



October 1, 2025

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

**Re: 2025 Review of Notorious Markets for Counterfeiting and Piracy 90 Fed. Reg.
40134 Docket Number: USTR-2025-0018 (October 1, 2025)**

Dear Mr. Lee:

The U.S. Chamber of Commerce (“the Chamber”) Global Innovation Policy Center (“GIPC”) appreciates the opportunity to submit the following response to the Office of the U.S. Trade Representative’s (“USTR”) request for comments regarding the annual review of notorious markets for counterfeiting and piracy. The Chamber leads efforts worldwide to promote innovation and creativity through robust and enforceable intellectual property (“IP”) standards, with much advocacy focused on safeguarding and securing American IP through enforcement action.

IP is critical to U.S. economic development and competitiveness. A recent Chamber report shows that in 2024, America’s innovation ecosystem supported over \$5 trillion of existing IP-supported jobs across all industry sectors, businesses of all sizes, and every state, and that total IP-related exports reached over \$140 billion.¹ Furthermore, the strength of America’s IP system is a core competitive advantage of the United States. The Chamber’s annual International IP Index shows a strong, positive relationship between the strength of an economies’ IP environment and its performance against key socio-economic outputs, including private sector R&D funding, job creation, innovative output, and access to innovation.²

The Counterfeiting and Piracy Challenge

Effective and consistent IP enforcement creates a rule of law environment that provides the legal certainty needed for investment in the next generation of innovation and creativity across all industries. Unfortunately, in many global economies, effective

¹ <https://www.uschamber.com/intellectual-property/new-u-s-chamber-report-reveals-ip-boosts-u-s-economy-drives-job-growth>

² *International IP Index 13th Edition*; <https://www.uschamber.com/intellectual-property/2025-ip->

enforcement options are not practically available or fully utilized. Judicial and administrative routes of enforcement are often overloaded and under-resourced. With respect to effective border measures, not all economies grant their customs authorities, border guards and/or other designated officials *ex officio* authority to seize suspected counterfeit and pirated goods, including goods in transit, without a formal complaint from a given rightsholder.³

The volatility of the global enforcement environment greatly affects U.S. Chamber members' ability to create, use, and protect their IP both at home and abroad, and correspondingly, their capacity to create and sustain American jobs. The lack of effective enforcement efforts is an increasingly significant problem given the rise in overall levels of global trade. In 1990, the value of world trade in goods was an estimated USD 3.5 trillion. 2024 data from the World Trade Organization ("WTO") shows that the value of global trade in goods is over seven times that amount at an estimated USD 24.43 trillion⁴; and this is not counting trade in services.

International efforts to measure the scale of counterfeit and pirated goods have increased in tandem, with the work primarily being driven by the Organization for Economic Cooperation and Development ("the OECD") and EU Intellectual Property Office ("EUIPO"), which have been instrumental in developing new metrics and regular assessments of levels of trade-related counterfeiting. According to a 2025 report by the OECD and EUIPO, global trade of counterfeit and pirated goods is estimated at \$464 billion dollars, or 2.3% of global imports.⁵ Unfortunately, criminals are infiltrating and exploiting both online and physical marketplaces to traffic in counterfeit products and pirated movies, television, live broadcasts, music, and other copyrighted works.

Illicit trade undermines the economic and consumer benefits of America's digital economy and threatens the health and safety of our citizens and businesses. The challenges around counterfeiting and piracy cannot be solved simply with additional resources, more seizures, or advanced targeting, though each are integral elements to disrupting counterfeits downstream. Public-private partnerships between governments and businesses that focus attention on systemic, upstream challenges create the opportunity for lasting impacts and foundational change.

Copyright Enforcement in an Online Environment

Digital streaming is one of the most popular methods of content consumption. Through the global availability of high-speed internet and easy access to instant content streaming, consumers have become accustomed to high-quality streaming

³ *International IP Index 13th Edition*; <https://www.uschamber.com/intellectual-property/2025-ip->

⁴ https://www.wto.org/english/res_e/booksp_e/trade_outlook25_e.pdf

⁵ https://www.oecd.org/en/publications/mapping-global-trade-in-fakes-2025_94d3b29f-en.html

entertainment. The global online video platform market is growing rapidly. In 2020, the market size was estimated at over \$6 billion, and by 2027 current estimates show that the market will reach over \$18 billion – an astounding 17.3% market growth.⁶ Internet-based piracy is particularly harmful because a single pirated file on online piracy platforms can be the source of millions of perfect copies—enabling massive ongoing theft of creative works. Studies show that upwards of over eighty percent of piracy is conducted online, with over 229 billion recorded visits to piracy-related websites globally in 2023 alone.⁷ In a June 2019 report, Impacts of Digital Piracy on the U.S. Economy,⁸ the U.S. Chamber of Commerce found that global online piracy costs the U.S. economy at least \$29.2 billion in lost revenue each year. This threat has a direct impact to all businesses, especially the intellectual property-intensive creative industries that serve as key engines of job creation, competitiveness, and economic growth.

