

Comments by the American Apparel & Footwear Association in Response to the European Commission's Public Consultation on the 2027 Counterfeit and Piracy Watch List¹

September 21, 2026

On behalf of the member companies of the American Apparel & Footwear Association (AAFA), we submit an overview of the Digital Devalue Chain of Counterfeits® and its impact on brand owners, including AAFA member companies. In a forthcoming comment submission, AAFA will expand on today's overview with feedback gathered from members.

AAFA is a trusted public policy and political voice of the apparel and footwear industry, its management and shareholders, representing more than 1,100 world famous name brands, many of which operate globally.²

According to the Organisation for Economic Co-operation and Development (OECD) and the European Union Intellectual Property Office (EUIPO), in 2021, global trade in counterfeit goods was valued at approximately \$467 billion, with clothing, footwear, and leather goods considered top targets for counterfeiting.³ To put that number in context, the value of counterfeit goods shipped in 2021 exceeded the Gross Domestic Product (GDP) of 188 of the world's 217 economies (just over 86 percent), each of which had a GDP below \$467 billion in 2021.⁴ This \$467 billion in trade of counterfeit goods could have single-handedly fueled the GDP of one-third of the world's economies that year!⁵

As an association of members that face among the highest global threats of intellectual property (IP) theft,⁶ AAFA is alarmed at how counterfeiters are continually allowed to take advantage of digital tools, including those developed and used to drive valued legitimate commerce in our increasingly interconnected global consumer economy. Social media platforms and e-commerce marketplaces have become "go-to digital destinations" for the purchase of counterfeit products. In fact, three quarters of global consumers surveyed in 2023 said they turned to online intermediaries to purchase counterfeits.⁷ The exploitation of digital tools does not stop there; counterfeiters have created a Digital Devalue Chain of Counterfeits⁸ (Digital Devalue Chain) to target consumers around the world.

Through this interconnected web of illicit digital activity, counterfeiters thrive on the anonymity of the internet to use digital tools to confuse consumers—or worse, to provide consumers with a

¹ EU Commission: Public consultation on the Counterfeit and Piracy Watch List

https://policy.trade.ec.europa.eu/consultations/public-consultation-counterfeit-and-piracy-watch-list-2_en

² AAFA Membership Directory

https://www.aafaglobal.org/AAFA/About/Members/AAFA/Directories/Membership_Directory.aspx?hkey=6d5d1e04-1c3f-4e84-a90a-403c61af0f48

³ Mapping Global Trade in Fakes 2025: Global Trends and Enforcement Challenges, Illicit Trade, OECD/EUIPO (2025),

<https://doi.org/10.1787/94d3b29f-en>

⁴ World Development Indicators, DataBank, World Bank Group,

<https://databank.worldbank.org/indicator/NY.GDP.MKTP.CD/1ff4a498/Popular-Indicators#>

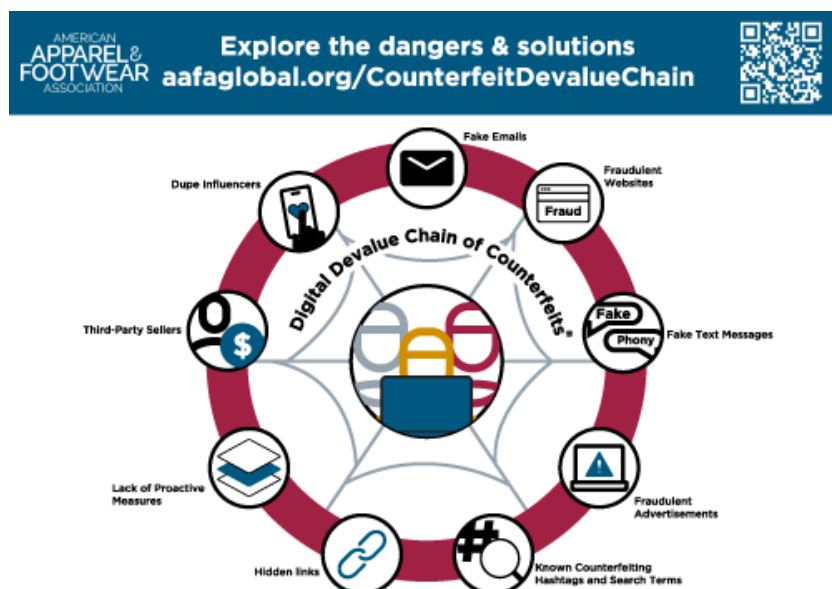
⁵ *Id.* The combined GDP of the world's smallest 70 economies (nearly one-third of the 217 economies measured by the World Bank) totaled just over \$484 billion.

