

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) DEFINITIONS.—For purposes of this Act—

9 (1) an Internet site is “dedicated to infringing
10 activities” if such site—

11 (A) is otherwise subject to civil forfeiture
12 to the United States Government under section
13 2323 of title 18, United States Code; or

1 (B) is—

2 (i) primarily designed, or has no de-
3 monstrable commercially significant pur-
4 pose or use other than, or is marketed by
5 its operator, or by a person acting in con-
6 cert with the operator—

7 (I) to offer goods or services in
8 violation of title 17, United States
9 Code, or that enable or facilitate a
10 violation of title 17, United States
11 Code, including but not limited to of-
12 fering or providing access in a manner
13 not authorized by the copyright owner
14 or otherwise by operation of law, cop-
15 ies or phonorecords of, or public per-
16 formances or displays of works pro-
17 tected by title 17, in complete or sub-
18 stantially complete form, by any
19 means, including by means of
20 download, streaming, or other trans-
21 mission, provision of a link or aggre-
22 gated links to other sites or Internet
23 resources for obtaining access to such
24 copies, phonorecords, performances,
25 displays, goods, or services; or

1 (II) to sell or offer to sell or dis-
2 tribute or otherwise promote goods,
3 services, or materials bearing a coun-
4 terfeit mark, as that term is defined
5 in section 34(d) of the Lanham Act
6 (15 U.S.C. 1116(d)); and

7 (ii) engaged in the activities described
8 in subparagraph (A), and when taken to-
9 gether, such activities are the central ac-
10 tivities of the Internet site or sites accessed
11 through a specific domain name;

12 (2) the term “domain name” has the same
13 meaning as in section 45 of the Lanham Act (15
14 U.S.C. 1127); and

15 (3) the term “Lanham Act” means the Act en-
16 titled “An Act to provide for the registration and
17 protection of trademarks used in commerce, to carry
18 out the provisions of certain international conven-
19 tions, and for other purposes”, approved July 5,
20 1946 (commonly referred to as the “Trademark Act
21 of 1946” or the “Lanham Act”).

22 (b) INJUNCTIVE RELIEF.—On application of the At-
23 torney General following the commencement of an action
24 pursuant to subsection (c), the court may issue a tem-
25 porary restraining order, a preliminary injunction, or an

1 injunction against the domain name used by an Internet
2 site dedicated to infringing activities to cease and desist
3 from undertaking any further activity in violation of this
4 section, in accordance with rule 65 of the Federal Rules
5 of Civil Procedure. A party described in subsection (e) re-
6 ceiving an order issued pursuant to this section shall take
7 the appropriate actions described in subsection (e).

8 (e) IN REM ACTION.—

9 (1) IN GENERAL.—The Attorney General may
10 commence an in rem action against any domain
11 name or names used by an Internet site in the judi-
12 cial district in which the domain name registrar or
13 domain name registry for at least 1 such domain
14 name is located or doing business, or, if pursuant to
15 subsection (d)(2), in the District of Columbia, if—

16 (A) the domain name is used by an Inter-
17 net site dedicated to infringing activities; and

18 (B) the Attorney General simultaneously—

19 (i) sends a notice of the alleged viola-
20 tion and intent to proceed under this sub-
21 section to the registrant of the domain
22 name at the postal and e-mail address pro-
23 vided by the registrant to the registrar, if
24 available; and

1 (ii) publishes notice of the action as
2 the court may direct promptly after filing
3 the action.

4 (2) SERVICE OF PROCESS.—For purposes of
5 this section, the actions described under paragraph
6 (1)(B) shall constitute service of process.