Piracy devices continue to be used as alternatives to the wide array of legitimate content delivery platforms available to consumers. These devices typically rely on apps that enable users to locate and access unauthorized digital content, including motion pictures and television programming, music, music videos, video games, published materials, and karaoke. Such devices and associated applications operate within a broader online ecosystem that supports the distribution of pirated content through a coordinated network, complicating enforcement efforts. However, one tool available in more than 50 countries is injunctive-style relief, which has resulted in a reduction in online piracy rates.⁹ For instance, certain countries have utilized injunctions to target mirror sites and prevent infringing content from resurfacing online.¹⁰

Injunctive-style relief is one of several best practices and options available to rightsholders when it comes to combatting digital piracy. Another very valuable option for fighting large scale piracy operations is public-private partnerships, such as Operation 404 and the recent takedown of Streameast by Homeland Security Investigations (“HSI”) and the Alliance for Creativity and Entertainment.¹¹ Additionally, partnerships within the private sector are increasingly beneficial. For example, the finance industry is taking a more active role in protecting consumers from exposing themselves to fraud via pirate sites and preventing consumers from accessing certain illicit streams.

⁶ <https://www.grandviewresearch.com/industry-analysis/online-video-platforms-market>

⁷ <https://www.muso.com/magazine/global-piracy-by-industry-report-2023>

⁸ <https://www.uschamber.com/technology/data-privacy/impacts-of-digital-piracy-on-the-u-s-economy>

⁹ https://wilj.law.wisc.edu/wp-content/uploads/sites/1270/2025/05/Bishop_42.4.pdf

¹⁰ <https://www.uschamber.com/intellectual-property/2025-ip-index>

¹¹ <https://www.musicbusinessworldwide.com/brazil-launches-largest-ever-operation-to-disrupt-streaming-fraud/>;
<https://www.bbc.com/news/articles/c62q4l0d171o>

Rightholders and government enforcement agencies should consider a combination of these and other tools, as no singular tool is fool proof. Sophisticated pirate operations are quick to incorporate mechanisms to avoid injunctions, including analyzing the legal factors necessary for issuing an injunction and taking steps to thwart them. Additionally, the ease of creating new websites or hosting platforms allows these operations to re-emerge rapidly, further complicating enforcement efforts. The use of VPNs also enables criminals to hide their locations.

Due to the multifunctional nature of piracy devices, establishing liability requires specific factual circumstances, which can present significant legal challenges and can vary based on the standards of proof for the country. A development in this space is the emergence of “piracy as a service,”¹² a model that offers streamlined tools and services enabling illicit actors to purchase a turn-key service enabling them to create, deploy, and monetize pirated content. Criminals can hide their identities and locations within the online ecosystem and are emboldened when using emerging developments like piracy as a service. Another challenge is that, even in cases where criminals can be accurately identified, they can be located in (or may flee to) countries with inadequate IP enforcement systems in place.

Copyright Piracy of Sports Broadcasts

Piracy in sports broadcasting remains a persistent and complex challenge for rightsholders, broadcasters, and enforcement agencies. The prominence and diversity of live sports across the globe makes them particularly vulnerable to illegal streaming. Piracy undermines the value of broadcast rights, which are often sold for billions of dollars, and diverts revenue from legitimate platforms who have engaged in licensing agreements. It also exposes consumers to heightened cybersecurity risks, as many pirate sites are riddled with malware and deceptive advertising.¹³

The recent takedown of Streameast, one of the world’s largest illegal sports streaming networks, highlights the scale of the problem but also the effectiveness of coordinated responses.¹⁴ Streameast operated across 80 domains and attracted over 1.6 billion visits in a single year, offering unauthorized access to NFL, NBA, MLB, and European football games. The operation culminated in the arrest of two individuals