⁶ According to a 2025 report by the EUIPO and the OECD, footwear, apparel, and accessory products are among the most frequently seized counterfeit goods (clothing accounted for 21.6% of all customs seizures during the reviewed period; footwear accounted for 21.4%). See OECD/EUIPO (2025), Mapping Global Trade in Fakes 2025: Global Trends and Enforcement Challenges, Illicit Trade, OECD Publishing, Paris, <https://doi.org/10.1787/94d3b29f-en>.

⁷ Alhabash, S., Kononova, A., Huddleston, P. Moldagaliyeva, M., & Lee, H. (2023). Global Anti-Counterfeiting Consumer Survey 2023: A 17 Country Study. East Lansing, MI: Center for Anti-Counterfeiting and Product Protection, Michigan State University (hereinafter A-CAPP study). <https://a-capp.msu.edu/article/global-anti-counterfeiting-consumer-survey-2023/>.

⁸ AAFA Explainer: Digital Devalue Chain of Counterfeits <https://www.aafaglobal.org/counterfeitdevaluechain>.

deliberate digital alleyway to illegal products—while putting their digital and broader financial security at risk. Brand owners face an explosion of problems spanning dupe influencers,⁹ fraudulent advertisements,¹⁰ hidden links, fraudulent websites,¹¹ fake emails, and more, due in large part to one basic reality: the systems brands and regulators rely upon today are ineffective at curbing counterfeiting and fraud across the Digital Devalue Chain.



AAFA released a study entitled “Unboxing Fake Fashion Unleashing Real Dangers” in February 2026.¹² This study builds on AAFA’s 2022 counterfeit study.¹³ Combined, these studies show that counterfeits are not just an IP issue; they continue to be a consumer safety issue.

In the 2026 study, out of the 39 counterfeit products tested, 16 products (or 41 percent) failed to comply with U.S. and international product safety standards. All hazardous chemicals found in the tested counterfeit products are listed as restricted or banned chemicals in AAFA’s Restricted Substance List.¹⁴ Furthermore, at least 25 percent of the failed counterfeit products were purchased on or marketed through one or more Meta-owned platforms. This finding suggests a high propensity of consumers are purchasing counterfeit goods through social media platforms, such as Facebook.

⁹ AAFA Brand Protection Tips: Dupe Influencers on Social Media <https://www.aafaglobal.org/DupeInfluencers>.

¹⁰ TRACIT/AAFA Fraudulent Advertising Online Emerging Risks and Consumer Fraud https://www.tracit.org/uploads/1/0/2/2/102238034/tracit_fraudulentadvertisingonline_july21_2020_final.pdf.

¹¹ The Rising Risk of Fraudulent Websites: Spotlight within the Digital Devalue Chain of Counterfeits, https://www.aafaglobal.org/AAFA/Solutions_Pages/Rising_Risk_%20Fraudulent%20_Websites.aspx.

