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Union Calendar No. 238

106TH CONGRESS
1ST SESSION

H. R. 3028

[Report No. 106–412]

To amend certain trademark laws to prevent the misappropriation of marks.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 1999

Mr. ROGAN (for himself, Mr. BOUCHER, Mr. COBLE, and Mr. GOODLATTE) introduced the following bill; which was referred to the Committee on the Judiciary

OCTOBER 25, 1999

Additional sponsor: Mr. SALMON

OCTOBER 25, 1999

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on October 6, 1999]

A BILL

To amend certain trademark laws to prevent the misappropriation of marks.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the "Trademark Cyberpiracy Prevention Act".

(b) REFERENCES TO THE TRADEMARK ACT OF 1946.—Any reference in this Act to the Trademark Act of 1946 shall be a reference to the Act entitled "An Act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946 (15 U.S.C. 1051 et seq.).

SEC. 2. CYBERPIRACY PREVENTION.

(a) IN GENERAL.—Section 43 of the Trademark Act of 1946 (15 U.S.C. 1125) is amended by inserting at the end the following:

"(d)(1)(A) A person shall be liable in a civil action by the owner of a trademark or service mark if, without regard to the goods or services of the parties, that person—

"(i) has a bad faith intent to profit from that trademark or service mark; and

"(ii) registers, traffics in, or uses a domain name that—

"(I) in the case of a trademark or service mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to such mark;

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"(II) in the case of a famous trademark or service mark that is famous at the time of registration of the domain name, is dilutive of such mark; or

"(III) is a trademark, word, or name protected by reason of section 706 of title 18, United States Code, or section 220506 of title 36, United States Code.

"(B) In determining whether there is a bad-faith intent described under subparagraph (A), a court may consider factors such as, but not limited to—

"(i) the trademark or other intellectual property rights of the person, if any, in the domain name;

"(ii) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;

"(iii) the person's prior lawful use, if any, of the domain name in connection with the bona fide offering of any goods or services;

"(iv) the person's lawful noncommercial or fair use of the mark in a site accessible under the domain name;

"(v) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill

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represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;

"(vi) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services;

"(vii) the person's provision of material and misleading false contact information when applying for the registration of the domain name or the person's intentional failure to maintain accurate contact information;

"(viii) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to trademarks or service marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous trademarks or service marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of such persons;

"(ix) the person's history of offering to transfer, sell, or otherwise assign domain names incorporating

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marks of others to the mark owners or any third party for consideration without having used, or having an intent to use, the domain names in the bona fide offering of any goods and services;

"(x) the person's history of providing material and misleading false contact information when applying for the registration of other domain names which incorporate marks, or the person's history of using aliases in the registration of domain names which incorporate marks of others; and

"(xi) the extent to which the trademark or service mark incorporated in the person's domain name registration is distinctive and famous within the meaning of subsection (c)(1) of section 43 of the Trademark Act of 1946 (15 U.S.C. 1125).

"(C) In any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.

"(D) A person shall be liable for using a domain name under subparagraph (A)(ii) only if that person is the domain name registrant or that registrant's authorized licensee.

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"(E) As used in this paragraph, the term 'traffics in' refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.

"(2)(A) The owner of a mark may file an in rem civil action against a domain name in the judicial district in which suit may be brought against the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name if—

"(i) the domain name violates any right of the registrant of a mark registered in the Patent and Trademark Office, or subsection (a) or (c) of this section, or is a trademark, word, or name protected by reason of section 706 of title 18, United States Code, or section 220506 of title 36, United States Code; and

"(ii) the court finds that—

"(I) the owner has demonstrated due diligence and was not able to find or was not able to serve a person who would have been a defendant in a civil action under paragraph (1); or

"(II) personal jurisdiction cannot be established over any person who would have been a defendant in a civil action under paragraph (1).

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"(B) The remedies in an in rem action under this paragraph shall be limited to a court order for the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.

"(C) The in rem action established under this paragraph and any remedy available under such action shall be in addition to any other civil action or remedy otherwise applicable.

"(3) The civil action established under paragraph (1) and any remedy available under such action shall be in addition to any other civil action or remedy otherwise applicable.".

SEC. 3. DAMAGES AND REMEDIES.

(a) REMEDIES IN CASES OF DOMAIN NAME PIRACY.—

(1) INJUNCTIONS.—Section 34(a) of the Trademark Act of 1946 (15 U.S.C. 1116(a)) is amended in the first sentence by striking "(a) or (c)" and inserting "(a), (c), or (d)".

(2) DAMAGES.—Section 35(a) of the Trademark Act of 1946 (15 U.S.C. 1117(a)) is amended in the first sentence by inserting ", (c), or (d)" after "section 43(a)".

(b) STATUTORY DAMAGES.—Section 35 of the Trademark Act of 1946 (15 U.S.C. 1117) is amended by adding at the end the following:

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"(d) In a case involving a violation of section 43(d)(1), the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits, an award of statutory damages in the amount of not less than $1,000 and not more than $100,000 per domain name, as the court considers just. The court may remit statutory damages in any case in which the court finds that an infringer believed and had reasonable grounds to believe that use of the domain name by the infringer was a fair or otherwise lawful use.".