¹² [https://www.verimatrix.com/anti-piracy/anti-piracy-insights/piracy-as-a-service-the-dark-webs-streaming-business-boom/#:~:text=A%20preloaded%20content%20library%20\(movies.exploiting%20CDN%20endpoints%2C%20pirates%20can:](https://www.verimatrix.com/anti-piracy/anti-piracy-insights/piracy-as-a-service-the-dark-webs-streaming-business-boom/#:~:text=A%20preloaded%20content%20library%20(movies.exploiting%20CDN%20endpoints%2C%20pirates%20can:)

¹³ <https://www.interpol.int/Crimes/Illicit-goods/Shop-safely/Digital-piracy#:~:text=Malware,other%20attacks%20in%20the%20past.>

¹⁴ <https://www.bbc.com/news/articles/c62q4l0d171o>

near Cairo, Egypt, and the seizure of laptops, smartphones, and over \$6 million in laundered advertising revenue, including cryptocurrency and real estate investments.

Additionally, the enforcement action taken during HSI's 2022 Operation Offsides¹⁵ is especially significant as the world prepares for the 2026 FIFA World Cup, which will be hosted across the United States, Canada, and Mexico. With the tournament returning to North American soil for the first time since 1994, the stakes are higher than ever, not just for the sport, but for the integrity of its digital ecosystem. The World Cup is one of the most-watched sporting events globally, and its broadcast rights are strictly copyright protected. Piracy during such events threatens to erode the value of these rights, disrupt legitimate revenue streams, and compromise the viewing experience for fans all across the globe, especially in markets with weak copyright protection and enforcement capabilities.

Operation Offsides sent a clear message that U.S. authorities and rightsholders can successfully join forces in actionable and decisive ways to defend intellectual property. By seizing 78 domains that were illegally streaming the 2022 World Cup, HSI not only disrupted illicit operations but also laid the groundwork for more robust enforcement mechanisms ahead of the 2026 World Cup. The operation highlighted the importance of interagency and public-private collaboration, reinforced the legitimacy of official, IP-protected sports broadcasts, and fostered a global best practice that ultimately protects the broader sports economy. Doing this enables a secure, high-quality experience for millions of viewers.

While successful, these enforcement actions underscore the ongoing challenge: pirate platforms often re-emerge under new domains, and consumer demand remains high due to fragmented and costly legal streaming options. Sustained enforcement, public education, and more accessible legal alternatives will be key to curbing sports piracy in the long term.

Counterfeit Enforcement in an Online Environment

The technological revolution of the past three decades has helped foster international trade growth, most keenly evidenced by a booming e-commerce environment. While this development has enabled businesses of all sizes the ability to reach consumers in markets that a generation ago would have been inaccessible, the resulting increase in volume and value of global trade has made it increasingly difficult to enforce against counterfeit and pirated goods. Lax overseas enforcement means U.S. consumers are vulnerable to fake, sub-standard, and counterfeit goods

¹⁵ <https://www.ice.gov/news/releases/hsi-baltimore-seizes-another-23-websites-violated-copyrights-illegally-live-streaming#:~:text=The%20subject%20domain%20names%20currently,footprints%20in%20U.S.%20law%20enforcement.>

from sources all over the world where considerably lower standards of transparency, accountability, and seller vetting are in evidence.

As the e-commerce ecosystem continues to expand and evolve, combating IP theft becomes more and more challenging, particularly in a global trade environment in which many global trade powerhouses have vastly different enforcement capabilities. Criminals and transnational criminal organizations have adopted sophisticated strategies to peddle illicit, IP violative products directly to consumers through online markets and social media sites. Despite considerable investments by legitimate businesses to secure product integrity, chemical safety standards, and customer trust, the pervasiveness of counterfeiters infiltrating the global supply chain is unyielding. To protect the health and safety of consumers and the continued viability of trusted brands that employ millions of people worldwide, it is imperative that law enforcement authorities both in the United States and abroad have the resources and tools to combat counterfeiters operating in the online environment.

The complex nature of IP infringement requires sophisticated investigatory tools. No IP enforcement program can be effective without the ability to trace, on a cross-border basis, counterfeiting and other illicit activities with insights and information derived from foreign source countries, distribution hubs and networks, and end-user markets. Data localization measures and unnecessary data transfer restrictions directly interfere with the ability to investigate and counteract transnational IP infringing activities. Cross-border data transfers are critical to many aspects of IP enforcement, from monitoring marketplaces, to gathering evidence of infringement in multiple locations, to researching details of illicit networks, and using administrative or judicial tools in multiple jurisdictions to preserve evidence and secure recourse.

