

CIS BRAND BRIEFING NO. 7

Why Don't Takedowns Stop Counterfeiters?

Because a takedown removes a listing or an account, not the person behind it. What hurts a counterfeiter is losing money.

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THE SHORT ANSWER

Because a takedown removes a listing or an account, not the person behind it. It costs the counterfeiter almost nothing, and the same goods can reappear under a new storefront. What a counterfeiter cannot easily replace is money a court has frozen. That is where enforcement should aim.

Brand owners call it whack-a-mole. A brand reports a listing, it comes down, and the same goods turn up somewhere else. The U.S. Trade Representative uses the same words for pirate streaming sites that reopen under new domain names: a “whack-a-mole dynamic” that “frustrates enforcement efforts.”¹

This is not a complaint about the marketplaces. By its own account, Amazon spent more than \$1.2 billion and employed more than 15,000 people on this problem in 2023.² The effort is real. The trouble is what a takedown takes from the seller, which is very little.

¹ Office of the U.S. Trade Representative, “2025 Review of Notorious Markets for Counterfeiting and Piracy,” March 2026, p. 10. The passage is about pirate streaming sites, not physical goods.
[https://ustr.gov/sites/default/files/files/Press/Releases/2026/2025%20Notorious%20Markets%20List%20\(final\).pdf](https://ustr.gov/sites/default/files/files/Press/Releases/2026/2025%20Notorious%20Markets%20List%20(final).pdf)

² Amazon, “Brand Protection Report,” March 2024, covering 2023. Amazon’s own account, not an independent audit.
<https://assets.aboutamazon.com/24/cd/c7e7ccd94abae59dec904c2b637/2023-brand-protection-report-final-english.pdf>

WHY A TAKEDOWN COSTS THE COUNTERFEITER ALMOST NOTHING

Consider what a counterfeiter loses when a listing comes down. The supplier is untouched. So is the person behind the store. What the seller loses is one storefront, and the government found in 2020 that counterfeiters plan for that.

The Department of Homeland Security, in its 2020 report to the President: “In some cases, counterfeiters hedge against the risk of being caught and their websites taken down from an e-commerce platform by preemptively establishing multiple virtual store-fronts.” It named the cause. On “at least some e-commerce platforms, little identifying information is necessary for a counterfeiter to begin selling.” Its conclusion: “counterfeiters can quickly and easily move to a new virtual store if their original third-party marketplace is taken down.”³

The same report found that sellers based abroad “are also exposed to relatively little risk of criminal prosecution or civil liability under current law enforcement and regulatory practices.”³ Put those findings together. If getting caught costs one storefront, and the seller already runs several, getting caught costs almost nothing.

3 U.S. Department of Homeland Security, Office of Strategy, Policy, and Plans, “Combating Trafficking in Counterfeit and Pirated Goods: Report to the President of the United States,” January 24, 2020, p. 22 (storefronts) and p. 20 (risk to sellers abroad).
https://www.dhs.gov/sites/default/files/publications/20_0124_plcy_counterfeit-pirated-goods-report_01.pdf

WHAT THE RECORD SHOWS

Amazon’s own numbers. Amazon reports that in 2023 its controls blocked more than 99% of suspected infringing listings before a brand had to find and report them. It “identified, seized, and appropriately disposed of more than 7 million counterfeit products worldwide.” And it “stopped more than 700,000 bad actor attempts to create new selling accounts,” down from 6 million in 2020.² The drop from 6 million suggests the defense deters many.

Read those figures honestly and two things are true. The program is real and large. Yet in a single year, people Amazon judged to be bad actors still tried to open new selling accounts more than 700,000 times. A blocked attempt is an attempt, not a success. It shows how hard they keep trying against a well-funded defense.

The INFORM Consumers Act. This federal law on marketplace sellers took effect on June 27, 2023. In January 2026, Senator Dick Durbin’s office released data from marketplace companies on what has happened since: “nearly three million non-high-volume third-party seller accounts have been suspended or removed for selling stolen, counterfeit, or unsafe goods,” and “nearly 24 million product listings were removed.”⁴

That is removal on a vast scale. The release does not say how many of those sellers came back under a new name, and I know of no public study that measures it. Removal at that scale measures effort. It does not tell you how many counterfeiters were stopped.

