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There was no objection.

TRADEMARK CYBERPIRACY PREVENTION ACT

Mr. COBLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3028) to amend certain trademark laws to prevent the misappropriation of marks, as amended.

The Clerk read as follows:

H.R. 3028

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

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 mark, including a famous personal name which is protected under this section, if, without regard to the goods or services of the parties, that person—

"(i) has a bad faith intent to profit from that mark, including a famous personal name which is protected under this section; and

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

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

"(II) in the case of a famous mark that is famous at the time of registration of the domain name, is dilutive of that 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 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 marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous 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 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 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.

"(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) In addition to any other jurisdiction that otherwise exists, whether in rem or in personam, the owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located, if—

"(i) the domain name violates any right of the owner of the mark; and

"(ii) the owner—

"(I) has sent a copy of the summons and complaint to the registrant of the domain name at the postal and e-mail address provided by the registrant to the registrar; and

"(II) has published notice of the action as the court may direct promptly after filing the action.

The actions under clause (ii) shall constitute service of process.

"(B) In an in rem action under this paragraph, a domain name shall be deemed to have its situs in the judicial district in which—

"(i) the domain name registrar, registry, or other domain name authority that registered or assigned the domain name is located; or

"(ii) documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.

"(C) The remedies of 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. Upon receipt of written notification of a filed, stamped copy of a complaint filed by the owner of a mark in a United States district court under this paragraph, the domain name registrar, domain name registry, or other domain name authority shall—

"(i) expeditiously deposit with the court documents sufficient to establish the court's control and authority regarding the disposition of the registration and use of the domain name to the court; and

"(ii) not transfer or otherwise modify the domain name during the pendency of the action, except upon order of the court.

The domain name registrar or registry or other domain name authority shall not be liable for injunctive or monetary relief under this paragraph except in the case of bad faith or reckless disregard, which includes a willful failure to comply with any such court order.

"(3) The civil action established under paragraph (1) and the in rem action established under paragraph (2), and any remedy available under either 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:

"(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 or injunctive relief to any person for such action, regardless 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.

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"(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.

"(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, 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.".

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) 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 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.

SEC. 9. DOMAIN NAME FOR PRESIDENT, MEMBERS OF CONGRESS, SNF POLITICAL OFFICE HOLDERS AND CANDIDATES.

(a) IN GENERAL.—The Secretary of Commerce shall require the registry administrator for the .us top level domain to establish a 2nd level domain name for the purpose of registering only domain names of the President, Members of Congress, United States Senators, and other current holders of, and official candidates and potential official candidates for, Federal, State, or local political office in the United States.

(b) GUIDELINES.—The Secretary of Commerce, in consultation with the Federal Election Commission, shall establish guidelines and procedures under which individuals may register a domain name in the 2nd level domain name established pursuant to subsection (a).

(c) ELIGIBLE REGISTRANTS.—The Federal Election Commission shall establish and maintain a list of individuals eligible, under the guidelines established pursuant to subsection (b), to register a domain name in the 2nd level domain name established pursuant to subsection (a).

(d) FEES.—The registry administrator and registrars for the .us top level domain may charge individuals reasonable fees for registering domain names pursuant to subsection (a).

(e) DEFINITION.—As used in this section, the term "Member of Congress" means a Representative in, or a delegate or Resident Commissioner to, the Congress.

(f) EFFECTIVE DATE.—Registration of domain names in accordance with this section shall begin no later than December 31, 2000.

SEC. 10. HISTORIC PRESERVATION.

Section 101(a)(1)(A) of the National Historic Preservation Act (16 U.S.C. 470a(a)(1)(A)) is amended by adding at the end the following: "Notwithstanding section 43(c) of the Act commonly known as the 'Trademark Act of 1946' (15 U.S.C. 1125(c)), buildings and structures meeting the criteria for the National Register of Historic Places under paragraph (2) may retain the name by which they are listed on the Register, if that name is the historical name associated with the building or structure.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. COBLE) and the gentleman from California (Mr. BERMAN) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. COBLE).

GENERAL LEAVE

Mr. COBLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3028, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

(Mr. COBLE asked and was given permission to revise and extend his remarks.)

Mr. COBLE. Mr. Speaker, H.R. 3028, the Trademark Cyberpiracy Prevention Act, is a very important and significant piece of legislation, and I rise in support of it as a cosponsor.

Over the past 2 years, the Subcommittee on Courts and Intellectual Property, through a series of oversight hearings, has become very aware of the problems faced by owners of famous marks when dealing with the issue of domain names.

Time and time again we heard stories of cyberpirates who registered numerous domain names containing the markings or trade names of American companies, only to hold them ransom in exchange for money. Sometimes these pirates will even put pornographic materials on these sites in an effort to increase the incentive for the trademark owner to protect the integrity of its mark.

The time has come, Mr. Speaker, for this practice to stop. Imagine, if you will, that you own a small company and have spent years investing and delivering the good will of your business, only to find out when you go to register for a domain name that someone else has misappropriated your trademark name.

To make matters worse, you are informed that your legal options are limited, even if the offending party has placed pornographic or hateful materials on the site with your name on it.

This is an unacceptable situation, and should not be allowed to continue. This is a measured and balanced response to a growing problem, and I would like to commend the gentleman from California (Mr. ROGAN) and the gentleman from Virginia (Mr. BOUCHER) for their leadership in this area, as well as the gentleman from California (Mr. BERMAN), the ranking member of the Subcommittee on Courts and Intellectual Property.

The legal recourse provided for in this legislation, combined with the alternative dispute resolution procedures being adopted by the domain name registrars, will give trademark owners important tools to protect their intellectual property.

I am unaware of any opposition to the manager's amendment, and I urge a favorable vote on H.R. 3028.

Mr. Speaker, H.R. 3028, the "Trademark Cyberpiracy Prevention Act," is a very important piece of legislation. Over the past two years, the Subcommittee on Courts and Intellectual Property, through a series of oversight hearings, has investigated the problems faced by owners of famous marks when dealing with the issue of domain names. There have been many evidenced accounts of cyberpirates who register numerous domain names containing the marks of tradenames of American owners only to hold those names ransom in exchange for money. In some accounts, these pirates have placed pornographic materials on these sites in an effort to increase the incentive for the trademark owner to protect the integrity of its mark. This legislation is intended to stop this practice.