7 (d) SITUS.—

8 (1) DOMAINS FOR WHICH THE REGISTRY OR
9 REGISTRAR IS LOCATED DOMESTICALLY.—In an in
10 rem action commenced under subsection (c), a do-
11 main name shall be deemed to have its situs in the
12 judicial district in which—

13 (A) the domain name registrar or registry
14 is located, provided that for a registry that is
15 located or doing business in more than 1 judi-
16 cial district, venue shall be appropriate at the
17 principal place where the registry operations are
18 performed; or

19 (B) documents sufficient to establish con-
20 trol and authority regarding the disposition of
21 the registration and use of the domain name
22 are deposited with the court.

23 (2) DOMAINS FOR WHICH THE REGISTRY OR
24 REGISTRAR IS NOT LOCATED DOMESTICALLY.—

1 (A) ACTION BROUGHT IN DISTRICT OF CO-
2 LUMBIA.—If the provisions of paragraph (1) do
3 not apply to a particular domain name, the in
4 rem action may be brought in the District of
5 Columbia to prevent and restrain the importa-
6 tion into the United States of goods and serv-
7 ices offered by an Internet site dedicated to in-
8 fringing activities if—

9 (i) the domain name is used by users
10 within the United States to access such
11 Internet site; and

12 (ii) the Internet site—

13 (I) conducts business directed to
14 residents of the United States; and

15 (II) harms holders of United
16 States intellectual property rights.

17 (B) DETERMINATION BY THE COURT.—

18 For purposes of determining whether an Inter-
19 net site conducts business directed to residents
20 of the United States under subparagraph
21 (A)(ii)(I), a court shall consider, among other
22 indicia whether—

23 (i) the Internet site is providing goods
24 or services described under subsection

1 (a)(2) to users located in the United
2 States;

3 (ii) there is evidence that the Internet
4 site is not intended to provide—

5 (I) such goods and services to
6 users located in the United States;

7 (II) access to such goods and
8 services to users located in the United
9 States; and

10 (III) delivery of such goods and
11 services to users located in the United
12 States;

13 (iii) the Internet site has reasonable
14 measures to prevent such goods and serv-
15 ices from being obtained in or delivered to
16 the United States;

17 (iv) the Internet site offers services
18 obtained in the United States; and

19 (v) any prices for goods and services
20 are indicated in the currency of the United
21 States.

22 (e) SERVICE OF COURT ORDER.—

23 (1) DOMESTIC DOMAINS.—In connection with
24 an order obtained in an action to which subsection
25 (d)(1) applies, the Federal law enforcement officer

1 shall serve any court order issued pursuant to this
2 section on the domain name registrar or, if the do-
3 main name registrar is not located within the United
4 States, upon the registry. Upon receipt of such
5 order, the domain name registrar or domain name
6 registry shall suspend operation of, and may lock,
7 the domain name.

8 (2) NONDOMESTIC DOMAINS.—

9 (A) ENTITY TO BE SERVED.—In connec-
10 tion with an order obtained in an action to
11 which subsection (d)(2) applies, a Federal law
12 enforcement officer may serve any court order
13 issued pursuant to this section on entities de-
14 scribed in clauses (i) through (iii) of subpara-
15 graph (B).

16 (B) REQUIRED ACTIONS.—After being
17 served with an order issued pursuant to this
18 section—

19 (i) a service provider, as that term is
20 defined in section 512(k)(1) of title 17,
21 United States Code, or any other operator
22 of a nonauthoritative domain name system
23 server shall, as expeditiously as reasonable,
24 take technically feasible and reasonable
25 steps designed to prevent a domain name

1 from resolving to that domain name's
2 Internet protocol address, except that—

3 (I) such entity shall not be re-
4 quired—

5 (aa) to modify its network
6 or other facilities to comply with
7 such order;

8 (bb) to take any steps with
9 respect to domain name lookups
10 not performed by its own domain
11 name system server; or

12 (cc) to continue to prevent
13 access to a domain name to
14 which access has been effectively
15 disabled by other means; and

16 (II) nothing in this subparagraph
17 shall affect the limitation on an enti-
18 ty's liability under section 512 of title
19 17, United States Code;

