AMENDMENT NO._____   Calendar No._____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. 3804

To combat online infringement, and for other purposes

Referred to the Committee on _____ and
                    ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT In the Nature of a Substitute intended to be
                    proposed by _____

Viz:

1   Strike all after the enacting clause and insert the fol-

2   lowing:

3   **SECTION 1. SHORT TITLE.**

4   This Act may be cited as the ''Combating Online In-

5   fringement and Counterfeits Act''.

6   **SEC. 2. INTERNET SITES DEDICATED TO INFRINGING AC-**

7   **TIVITIES.**

8   (a) DEFINITION.—For purposes of this Act, an Inter-

9   net site is ''dedicated to infringing activities'' if such

10   site—

11   (1) is otherwise subject to civil forfeiture to the

12   United States Government under section 2323; or

13   (2) is—

1   (A) primarily designed, or has no demon-

2   strable commercially significant purpose or use

3   other than, or is marketed by its operator, or

4   by a person acting in concert with the oper-

5   ator—

6   (i) to offer goods or services in viola-

7   tion of title 17, United States Code, or

8   that enable or facilitate a violation of title

9   17, United States Code, including but not

10 limited to offering or providing access in a

11 manner not authorized by the copyright

12 owner or otherwise by operation of law,

13 copies or phonorecords of, or public per-

14 formances or displays of works protected

15 by title 17, in complete or substantially

16 complete form, by any means, including by

17 means of download, streaming, or other

18 transmission, provision of a link or aggre-

19 gated links to other sites or Internet re-

20 sources for obtaining access to such copies,

21 phonorecords, performances, displays,

22 goods, or services; or

23   (ii) to sell or offer to sell or distribute

24 or otherwise promote goods, services, or

25 materials bearing a counterfeit mark, as

1   that term is defined in section 34(d) of the

2   Act entitled ''An Act to provide for the

3   registration and protection of trademarks

4   used in commerce, to carry out the provi-

5   sions of certain international conventions,

6   and for other purposes'', approved July 5,

7   1946 (commonly referred to as the

8   ''Trademark Act of 1946'' or the ''Lanham

9   Act''; 15 U.S.C. 1116(d)); and

10   (B) engaged in the activities described in

11   subparagraph (A), and when taken together,

12   such activities are central to the activity of the

13   Internet site or sites accessed through a specific

14   domain name.

15   (b) INJUNCTIVE RELIEF.—On application of the At-

16 torney General following the commencement of an action

17 pursuant to subsection (c), the court may issue a tem-

18 porary restraining order, a preliminary injunction, or an

19 injunction against the domain name used by an Internet

20 site dedicated to infringing activities to cease and desist

21 from undertaking any further activity in violation of this

22 section, in accordance with rule 65 of the Federal Rules

23 of Civil Procedure. A party described in subsection (e) re-

24 ceiving an order issued pursuant to this section shall take

25 the appropriate actions described in subsection (e).

4

1 (c) IN REM ACTION.—

2   (1) IN GENERAL.—The Attorney General may

3 commence an in rem action against any domain

4 name or names used by an Internet site in the judi-

5 cial district in which the domain name registrar or

6 domain name registry for at least 1 such domain

7 name is located or doing business, or, if pursuant to

8 subsection (d)(2), in the District of Columbia, if—

9   (A) the domain name is used by an Inter-

10   net site dedicated to infringing activities; and

11   (B) the Attorney General simultaneously—

12   (i) sends a notice of the alleged viola-

13   tion and intent to proceed under this sub-

14   section to the registrant of the domain

15   name at the postal and e-mail address pro-

16   vided by the registrant to the registrar, if

17   available; and

18   (ii) publishes notice of the action as

19   the court may direct promptly after filing

20   the action.

21   (2) SERVICE OF PROCESS.—For purposes of

22 this section, the actions described under paragraph

23 (1)(B) shall constitute service of process.

24 (d) SITUS.—

1 (1) DOMAINS FOR WHICH THE REGISTRY OR

2 REGISTRAR IS LOCATED DOMESTICALLY.—In an in

3 rem action commenced under subsection (c), a do-

4 main name shall be deemed to have its situs in the

5 judicial district in which—

6 (A) the domain name registrar or registry

7 is located, provided that for a registry that is

8 located or doing business in more than 1 judi-

9 cial district, venue shall be appropriate at the

10 principal place where the registry operations are

11 performed; or

12 (B) documents sufficient to establish con-

13 trol and authority regarding the disposition of

14 the registration and use of the domain name

15 are deposited with the court.