H.R. 3028 is a measured and balanced response to a growing problem, and I would like to commend Mr. Rogan and Mr. Boucher for their leadership in drafting this bill. The legal recourse provided for in this legislation, combined with the alternative dispute resolution

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procedures being adopted by the domain name registers, in conjunction with recommendations by the World Intellectual Property Organization, will give trademark owners important tools to protect their intellectual property.

The following is a section-by-section analysis of H.R. 3028 which will serve as legislative history for the amendments adopted today.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title; references.

This section provides that the act may be cited as the "Trademark Cyberpiracy Prevention Act" and that any references within the bill to the Trademark Act of 1946 shall be a reference to the act entitled "An Act to provide for the registration and protection of trademarks 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.), also commonly referred to as the Lanham Act.

Section 2. Cyberpiracy prevention

Subsection (a). In General. This subsection amends the Trademark Act to provide an explicit trademark remedy for cyberpiracy under a new section 43(d). Under paragraph (1)(A) of the new section 43(d), actionable conduct would include the registration, trafficking in, or use of a domain name that is identical to, confusingly similar to, or dilutive of the trademark or service mark of another, provided that the mark was distinctive (i.e., enjoyed trademark status) at the time the domain name was registered. The bill is carefully and narrowly tailored, however, to extend only to cases where the plaintiff can demonstrate that the defendant registered, trafficked in, or used the offending domain name with bad-faith intent to profit from the goodwill of a mark belonging to someone else. Thus, the bill does not extend to innocent domain name registrations by those who are unaware of another's use of the name, or even to someone who is aware of the trademark status of the name but registers a domain name containing the mark for any reason other than with bad faith intent to profit from the goodwill associated with that mark.

The phrase "including a famous personal name which is protected under this section" addresses situations in which a famous personal is protected under Section 43 and is used as a domain name. The Lanham Act prohibits the use of false designations of origin and false or misleading representations. Protection under section 43 of the Lanham Act has been applied by the courts to famous personal names which function as marks, such as service marks, when such marks are infringed. Infringement may occur when the endorsement of products or services in interstate commerce is falsely implied through the use of a famous personal name, or otherwise. This protection also applies to domain names on the Internet, where falsely implied endorsements and other types of infringement can cause greater harm to the owner and confusion to a consumer in a shorter amount of time than is the case with traditional media. The protection offered by section 43 of a famous personal name which functions as a mark, as applied to domain names, is subject to the same fair use and first amendment protections as have been applied traditionally under trademark law, and is not intended to expand or limit any rights to publicity recognized by States under State law.

Paragraph (1)(B) of the new section 43(d) sets forth a number of nonexclusive, nonexhaustive factors to assist a court in determining whether the required bad-faith element exists in any given case. These factors are designed to balance the property interests of trademark owners with the legitimate interests of Internet users and others who seek to make lawful uses of others' marks, including for purposes such as comparative advertising, comment, criticism, parody, news reporting, fair use, etc. The bill suggests a total of eleven factors a court may wish to consider. The first four suggest circumstances that may tend to indicate an absence of bad-faith intent to profit from the goodwill of a mark, and the others suggest circumstances that may tend to indicate that such bad-faith intent exists.

First, under paragraph (1)(B)(i), a court may consider whether the domain name registrant has trademark or any other intellectual property rights in the name. This factor recognizes, as does trademark law in general, that there may be concurring uses of the same name that are noninfringing, such as the use of the "Delta" mark for both air travel and sink faucets. Similarly, the registration of the domain name "deltaforce.com" by a movie studio would not tend to indicate a bad faith intent on the part of the registrant to trade on Delta Airlines or Delta Faucets' trademarks.

Second, under paragraph (1)(B)(ii), a court may consider the extent to which the domain name is the same as the registrant's own legal name or a nickname by which that person is commonly identified. This factor recognizes, again as does the concept of fair use in trademark law, that a person should be able to be identified by their own name, whether in their business or on a web site. Similarly, a person may bear a legitimate nickname that is identical or similar to a well-known trademark and registration of a domain name using that nickname would not tend to indicate bad faith. This factor is not intended to suggest that domain name registrants may evade the application of this act by merely adopting Exxon, Ford, Bugs Bunny or other well-known marks as their nicknames. It merely provides a court with the appropriate discretion to determine whether or not the fact that a person bears a nickname similar to a mark at issue is an indication of an absence of bad-faith on the part of the registrant.

Third, under paragraph (1)(B)(iii), a court may consider the domain name registrant's prior lawful use, if any, of the domain name in connection with the bona fide offering of goods or services. Again, this factor recognizes that the legitimate use of the domain name in online commerce may be a good indicator of the intent of the person registering that name. Where the person has used the domain name in commerce without creating a likelihood of confusion as to the source or origin of the goods or services and has not otherwise attempted to use the name in order to profit from the goodwill of the trademark owner's name, a court may look to this as an indication of the absence of bad faith on the part of the registrant. A defendant should have the burden of introducing evidence of lawful use to assist the court in evaluating this factor.

Fourth, under paragraph (1)(B)(iv), a court may consider the person's legitimate noncommercial or fair use of the mark in a web site that is accessible under the domain name at issue. This factor is intended to balance the interests of trademark owners with the interests of those who would make lawful noncommercial or fair use of others' marks online, such as in comparative advertising, comment, criticism, parody, news reporting, etc. Under the bill, the use of a domain name for purposes of comparative advertising, comment, criticism, parody, news reporting, etc., even where done for profit, would not alone satisfy the bad-faith intent requirement. The fact that a person may use a mark in a site in such a lawful manner may be an appropriate indication that the person's registration or use of the domain name lacked the required element of bad-faith. This factor is not intended to create a loophole that otherwise might swallow the bill, however, by allowing a domain name registrant to evade application of the Act by merely putting up a noninfringing site under an infringing domain name. For example in the well known case of Panavision Int'l v. Toeppen, 141 F.3d 1316 (9th Cir. 1998), a well-known cyberpirate had registered a host of domain names mirroring famous trademarks, including names for Panavision, Delta Airlines, Neiman Marcus, Eddie Bauer, Lufthansa, and more than 100 other marks, and had attempted to sell them to the mark owners for amounts in the range of $10,000 to $15,000 each. His use of the "panavision.com" and "panaflex.com" domain names was seemingly more innocuous, however, as they served as addresses for sites that merely displayed pictures of Pana Illinois and the word "Hello" respectively. This act would not allow a person to evade the holding of that case—which found that Mr. Toeppen had made a commercial use of the Panavision marks and that such uses were, in fact, diluting under the Federal Trademark Dilution Act—merely by posting noninfringing uses of the trademark on a site accessible under the offending domain name, a Mr. Toeppen did. Similarly, the bill does not affect existing trademark law to the extent it has addressed the interplay between first amendment protections and the rights of trademark owners. Rather, the act gives courts the flexibility to weigh appropriate factors in determining whether the name was registered or used in bad faith, and it recognizes that one such factor may be the use the domain name registrant makes of the mark.