20 (ii) a financial transaction provider,
21 as that term is defined in section 5362(4)
22 of title 31, United States Code—

23 (I) shall take reasonable meas-
24 ures, as expeditiously as reasonable,
25 designed to prevent or prohibit its

1 service from completing payment
2 transactions between its customers lo-
3 cated within the United States and
4 the Internet site using the domain
5 name set forth in the order; and

6 (II) shall cause notice to be pro-
7 vided to the Internet site using the
8 domain name set forth in the order
9 that the site is not authorized to use
10 the trademark of the financial trans-
11 action provider; and

12 (iii) a service that provides advertise-
13 ments to Internet sites shall take reason-
14 able measures, as expeditiously as reason-
15 able, to prevent its network from providing
16 advertisements to an Internet site associ-
17 ated with such domain name.

18 (3) COMMUNICATION WITH USERS.—An entity
19 taking an action described in this subsection shall
20 determine how to communicate such action to the
21 entity's users or customers.

22 (4) RULE OF CONSTRUCTION.—For purposes of
23 an action filed under this section, the obligations of
24 an entity described in this subsection shall be limited
25 to the actions set out in each paragraph or subpara-

1 graph applicable to such entity, and no order issued
2 pursuant to this section shall impose any additional
3 obligations on, or require additional actions by, such
4 entity.

5 (5) IMMUNITY.—

6 (A) ACTIONS PURSUANT TO COURT
7 ORDER.—No cause of action shall lie in any
8 Federal or State court or administrative agency
9 against any entity receiving a court order issued
10 under this subsection, or against any director,
11 officer, employee, or agent thereof, for any act
12 reasonably designed to comply with this sub-
13 section or reasonably arising from such order,
14 other than in an action pursuant to subsection
15 (g). Any entity receiving an order under this
16 subsection, and any director, officer, employee,
17 or agent thereof, shall not be liable to any party
18 for any acts reasonably designed to comply with
19 this subsection or reasonably arising from such
20 order, other than in an action pursuant to sub-
21 section (g), and any actions taken by customers
22 of such entity to circumvent any restriction on
23 access to the Internet domain instituted pursu-
24 ant to this subsection or any act, failure, or in-
25 ability to restrict access to an Internet domain

1 that is the subject of a court order issued pur-
2 suant to this subsection despite good faith ef-
3 forts to do so by such entity shall not be used
4 by any person in any claim or cause of action
5 against such entity, other than in an action
6 pursuant to subsection (g).

7 (B) VOLUNTARY ACTIONS.—No domain
8 name registry, domain name registrar, financial
9 transaction provider, or service that provides
10 advertisements to Internet sites shall be liable
11 to any person on account of any action de-
12 scribed in this subsection voluntarily taken if
13 the entity reasonably believes the Internet site
14 is dedicated to infringing activities or to prevent
15 the importation into the United States of goods
16 or services described under subsection (a)(2) of-
17 fered by such an Internet site.

18 (f) PUBLICATION OF ORDERS.—The Attorney Gen-
19 eral shall inform the Intellectual Property Enforcement
20 Coordinator and other law enforcement agencies of all
21 court orders issued under this section directed to specific
22 domain names associated with Internet sites dedicated to
23 infringing activities. The Intellectual Property Enforce-
24 ment Coordinator shall, and any entity described in sub-
25 section (e) may, post such domain names on a publicly

1 available Internet site, together with other relevant infor-
2 mation, in order to inform the public. Upon the expiration
3 or vacation of a court order issued under this subsection,
4 the Attorney General shall inform the Intellectual Prop-
5 erty Enforcement Coordinator of such expiration or vaca-
6 tion, and the Intellectual Property Enforcement Coordi-
7 nator shall promptly remove the affected domain name or
8 names from such publicly available Internet site.