16 (2) DOMAINS FOR WHICH THE REGISTRY OR

17 REGISTRAR IS NOT LOCATED DOMESTICALLY.—

18 (A) ACTION BROUGHT IN DISTRICT OF CO-

19 LUMBIA.—If the provisions of paragraph (1) do

20 not apply to a particular domain name, the in

21 rem action may be brought in the District of

22 Columbia to prevent and restrain the importa-

23 tion into the United States of goods and serv-

24 ices offered by an Internet site dedicated to in-

25 fringing activities if—

1   (i) the domain name is used by users

2   within the United States to access such

3   Internet site; and

4   (ii) the Internet site—

5   (I) conducts business directed to

6   residents of the United States; and

7   (II) harms holders of United

8   States intellectual property rights.

9   (B) DETERMINATION BY THE COURT.—

10 For purposes of determining whether an Inter-

11 net site conducts business directed to residents

12 of the United States under subparagraph

13 (A)(ii)(I), a court shall consider, among other

14 indicia whether—

15   (i) the Internet site is providing goods

16   or services described under subsection

17   (a)(2) to users located in the United

18   States;

19   (ii) there is evidence that the Internet

20   site is not intended to provide—

21   (I) such goods and services to

22   users located in the United States;

23   (II) access to such goods and

24   services to users located in the United

25   States; and

1   (III) delivery of such goods and

2   services to users located in the United

3   States;

4   (iii) the Internet site has reasonable

5   measures to prevent such goods and serv-

6   ices from being accessed from or delivered

7   to the United States;

8   (iv) the Internet site offers services

9   accessible in the United States; and

10   (v) any prices for goods and services

11   are indicated in the currency of the United

12   States.

13   (e) SERVICE OF COURT ORDER.—

14   (1) DOMESTIC DOMAINS.—In connection with

15 an order obtained in an action to which subsection

16 (d)(1) applies, the Federal law enforcement officer

17 shall serve any court order issued pursuant to this

18 section on the domain name registrar or, if the do-

19 main name registrar is not located within the United

20 States, upon the registry. Upon receipt of such

21 order, the domain name registrar or domain name

22 registry shall suspend operation of, and may lock,

23 the domain name.

24   (2) NONDOMESTIC DOMAINS.—

1 (A) ENTITY TO BE SERVED.—In connec-

2 tion with an order obtained in an action to

3 which subsection (d)(2) applies, a Federal law

4 enforcement officer may serve any court order

5 issued pursuant to this section on entities de-

6 scribed in clauses (i) through (iii) of subpara-

7 graph (B).

8 (B) REQUIRED ACTIONS.—After being

9 served with an order issued pursuant to this

10 section—

11 (i) a service provider, as that term is

12 defined in section 512(k)(1) of title 17,

13 United States Code, or any other operator

14 of a nonauthoritative domain name system

15 server shall, as expeditiously as reasonable,

16 take technically feasible and reasonable

17 steps designed to prevent a domain name

18 from resolving to that domain name's

19 Internet protocol address, except that—

20 (I) such entity shall not be re-

21 quired—

22 (aa) to modify its network

23 or other facilities to comply with

24 such order;

1 (bb) to take any steps with

2 respect to domain name lookups

3 not performed by its own domain

4 name system server; or

5 (cc) to continue to prevent

6 access to a domain name to

7 which access has been effectively

8 disabled by other means; and

9 (II) nothing in this subparagraph

10 shall affect the limitation on an enti-

11 ty's liability under section 512 of title

12 17, United States Code;

13 (ii) a financial transaction provider,

14 as that term is defined in section 5362(4)

15 of title 31, United States Code, shall take

16 reasonable measures, as expeditiously as

17 reasonable, designed to prevent or pro-

18 hibit—

19 (I) its service from completing

20 payment transactions between its cus-

21 tomers located within the United

22 States and the Internet site using the

23 domain name set forth in the order;

24 and

1   (II) its trademarks from being

2   authorized for use on Internet sites

3   associated with such domain name;

4   and

5   (iii) a service that provides advertise-

6   ments to Internet sites shall take reason-

7   able measures, as expeditiously as reason-

8   able, to prevent its network from providing

9   advertisements to an Internet site associ-

10   ated with such domain name.

11   (3) COMMUNICATION WITH USERS.—An entity

12 taking an action described in this subsection shall

13 determine how to communicate such action to the

14 entity's users or customers.

15   (4) RULE OF CONSTRUCTION.—For purposes of

16 an action filed under this section, the obligations of

17 an entity described in this subsection shall be limited

18 to the actions set out in each paragraph or subpara-

19 graph applicable to such entity, and no order issued

20 pursuant to this section shall impose any additional

21 obligations on, or require additional actions by, such

22 entity.

23   (5) IMMUNITY.—

24   (A) ACTIONS PURSUANT TO COURT

25   ORDER.—No cause of action shall lie in any

1   Federal or State court or administrative agency
2   against any entity receiving a court order issued
3   under this subsection, or against any director,
4   officer, employee, or agent thereof, for any act
5   reasonably designed to comply with this sub-
6   section or reasonably arising from such order,
7   other than in an action pursuant to subsection
8   (g). Any entity receiving an order under this
9   subsection, and any director, officer, employee,
10   or agent thereof, shall not be liable to any party
11   for any acts reasonably designed to comply with
12   this subsection or reasonably arising from such
13   order, other than in an action pursuant to sub-
14   section (g), and any actions taken by customers
15   of such entity to circumvent any restriction on
16   access to the Internet domain instituted pursu-
17   ant to this subsection or any act, failure, or in-
18   ability to restrict access to an Internet domain
19   that is the subject of a court order issued pur-
20   suant to this subsection despite good faith ef-
21   forts to do so by such entity shall not be used
22   by any person in any claim or cause of action
23   against such entity, other than in an action
24   pursuant to subsection (g).