Fifth, under paragraph (1)(B)(v), a court may consider whether, in registering or using the domain name, the registrant intended to divert consumers away from the trademark owner's website to a website that could harm the goodwill of the mark, either for purposes of 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. The factor recognizes that one of the main reasons cyberpirates use other people's trademarks is to divert Internet users to their own sites by creating confusion as to the source, sponsorship, affiliation, or endorsement of the site. This factor recognizes that one of the main reasons cyberpirates use other people's trademarks is to divert Internet users to their own sites by creating confusion as to the source, sponsorship, affiliation, or enforcement of the site. This is done for a number of reasons, including to pass off inferior goods under the name of a well-known mark holder, to defraud consumers into providing personally identifiable information, such as credit card numbers, to attract eyeballs to sites that price online advertising according to the number of "hits" the site receives, or even just to harm the value of the mark. Under this provision, a court may give appropriate weight to evidence that a domain name registrant intended to confuse or deceive the public in this manner when making a determination of bad-faith intent.

Sixth, under paragraph (1)(B)(vi), a court may consider a domain name registrant's offer to transfer sell, or otherwise assign the domain name to the mark owner or any third party for financial gain, where the registrant has not used, and did not have any intent to use, the domain name in the bona fide offering of any goods or services. This factor is consistent with the court cases, like

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the Panavision case mentioned above, where courts have found a defendant's offer to sell the domain name to the legitimate mark owner as being indicative of the defendant's intent to trade on the value of a trademark owner's marks by engaging in the business of registering those marks and selling them to the rightful trademark owners. It does not suggest that a court should consider the mere offer to sell a domain name to a mark owner or the failure to use a name in the bona fide offering of goods or services is sufficient to indicate bad faith. Indeed, there are cases in which a person registers a name in anticipation of a business venture that simply never pans out. And someone who has a legitimate registration of a domain name that mirrors someone else's domain name, such as a trademark owner that is a lawful concurrent user of that name with another trademark owner, may, in fact, wish to sell that name to the other trademark owner. This bill does not imply that these facts are an indication of bad-faith. It merely provides a court with the necessary discretion to recognize the evidence of bad-faith when it is present. In practice, the offer to sell domain names for exorbitant amounts to the rightful mark owner has been one of the most common threads in abusive domain name registrations. Finally, by using the financial gain standard, this allows a court to examine the motives of the seller.

Seventh, under paragraph (1)(B)(vii), a court may consider the registrant's provision of material and misleading false contact information in an application for the domain name registration. Falsification of contact information with the intent to evade identification and service of process by trademark owners is also a common thread in cases of cyberpiracy. This factor recognizes that fact, while still recognizing that there may be circumstances in which the provision of false information may be due to other factors, such as mistake or, as some have suggested in the case of political dissidents, for purposes of anonymity. This bill balances those factors by limiting consideration to the person's contact information, and even then requiring that the provision of false information be material and misleading. As with the other factors, this factor is nonexclusive and a court is called upon to make a determination based on the facts presented whether or not the provision of false information does, in fact, indicate bad-faith.

Eighth, under paragraph (1)(B)(viii), a court may consider the domain name registrant's acquisition of multiple domain names that are identical to, confusingly similar to, or dilutive of others' marks. This factor recognizes the increasingly common cyberpiracy practice known as "warehousing," in which a cyberpirate registers multiple domain names—sometimes hundreds, even thousands—that mirror the trademarks of others. By sitting on these marks and not making the first move to offer to sell them to the mark owner, these cyberpirates have been largely successful in evading the case law developed under the Federal Trademark Dilution Act. This act does not suggest that the mere registration of multiple domain names is an indication of bad faith, but allows a court to weigh the fact that a person has registered multiple domain names that infringe or dilute the trademarks of others as part of its consideration of whether the requisite bad-faith intent exists.

Ninth, under paragraph (1)(B)(ix), a court may consider the person's history of offering to transfer, sell, or otherwise assign domain name incorporating marks of others to the mark owners or other third party for consideration without having used, or having intent to use, the domain name. This factor should assist a court in distinguishing those circumstance more akin to warehousing versus those circumstances where the registrant has made a change is a business plan or course of action.

Tenth, under paragraph (1)(B)(x), a court may consider the person's history of providing material and misleading false contact information when applying for the registration of other domain names, or the person's history of using aliases in the registration of domain names which incorporate the marks of others. This factor recognizes that more often an applicant uses false or misleading contact information, the more likely it is that the applicant is engaging in speculative activity.

Lastly, under paragraph (1)(B)(xi), a court may consider the extent to which the 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. The more distinctive or famous a mark has become, the more likely the owner of that mark is deserving of the relief available under this Act.

Paragraph (1)(C) makes clear that in any civil action brought under the new section 43(d), a court may order the forfeiture, cancellation, or transfer of a domain name to the owner of the mark. Paragraph (1)(D) further clarifies that a use of a domain name shall be limited to a use of the domain name by the registrant or his or her authorized licensee. This provision limits the right to use the domain name as a means to infringe on another's other bona fide trademark rights. Paragraph (1)(E) adopts a definition of "traffics in" which refers to a nonexhaustive list of activities, including sales, purchases, loans, pledges, licenses, exchanges of currency, and other transfer for consideration or receipt in exchange for consideration.

