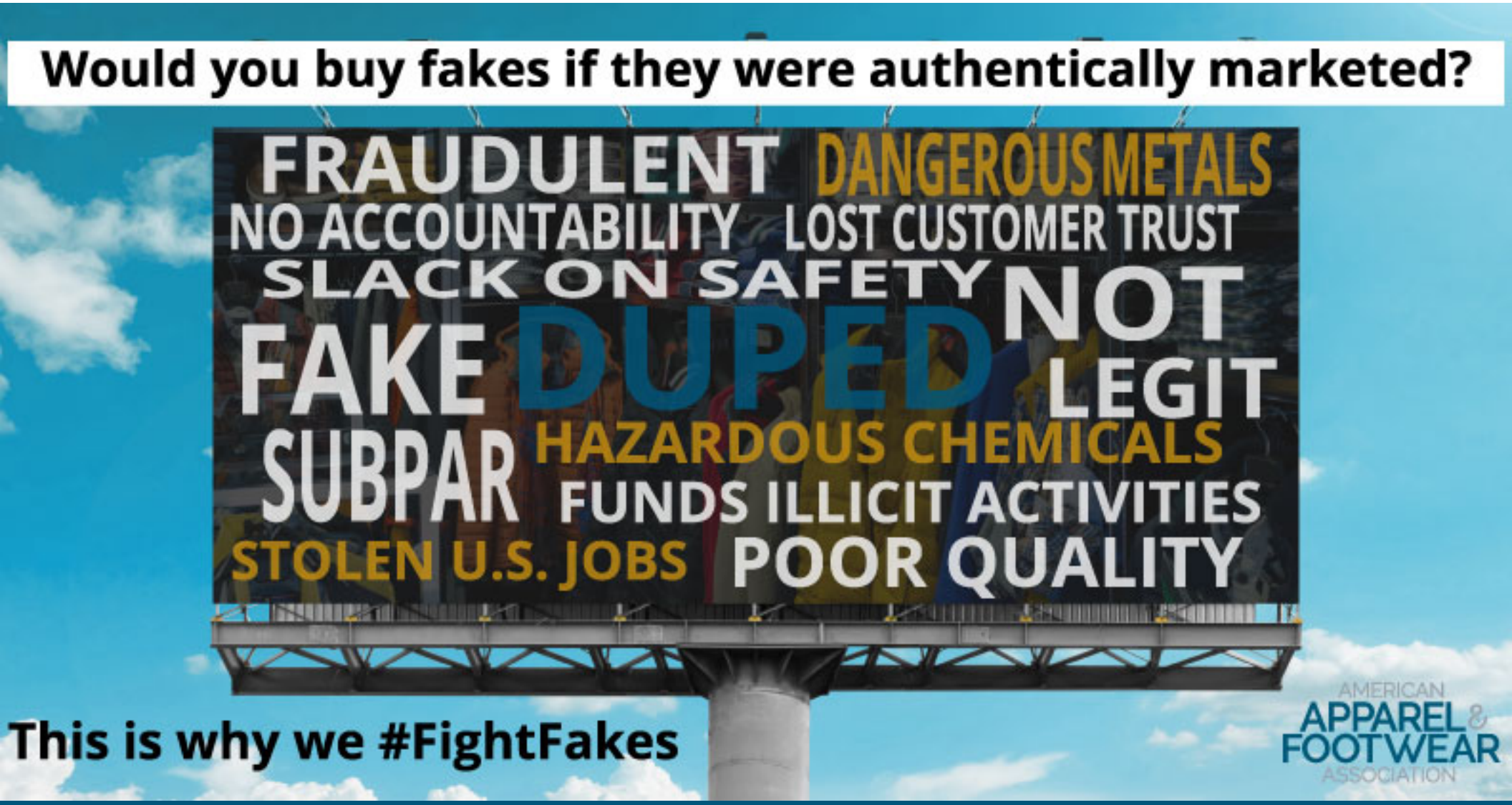
ACTION NEEDED

United States Trade Representative's 2025 Review of Notorious Markets for Counterfeiting and Piracy Report

- "Stakeholders have expressed similar concerns about markets such as TikTok Shop **and Meta platforms Facebook and Instagram**." (pg. 23)
- "Right holders continued to express concern **about fraudulent advertisements and links to fake websites** misleading users…" (pg. 22)

An Improved Framework is Needed

CONCLUSION


Would you buy fakes if they were authentically marketed?
FRAUDULENT
DANGEROUS METALS
NO ACCOUNTABILITY
LOST CUSTOMER TRUST
SLACK ON SAFETY
NOT
FAKE
DUPED
LEGIT
SUBPAR
HAZARDOUS CHEMICALS
FUNDS ILLICIT ACTIVITIES
STOLEN U.S. JOBS
POOR QUALITY
This is why we #FightFakes
AMERICAN
APPAREL &
FOOTWEAR
ASSOCIATION

AMERICAN APPAREL & FOOTWEAR ASSOCIATION

ONE COUNTERFEIT IS ONE TOO MANY

Thank You

Jennifer Hanks

Senior Director, Brand Protection

AAFA

AAFA RESOURCES

Resources: Leave Behind Cards, Counterfeit Summary, USG Comments, RSL

AMERICAN APPAREL & FOOTWEAR ASSOCIATION

Advocacy that fits.

