

106TH CONGRESS  
1ST SESSION

# S. 1255

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## AN ACT

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; REFERENCES.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Anticybersquatting Consumer Protection Act.”

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 or confusingly similar  
12 to a trademark or service mark of another that is  
13 distinctive at the time of the registration of the do-  
14 main name, or dilutive of a famous trademark or  
15 service mark of another that is famous at the time  
16 of the registration of the domain name, without re-  
17 gard to the goods or services of the parties, with the  
18 bad-faith intent to profit from the goodwill of an-  
19 other’s mark (commonly referred to as  
20 “cyberpiracy” and “cybersquatting”)—

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

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

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

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

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

14 **SEC. 3. CYBERPIRACY PREVENTION.**

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

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

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

24 “(ii) registers, traffics in, or uses a domain  
25 name that—

1           “(I) in the case of a trademark or service  
2           mark that is distinctive at the time of registra-  
3           tion of the domain name, is identical or confus-  
4           ingly similar to such mark; or

5           “(II) in the case of a famous trademark or  
6           service mark that is famous at the time of reg-  
7           istration of the domain name, is dilutive of such  
8           mark.

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

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

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

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

20           “(iv) the person’s legitimate noncommercial or  
21          fair use of the mark in a site accessible under the  
22          domain name;

23           “(v) the person’s intent to divert consumers  
24          from the mark owner’s online location to a site ac-  
25          cessible under the domain name that could harm the

1 goodwill represented by the mark, either for com-  
2 mercial gain or with the intent to tarnish or dispar-  
3 age the mark, by creating a likelihood of confusion  
4 as to the source, sponsorship, affiliation, or endorse-  
5 ment of the site;

6 “(vi) the person’s offer to transfer, sell, or oth-  
7 erwise assign the domain name to the mark owner  
8 or any third party for substantial consideration with-  
9 out having used, or having an intent to use, the do-  
10 main name in the bona fide offering of any goods or  
11 services;

12 “(vii) the person’s intentional provision of mate-  
13 rial and misleading false contact information when  
14 applying for the registration of the domain name;  
15 and

16 “(viii) the person’s registration or acquisition of  
17 multiple domain names which are identical or con-  
18 fusingly similar to trademarks or service marks of  
19 others that are distinctive at the time of registration  
20 of such domain names, or dilutive of famous trade-  
21 marks or service marks of others that are famous at  
22 the time of registration of such domain names, with-  
23 out regard to the goods or services of such persons.

24 “(C) In any civil action involving the registration,  
25 trafficking, or use of a domain name under this para-

1 graph, a court may order the forfeiture or cancellation of  
2 the domain name or the transfer of the domain name to  
3 the owner of the mark.

4 “(D) A use of a domain name described under sub-  
5 paragraph (A) shall be limited to a use of the domain  
6 name by the domain name registrant or the domain name  
7 registrant’s authorized licensee.

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

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

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

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

21 (b) ADDITIONAL CIVIL ACTION AND REMEDY.—The  
22 civil action established under section 43(d)(1) of the  
23 Trademark Act of 1946 (as added by this section) and  
24 any remedy available under such action shall be in addi-

1 tion to any other civil action or remedy otherwise applica-  
2 ble.

3 **SEC. 4. DAMAGES AND REMEDIES.**

4 (a) REMEDIES IN CASES OF DOMAIN NAME PI-  
5 RACY.—

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

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

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

17 “(d) In a case involving a violation of section  
18 43(d)(1), the plaintiff may elect, at any time before final  
19 judgment is rendered by the trial court, to recover, instead  
20 of actual damages and profits, an award of statutory dam-  
21 ages in the amount of not less than \$1,000 and not more  
22 than \$100,000 per domain name, as the court considers  
23 just. The court shall remit statutory damages in any case  
24 in which an infringer believed and had reasonable grounds

1 to believe that use of the domain name by the infringer  
2 was a fair or otherwise lawful use.”.