Paragraph (2)(A) provides for in rem jurisdiction, which allows a mark owner to seek the forfeiture, cancellation, or transfer of an infringing domain name by filing an in rem action against the name itself, if the domain name violates any right of the mark owner and where the mark owner has sent a copy of the summons and complaint to the registrant at the postal and e-mail address provided by the registrant to the registrar and has published notice of the action as the court may direct. As indicated above, a significant problem faced by trademark owners in the fight against cybersquatting is the fact that many cybersquatters register domain names under aliases or otherwise provide false information in their registration applications in order to avoid identification and service of process by the mark owner. The act alleviates this difficulty, while protecting the notions of fair play and substantial justice, by enabling a mark owner to seek an injunction against the infringing property in those cases where a mark owner is unable to proceed against the domain name registrant because the registrant has provided false contact information or is otherwise not to be found, provided that mark owner can show that the domain name itself violates substantive Federal trademark law (i.e., that the domain name violates the rights of the registrant of a mark registered in the Patent and Trademark Office, or section 43 (a) or (c) of the Trademark Act). Second, such in rem jurisdiction is also appropriate in instances where personal jurisdiction cannot be established over the domain name registrant. This situation occurs when a non-U.S. resident cybersquats on a domain name that infringes upon a U.S. trademark. This type of in rem jurisdiction still requires a nexus based upon a U.S. registry or registrar would not offend international comity. This jurisdiction would not extend to any domain name registries existing outside the United States. Nor would this jurisdiction preclude the movement of any registries to outside the United States. Instead, providing in rem jurisdiction based upon the lack of personal jurisdiction over the cybersquatter would provide protection both for the trademark owners and perhaps, more importantly, consumers. Finally, this jurisdiction does not offend due process, since the property and only the property is the subject of the jurisdiction, not other substantive personal rights of any individual defendant.

Paragraph (2)(B) states that in an in rem action, the domain name shall be deemed to have its situs in the judicial district in which the domain name registrar, or registry, or other domain name authority is located, or where documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.

Paragraph (2)(C) limits the relief available in such an in rem action to an injunction ordering the forfeiture, cancellation, or transfer of the domain name. When a court of appropriate jurisdiction receives a complaint filed pursuant to this section, the court will notify the registrar, registry, or other authority who shall expeditiously deposit with the court documents to establish control and authority regarding the disposition of the registration and use of the domain name. the registrar, registry, or other authority also may not transfer or otherwise modify the domain name in dispute during the pendency of the action except upon order of the court. The registrar, registry, or other authority shall not be liable for injunctive or monetary relief except in the case of bad faith or reckless disregard, which includes a willful failure to comply with a court order.

Paragraph (3) makes clear that the creation of a new section 43(d) in the Trademark Act does not in any way limit the application of current provisions of trademark, unfair competition and false advertising, or dilution law, or other remedies under counterfeiting or other statutes, to cyberpiracy cases.

Section 3. Damages and remedies

Section 3 applies traditional trademark remedies, including injunctive relief, recovery of defendant's profits, actual damages, and costs, to cyberpiracy cases under the new section 43(d) of the Trademark Act. The bill also amends section 35 of the Trademark Act to provide for statutory damages in cyberpiracy cases, in an amount of not less than $1,000 and not more than $100,000 per domain name, as the court considers just. The act permits the court to remit statutory damages in any case where the infringer believed and had reasonable grounds to believe that the use of the domain name was a fair or otherwise lawful use.

Section 4. Limitation on liability

This section amends section 32(2) of the Trademark Act to extend the Trademark Act's existing limitations on liability to the cyberpiracy context. This section also creates a new subparagraph (D) in section 32(2) to encourage domain name registrars and registries to work with trademark owners to prevent cyberpiracy through a limited exemption from liability for domain name registrars and registries that suspend, cancel, or transfer domain names pursuant to a court order or in the implementation of a reasonable policy prohibiting cyberpiracy. The act anticipates a reasonable policy against cyberpiracy will apply only to marks registered on the Principal Register of the Patent and Trademark Office in order to promote objective criteria and predictability in the dispute resolution process.

This section also protects the rights of domain name registrants against overreaching

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trademark owners. Under a new section subparagraph (D)(iv) in section 32(2), a trademark owner who knowingly and materially misrepresents to the domain name registrar or registry that a domain name is infringing shall be liable to the domain name registrant for damages resulting from the suspension, cancellation, or transfer of the domain name. In addition, the court may grant injunctive relief to the domain name registrant by ordering the reactivation of the domain name or the transfer of the domain name back to the domain name registrant. Finally, in creating a new subparagraph (D)(iii) of section 32(2), this section codifies current case law limiting the secondary liability of domain name registrars and registries for the act of registration of a domain name, absent bad-faith on the part of the registrar and registry.

Section 5. Definitions

This section amends the Trademark Act's definitions section (section 45) to add definitions for key terms used in this act. First, the term "Internet" is defined consistent with the meaning given that term in the Communications Act (47 U.S.C. 230(f)(1)). Second, this section creates a narrow definition of "domain name" to target the specific bad-faith conduct sought to be addressed while excluding such things as screen names, file names, and other identifiers not assigned by a domain name registrar or registry.

Section 6. Savings clause

This section provides an explicit savings clause making clear that the bill does not affect traditional trademark defenses, such as fair use, or a person's first amendment rights.

Section 7. Effective date

This section provides that Sections 2 through 6 of this Act shall apply to all domain names, whether registered before, on, or after the date of enactment. However, damages as amended by section 3 of this act shall not be available to the registration, trafficking, or use of a domain name that occurs before the date of enactment.

Section 8. Adjustment of Certain Trademark and Patent Fees

The provisions of this section recalibrate the fee ratio between patents and trademarks to assure the independence for each respective operation within the United States Patent and Trademark Office (PTO). Historically, patent applicants pay a disproportionate ratio in application fees than trademark applicants, and this disparity leads to an inequity in the administration of the separate patent and trademark divisions of the PTO. These provisions will alter the fees paid by both applicants leading to an equaling of the administrative control within the PTO. The increased trademark fees will allow for greater autonomy of the Trademark Office which will promote better service to trademark applicants. The reduction in patent fees will directly correspond to the increase in trademark application fee, nullifying any detrimental affect on the overall budget of the PTO. The amendments made by this section take effect 30 days after the enactment of this legislation.

