

ONE HUNDRED FIFTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**

COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6115

Majority (202) 225-2927  
Minority (202) 225-3641

October 10, 2018

Jeff Bezos  
President, Chief Executive Officer and  
Chairman of the Board  
Amazon  
410 Terry Avenue N  
Seattle, WA 98109

Dear Mr. Bezos:

I am writing as a follow up to my letter in March regarding how Amazon is addressing the problem of sales of counterfeit products on its platform.<sup>1</sup> Unfortunately, complaints about counterfeits on Amazon persist.

In my previous letter, I raised concerns presented by a Government Accountability Office report showing that federal investigators were able to purchase potentially dangerous counterfeit products, including cosmetics, through Amazon and other platforms.<sup>2</sup> In response to my concerns, Amazon's Vice President for Public Policy wrote to me, and representatives of your company briefed my staff, on Amazon's efforts to prevent counterfeit products from appearing on your platform, and to identify and remove them when they do.<sup>3</sup> These efforts include using automated tools to scan for potentially counterfeit products, conducting manual investigations, responding to notices of suspected infringement, and vetting sellers.

However, recent reports suggest that sales of counterfeit goods remain pervasive throughout Amazon.com, which jeopardize consumers and third-party sellers. At a time when consumers are increasingly purchasing their products online, small businesses often have no choice but to sell their products through large e-commerce platforms. Yet a recent article in the

---

<sup>1</sup> Letter from Frank Pallone, Jr., Ranking Member, House Committee on Energy and Commerce, to Jeff Bezos, President, CEO, and Chairman of the Board, Amazon (Mar. 7, 2018).

<sup>2</sup> Government Accountability Office, *Agencies Can Improve Efforts to Address Risks Posed by Changing Counterfeits Market*, at 43 (Jan. 2018) (GAO 18-216).

<sup>3</sup> Letter from Brian Huseman, Vice President, Public Policy, Amazon, to Frank Pallone, Jr., Ranking Member, House Committee on Energy and Commerce (Mar. 27, 2018).

Mr. Jeff Bezos  
October 10, 2018  
Page 2

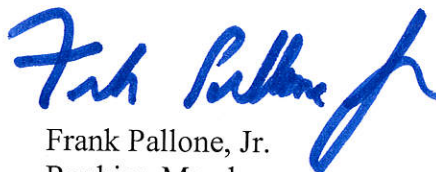
*Los Angeles Times* suggests that even the savviest consumers cannot avoid counterfeits, and small-business sellers face a daunting task if they fall victim to intellectual property infringement on your site.<sup>4</sup> The article contends that not only has Amazon “avoided any serious backlash for allowing the sale of fake goods, it’s actually thrived from it.”<sup>5</sup>

I am concerned about the prevalence of sales of counterfeit products on Amazon.com, and I am interested in what additional measures the company is taking to work with those who have notified Amazon of counterfeits on the platform. I also want to know Amazon’s response to the assertion made in the *Los Angeles Times* that “counterfeits also help Amazon’s bottom line,” and that as a result, Amazon has “resisted calls to do more to police its site.”<sup>6</sup> Moreover, I want Amazon to clarify its policy of comingling inventory from different sellers.<sup>7</sup> While this policy can lead to faster delivery if products deemed by Amazon to be identical are stored in the same bin ready to ship, the policy creates the risk that counterfeit products are mixed in with authentic products.

Counterfeit products pose threats to the health and safety of consumers and to the sellers of legitimate products whose reputations and profit margins suffer from Amazon’s failure to address this problem. To better understand the measures your company is taking to address what is clearly an ongoing issue with counterfeit products on the Amazon platform, I request that representatives of your company provide an updated briefing to my staff by October 30, 2018.

Your assistance in this matter is greatly appreciated, and I look forward to receiving your response. If you have any questions, please contact Julie Babayan and Lisa Goldman with the Democratic Committee staff at (202) 225-3641.

Sincerely,



Frank Pallone, Jr.  
Ranking Member

---

<sup>4</sup> David Pierson, *Extra Inventory. More Sales. Lower Prices. How Counterfeits Benefit Amazon*, *Los Angeles Times* (Sept. 28, 2018).

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* See also, Alana Semuels, *Amazon May Have a Counterfeit Problem: The Company Is Facing Multiple Lawsuits from Brands Who Say It Does Not Do Enough to Prevent Fakes From Being Listed On Its Website*, *The Atlantic* (Apr. 20, 2018).

<sup>7</sup> See, e.g., Wade Shepard, *How To Avoid Dangerous Counterfeits On Amazon This Holiday Season*, *Forbes* (Dec. 13, 2017).