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106TH CONGRESS
1ST SESSION

S. 1255

To protect consumers and promote electronic commerce by amending certain trademark infringement, dilution, and counterfeiting laws, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 21, 1999

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

A BILL

To protect consumers and promote electronic commerce by amending certain trademark infringement, dilution, and counterfeiting laws, and for other purposes.

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.**

4 This Act may be cited as the “Anticybersquatting
5 Consumer Protection Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that the unauthorized registration or
8 use of trademarks as Internet domain names or other

1 identifiers of online locations (commonly known as
2 “cybersquatting”)—

3 (1) results in consumer fraud and public confu-
4 sion as to the true source or sponsorship of products
5 and services;

6 (2) impairs electronic commerce, which is im-
7 portant to the economy of the United States; and

8 (3) deprives owners of trademarks of substan-
9 tial revenues and consumer goodwill.

10 **SEC. 3. TRADEMARK REMEDIES.**

11 (a) **RECOVERY FOR VIOLATION OF RIGHTS.**—Section
12 35 of the Act entitled “An Act to provide for the registra-
13 tion and protection of trade-marks used in commerce, to
14 carry out the provisions of certain international conven-
15 tions, and for other purposes”, approved July 5, 1946,
16 (commonly referred to as the “Trademark Act of 1946”)
17 (15 U.S.C. 1117) is amended by adding at the end the
18 following:

19 “(d)(1) In this subsection, the term ‘Internet’ has the
20 meaning given that term in section 230(f)(1) of the Com-
21 munications Act of 1934 (47 U.S.C. 230(f)(1)).

22 “(2)(A) In a case involving the registration or use
23 of an identifier described in subparagraph (B), the plain-
24 tiff may elect, at any time before final judgment is ren-

1 dered by the trial court, to recover, instead of actual dam-
2 ages and profits under subsection (a)—

3 “(i) an award of statutory damages in the
4 amount of—

5 “(I) not less than \$1,000 or more than
6 \$100,000 per trademark per identifier, as the
7 court considers just; or

8 “(II) if the court finds that the registra-
9 tion or use of the registered trademark as an
10 identifier was willful, not less than \$3,000 or
11 more than \$300,000 per trademark per identi-
12 fier, as the court considers just; and

13 “(ii) full costs and reasonable attorney’s fees.

14 “(B) An identifier referred to in subparagraph (A)
15 is an Internet domain name or other identifier of an online
16 location that is—

17 “(i) the trademark of a person or entity other
18 than the person or entity registering or using the
19 identifier; or

20 “(ii) sufficiently similar to a trademark of a
21 person or entity other than the person or entity reg-
22 istering or using the identifier as to be likely to—

23 “(I) cause confusion or mistake;

24 “(II) deceive; or

1 “(III) cause dilution of the distinctive
2 quality of a famous trademark.”.

3 (b) **REMEDIES FOR DILUTION OF FAMOUS MARKS.**—

4 Section 43(c)(2) of the Act entitled “An Act to provide
5 for the registration and protection of trade-marks used in
6 commerce, to carry out the provisions of certain inter-
7 national conventions, and for other purposes”, approved
8 July 5, 1946, (commonly referred to as the “Trademark
9 Act of 1946”) (15 U.S.C. 1125(c)(2)) is amended by strik-
10 ing “35(a)” and inserting “35 (a) and (d)”.

11 **SEC. 4. CRIMINAL USE OF COUNTERFEIT TRADEMARK.**

12 (a) **IN GENERAL.**—Section 2320(a) of title 18,
13 United States Code, is amended—

14 (1) by inserting “(1)” after “(a)”;

15 (2) by striking “section that occurs” and insert-
16 ing “paragraph that occurs”; and

17 (3) by adding at the end the following:

18 “(2)(A) In this paragraph, the term ‘Internet’ has
19 the meaning given that term in section 230(f)(1) of the
20 Communications Act of 1934 (47 U.S.C. 230(f)(1)).

21 “(B)(i) Except as provided in clause (ii), whoever
22 knowingly and fraudulently or in bad faith registers or
23 uses an identifier described in subparagraph (C) shall be
24 guilty of a Class B misdemeanor.

1 “(ii) In the case of an offense by a person under this
2 paragraph that occurs after that person is convicted of
3 another offense under this section, that person shall be
4 guilty of a Class E felony.