Section 9. Domain Name for President, Members of Congress, and Political Office Holders and Candidates

Section 9 directs the Secretary of Commerce to establish a second level domain under the ".us" top level domain for the purposes of registering only the domain names of the President, Members of Congress, United States Senators, and other current holders and official candidates and potential official candidates for federal, state and local political office in the United States. This section responds to a number of concerns raised by the Members of the Committee who have heard from citizens complaining of entering a web site thought to be that of a representative office holder or candidate, only to find the site has no connection to the office holder or candidate. Members are particularly concerned with the great potential for misinformation to the public who may believe the web site to be managed by an official source. As one of the underlying goals of this legislation is to combat public confusion and misinformation, it is entirely appropriate to establish a second level domain which allows every citizen to receive and direct information to an office holder or candidate, regardless of position or party affiliation, and be assured of the authenticity of the site. This provision will not inhibit free speech nor prevent someone from using an office holder or candidate's name on any top-level domain. It merely establishes a second-level domain where citizens can be assured of the integrity of election information. The registration of domain names shall begin no later than December 31, 2000.

Section 10. Historic Preservation

Secton 10 amends section 101(a)(1)(A) of the National Historic Preservation Act to state that the Federal Trademark Dilution Statute does not affect the ability of a building or structure meeting the criteria for the National Register of Historic Places to retain the name by which they are listed on the Register, if such name is the historical name associated with the building or structure.

Mr. Speaker, I reserve the balance of my time.

Mr. BERMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3028, the Trademark Cyberpiracy Prevention Act.

First, let me just congratulate the gentleman from California (Mr. ROGAN) and the gentleman from Virginia (Mr. BOUCHER) for introducing what I think is a very important and necessary piece of legislation, and also compliment my chairman, the gentleman from North Carolina (Mr. COBLE) for organizing the hearing, the markup, moving the bill through subcommittee and full committee, and now to the point where we, with some amendments that are being made, I think have made it an even better product.

Trade-, service-, and other marks that have come to represent the good will and identity of a business have an intrinsic value to a business. It is appropriate to protect that value from what amounts to embezzlement. This bill provides that protection in regard to the registration of domain names.

Domain names have become a key asset in the Internet environment. Most people looking around the Internet for a company will first type in the address, www.company.name.com. If we are looking for AT&T, all we have to do is enter the address, www.ATT.com, and we will get the official AT&T web site. Thus, use of a domain name, these plain English addresses, is very important to mark holders, similar to a shop owner being able to put a sign in front of their store letting people know where to find the store.

The problem is that under the current domain name registration process, anyone can register any name that has not yet been taken, so a single individual can register hundreds or thousands or domain names with no intent of using them on the Internet. Their only intent is to turn around and try to sell the domain name for thousands or tens of thousands of dollars to the rightful mark owner. Very simply put, under current law, someone can gather up thousands of domain names that represent marks and extort vast sums of money from the rightful owner.

This is even true as to famous personalities whose personal names qualify as a service mark. On the one hand ICANN, the private sector organization tasked by the Department of Commerce to manage domain names, is establishing a uniform dispute resolution mechanism for domain name registrars. That work is very important, and I hope the outcome of that process yields a mechanism that will be truly effective in protecting marks.

However, even with a private party dispute resolution process, there needs to be appropriate legal remedies where individuals seek to exploit through what amounts to extortion the registration of domain names. I think that this legislation sets out the appropriate legal framework and will certainly enhance the effectiveness of the protection of marks in this global electronic environment.

I have heard concerns expressed by celebrities about the misuse of their name in the same manner I have described. If we are going to do a bill on cyberpiracy, it makes perfect sense to me that we would want to address this finite problem.

So when the specific problem of cyberpirates exploiting personal names was brought to me, I asked, as did others here, the gentleman from California (Mr. ROGAN), the gentleman from North Carolina (Mr. COBLE), that the interested parties on this issue come together and work through a solution. This bill reflects the very specific language that addresses this problem.

A personal name that constitutes a mark under the Lanham Act is treated the same way as any other mark protected by the Lanham Act under this bill. This bill does not create or insinuate a Federal right of publicity.

Finally, this bill establishes a very important avenue for candidates for public office to communicate their message through the Internet. Candidates for State or local office will now have a specific domain under the control of the U.S. Government where they can post their official web site. This will give voters the assurance that when they go to a site in this domain, they will be getting the official web site of the candidate, and not a site authored by an opponent, critic, or even faithful supporter. This is a major step towards enhancing the value of the Internet to our democracy.

Mr. Speaker, I reserve the balance of my time.

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Mr. COBLE. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from California (Mr. ROGAN), the author of the bill.

Mr. ROGAN. Mr. Speaker, I thank the distinguished chairman of the Subcommittee on Courts and Intellectual Property for yielding time to me, and also for his incredible leadership on this particular measure.

Mr. Speaker, I am pleased to join with my distinguished colleague, the gentleman from Virginia (Mr. BOUCHER) and coauthor of the bill in bringing forward the Cyberpiracy Prevention Act.

America's trademark owners are facing a new form of piracy on the Internet today caused by acts of cybersquatting. Cybersquatting is the deceptive practice of registering a domain name or establishing a web site containing a trademark name or title registered and owned by another entity with the intent to gain commercial advantage.

Cybersquatting takes place for a number of reasons: first, to extract payment from the rightful owners of the trademark. These are among the most prevalent cases, since it only costs $70 to register a domain name, and the potential for financial gain is far greater.

For example, after a cybersquatter preregistered four domain names for $280, he tried to sell to Warner Brothers the domain names Warner_Records.com, Warner_Bro_records.com, and Warnerpictures.Com for $350,000.

Second, cybersquatters will publicly offer a domain name for sale or lease to third parties. Right now we can log on and find marypoppins.com and the godfather.com for sale from an individual that does not have the trademark rights to those two popular names.

Third, cybersquatters use famous names and well known trademarks for pornographic sites that attempt to capitalize on customer confusion. Children doing homework assignments on the presidency have logged onto whitehouse.com, to find that this is a pornographic site.

Fourth, it is done to engage in consumer fraud, including counterfeiting activities. AT&T reports that a cybersquatter registered the domain names AT&T phonecard.com and at&tcalling card.com, and then established a web site soliciting credit card information from consumers.

AT&T is concerned that its brand name was being used to lure consumers to a web site that might be used to fraudulently to obtain financial information.

Despite the many problems that cybersquatting presents, there are no laws in any jurisdiction, national or otherwise, that explicitly prohibit this practice. H.R. 3208 provides a legal remedy for American businesses and individuals where traditional trademark law has failed. It protects trademarks and service mark owners while promoting the growth of electronic commerce by punishing individuals who register domain names in an attempt to profit at the expense of businesses and individuals.

