Piracy & Counterfeit Products: The Cost to U.S. Businesses

Counterfeiting and piracy are serious threats to businesses, and particularly small and medium-sized businesses. These practices involve the illegal production and distribution of goods that bear the likeness of a trademarked or copyrighted product but are not authorized by the rightful owner. The cost to U.S. businesses is significant, both in terms of direct revenue loss and in the damage to brand reputation and consumer trust.

On Amazon, fake products plague smaller brands. Counterfeiters hijack companies’ own listings with low-quality products and cut-rate prices, but that has also enabled some counterfeiters to cut into their business. Amazon.com has made it easy for small brands to sell their products to large numbers of customers, but they have also enabled some counterfeiters to cut into their business.

Sassa Akervall is a Michigan-based entrepreneur who said fake versions of the product on the site have undercut her price and hurt her business. She has reported the problem repeatedly to Amazon, but the sites keep resurfacing. Amazon said it prohibits the sale of counterfeit products. “We invest heavily to protect the integrity of our stores,” a spokeswoman said in a statement, and “will continue to aggressively pursue those who harm our customer and seller experience.”