12

1   (B) VOLUNTARY ACTIONS.—No domain

2   name registrar, financial transaction provider,

3   or service that provides advertisements to Inter-

4   net sites shall be liable to any person on ac-

5   count of any action described in this subsection

6   voluntarily taken if the entity reasonably be-

7   lieves the Internet site is dedicated to infringing

8   activities or to prevent the importation into the

9   United States of goods or services described

10   under subsection (a)(2) offered by such an

11   Internet site.

12   (f) PUBLICATION OF ORDERS.—The Attorney Gen-

13 eral shall inform the Intellectual Property Enforcement

14 Coordinator of all court orders issued under this section

15 directed to specific domain names associated with Internet

16 sites dedicated to infringing activities. The Intellectual

17 Property Enforcement Coordinator shall, and any entity

18 described in subsection (e) may, post such domain names

19 on a publicly available Internet site, together with other

20 relevant information, in order to inform the public.

21   (g) ENFORCEMENT OF ORDERS.—

22   (1) IN GENERAL.—In order to compel compli-

23   ance with this section, the Attorney General may

24   bring an action for injunctive relief against any

25   party receiving a court order issued pursuant to this

1   section that knowingly and willfully fails to comply
2   with such order. A showing by the defending party
3   in such action that it does not have the technical
4   means to comply with this section, or that the order
5   is inconsistent with this section, shall serve as a de-
6   fense to such action to the extent of the inability to
7   comply or such inconsistency.

8   (2) RULE OF CONSTRUCTION.—The authority
9   granted the Attorney General under paragraph (1)
10   shall be the sole legal remedy for enforcing the obli-
11   gations under this section of any entity described in
12   subsection (e).

13   (h) MODIFICATION OR VACATION OF ORDERS.—At
14   any time after the issuance of a court order under this
15   section—

16   (1) the Attorney General may apply for a modi-
17   fication of the order—

18   (A) to expand the order to apply to an
19   Internet site that is reconstituted using a dif-
20   ferent domain name subsequent to the original
21   order, and

22   (B) to include additional domain names
23   that are used in substantially the same manner
24   as the Internet site against which the action
25   was brought,

14

1   by providing the court with evidence of joint control,

2   ownership, or operation of, or other affiliation with,

3   the Internet site associated with the domain name

4   subject to the order and the Internet site associated

5   with the requested modification;

6   (2) a defendant or owner or operator of a do-

7   main name subject to the order, or any party re-

8   quired to take action based on the order, may peti-

9   tion the court to modify, suspend, or vacate the

10   order, based on evidence that—

11   (A) the Internet site associated with the

12   domain name subject to the order is no longer,

13   or never was, dedicated to infringing activities;

14   or

15   (B) the interests of justice require that the

16   order be modified, suspended, or vacated; and

17   (3) a registrar or owner, licensee, or operator of

18   a domain name subject to the order may petition the

19   court to vacate the order based on evidence that the

20   registration of the domain name has expired and the

21   domain name has been re-registered by a different

22   party.

23   (i) SAVINGS CLAUSE.—Nothing in this section shall

24   be construed to limit civil or criminal remedies available

25   to any person (including the United States) for infringing

1 activities on the Internet pursuant to any other Federal

2 or State law.

3 **SEC. 3. REQUIRED ACTIONS BY THE ATTORNEY GENERAL.**

4   The Attorney General shall—

5   (1) publish procedures developed in consultation

6   with other relevant law enforcement agencies, includ-

7   ing Immigration and Customs Enforcement, to re-

8   ceive information from the public about Internet

9   sites that are dedicated to infringing activities.

10   (2) provide guidance to intellectual property

11   rights holders about what information such rights

12   holders should provide the Department of Justice to

13   initiate an investigation pursuant to this Act;

14   (3) provide guidance to intellectual property

15   rights holders about how to supplement an ongoing

16   investigation initiated pursuant to this Act;

17   (4) establish standards for prioritization of ac-

18   tions brought under this Act;

19   (5) provide appropriate resources and proce-

20   dures for case management and development to af-

21   fect timely disposition of actions brought under this

22   Act; and

23   (6) develop a deconfliction process in consulta-

24   tion with other law enforcement agencies, including

16

1   Immigration and Customs Enforcement, to coordi-

2   nate enforcement activities brought under this Act.

3   **SEC. 4. REPORT.**

4   Not later than 1 year after the date of enactment

5   of this Act, the Secretary of Commerce shall study and

6   report to the Committee on the Judiciary of the Senate

7   and the Committee on the Judiciary of the House of Rep-

8   resentatives on the impact of the steps described in section

9   2(e) on an entity's ability to deploy effectively and use Do-

10 main Name System Security Extensions.