This legislation specifically prohibits registration, trafficking in, or use of a domain name that is identical to, confusingly similar to, or that dilutes a mark that is distinctive at the time the domain name is registered.

This bill presents a real opportunity to strengthen the Internet's ability to serve as a viable marketplace in the 21st century. It does so by shoring up consumer confidence in legitimate brand names, discouraging fraudulent electronic commerce, and protecting the rights of legitimate trademark and service mark holders. It is time for Congress to pass this necessary legislation.

Once again, Mr. Speaker, I want to thank my dear friend and colleague, the gentleman from Virginia (Mr. BOUCHER) for all his work and effort on this. I am especially grateful to my cosponsor, the chairman of the Subcommittee on Courts and Intellectual Property, for moving this bill so rapidly through the process, and to my distinguished friend, the gentleman from California (Mr. BERMAN), for all his help on this.

Mr. BERMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Virginia (Mr. BOUCHER), the cosponsor of the legislation.

Mr. BOUCHER. Mr. Speaker, I thank the gentleman from California for yielding this time to me.

Mr. Speaker, it is a pleasure for me to join with my friend and colleague, the gentleman from California (Mr. ROGAN) in offering this legislation. I want to join with him in expressing our mutual appreciation to the gentleman from North Carolina (Mr. COBLE), the subcommittee chairman, and the gentleman from California (Mr. BERMAN), the ranking member of the subcommittee, for their excellent assistance in processing the bill and bringing it to the floor today.

Under current law, it is hard for a trademark owner to obtain relief from someone who has obtained a domain registry of his trademarked name. The legal remedies are expensive and, at the end of the day, uncertain. Many trademark owners conclude that it is easier simply to pay the cybersquatter his ransom and in effect buy back his own trademark name than it is to enforce his legal rights in a court of law.

The gentleman from California (Mr. ROGAN) and I want to put cybersquatters out of business by providing a more certain and less expensive and more timely legal remedy to those who have trademarks and seek to enforce those trademarks. Our legislation sets forth a list of factors that can be applied in determining if a domain name registration is made in bad faith with the intent to profit from the good will that is associated with the trademark. These factors can be applied by a court. They can also be applied by the domain name registrar, who then would be given exemption from liability if, upon application of that list of factors, the determination was made that the registration was in bad faith, that the registration in fact was made by a cybersquatter, and that the registration should therefore be suspended or canceled.

Cancellation or suspension in that instance would be accompanied by the award of an exemption from liability, should the cybersquatter pursue the domain name registrar.

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That, in my opinion, is the best change this legislation makes. It provides a remedy that is accessible, one that is timely, one that is far less expensive and uncertain than the remedies provided today.

I am pleased, Mr. Speaker, to encourage the passage of this measure, and I again want to commend the gentleman from California (Mr. ROGAN), the chief sponsor of the bill, for his excellent work.

Mr. COBLE. Mr. Speaker, may I inquire of the remaining amount of time.

The SPEAKER pro tempore (Mr. GIBBONS). The gentleman from North Carolina (Mr. COBLE) and the gentleman from California (Mr. BERMAN) each have 13 minutes remaining.

Mr. COBLE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Ms. ROS-LEHTINEN).

Ms. ROS-LEHTINEN. Mr. Speaker, I thank the gentleman from North Carolina (Mr. COBLE) for yielding me the time.

The gentleman from North Carolina (Mr. COBLE) has worked with the gentleman from Florida (Mr. SHAW) and I on this very important provision for a district that the gentleman from Florida (Mr. SHAW) and I share.

As the chairman of the House Subcommittee on Courts and Intellectual Property, the gentleman from North Carolina (Mr. COBLE) understands why we need this language in H.R. 3028, the Trademark Cyberpiracy Prevention Act. The gentleman from Florida (Mr. SHAW) and I have worked to include a change which will protect historic landmarks in our area in South Miami Beach and around the country from unnecessary litigation due to a provision in the Federal Anti-Dilution Act.

It will preserve the historic names of hotels in our district known as the Tiffany, the Fairmont, the Essex House, and the Carlyle. These landmarks will now be able to continue with their traditional names which they have been known for for over two generations.

By supporting this bill, our colleagues will be ensuring that historic places around our Nation will be able to keep their names without fear of unnecessary legal action. Remember that to lose one's name is to lose one's identity and, even more importantly, to lose one's history.

I would also like to thank Miami Beach City Commissioner Nancy

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Liebman who brought this issue to our attention. With the help of our colleagues here today, Mr. Speaker, in support of this legislation, we will be able to preserve the rich history of our Nation's historic preservation districts.

It was a pleasure for me to have worked with the gentleman from Florida (Mr. SHAW) and the gentleman from North Carolina (Mr. COBLE) on this needed part of this bill.

Mr. COBLE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Speaker, I thank the gentleman from North Carolina (Chairman COBLE) for yielding me this time.

I want to compliment the gentleman from North Carolina (Chairman COBLE) and the gentleman from California (Mr. BERMAN), the ranking Democrat member, for the swift action that they have taken in bringing this matter and attaching it to this bill and bringing it to the floor.

For those of my colleagues who have not been to Miami Beach lately, there is a tremendous renaissance going on. The history of that area dates back to the early days of the 1920s when art deco was just getting started. The architecture that has evolved over the years in the 1920s, 1930s, and even into the 1940s is something really to behold and is unique in this country.

Part of that architecture is the wonderful names and the magical names that are attached to so many of the hotels in that area. Now we are seeing that the great renaissance is going on, that Miami Beach is turning back to its past and bringing out the best of the past and bringing it forward, which has become a tremendous tourist attraction.

The gentlewoman from Florida (Ms. ROS-LEHTINEN) represents the beautiful part of South Beach, which has become so famous. I wish my district went down quite that far, but I stop right at Lincoln Road.

I was born and raised right there on Miami Beach. I can remember as a child the wonderful buildings that were down there, the lights that one would go see. When someone would come to town, one would drive them down into that area and show off Miami Beach.

All of this is back. The magic of that great city is back. Nancy Liebman, who the gentlewoman from Florida (Ms. ROS-LEHTINEN) mentioned in her statement, has been very active in bringing this matter back to our attention. She personally showed me and my wife Emily around Miami Beach. We were looking for the old theaters where we used to go on dates when we were both in high school together. It has really been quite good to see a city come back and bring back such a wonderful part of its past.