9 (g) ENFORCEMENT OF ORDERS.—

10 (1) IN GENERAL.—In order to compel compli-
11 ance with this section, the Attorney General may
12 bring an action for injunctive relief against any
13 party receiving a court order issued pursuant to this
14 section that knowingly and willfully fails to comply
15 with such order. A showing by the defending party
16 in such action that it does not have the technical
17 means to comply with this section, or that the order
18 is inconsistent with this section, shall serve as a de-
19 fense to such action to the extent of the inability to
20 comply or such inconsistency.

21 (2) RULE OF CONSTRUCTION.—The authority
22 granted the Attorney General under paragraph (1)
23 shall be the sole legal remedy for enforcing the obli-
24 gations under this section of any entity described in
25 subsection (e).

1 (h) MODIFICATION OR VACATION OF ORDERS.—At
2 any time after the issuance of a court order under this
3 section—

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

6 (A) to expand the order to apply to an
7 Internet site that is reconstituted using a dif-
8 ferent domain name subsequent to the original
9 order, and

10 (B) to include additional domain names
11 that are used in substantially the same manner
12 as the Internet site against which the action
13 was brought,

14 by providing the court with evidence that the Inter-
15 net site associated with the requested modification
16 (i) is dedicated to infringing activities in substan-
17 tially the same manner as, and (ii) is under joint
18 control, ownership, or operation of, or other affili-
19 ation with, the domain name subject to the order;

20 (2) a defendant or owner or operator of a do-
21 main name subject to the order, or any party re-
22 quired to take action based on the order, may peti-
23 tion the court to modify, suspend, or vacate the
24 order, based on evidence that—

1 (A) the Internet site associated with the
2 domain name subject to the order is no longer,
3 or never was, dedicated to infringing activities;
4 or

5 (B) the interests of justice require that the
6 order be modified, suspended, or vacated; and

7 (3) a registrar or owner, licensee, or operator of
8 a domain name subject to the order may petition the
9 court to vacate the order based on evidence that the
10 registration of the domain name has expired and the
11 domain name has been re-registered by a different
12 party.

13 (i) SAVINGS CLAUSE.—

14 (1) IN GENERAL.—Nothing in this section shall
15 be construed to limit or expand civil or criminal rem-
16 edies available to any person (including the United
17 States) for infringing activities on the Internet pur-
18 suant to any other Federal or State law.

19 (2) VICARIOUS OR CONTRIBUTORY LIABILITY.—
20 Nothing in this section shall be construed to enlarge
21 or diminish vicarious or contributory liability for any
22 cause of action available under title 17, United
23 States Code, including any limitations on liability
24 under section 512 of such title 17.

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

2 The Attorney General shall—

3 (1) publish procedures developed in consultation
4 with other relevant law enforcement agencies, includ-
5 ing Immigration and Customs Enforcement, to re-
6 ceive information from the public about Internet
7 sites that are dedicated to infringing activities.

8 (2) provide guidance to intellectual property
9 rights holders about what information such rights
10 holders should provide the Department of Justice to
11 initiate an investigation pursuant to this Act;

12 (3) provide guidance to intellectual property
13 rights holders about how to supplement an ongoing
14 investigation initiated pursuant to this Act;

15 (4) establish standards for prioritization of ac-
16 tions brought under this Act;

17 (5) provide appropriate resources and proce-
18 dures for case management and development to af-
19 fect timely disposition of actions brought under this
20 Act; and

21 (6) develop a deconfliction process in consulta-
22 tion with other law enforcement agencies, including
23 Immigration and Customs Enforcement, to coordi-
24 nate enforcement activities brought under this Act.

1 **SEC. 4. REPORT.**

2 Not later than 1 year after the date of enactment
3 of this Act, the Secretary of Commerce shall study and
4 report to the Committee on the Judiciary of the Senate
5 and the Committee on the Judiciary of the House of Rep-
6 resentatives on the impact of the steps described in section
7 2(e) on an entity's ability to deploy effectively and use Do-
8 main Name System Security Extensions.