Senator Dick Durbin Ranking Member, Senate Judiciary Committee Written Question for Aaron Bores Executive Vice President, Product Development, Moen Inc. May 14, 2025

1. In 2023, Congress passed the *INFORM Consumers Act*, a bill that brings transparency to online sales by requiring e-commerce marketplaces to verify the identity of certain high-volume sellers and share this information with consumers.

What impact has the *INFORM Consumers Act* had on shrinking the market for counterfeit goods and keeping consumers safe?

Unfortunately, we believe the problem our industry is facing with counterfeiting and cheap off-brand foreign made faucets that do not meet industry standards is accelerating, even with the passing of the Inform Consumers Act. We see our brand name, trademarks, SKU #s, "works with", "compatible with" or "replacement for" being used more and more, we are seeing a continued influx of counterfeit certifications, misleading certification references, or ignoring certifications, exposing millions of consumers to unsafe or unhealthy products.

2. In your written testimony, you proposed that Congress further refine the *INFORM Consumers Act*.

Please describe your proposed reforms.

We applaud Congress for passing the Inform Consumers Act, which has helped, but is not the full solution. The act is meant to bring transparency to the US consumer – but these bad actors are still allowed to market by using Moen brand names, SKU #'s, Moen's trademarks, and by otherwise infringing our Intellectual Property, even saying things like "Works With" or "Replacement For". This puts US consumers at risk. Additionally, the INFORM Act was meant to highlight stolen, counterfeit or unsafe products for consumers. Based on my written and oral testimony, US consumers are still directly being affected by counterfeits (designs, logos, 3rd party logos), misleading advertising, and unsafe products (drinking water and bath safety standards).

To further protect consumers, we strongly support the passage of the SHOP SAFE Act. We believe a more aggressive response is needed to address the persistent "whack-a-mole" tactics leveraged by these bad actors. In addition, online marketplaces should employ more rigorous measures to verify product certifications and compliance.

Retailers should clearly indicate which products meet recognized industry standards and which do not. This level of transparency is essential to helping consumers make safe and informed purchasing decisions.

We acknowledge that many e-commerce platforms already partner with government agencies and independent labs to support external certifications. These certifications are crucial in helping consumers navigate the overwhelming number of similar products available online. By clearly

distinguishing between certified and uncertified items, e-retailers can significantly improve consumer confidence, health, and safety.

The idea is for us to create a policy rationale for:

- Protecting consumers from deceptive and unsafe plumbing products;
- Preserving the integrity of legitimate trademarks as well as brand innovation;
- Supporting American manufacturers of plumbing products that invest in compliance, testing, and safety;
- Encouraging platforms to act responsibly and ensure that consumers have the information they need to make safe purchasing decisions.

Key background for QFR response:

Sellers of cheap counterfeit products routinely market their merchandise as "replacement for Moen®" or "compatible with Posi-Temp®" on online marketplaces. These products are:

- Not tested or certified to meet required safety, pressure-balancing, or quality standards; and/or,
- Often misleadingly marketed, despite not being interchangeable or safe for consumer use; and/or,
- Sold with deceptive branding tactics falsely suggesting the products are by Moen, other trusted American brands or certified (when they are not).

Due to the use of "qualifying language," such sellers are frequently able to evade enforcement (and other IP protection mechanisms), even when the products are unsafe or, in certain instances, demonstrably counterfeit.

We urge Congress to close this known gap used by counterfeiters through a narrowly tailored legislative provision that does not limit legitimate aftermarket innovation. Specifically, we propose a legislative provision that prohibits deceptive use of "Compatible With" claims where

- Products do not meet the safety, performance, or interoperability standards that the trusted brands meet;
- Use is likely to cause consumer confusion or imply brand sponsorship.

In addition, we propose an independent certification requirement for critical replacement parts in regulated categories where consumer safety is at risk, such as faucets and other plumbing products. This could include establishing penalties where falsely marketed replacement products result in injury, property damage, or regulatory noncompliance.

<u>Questions from Senator Tillis</u> <u>for Aaron Bores</u> <u>Witness for the Senate Committee on the Judiciary</u> <u>Subcommittee on Intellectual Property Hearing</u> <u>"Foreign Threats to American Innovation and Economic Leadership"</u>

1. In your testimony you wrote about counterfeit products, such as valves, and faucets manufactured in such a way that they may pose safe and health risks.

How can consumers check if they have one of these dangerous faucets? And what should they do if they find one in their home? Why do you these manufacturers use these dangerous materials in their products? Do they have ulterior motives?

First, Moen has created a <u>website</u> dedicated to driving awareness of this issue, and we would encourage consumers to visit that site to drive awareness. On this site, Moen has made public all <u>testing</u> we had IAPMO conduct, where consumers can search for Brand and SKU number information to determine if their product has failed for testing conducted.

Second, we would encourage consumers to find their purchase history, identifying the Brand and SKU number information. Conduct research on the brand reputation.

Third, look for marks of certification to have confidence that the product is safe. Plumbing Manufacturing International has a <u>site</u> dedicated to product marking education consumers can refer to. One caveat here, the bad actors have demonstrated propensity to counterfeiting these product markings, inferring safety when the product may not be.

Finally, if the consumer is unsure of the safety of their product, they should replace it with a trusted, reputable brand.