Due to an unexpected circumstance, unintended circumstance in the 1996 law, many of these hotels were robbed of their identity and were forced and were being made to change their name. This reverses an error that was made, and I want to compliment all of the members of the Committee on the Judiciary, and particularly the chairman and the ranking member, for bringing this back to our attention so we can correct this situation.

Mr. COBLE. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Utah (Mr. CANNON), a member of the Committee on the Judiciary.

Mr. CANNON. Mr. Speaker, I rise today in support of H.R. 3028, the Trademark Cyberpiracy Prevention Act. I commend the gentleman from North Carolina (Chairman COBLE) and the gentleman from California (Mr. ROGAN) for their work on this legislation, and also the gentleman from California (Mr. BERMAN).

The explosive trends of E-commerce, which some experts predict will reach $1.3 trillion in total sales by the year 2003, combined with the exponential growth of the Internet, has led to a problem: The increasing epidemic known as cybersquatting.

Recently, within my State of Utah, a local paper reported that the Salt Lake City Olympic Organizing Committee has had to file a cybersquatting lawsuit against a shadowy group of defendants which infringed on its trademark rights by registering Internet domain names that mimicked names owned by the SLOC.

A small group located in Delaware registered the names

saltlakecitygames.com,
saltlakecity2002.com, and
saltlake2002.com.

These names infringe on the trademark rights of the Salt Lake Olympic Organizing Committee's authorized website: www.slc2002.org and 12 other protected phrases.

This bill is part of an overall effort to preserve legally protected names and trademarks. These are valuable corporate assets. This is how people learn to identify and contact these organizations.

The SLOC and other companies and organizations like this spend money, time, and effort in advertising these phrases. Unscrupulous cybersquatters are trying to cash in on their hard work.

In the Salt Lake example, the Olympic Committee received a phone call from a person, known only as "John L." who offered to sell three sites for $25,000.

Investigators went to the address listed on the company's registration and found an empty office with no signs on the door. The registered telephone number did not work. The company was suspended for failure to pay taxes.

Another company within my district, Novell, shared with me a current problem. Apparently someone from Brazil has registered the names of each of Novell's product lines and names; but because the person is located outside the United States, there is currently no way for the company to gain judicial relief. This bill resolves that problem by allowing in rem jurisdiction.

The Rogan bill will prohibit registration, trafficking in, or the use of a domain name that is identical to, confusingly similar, or dilutive of a trademark that is distinctive at the time the domain name is registered.

Mr. Speaker, this bill will allow the trademark owners to seek the forfeiture, cancellation, or transfer of an infringing domain name if the trademark owner can prove it has attempted to locate the owner but has been unable to do so. This will discourage cybersquatters who frequently use aliases or otherwise provide false registration on their registration.

Industry and academics agree that legislative action is necessary. The uninhibited access to the Internet and E-commerce markets is vital, and First Amendment rights must also be preserved, but we must also respect the integrity of existing trademark and patent law.

I urge my colleagues to support this legislation.

Mr. BERMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just rise in conclusion to again tell the gentleman from North Carolina (Chairman COBLE) how much I appreciate the speedy movement of this bill, the process which I think made it better. I want to particularly thank the staff that worked on this bill, Mitch Glazier and Vince Garlock, and Bari Schwartz and Stacy Baird from my staff. I think we are all indebted to their work and their thoughts about this.

Mr. Speaker, I yield back the balance of my time.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as usual, the gentleman from California (Mr. BERMAN) is a jump ahead of me. I was going to also acknowledge the good work done by the respective staffs. It has been a good effort by all concerned.

Mrs. BONO. Mr. Speaker, I rise in support of the worthy bill of my good friend and colleague, the gentleman from California (Mr. ROGAN), H.R. 3028—Trademark Cyberpiracy Prevention Act. This long overdue legislation is needed to address a novel practice which is essentially one of the most base forms of extortion, the cyberpiracy of famous marks for both wares and services. As the world of commerce evolves as with the growth of the Internet, we in Congress have the obligation to revisit the laws to preserve fairness for the regular order of business. The Lanham Act is an appropriate vehicle to address the concerns raised by consumers and small businesses alike regarding the cyberpiracy of famous marks in interstate, and often global, commerce. However, I am disappointed that this legislation could not go even further and my support is qualified on the ground that I intend to pursue the remaining relating issues in the future.

Unfortunately, in our effort to expedite this bill to the floor, we have failed to address another distressing form of cheap extortion,

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namely the registration of personal names as domain names. My support for today's bill rests on the fact that while we address this worthy commercial problem through trademark law, we are not foreclosing the future opportunity to address this other domain name problem concerning personal privacy and autonomy in one's personae in cyberspace. This protection in my opinion must not be limited to the famous or just celebrities, it must be universal.

Certainly, many of my colleagues are aware of this issue. The main sponsor of H.R. 3028 has explained that his good name was spoofed by a political website recently. Several prominent national candidates have fallen prey to this extortion. It is a welcome improvement that the manager's amendment partially addresses the political candidate website issue. Likewise, in all candor, I too was a target of cyberpiracay last year. This is an increasing and serious problem for the parties and the public. In fact, today, I received an e-mail from one of Mr. Rogan's consituents about this need for Congress to address this visceral problem of innocent people being victimized. Our efforts today may in fact exacerbate this problem. Since these people, whether you call them cyber-prospectors, cyber-pirates or just Joe. Q. Hacker, no longer can register the domain names that correspond to marks used in commerce, they may find profit and create mischief by registering the names of ordinary people. We need to act to remedy this outrageous problem.

Unfortunately, the necessary final solution cannot be offered today. The mechanism to remedy the concerns raised by Mr. ROGAN's constituent and so many others is difficult to identify and design in a narrowly-tailored way. Members of certain industries have voiced strong opposition to any possible establishment of a federal right of publicity with this bill. The creation of that form of intellectual protection is something that Congress must carefully and fully explore before enactment.

Frist, I call upon the companies that provide the registration of domain names to act. They must institute responsible and effective polices to prevent the registrations of personal names in bad faith, as well as provide accessible procedures for dispute resolution.

