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106TH CONGRESS
1ST SESSION

S. 1461

To amend the Trademark Act of 1946 (15 U.S.C. 1051 et seq.) to protect consumers and promote electronic commerce by prohibiting the bad-faith registration, trafficking or use of Internet domain names that are identical to, confusingly similar to, or dilutive of distinctive trademarks or service marks.

IN THE SENATE OF THE UNITED STATES

JULY 29, 1999

Mr. HATCH (for himself, Mr. LEAHY, Mr. ABRAHAM, Mr. TORRICELLI, Mr. DEWINE, Mr. KOHL, and Mr. SCHUMER) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To amend the Trademark Act of 1946 (15 U.S.C. 1051 et seq.) to protect consumers and promote electronic commerce by prohibiting the bad-faith registration, trafficking or use of Internet domain names that are identical to, confusingly similar to, or dilutive of distinctive trademarks or service marks.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; REFERENCES.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Domain Name Piracy Prevention Act of 1999”.

1 (b) REFERENCES TO THE TRADEMARK ACT OF
2 1946.—Any reference in this Act to the Trademark Act
3 of 1946 shall be a reference to the Act entitled “An Act
4 to provide for the registration and protection of trade-
5 marks used in commerce, to carry out the provisions of
6 certain international conventions, and for other purposes”,
7 approved July 5, 1946 (15 U.S.C. 1051 et seq.).

8 **SEC. 2. FINDINGS.**

9 Congress finds the following:

10 (1) The registration, trafficking in, or use of a
11 domain name that is identical to, confusingly similar
12 to, or dilutive of a trademark or service mark of an-
13 other that is distinctive at the time of registration
14 of the domain name, without regard to the goods or
15 services of the parties, with the bad-faith intent to
16 profit from the goodwill of another’s mark (com-
17 monly referred to as “cyberpiracy” and
18 “cybersquatting”)—

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

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

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

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

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

11 **SEC. 3. CYBERPIRACY PREVENTION.**

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

15 “(d)(1)(A) Any person who, with bad-faith intent to
16 profit from the goodwill of a trademark or service mark
17 of another, registers, traffics in, or uses a domain name
18 that is identical to, confusingly similar to, or dilutive of
19 such trademark or service mark, without regard to the
20 goods or services of the parties, shall be liable in a civil
21 action by the owner of the mark, if the mark is distinctive
22 at the time of the registration of the domain name.

23 “(B) In determining whether there is a bad-faith in-
24 tent described under subparagraph (A), a court may con-
25 sider factors such as, but not limited to—

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

3 “(ii) the extent to which the domain name con-
4 sists of the legal name of the person or a name that
5 is otherwise commonly used to identify that person;

6 “(iii) the person’s prior use, if any, of the do-
7 main name in connection with the bona fide offering
8 of any goods or services;

9 “(iv) the person’s legitimate noncommercial or
10 fair use of the mark in a site accessible under the
11 domain name;

12 “(v) the person’s intent to divert consumers
13 from the mark owner’s online location to a site ac-
14 cessible under the domain name that could harm the
15 goodwill represented by the mark, either for com-
16 mercial gain or with the intent to tarnish or dispar-
17 age the mark, by creating a likelihood of confusion
18 as to the source, sponsorship, affiliation, or endorse-
19 ment of the site;

20 “(vi) the person’s offer to transfer, sell, or oth-
21 erwise assign the domain name to the mark owner
22 or any third party for substantial consideration with-
23 out having used, or having an intent to use, the do-
24 main name in the bona fide offering of any goods or
25 services;

1 “(vii) the person’s intentional provision of mate-
2 rial and misleading false contact information when
3 applying for the registration of the domain name;
4 and

5 “(viii) the person’s registration or acquisition of
6 multiple domain names which are identical to, con-
7 fusingly similar to, or dilutive of trademarks or serv-
8 ice marks of others that are distinctive at the time
9 of registration of such domain names, without re-
10 gard to the goods or services of such persons.

11 “(C) In any civil action involving the registration,
12 trafficking, or use of a domain name under this para-
13 graph, a court may order the forfeiture or cancellation of
14 the domain name or the transfer of the domain name to
15 the owner of the mark.

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

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

21 “(ii) the court finds that the owner has dem-
22 onstrated due diligence and was not able to find a
23 person who would have been a defendant in a civil
24 action under paragraph (1).

1 “(B) The remedies of an in rem action under this
2 paragraph shall be limited to a court order for the for-
3 feiture or cancellation of the domain name or the transfer
4 of the domain name to the owner of the mark.”.

5 (b) ADDITIONAL CIVIL ACTION AND REMEDY.—The
6 civil action established under section 43(d)(1) of the
7 Trademark Act of 1946 (as added by this section) and
8 any remedy available under such action shall be in addi-
9 tion to any other civil action or remedy otherwise applica-
10 ble.

11 **SEC. 4. DAMAGES AND REMEDIES.**

12 (a) REMEDIES IN CASES OF DOMAIN NAME PI-
13 RACY.—

14 (1) INJUNCTIONS.—Section 34(a) of the Trade-
15 mark Act of 1946 (15 U.S.C. 1116(a)) is amended
16 in the first sentence by striking “section 43(a)” and
17 inserting “section 43 (a), (c), or (d)”.

