

Support for HB 5485-5487 (INFORM Act)

March 22, 2022

The Michigan Chemistry Council is the voice for Michigan's chemical industry, one of our state's largest manufacturing sectors. 96% of all manufactured goods are directly touched by the business of chemistry, making our industry essential to every facet of Michigan's economy.

The MCC's members include companies that research, develop, and produce high-performance ingredients and products, from electronics to pharmaceuticals to agricultural chemicals. These ingredients and products are protected intellectual property and are highly regulated to be safe and effective for their intended uses, so we take seriously the need for sound consumer protections.

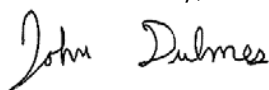
Unfortunately, internet marketplaces can be abused to sell mislabeled or counterfeit goods. This problem has only ballooned during the pandemic, as unscrupulous sellers took advantage of these open forums to list fraudulent goods – such as in-demand N95 respirators - in mass quantities. Even worse, potentially hazardous products that have been recalled or removed from established retailers can often be found for sale from shady, third-party sellers – many of whom are based abroad.

These problems were documented in a 2020 U.S. Department of Homeland Security Report that noted:

“While the U.S. brick-and-mortar retail store economy has a well-developed regime for licensing, monitoring, and otherwise ensuring the protections of intellectual property rights, a comparable regime is largely non-existent for international e-commerce sellers....and despite such [voluntary] actions, private stakeholders have fallen far short of adequately addressing the substantial challenges that must be surmounted if the trafficking of counterfeit and pirated goods is to be deterred.”¹

We believe that the compromise legislation before you today will help address these problems and move towards a safer, more trustworthy online retail environment. We appreciate the sponsors for bringing this legislation forward, we thank the committee for your consideration of the MCC's perspective, and we look forward to working with you.

Sincerely,



John Dulmes, Executive Director

¹ “Combating Trafficking in Counterfeit and Pirated Goods” – DHS Office of Strategy, Policy & Plans - Jan. 2020