However, I wish to inform my colleagues that it is my intent to revisit this subject in the new year by introducing my own legislation on this topic. This legislation will not create a national right of publicity, but specifically address the problem at hand. It is my hope that my colleagues will join me in the important task of resolving the second and final part of the cyberpiracy problem. I am confident that we can enact such legislation that balances the interests of all concerned, including those of civil libertarians who raise legitimate First Amendment issues, the copyright bar, the e-commerce community, as well as the average citizens whose names are now literally on the line.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE) that the House suspend the rules and pass the bill, H.R. 3028, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. COBLE. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of the Senate bill (S. 1255) to protect consumers and promote electronic commerce by amending certain trademark infringement, dilution, and counterfeiting laws, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1255

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

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the "Anticybersquatting Consumer Protection 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. FINDINGS.

Congress finds the following:

(1) The registration, trafficking in, or use of a domain name that is identical or confusingly similar to a trademark or service mark of another that is distinctive at the time of the registration of the domain name, or dilutive of a famous trademark or service mark of another that is famous at the time of the registration of the domain name, without regard to the goods or services of the parties, with the bad-faith intent to profit from the goodwill of another's mark (commonly referred to as "cyberpiracy" and "cybersquatting")—

(A) results in consumer fraud and public confusion as to the true source or sponsorship of goods and services;

(B) impairs electronic commerce, which is important to interstate commerce and the United States economy;

(C) deprives legitimate trademark owners of substantial revenues and consumer goodwill; and

(D) places unreasonable, intolerable, and overwhelming burdens on trademark owners in protecting their valuable trademarks.

(2) Amendments to the Trademark Act of 1946 would clarify the rights of a trademark owner to provide for adequate remedies and to deter cyberpiracy and cybersquatting.

SEC. 3. 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; or

"(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.

"(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 use, if any, of the domain name in connection with the bona fide offering of any goods or services;

"(iv) the person's legitimate 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 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 substantial consideration 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 intentional provision of material and misleading false contact information when applying for the registration of the domain name; and

"(viii) the person's registration or acquisition of multiple domain names which 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.

"(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 use of a domain name described under subparagraph (A) shall be limited to a use of the domain name by the domain name registrant or the domain name registrant's authorized licensee.

"(2)(A) The owner of a mark may file an in rem civil action against a domain name if—

"(i) the domain name violates any right of the registrant of a mark registered in the Patent and Trademark Office, or section 43 (a) or (c); and

"(ii) the court finds that the owner has demonstrated due diligence and was not able to find a person who would have been a defendant in a civil action under paragraph (1).

"(B) The remedies of 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.".

(b) ADDITIONAL CIVIL ACTION AND REMEDY.—The civil action established under section 43(d)(1) of the Trademark Act of 1946 (as added by this section) and any remedy available under such action shall be in addition to any other civil action or remedy otherwise applicable.

SEC. 4. DAMAGES AND REMEDIES.

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

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(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 "section 43(a)" and inserting "section 43 (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:

"(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 shall remit statutory damages in any case in which 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. 5. 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, regardless 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.

"(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.

"(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 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, such person 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 the domain name or transfer of the domain name to the domain name registrant.".

SEC. 6. 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 '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)).

"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.".

SEC. 7. 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. 8. SEVERABILITY.

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstances is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 9. EFFECTIVE DATE.

This Act shall apply to all domain names registered before, on, or after the date of enactment of this Act, except that statutory damages under section 35(d) of the Trademark Act of 1946 (15 U.S.C. 1117), as added by section 4 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.

MOTION OFFERED BY MR. COBLE

Mr. COBLE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. COBLE moves to strike all after the enacting clause of the Senate bill, S. 1255, and to insert in lieu thereof the text of H.R. 3028 as it passed the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. 3028) was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order:

H.Con.Res. 190, by the yeas and nays;
H.Con.Res. 208, by the yeas and nays;
H.Con.Res. 102, by the yeas and nays;
H.Con.Res. 188, by the yeas and nays; and
Concurring in Senate amendments to H.R. 1175, by yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

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The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H.Con.Res. 190, as amended.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. CRANE) that the House suspend the rules and agree to the concurrent resolution, H.Con.Res. 190, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 423, nays 1, not voting 9, as follows:

[Roll No. 537]

YEAS—423

Ackerman	Carson	Ewing
Aderholt	Castle	Farr
Allen	Chabot	Fattah
Andrews	Chambliss	Filner
Archer	Chenoweth-Hage	Fletcher
Armey	Clay	Foley
Bachus	Clayton	Forbes
Baird	Clement	Ford
Baker	Clyburn	Fossella
Baldacci	Coble	Fowler
Baldwin	Coburn	Frank (MA)
Ballenger	Collins	Franks (NJ)
Barcia	Combest	Frelinghuysen
Barr	Condit	Frost
Barrett (NE)	Conyers	Gallegly
Barrett (WI)	Cook	Ganske
Bartlett	Cooksey	Gejdenson
Barton	Costello	Gekas
Bass	Cox	Gephardt
Bateman	Coyne	Gibbons
Becerra	Cramer	Gilchrest
Bentsen	Crane	Gillmor
Bereuter	Crowley	Gilman
Berkley	Cubin	Gonzalez
Berman	Cummings	Goode
Berry	Cunningham	Goodlatte
Biggert	Danner	Goodling
Bilbray	Davis (FL)	Gordon
Bilirakis	Davis (IL)	Goss
Bishop	Davis (VA)	Graham
Blagojevich	Deal	Green (TX)
Bliley	DeFazio	Green (WI)
Blumenauer	DeGette	Greenwood
Blunt	Delahunt	Gutierrez
Boehlert	DeLauro	Gutknecht
Boehner	DeLay	Hall (OH)
Bonilla	DeMint	Hall (TX)
Bonior	Deutsch	Hansen
Bono	Diaz-Balart	Hastings (FL)
Borski	Dickey	Hastings (WA)
Boswell	Dicks	Hayes
Boucher	Dingell	Hayworth
Boyd	Dixon	Hefley
Brady (PA)	Doggett	Herger
Brady (TX)	Dooley	Hill (IN)
Brown (FL)	Doolittle	Hill (MT)
Brown (OH)	Doyle	Hilleary
Bryant	Dreier	Hilliard
Burr	Duncan	Hinchey
Burton	Dunn	Hobson
Buyer	Edwards	Hoeffel
Callahan	Ehlers	Hoekstra
Calvert	Ehrlich	Holden
Camp	Emerson	Holt
Campbell	Engel	Hooley
Canady	English	Horn
Cannon	Eshoo	Hostettler
Capps	Etheridge	Houghton
Capuano	Evans	Hoyer
Cardin	Everett	Hulshof

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