SEC. 4. LIMITATION ON LIABILITY.

Section 32(2) of the Trademark Act of 1946 (15 U.S.C. 1114) is amended—

(1) in the matter preceding subparagraph (A) by striking "under section 43(a)" and inserting "under section 43(a) or (d)"; and

(2) by redesignating subparagraph (D) as subparagraph (E) and inserting after subparagraph (C) the following:

"(D)(i) A domain name registrar, a domain name registry, or other domain name registration authority that takes any action described under clause (ii) affecting a domain name shall not be liable for monetary relief to any person for such action, regard-

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less of whether the domain name is finally determined to infringe or dilute the mark.

"(ii) An action referred to under clause (i) is any action of refusing to register, removing from registration, transferring, temporarily disabling, or permanently canceling a domain name—

"(I) in compliance with a court order under section 43(d); or

"(II) in the implementation of a reasonable policy by such registrar, registry, or authority prohibiting the registration of a domain name that is identical to, confusingly similar to, or dilutive of another's mark registered on the Principal Register of the United States Patent and Trademark Office, or of a trademark, word, or name protected by reason of section 706 of title 18, United States Code, or section 220506 of title 36, United States Code.

"(iii) A domain name registrar, a domain name registry, or other domain name registration authority shall not be liable for damages under this section for the registration or maintenance of a domain name for another absent a showing of bad faith intent to profit from such registration or maintenance of the domain name.

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"(iv) If a registrar, registry, or other registration authority takes an action described under clause (ii) based on a knowing and material misrepresentation by any other person that a domain name is identical to, confusingly similar to, or dilutive of a mark registered on the Principal Register of the United States Patent and Trademark Office, or a trademark, word, or name protected by reason of section 706 of title 18, United States Code, or section 220506 of title 36, United States Code, the person making the knowing and material misrepresentation shall be liable for any damages, including costs and attorney's fees, incurred by the domain name registrant as a result of such action. The court may also grant injunctive relief to the domain name registrant, including the reactivation of the domain name or the transfer of the domain name to the domain name registrant.

"(v) A domain name registrant whose domain name has been suspended, disabled, or transferred under a policy described under clause (ii)(II) may, upon notice to the mark owner, file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this Act. The court may grant injunctive relief to the domain name registrant, including the reactivation of

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the domain name or transfer of the domain name to the domain name registrant.".

SEC. 5. DEFINITIONS.

Section 45 of the Trademark Act of 1946 (15 U.S.C. 1127) is amended by inserting after the undesignated paragraph defining the term "counterfeit" the following:

"The term 'domain name' means any alphanumeric designation which is registered with or assigned by any domain name registrar, domain name registry, or other domain name registration authority as part of an electronic address on the Internet.

"The term 'Internet' has the meaning given that term in section 230(f)(1) of the Communications Act of 1934 (47 U.S.C. 230(f)(1)).".

SEC. 6. SAVINGS CLAUSE.

Nothing in this Act shall affect any defense available to a defendant under the Trademark Act of 1946 (including any defense under section 43(c)(4) of such Act or relating to fair use) or a person's right of free speech or expression under the first amendment of the United States Constitution.

SEC. 7. EFFECTIVE DATE.

Sections 2 through 6 of this Act shall apply to all domain names registered before, on, or after the date of enactment of this Act, except that damages under subsection (a)

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or (d) of section 35 of the Trademark Act of 1946 (15 U.S.C. 1117), as amended by section 3 of this Act, shall not be available with respect to the registration, trafficking, or use of a domain name that occurs before the date of enactment of this Act.

SEC. 8. ADJUSTMENT OF CERTAIN TRADEMARK AND PATENT FEES.

(a) TRADEMARK FEES.—Notwithstanding the second sentence of section 31(a) of the Trademark Act of 1946 (15 U.S.C. 1113(a)), the Commissioner of Patents and Trademarks is authorized in fiscal year 2000 to adjust trademark fees without regard to fluctuations in the Consumer Price Index during the preceding 12 months.

(b) PATENT FEES.—

(1) ORIGINAL FILING FEE.—Section 41(a)(1)(A) of title 35, United States Code, relating to the fee for filing an original patent application, is amended by striking "$760" and inserting "$690".

(2) REISSUE FEE.—Section 41(a)(4)(A) of title 35, United States Code, relating to the fee for filing for a reissue of a patent, is amended by striking "$760" and inserting "$690".

(3) NATIONAL FEE FOR CERTAIN INTERNATIONAL APPLICATIONS.—Section 41(a)(10) of title 35, United States Code, relating to the national fee for certain

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international applications, is amended by striking "$760" and inserting "$690".

(4) MAINTENANCE FEES.—Section 41(b)(1) of title 35, United States Code, relating to certain maintenance fees, is amended by striking "$940" and inserting "$830".

(c) EFFECTIVE DATE.—Subsection (a) shall take effect on the date of the enactment of this Act. The amendments made by subsection (b) shall take effect 30 days after the date of the enactment of this Act.

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