18 (2) DAMAGES.—Section 35(a) of the Trade-
19 mark Act of 1946 (15 U.S.C. 1117(a)) is amended
20 in the first sentence by inserting “, (c), or (d)” after
21 “section 43 (a)”.

22 (b) STATUTORY DAMAGES.—Section 35 of the Trade-
23 mark Act of 1946 (15 U.S.C. 1117) is amended by adding
24 at the end the following:

1 “(d) In a case involving a violation of section
2 43(d)(1), the plaintiff may elect, at any time before final
3 judgment is rendered by the trial court, to recover, instead
4 of actual damages and profits, an award of statutory dam-
5 ages in the amount of not less than \$1,000 and not more
6 than \$100,000 per domain name, as the court considers
7 just. The court shall remit statutory damages in any case
8 in which an infringer believed and had reasonable grounds
9 to believe that use of the domain name by the infringer
10 was a fair or otherwise lawful use.”.

11 **SEC. 5. LIMITATION ON LIABILITY.**

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

14 (1) in the matter preceding subparagraph (A)
15 by striking “under section 43(a)” and inserting
16 “under section 43 (a) or (d)”; and

17 (2) by redesignating subparagraph (D) as sub-
18 paragraph (E) and inserting after subparagraph (C)
19 the following:

20 “(D)(i) A domain name registrar, a do-
21 main name registry, or other domain name reg-
22 istration authority that takes any action de-
23 scribed under clause (ii) affecting a domain
24 name shall not be liable for monetary relief to
25 any person for such action, regardless of wheth-

1 er the domain name is finally determined to in-
2 fringe or dilute the mark.

3 “(ii) An action referred to under clause (i)
4 is any action of refusing to register, removing
5 from registration, transferring, temporarily dis-
6 abling, or permanently canceling a domain
7 name—

8 “(I) in compliance with a court order
9 under section 43(d); or

10 “(II) in the implementation of a rea-
11 sonable policy by such registrar, registry,
12 or authority prohibiting the registration of
13 a domain name that is identical to, confus-
14 ingly similar to, or dilutive of another’s
15 mark registered on the Principal Register
16 of the United States Patent and Trade-
17 mark Office.

18 “(iii) A domain name registrar, a domain
19 name registry, or other domain name registra-
20 tion authority shall not be liable for damages
21 under this section for the registration or main-
22 tenance of a domain name for another absent
23 a showing of bad faith intent to profit from
24 such registration or maintenance of the domain
25 name.

1 “(iv) If a registrar, registry, or other reg-
2 istration authority takes an action described
3 under clause (ii) based on a knowing and mate-
4 rial misrepresentation by any person that a do-
5 main name is identical to, confusingly similar
6 to, or dilutive of a mark registered on the Prin-
7 cipal Register of the United States Patent and
8 Trademark Office, such person shall be liable
9 for any damages, including costs and attorney’s
10 fees, incurred by the domain name registrant as
11 a result of such action. The court may also
12 grant injunctive relief to the domain name reg-
13 istrant, including the reactivation of the domain
14 name or the transfer of the domain name to the
15 domain name registrant.”.

16 **SEC. 6. DEFINITIONS.**

17 Section 45 of the Trademark Act of 1946 (15 U.S.C.
18 1127) is amended by inserting after the undesignated
19 paragraph defining the term “counterfeit” the following:

20 “The term ‘Internet’ has the meaning given
21 that term in section 230(f)(1) of the Communica-
22 tions Act of 1934 (47 U.S.C. 230(f)(1)).

23 “The term ‘domain name’ means any alpha-
24 numeric designation which is registered with or as-
25 signed by any domain name registrar, domain name

1 registry, or other domain name registration author-
2 ity as part of an electronic address on the Inter-
3 net.”.

4 **SEC. 7. SAVINGS CLAUSE.**

5 Nothing in this Act shall affect any defense available
6 to a defendant under the Trademark Act of 1946 (includ-
7 ing any defense under section 43(c)(4) of such Act or re-
8 lating to fair use) or a person’s right of free speech or
9 expression under the first amendment of the United States
10 Constitution.

11 **SEC. 8. SEVERABILITY.**

12 If any provision of this Act, an amendment made by
13 this Act, or the application of such provision or amend-
14 ment to any person or circumstances is held to be uncon-
15 stitutional, the remainder of this Act, the amendments
16 made by this Act, and the application of the provisions
17 of such to any person or circumstance shall not be affected
18 thereby.

19 **SEC. 9. EFFECTIVE DATE.**

20 This Act shall apply to all domain names registered
21 before, on, or after the date of enactment of this Act, ex-
22 cept that statutory damages under section 35(d) of the
23 Trademark Act of 1946 (15 U.S.C. 1117), as added by
24 section 4 of this Act, shall not be available with respect

- 1 to the registration, trafficking, or use of a domain name
- 2 that occurs before the date of enactment of this Act.

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