3 **SEC. 5. LIMITATION ON LIABILITY.**

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

6 (1) in the matter preceding subparagraph (A)  
7 by striking “under section 43(a)” and inserting  
8 “under section 43 (a) or (d)”; and

9 (2) by redesignating subparagraph (D) as sub-  
10 subparagraph (E) and inserting after subparagraph (C)  
11 the following:

12 “(D)(i) A domain name registrar, a do-  
13 main name registry, or other domain name reg-  
14 istration authority that takes any action de-  
15 scribed under clause (ii) affecting a domain  
16 name shall not be liable for monetary relief to  
17 any person for such action, regardless of wheth-  
18 er the domain name is finally determined to in-  
19 fringe or dilute the mark.

20 “(ii) An action referred to under clause (i)  
21 is any action of refusing to register, removing  
22 from registration, transferring, temporarily dis-  
23 abling, or permanently canceling a domain  
24 name—

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

3           “(II) in the implementation of a rea-  
4           sonable policy by such registrar, registry,  
5           or authority prohibiting the registration of  
6           a domain name that is identical to, confus-  
7           ingly similar to, or dilutive of another’s  
8           mark registered on the Principal Register  
9           of the United States Patent and Trade-  
10          mark Office.

11          “(iii) A domain name registrar, a domain  
12          name registry, or other domain name registra-  
13          tion authority shall not be liable for damages  
14          under this section for the registration or main-  
15          tenance of a domain name for another absent  
16          a showing of bad faith intent to profit from  
17          such registration or maintenance of the domain  
18          name.

19          “(iv) If a registrar, registry, or other reg-  
20          istration authority takes an action described  
21          under clause (ii) based on a knowing and mate-  
22          rial misrepresentation by any person that a do-  
23          main name is identical to, confusingly similar  
24          to, or dilutive of a mark registered on the Prin-  
25          cipal Register of the United States Patent and

1 Trademark Office, such person shall be liable  
2 for any damages, including costs and attorney’s  
3 fees, incurred by the domain name registrant as  
4 a result of such action. The court may also  
5 grant injunctive relief to the domain name reg-  
6 istrant, including the reactivation of the domain  
7 name or the transfer of the domain name to the  
8 domain name registrant.

9 “(v) A domain name registrant whose do-  
10 main name has been suspended, disabled, or  
11 transferred under a policy described under  
12 clause (ii)(II) may, upon notice to the mark  
13 owner, file a civil action to establish that the  
14 registration or use of the domain name by such  
15 registrant is not unlawful under this Act. The  
16 court may grant injunctive relief to the domain  
17 name registrant, including the reactivation of  
18 the domain name or transfer of the domain  
19 name to the domain name registrant.”.

20 **SEC. 6. DEFINITIONS.**

21 Section 45 of the Trademark Act of 1946 (15 U.S.C.  
22 1127) is amended by inserting after the undesignated  
23 paragraph defining the term “counterfeit” the following:

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

4           “The term ‘domain name’ means any alpha-  
5           numeric designation which is registered with or as-  
6           signed by any domain name registrar, domain name  
7           registry, or other domain name registration author-  
8           ity as part of an electronic address on the Inter-  
9           net.”.

10 **SEC. 7. SAVINGS CLAUSE.**

11           Nothing in this Act shall affect any defense available  
12           to a defendant under the Trademark Act of 1946 (includ-  
13           ing any defense under section 43(c)(4) of such Act or re-  
14           lating to fair use) or a person’s right of free speech or  
15           expression under the first amendment of the United States  
16           Constitution.

17 **SEC. 8. SEVERABILITY.**

18           If any provision of this Act, an amendment made by  
19           this Act, or the application of such provision or amend-  
20           ment to any person or circumstances is held to be uncon-  
21           stitutional, the remainder of this Act, the amendments  
22           made by this Act, and the application of the provisions  
23           of such to any person or circumstance shall not be affected  
24           thereby.

1 **SEC. 9. EFFECTIVE DATE.**

2       This Act shall apply to all domain names registered  
3 before, on, or after the date of enactment of this Act, ex-  
4 cept that statutory damages under section 35(d) of the  
5 Trademark Act of 1946 (15 U.S.C. 1117), as added by  
6 section 4 of this Act, shall not be available with respect  
7 to the registration, trafficking, or use of a domain name  
8 that occurs before the date of enactment of this Act.

Passed the Senate August August 5, 1999.

Attest:

*Secretary.*

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1<sup>ST</sup> SESSION

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