



Amazon Suing Infringers

- Many large retailers refuse to sell products on Amazon because of counterfeit worries.
- Amazon has stated it invests “tens of millions of dollars” in combating counterfeiters. This suit could be part of new strategy

Amazon Taking On Counterfeiters for First Time

In November of 2016 Amazon filed lawsuits against counterfeiters and infringers for the first time in its 20-year history. This follows on the heels of Amazon's announcement in August of 2016 that they would be stepping up enforcement measures against counterfeit sellers. This move towards enhanced enforcement has been increasingly called for by Amazon users, both purchasers and sellers, who had to deal with a growing problem of counterfeit sellers with little to no recourse for addressing the issue.

Amazon's problem with counterfeit sellers is nothing new, and has been growing in the last years. Many large retailers such as Apple, NFL, and Birkenstock have refused to sell their products through Amazon because of the inability to control counterfeit sellers of their items. To address this issue Amazon began taking increased enforcement measures in 2016, starting with an announcement in August. Amazon announced they would be stepping up fees for retailers who desire to sell brand-name products. For example, if a retailer seeks to sell Adidas, Nike, or Hasbro products they are required to pay between \$1,000-1,500 non-refundable fee. This is in attempt to foil fly-by-night counterfeit seller operations, which usually open for a short time to sell counterfeit products, but disappear as soon as any complaints arise. No exact list of brands requiring said fees has been released, but it is safe to say Amazon is taking increasing efforts to restrict sales of products only through authorized retailers. While this is welcomed news to brands, this could be a serious impediment to third-party resellers who made their money from retail arbitrage, reselling products purchased a wholesale or clearance prices.

In addition to the increased fees and requirement of authorized resellers, Amazon has taken the new move of filing lawsuits against counterfeit sellers for the first time in its history. In November of 2016 Amazon filed lawsuits against ToysNet, a company that purportedly sold counterfeit reproductions of a product called "Forearm Forklift". Additionally, Amazon partnered with Fitness Anywhere, the makers of the TRX fitness product, and filed suit against an individual Joana Ferreira for the purported sale of counterfeit TRX products. While Amazon has not commented publically on either lawsuit, the complaints discuss Amazon's investment of "tens of millions of dollars annually developing sophisticated technology to detect bad actors and potentially counterfeit products". These new lawsuits, a first in Amazon's 20-year history, can probably be seen as part of this large investment, and Amazon's overall recent push towards increased enforcement. What remains to be seen however is if this is the new normal for Amazon, or if this change of strategy is just temporary. Many brands and consumers alike will be encouraged by these efforts to make Amazon a safer place to transact in quality and genuine products. However, these increased enforcement measures may put pressure on third-party resellers.



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