

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).

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).

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,

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 or expand civil or criminal remedies
25 available to any person (including the United States) for

1 infringing activities on the Internet pursuant to any other
2 Federal 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

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.