⁴ Office of U.S. Senator Dick Durbin, Ranking Member of the Senate Judiciary Committee, “Durbin Releases Data On How His INFORM Consumers Act Has Impacted Online Marketplaces,” press release, January 9, 2026. A senator’s release of data the marketplaces reported, collected after a letter to 46 marketplace companies, not an audit. It also reports that nearly 40,000 high-volume sellers were suspended and nearly 20,000 of them later reinstated. <https://www.judiciary.senate.gov/press/dem/releases/durbin-releases-data-on-how-his-inform-consumers-act-has-impacted-online-marketplaces>

WHAT DOES COST THEM

Money does. A Schedule A case is a federal counterfeiting suit in which one filing can name dozens or hundreds of sellers. In such a case, a court can freeze a seller’s money, usually before the seller knows. A law firm that defends sellers describes the order. It directs marketplaces and payment processors “to freeze the seller’s account and hold the funds in place.”⁵ Federal law also lets a brand seek statutory damages of up to \$2,000,000 per counterfeit mark per type of goods when the counterfeiting is willful.⁶ In practice, a defense lawyer told MIT Technology Review, a proposed settlement “is often about 60% of the frozen account’s balance.”⁷ Courts have also cut freezes and awards made without evidence. Our paper on contingency explains both, and how these cases are paid for.

Figure 1. What each action does to the counterfeiter

Sources: notes 3, 4, 5 and 6.

	A TAKEDOWN	A COURT FREEZE
What it does	Removes a listing or a selling account ⁴	Holds the money in the seller’s marketplace and payment accounts ⁵
Can the seller get it back?	In effect, yes. Counterfeiters “can quickly and easily move to a new virtual store” ³	Not while the order stands
What happens next	Opening another storefront, often one set up in advance ³	Statutory damages up to \$2,000,000 per mark per type of goods, if willful ⁶

A seller can open another storefront. Frozen money stays frozen until the court releases it.

⁵ Traverse Legal, a law firm that represents sellers, “Your Amazon or PayPal Account Was Frozen by a Trademark Lawsuit: A Seller’s Guide to Schedule A Cases,” accessed October 6, 2026: “Sellers usually learn about the case only after the money is already frozen.” “One filing can name dozens or hundreds of sellers.” <https://www.traverselegal.com/blog/your-amazon-or-paypal-account-was-frozen-by-a-trademark-lawsuit-a-sellers-guide-to-schedule-a-cases/>

⁶ 15 U.S.C. § 1117(c): statutory damages of “not less than \$1,000 or more than \$200,000 per counterfeit mark per type of goods or services sold,” or “not more than \$2,000,000 per counterfeit mark per type of goods or services sold” if the use was willful. <https://www.law.cornell.edu/uscode/text/15/1117>

⁷ Zeyi Yang, “The counterfeit lawsuits that scoop up hundreds of Chinese Amazon sellers at once,” MIT Technology Review, June 20, 2023. Press, quoting a defense lawyer. <https://www.technologyreview.com/2023/06/20/1075088/chinese-amazon-seller-counterfeit-lawsuit/>

WHAT THIS MEANS FOR A BRAND

Takedowns still have a place. Pulling a dangerous fake off sale protects the next buyer, and brands should keep reporting. But a brand that relies on takedowns alone pays for the fight forever, while the counterfeiter pays for a new storefront.

At CIS we treat a takedown as first aid, not a cure. The cure is making counterfeiting cost more than it pays. That means identifying the sellers worth pursuing, so the brand's counsel can recover money through the courts.

PUT YOUR BRAND ON OUR FREE WATCH LIST

If counterfeiters are selling under your brand, you should know it before your customers do. We always watch for free. When fakes put your customers at risk, we warn you and send you a CIS Consumer Safety Review: who is selling, where they ship from, and what it would take to stop them.

We package the intelligence to attract contingency attorneys to take your case. Our fee comes only from the recovery. Many counterfeiting problems can be resolved with no money out of your pocket: the attorney pays the upfront costs and takes them back from what is collected. Put your brand on our free Watch List at cyberinvestigationsservices.com/watch-list.

About the author. Chris Anderson, Ph.D., founded Cyber Investigation Services, a Florida limited liability company, in 2010 and leads it as CEO. CIS is an eCommerce consumer safety and national security intelligence firm. For 16 years Chris has built intelligence on the sellers behind counterfeit marketplace listings.