¹² AAFA Study Finds 41 Percent of Counterfeit Apparel, Footwear, and Accessory Products Tested Failed Product Safety Standards https://www.aafaglobal.org/AAFA/AAFA_News/2026_Press_Releases/AAFA_Study_41_Percent_Counterfeit_Products_Test_Failed_Safety.aspx

¹³ 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

¹⁴ Product Safety Guidance: Restricted Substances List (RSL) https://www.aafaglobal.org/AAFA/Solutions_Pages/Restricted_Substance_List

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



AAFA would like to share three case studies, pulled from “Unboxing Fake Fashion Unleashing Real Dangers”. Please see Appendix 1 of the report at aafaglobal.org for a list of all products tested.

- Case Study: Brown Handbag (GUAT25031899)
 - One counterfeit item found to pose a significant risk to consumer health was a brown handbag, purchased by a brand in July 2025 from a fraudulent website promoted by a TikTok dupe influencer known for selling counterfeit goods. This fraudulent website was linked through the dupe influencer’s Linktree page, which advertised infringing products sourced from DHgate as well as from other websites, including luxeget.com. The seller used the exact style name of the legitimate product and reproduced the brand’s print, which is a registered trademark (TM) in multiple jurisdictions. Unfortunately for consumers who purchased this counterfeit product, the item contained more than 98 times the allowable concentration of total phthalates as well as a toxic level of nickel. Had this product entered the country through legitimate channels, it would have failed multiple regulatory safety requirements.
 - Consumer danger:
 - According to the U.S. Environmental Protection Agency (EPA), “some phthalates are suspected endocrine disruptors, which means they may interfere with the body’s natural hormones, even at low levels of exposure.”¹⁵
 - According to the National Institutes of Health (NIH), “...nickel contact can cause a variety of side effects on human health, such as allergies, cardiovascular and kidney diseases, lung fibrosis, lung and nasal cancer.”¹⁶
- Case Study: Sports Hat (GUAT25033213)
 - A counterfeit sports hat contained almost 10 times the regulatory limit for formaldehyde. This hat was purchased from a fraudulent website where the illicit seller had also leveraged fraudulent advertisements from Facebook to link to the fraudulent website. This product was sold at a suspiciously low price, far below the market rate for the genuine item.
 - Consumer danger:

¹⁵ U.S. Environmental Protection Agency: Biomonitoring - Phthalates

https://www.epa.gov/americanchildren/biomonitoring-phthalates?utm_source=chatgpt.com

¹⁶ The National Institutes of Health (NIH) Nickel: Human Health and Environmental Toxicology

<https://pmc.ncbi.nlm.nih.gov/articles/PMC7037090>

- The EPA says, “Exposure to formaldehyde may cause adverse health effects.”¹⁷ Additionally, high levels of exposure may cause cancer, particularly of the nose and throat. Formaldehyde has also been linked to leukemia.¹⁸
- Case Study: High-Top Sneakers (GUAT25031750)
 - This counterfeit pair of high-top sneakers was purchased by a brand from a seller operating via Facebook Marketplace under the name “Fashion Scale Boutique.” This seller offered products from this brand, as well as others, claiming they were “authentic” products, and maintained a presence across Facebook, Instagram, and eBay. All known online profiles have since been deactivated. Unfortunately for consumers who purchased this counterfeit product, the shoes contained more than 151 times the allowable concentration of total phthalates and exceeded the regulatory limits for alkylphenols and PFAS. Had this product entered the United States through legitimate channels, it would have failed multiple regulatory safety requirements.
 - Consumer danger:
 - According to the EPA, “...phthalates are suspected endocrine disruptors, which means they may interfere with the body’s natural hormones, even at low levels of exposure.”¹⁹
 - The National Institutes of Health (NIH) has linked PFAS with several health effects, including “altered immune and thyroid function, liver disease...kidney disease,...and cancer.”²⁰
 - Alkylphenols have also been linked to adverse effects on humans and wildlife and may affect the immune and nervous system.²¹

Online intermediaries *must do more to curb the volume of counterfeiting* allowed on their platforms. AAFA raised these issues at the World Intellectual Property Organization’s Advisory Committee on Enforcement meeting in June 2026 and continues to advocate for these key issues.²²