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

October 1, 2025

Mr. Daniel Lee
Assistant U.S. Trade Representative for Innovation and Intellectual Property
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

RE: USTR 2025 Review of Notorious Markets for Counterfeiting and Piracy Docket Number: USTR-2025-0018
Submitted electronically at: www.regulations.gov

Dear Mr. Lee:

On behalf of the member companies of the American Apparel & Footwear Association (AAFA), please accept the comments below to the United States Trade Representative (USTR) as part of USTR's 2025 Review of Notorious Markets for Counterfeiting and Piracy (NML) request for comments.[1]

AAFA recommends the following platforms for inclusion in USTR's 2025 NML report; detailed comments follow:

- **Meta: Facebook**
- **Meta: Instagram**
- **Shopee**
- **Alibaba: AliExpress**
- **Alibaba: Taobao**

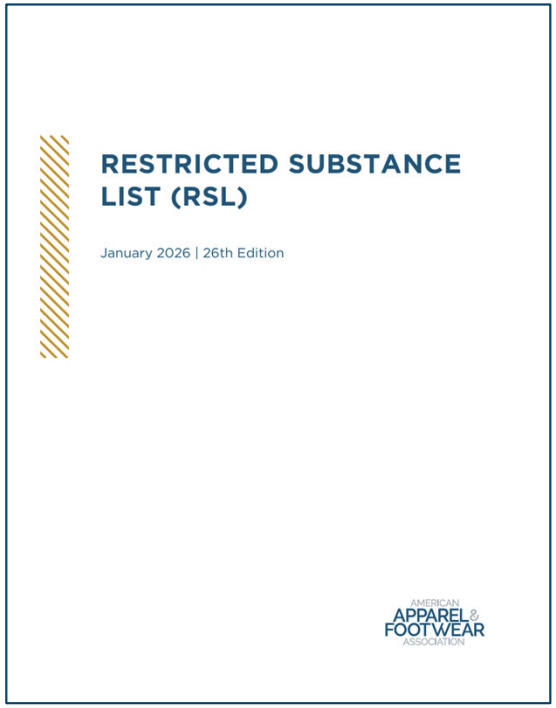
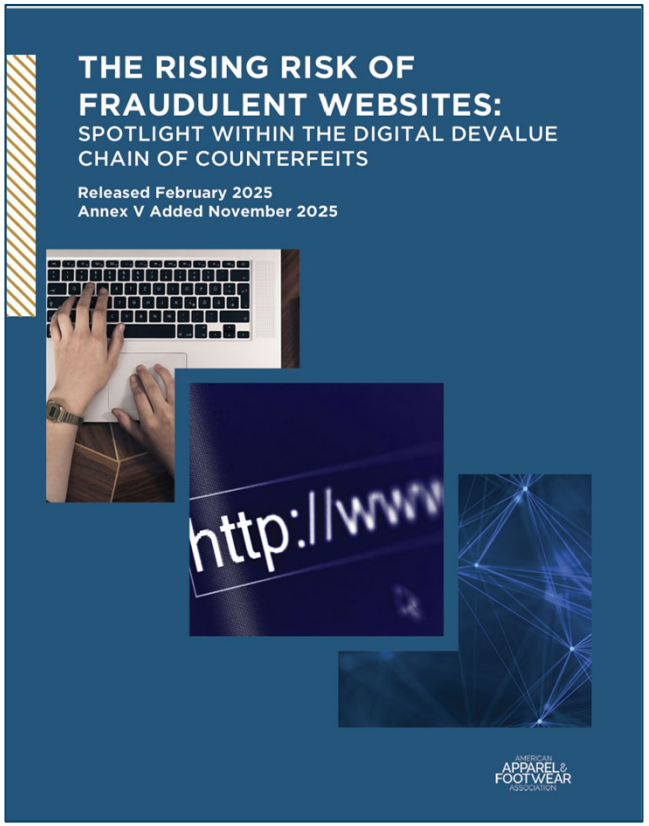
AAFA is the national trade association representing apparel, footwear, and other sewn products companies and their suppliers, which compete in the global market. Representing more than 1,100 world-famous name brands, AAFA is the trusted public policy and political voice of the apparel and footwear industry, its management and shareholders, its more than 3.6 million U.S. workers, and its contribution of more than $523 billion in annual U.S. retail sales.

As an industry that faces among the highest threats of intellectual property (IP) theft, we are particularly frustrated at how counterfeiters are the main winners in a tariff-induced trade war. Because their pricing is arbitrary, due to their nearly nonexistent cost structure, they can show up seemingly as heroes by underpricing authentic, responsibly sourced, but now more expensive goods. Legitimate brands invest millions to make sure products are responsibly made and ethically sourced. Counterfeiters can largely avoid those extra costs.

A February 2020 report by the Congressional Research Service prepared for the United States Patent and Trademark Office (USPTO) stated that domestic and international sales of counterfeit and pirated goods total between an estimated $1.7 trillion and $4.5 trillion a year." At that scale, if counterfeiting were its own country,

[1] Federal Register: 2025 Review of Notorious Markets for Counterfeiting and Piracy https://www.federalregister.gov/documents/2025/08/18/2025-15875/2025-review-of-notorious-markets-for-counterfeiting-and-piracy-comment-request.

1



Resources: Reports & White Papers