The Chamber supports collaborative global initiatives dedicated to combating transnational criminal networks that produce and sell counterfeits, pirated works, and other illicit goods, including in the online ecosystem. The complexity of global supply chains and the rise of e-commerce demand a coordinated response. The OECD has continued its valuable work to study illicit trade activity, creating a foundational understanding of the significant threats illicit trade poses to our global economy and examining, through quantitative metrics, novel solutions to combat the production and sale of counterfeit goods. The Chamber continues to engage the OECD's Working Party on Countering Illicit Trade ("WP-CIT") on their Draft Voluntary Guidelines for Countering Illicit Trade in Counterfeit Goods on Online Marketplaces ("the guidelines") which offer a non-binding framework for anti-counterfeiting collaboration among governments, online marketplaces, rights holders, and service providers. The Chamber submitted comments on the guidelines in response to a U.S. Patent and Trademark Office's ("the USPTO") review and appreciate the USPTO engaging the

business community as the guidelines continue to undergo review globally.¹⁶ This multi-stakeholder approach is essential to addressing the scale of the online counterfeit problem, and the guidelines represent a constructive step toward fostering international cooperation and harmonizing best practices to combat counterfeit trade online.

The Chamber believes the U.S. government plays a critical role in combatting the sale of IP-infringing goods online, and for this reason, we support the USTR's annual effort to identify marketplaces that consistently allow counterfeit and pirated products to be listed and sold on their platforms at the expense of American IP rights holders and consumers. The Chamber recommends that USTR pay special attention to PDD Holdings (Pinduoduo and Temu), TaoBao, SHEIN, and WeChat/Weixin because these marketplaces have historically sold a wide range of counterfeit goods, pirated works, and other illicit items which endanger consumer safety and undermine the legal certainty necessary for adequate global trademark protection. The Chamber notes that PDD Holdings and SHEIN have been consistently recommended for the USTR Notorious Markets List ("the List") for years by concerned industry stakeholders and rights holders, but continue to evade inclusion. The Information Technology and Innovation Foundation ("ITIF") made test purchases of suspected IP violative goods to inform a 2025 report¹⁷ on the continued prevalence of counterfeit goods sold via third-party sellers on sites like Temu and SHEIN. The products included toys, cosmetics, household items, luxury goods, and pharmaceutical products, and an alarming amount were confirmed to be counterfeit. Furthermore, ITIF describes repeated instances of unauthorized reproduction of IP-protected designs on these sites, a pervasive issue that creates consumer confusion and dilutes brand integrity. Temu – a PDD Holdings company – was recently fined \$2 million by the Federal Trade Commission ("the FTC") for violating the INFORM Consumers Act of 2023,¹⁸ legislation designed and enacted to increase transparency for e-commerce shoppers and deter bad actors from using online marketplaces to peddle counterfeit goods¹⁹. The Chamber welcomes an opportunity to discuss with USTR the reasoning behind these continued omissions from the List.

Conclusion

We appreciate the focus of the Office of the U.S. Trade Representative in protecting the IP rights of creators and innovators, and appreciate the attention being paid to the harms associated with copyright piracy of sports broadcasts, especially

¹⁶ <https://www.federalregister.gov/documents/2025/05/19/2025-08891/request-for-comments-on-oecd-working-party-on-counterfeiting-illicit-trade-wp-cit-draft-voluntary>


¹⁷ <https://itif.org/publications/2025/08/20/how-chinese-online-marketplaces-fuel-counterfeits>

¹⁸ <https://www.ftc.gov/news-events/news/press-releases/2025/09/online-marketplace-temu-pay-2-million-penalty-alleged-inform-act-violations>

¹⁹ <https://www.ftc.gov/business-guidance/resources/INFORMAct>

ahead of the 2026 FIFA World Cup Tournament and 2028 Summer Olympics with both events taking place on U.S. soil. Illicit markets offer a refuge to sellers of infringing goods and those who lure consumers to—and exploit them through—digitally pirated content. The persistently high levels of global counterfeiting and digital piracy demonstrate that government and industry must be equally relentless in meeting the challenge.

Sincerely,

A handwritten signature in dark ink that reads "Bradley J. Watts". The signature is written in a cursive, flowing style with a large, stylized 'B' and a long, sweeping underline.

Brad Watts
Senior Vice President, Patents & Innovation
Global Innovation Policy Center (GIPC)
U.S. Chamber of Commerce