On the question concerning why these manufacturers use dangerous materials in their products, first and foremost we believe cost to be the reason. Cheaper materials, which expose consumers to health and safety risks, can be produced at a lower cost and sold at lower prices. Second, we believe these manufacturers lack engineering knowledge critical to delivering products that meet required standards and keep consumers safe.

2. What additional tools or authorities do you believe that Congress could provide that will bring a whole of government response that better protects U.S. consumers as well as manufacturers from intellectual property theft and counterfeiting?

We commend Congress for passing the INFORM Consumers Act, an important step toward greater transparency in the U.S. marketplace. Despite its intent, bad actors continue to market products using Moen brand names, SKU numbers, trademarks, and other intellectual property—often employing misleading terms such as "Works With" or "Replacement For." This deceptive behavior puts U.S. consumers at risk.

The INFORM Act was designed to help identify stolen, counterfeit, or unsafe products. However, based on my written and oral testimony, it's clear that consumers are still being harmed by counterfeit products (including those sold with imitated designs and logos), misleading advertising, and items that fail to meet basic health and safety standards.

To further protect consumers, we strongly support the passage of the SHOP SAFE Act. We believe a more aggressive response is needed to address the persistent "whack-a-mole" tactics leveraged by these bad actors. In addition, online marketplaces should employ more rigorous measures to verify product certifications and compliance.

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3. There has been talk of a national registry or certification system to help protect consumers from dangerous counterfeit plumbing products.

What are your thoughts on such an idea?

Establishing a national registry or certification system to protect consumers from dangerous counterfeit plumbing products would be a strong and necessary first step. While certification requirements for plumbing products already exist today, they are difficult for consumers to navigate – both in understanding what is required and in determining whether a specific product meets those standards. A more consumer-friendly, easily searchable system would provide needed clarity and empower purchasers to make safer decisions. However, awareness and enforcement are equally critical. Today, despite existing certification requirements, bad actors continue to sell millions of uncertified or falsely certified products each year. Therefore, strong governance and enforcement mechanisms must accompany any registry or certification system to ensure compliance and to hold violators accountable. Without this, consumers will remain vulnerable to unsafe and deceptive products.

Questions for the Record

Sen. Adam Schiff (CA)

Aaron Bores, Executive Vice President, Product Development, Moen (subsidiary of Fortune Brands Innovations)

1. Can you elaborate on the way "imposter brands" are infringing your intellectual property, including Moen's logo and trademarks, to deceive American consumers?

Due to the sheer scale, and business importance, Moen has focused our research and efforts for intellectual property violations on our Posi-Temp Pressure Balancing Valve. We suspect additional infringements are occurring across many other of our products, our competition, and numerous industries like what is shown below.

Mark	U.S. Registration/Application Number	Owner	Infringement Examples
Crossed Water Drops logo	823, 276; 1,608,143	Fortune Brands Water Innovations LLC (direct subsidiary of Moen Incorporated)	Logo is used directly on counterfeit valves.
POSI-TEMP	1,413, 121	Fortune Brands Water Innovations LLC (direct subsidiary of Moen Incorporated)	Used both on infringing products, product packaging and in "replacement part for" and "compatible with" language on e- tailers.
1222	1,703,099	Fortune Brands Water Innovations LLC (direct subsidiary of Moen Incorporated)	Used on (believed to be) counterfeit cartridges sold with counterfeit valves.
2510	98/909, 609	Fortune Brands Water Innovations LLC (direct subsidiary of Moen Incorporated)	Used with counterfeit valves. Common Law trademark; federal trademark registration in process.
M-PACT	3,557,507	Fortune Brands Water Innovations LLC (direct subsidiary of Moen Incorporated)	Used with counterfeit valves.

ASSE	4,759,407	American Society of	Stamped on valves
		Safety Engineers	that are not certified.

Copyright	Owner	Notes
Instruction sheets, valve	Moen	
images, cartridge images		

2. How do the counterfeit products that these imposter brands sell negatively impact the health and safety of American consumers?

Health and safety may be directly affected by these imposter brands. Our independent third-party testing demonstrated failures for health and safety to drinking water standards. We estimate 35 million foreign-made, off-brand faucets sold in the U.S. over the last 5 years, and 90% of those tested by an independent lab failed to meet American safe drinking water standards. American consumers using these faucets could be putting the health of their families, friends and even pets at risk. In addition, independent third-party testing done on counterfeit bathing products demonstrated 100% of them failed for temperature compensation standards that are designed to prevent scalding and thermal shock.

3. Are consumers purchasing counterfeit versions of your products directly or through thirdparty sellers like Amazon and other, lesser-known platforms?

Consumers are purchasing these products through e-commerce platforms, not directly.

- 4. Why do you think Amazon and other platforms fail to perform due diligence to ensure that third-parties are not selling counterfeit Moen products on their websites?
 - a. Would improved verification processes reduce the quantity of counterfeit products sold online?

Independent, long- established third party certifications of plumbing fitting product safety exist today, including NSF and IAPMO, as examples. Many e-commerce platforms request this information from manufacturers and then present it clearly to shoppers on their site. We believe this level of transparency is essential to helping consumers make safe and informed purchasing decisions.

We acknowledge that many e-commerce platforms already partner with government agencies and independent labs to support external certifications. These certifications are crucial in helping consumers navigate the overwhelming number of similar products available online. By clearly distinguishing between certified and uncertified items, e-retailers can significantly improve consumer confidence, health, and safety.

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