Recommendations:

1. First, pre-verification of paid ads and users across platforms. Platforms must further *ensure transparency* so that consumers know what is verified. This will help delink a known pathway to fraudulent websites and other components of the Digital Devalue Chain.
2. Second, platforms must meet the same requirements as brick-and-mortar stores to not sell or promote counterfeit products. Platforms must take *proactive measures* to prevent counterfeit listings and remove repeat infringers by implementing *stay down measures*. Whether through legislation or best practices, such measures should be the norm and must be meaningful.²³ Platforms can no longer be allowed to hide behind written policies that are not followed or are not effective in practice.

¹⁷ EPA: Facts About Formaldehyde

<https://www.epa.gov/formaldehyde/facts-about-formaldehyde>

¹⁸ American Cancer Society. “Formaldehyde and Cancer Risk | American Cancer Society.” www.cancer.org, 24 Oct. 2022,

www.cancer.org/cancer/risk-prevention/chemicals/formaldehyde.html

¹⁹ Fenton, Suzanne E et al. “Per- and Polyfluoroalkyl Substance Toxicity and Human Health Review: Current State of Knowledge and Strategies for Informing Future Research.”

<https://onlinelibrary.wiley.com/doi/pdfdirect/10.1002/etc.4890?msockid=375e16750c976d47164d00d10d416c7a>

²⁰ Fenton, Suzanne E et al. “Per- and Polyfluoroalkyl Substance Toxicity and Human Health Review: Current State of Knowledge and Strategies for Informing Future Research.”

<https://onlinelibrary.wiley.com/doi/pdfdirect/10.1002/etc.4890?msockid=375e16750c976d47164d00d10d416c7a>

²¹ Acir, Ismail-H., and Klaus Guenther. “Endocrine-Disrupting Metabolites of Alkylphenol Ethoxylates – a Critical Review of Analytical Methods, Environmental Occurrences, Toxicity, and Regulation.” *Science of the Total Environment*, vol. 635, Sept. 2018, pp. 1530–1546, <https://doi.org/10.1016/j.scitotenv.2018.04.079>

²² AAFA Presents at WIPO’s ACE Eighteenth Session in Geneva

https://www.aafaglobal.org/AAFA/AAFA_News/2026_Letters_and_Comments/AAFA_Presents_at_WIPOs_ACE_Eighteenth_Session_in_Geneva.aspx?WebsiteKey=49c45f4d-69b3-4c66-823a-6d285960fed2

²³ AAFA Submits Comments on OECD Marketplace Guidelines to PTO

3. Third, platforms must follow through with a commitment to transparency to really *collect and verify information regarding third-party sellers*. We encourage this to include all third-party sellers, not just “high-volume-third-party sellers”, with transparency around the verification standards used by platforms.
4. Finally, AAFA pushes for strong support for IP protection and the fight against fraud, illicit products, and counterfeits. This includes *sustained funding* for offices, capacity building, and robust enforcement and IP protection programs.

AAFA is working to review member feedback to form a comprehensive submission to the Office of the U.S. Trade Representative (USTR) for the annual 2026 Review of Notorious Markets for Counterfeiting and Piracy.²⁴ AAFA welcomes the opportunity to share additional information with the Commission going forward.

Sincerely,



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https://www.aafaglobal.org/AAFA/AAFA_News/2025_Letters_and_Comments/AAFA_Submits_Comments_on_OECD_Marketplace_Guidelines_to_PTO.aspx?WebsiteKey=49c45f4d-69b3-4c66-823a-6d285960fed2

²⁴ 2026 Review of Notorious Markets for Counterfeiting and Piracy: Comment Request

<https://www.federalregister.gov/documents/2026/08/26/2026-17351/2026-review-of-notorious-markets-for-counterfeiting-and-piracy-comment-request>