



Protecting Children's Brands in a Digital Age

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The Toy Association



The Toy Association

- The Toy Association represents more than 1,100 businesses – toy manufacturers, importers, and retailers, as well as toy inventors, designers, and testing labs – all involved in bringing safe, fun, and educational toys and games for children to market. With an annual positive U.S. economic impact of \$110.9 billion, the U.S. toy industry supports 691,263 U.S. jobs and generates \$14.98 billion in state and federal tax revenue each year. Approximately 3 billion toys are sold in the U.S. each year, totaling \$27 billion at retail, and our members account for approximately 90% of this market. Importantly, over 95% of toy manufacturers, wholesalers, and distributors in the United States are small businesses.



Protecting Toy Brands

- Trade Association - Not just one.
- Data Protection and Data Privacy
- Counterfeit & Illegal Products
 - Counterfeit: designed to look like an already existing product
 - Illegal: might be an original design, but not legal to sell to consumers.
- Great consumer safety risk that exists.
- It is not about money, it is about reputation!



The INFORM ACT

- Online Retail Marketplaces for Consumers Act
- The goal of the INFORM Consumers Act is to add more transparency to online transactions and to deter criminals from acquiring stolen, counterfeit, or unsafe items and selling them through those marketplaces. The Act also makes sure online marketplace users have a way to report suspicious conduct concerning high-volume third party sellers.
- Large coalition in support.
- Passed in June 2023



The Inform Act continued

- For verification, a high-volume seller (HVS) must provide the required information after reaching 200 transactions and \$5,000 in sales in any 12-month period during the previous 24 months.
- For disclosure to consumers, it requires any high-volume third-party seller with an aggregate total of \$20,000 or more in annual gross revenues on such online marketplace. And it further allows the buyer to see the seller's information only after the purchase is finalized.
- For annual certifications not received, marketplaces must give HVS notice and 10 days to provide certification.
- For enforcement, state Attorneys General are given authority to pursue civil actions.
- Violations could result in civil penalties of \$50,120 per violation for online marketplaces



SHOP Safe Act

- S. 2934 - Stopping Harmful Offers on Platforms by Screening Against Fakes in E-commerce Act of 2023
 - Sen. Chris Coons (D-DE) & Sen. Thom Tillis (R-NC)
- The Shop Safe Act creates a law for trademark infringement liability that would apply to e-commerce platforms that sell a counterfeit good that poses a threat to health and safety unless that platform is providing “best practices.” Platforms that are vetting sellers, removing counterfeit listings, and kicking off counterfeit sellers would have a safe harbor from liability, according to the current proposal.



State Becoming More Active

- Multiple amendments in many states offered to add SHOP Safe language to existing bills.
- Traditionally tough business states are where the best conversations are.
- Issue is NOT going away
- Always looking to partner with other organizations.



Thank you for attending

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