5 “(C) An identifier referred to in subparagraph (B)
6 is an Internet domain name or other identifier of an online
7 location that is—

8 “(i) the trademark of a person or entity other
9 than the person or entity registering or using the
10 identifier; or

11 “(ii) sufficiently similar to a trademark of a
12 person or entity other than the person or entity reg-
13 istering or using the identifier as to be likely to—

14 “(I) cause confusion or mistake;

15 “(II) deceive; or

16 “(III) cause dilution of the distinctive
17 quality of a famous trademark.

18 “(D)(i) For the purposes of a prosecution under this
19 paragraph, if all of the conditions described in clause (ii)
20 apply to the registration or use of an identifier described
21 in subparagraph (C) by a defendant, those conditions shall
22 constitute prima facie evidence that the registration or use
23 was fraudulent or in bad faith.

24 “(ii) The conditions referred to in clause (i) are as
25 follows:

1 “(I) The defendant registered or used an identi-
2 fier described in subparagraph (C)—

3 “(aa) with intent to cause confusion or
4 mistake, deceive, or cause dilution of the dis-
5 tinctive quality of a famous trademark; or

6 “(bb) with the intention of diverting con-
7 sumers from the domain or other online loca-
8 tion of the person or entity who is the owner of
9 a trademark described in subparagraph (C) to
10 the domain or other online location of the de-
11 fendant.

12 “(II) The defendant—

13 “(aa) provided false information in the de-
14 fendant’s application to register the identifier;
15 or

16 “(bb) offered to transfer the registration of
17 the identifier to the trademark owner or an-
18 other person or entity in consideration for any
19 thing of value.

20 “(III) The identifier is not—

21 “(aa) the defendant’s legal first name or
22 surname; or

23 “(bb) a trademark of the defendant used
24 in legitimate commerce before the earlier of the
25 first use of the registered trademark referred to

1 in subparagraph (C) or the effective date of the
2 registration of that trademark.

3 “(iii) The application of this subparagraph shall not
4 be exclusive. Nothing in this subparagraph may be con-
5 strued to limit the applicability of subparagraph (B).”.

6 (b) SENTENCING GUIDELINES.—

7 (1) IN GENERAL.—Pursuant to the authority
8 granted to the United States Sentencing Commis-
9 sion under section 994(p) of title 28, United States
10 Code, the United States Sentencing Commission
11 shall—

12 (A) review the Federal sentencing guide-
13 lines for crimes against intellectual property
14 (including offenses under section 2320 of title
15 18, United States Code); and

16 (B) promulgate such amendments to the
17 Federal Sentencing Guidelines as are necessary
18 to ensure that the applicable sentence for a de-
19 fendant convicted of a crime against intellectual
20 property is sufficiently stringent to deter such
21 a crime.

22 (2) FACTORS FOR CONSIDERATION.—In car-
23 rying out this subsection, the United States Sen-
24 tencing Commission shall—

1 (A) take into account the findings under
2 section 2; and

3 (B) ensure that the amendments promul-
4 gated under paragraph (1)(B) adequately pro-
5 vide for sentencing for crimes described in
6 paragraph (2) of section 2320(a) of title 18,
7 United States Code, as added by subsection (a).

8 **SEC. 5. LIMITATION OF LIABILITY.**

9 Section 39 of the Act entitled “An Act to provide for
10 the registration and protection of trade-marks used in
11 commerce, to carry out the provisions of certain inter-
12 national conventions, and for other purposes”, approved
13 July 5, 1946, (commonly referred to as the “Trademark
14 Act of 1946”) (15 U.S.C. 1121) is amended by adding
15 at the end the following:

16 “(c)(1) In this subsection, the term ‘Internet’ has the
17 meaning given that term in section 230(f)(1) of the Com-
18 munications Act of 1934 (47 U.S.C. 230(f)(1)).

19 “(2)(A) An Internet service provider, domain name
20 registrar, or registry described in subparagraph (B) shall
21 not be liable for monetary relief to any person for a re-
22 moval or transfer described in that subparagraph, without
23 regard to whether the domain name or other identifier is
24 ultimately determined to be infringing or dilutive.

1 “(B) An Internet service provider, domain name reg-
2 istrar, or registry referred to in subparagraph (A) is a pro-
3 vider, registrar, or registry that, upon receipt of a written
4 notice from the owner of a trademark registered in the
5 Patent and Trademark Office, removes from domain name
6 service (DNS) service or registration, or transfers to the
7 trademark owner, an Internet domain name or other iden-
8 tifier of an online location alleged to be infringing or dilu-
9 tive, in compliance with—

10 “(i) a court order; or

11 “(ii) the reasonable implementation of a policy
12 prohibiting the unauthorized registration or use of
13 another’s registered trademark as an Internet do-
14 main name or other identifier of an online loca-
15 tion.”.

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