

105TH CONGRESS
1ST SESSION

S. 1146

To amend title 17, United States Code, to provide limitations on copyright liability relating to material on-line, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 3, 1997

Mr. ASHCROFT introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To amend title 17, United States Code, to provide limitations on copyright liability relating to material on-line, 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 “Digital Copyright Clar-
5 ification and Technology Education Act of 1997”.

6 **TITLE 1—DIGITAL COPYRIGHT CLARIFICATION**

7 **SEC. 101. PURPOSES.**

8 The purposes of this Act are—

1 (1) to clarify the application of copyright law in
2 the unique environment of Internet and on-line com-
3 munication;

4 (2) to foster the continued growth and develop-
5 ment of the Internet as a means of communication
6 and commerce, including the lawful distribution of
7 intellectual property;

8 (3) to protect the rights of copyright owners in
9 the digital environment;

10 (4) to clarify that providing network services
11 and facilities with respect to the transmission of
12 electronic communications of another person does
13 not result in liability under the Copyright Act;

14 (5) to clarify that Internet and on-line service
15 providers are not liable for third-party copyright in-
16 fringements unless they have received notice in com-
17 pliance with this Act of the infringing material and
18 have a reasonable opportunity to limit the third-
19 party infringement; and

20 (6) to create incentives for the rapid elimination
21 of infringing material residing on an electronic com-
22 munications system or network without litigation.

1 **SEC. 102. CLARIFICATION OF LIABILITY.**

2 (a) IN GENERAL.—Chapter 5 of title 17, United
3 States Code, is amended by adding after section 511 the
4 following new section:

5 **“§ 512. Liability relating to material on the Internet**
6 **and on-line**

7 “(a) MATERIAL BEING TRANSMITTED THROUGH AN
8 ELECTRONIC COMMUNICATIONS SYSTEM OR NETWORK.—

9 “(1) NETWORK SERVICES WITH RESPECT TO
10 THE TRANSMISSION OF ELECTRONIC COMMUNICA-
11 TIONS.—A person shall not be liable for direct, vi-
12 carious or contributory infringement of copyright
13 arising out of providing electronic communications
14 network services or facilities with respect to a copy-
15 right infringement by a user. A person shall be con-
16 sidered to provide “network services and facilities”
17 when such person transmits, routes or provides con-
18 nections for material on behalf of a user over an
19 electronic communications system or network con-
20 trolled or operated by or for the person, including
21 intermediate and transient storage, the processing of
22 information, and the provision of facilities therefor,
23 if—

24 “(A) the provision of services is for the
25 purpose of managing, controlling or operating a
26 communications system or network, supplying

1 local access, local exchange, telephone toll,
2 trunk line, private line, or backbone services, in-
3 cluding network components or functions nec-
4 essary to the transmission of material contained
5 in electronic communications carried over those
6 services; or

7 “(B) the transmission of material over the
8 system or network on behalf of a user does not
9 involve the generation or material alteration of
10 content by the person.

11 “(2) PRIVATE AND REAL-TIME COMMUNICATION
12 SERVICES.—A person shall not be liable for direct,
13 vicarious or contributory infringement of copyright
14 arising from supplying to another—

15 “(A) a private electronic communication,
16 including voice messaging or electronic mail
17 services, or any other communication for which
18 such person lacks either the technical ability or
19 authority under law to access or disclose such
20 communication to any third party in the normal
21 course of business; or

22 “(B) real-time communication formats, in-
23 cluding chat rooms, streamed data, or other vir-
24 tually simultaneous transmissions.

1 “(3) INFORMATION LOCATION TOOLS.—No per-
 2 son shall be liable for direct, vicarious or contribu-
 3 tory infringement of copyright arising out of supply-
 4 ing a user of network services or facilities with—

5 “(A) a site-linking aid or directory, includ-
 6 ing a hyperlink or index;

7 “(B) a navigational aid, including a search
 8 engine or browser; or

9 “(C) the tools for the creation of a site-
 10 linking aid.

11 “(b) MATERIAL RESIDING ON A SYSTEM OR NET-
 12 WORK.—

13 “(1) COOPERATIVE PROCEDURE FOR EXPEDI-
 14 TIOUS RESPONSE TO CLAIMS OF INFRINGEMENT.—A
 15 person shall not be liable for direct, vicarious or con-
 16 tributory infringement of copyright arising out of
 17 the violation of any of the exclusive rights of the
 18 copyright owner by another with respect to material
 19 residing on a system or network used in conjunction
 20 with electronic communications that is controlled or
 21 operated by or for the person, unless upon receiving
 22 notice complying with paragraph (b)(3), the person
 23 fails expeditiously to remove, disable, or block access
 24 to the material to the extent technologically feasible
 25 and economically reasonable for a period of ten days,

1 or until receiving a court order concerning the mate-
2 rial, whichever is less.

3 “(2) Paragraph (b)(1) shall apply where such
4 person—

5 “(A) did not initiate the placement of the
6 material on the system or network;

7 “(B) did not determine the content of the
8 material placed on the system or network; and

9 “(C) did not contract for placement of the
10 specific material on the system or network by
11 another person in order to provide that content
12 as part of the person’s service offering.

13 “(3) A person shall not be deemed to have no-
14 tice that material residing on a system or network
15 used in conjunction with electronic communications
16 is infringing unless the person—

17 “(A) is in receipt of a notification that the
18 particular material is infringing. Such notifica-
19 tion shall:

20 “(i) pertain only to allegedly infring-
21 ing material that resides on a system or
22 network controlled or operated by or for
23 the person;

24 “(ii) be submitted in accordance with
25 directions displayed on the person’s system

1 or network indicating a single place or per-
2 son to which such notifications shall be
3 submitted;

4 “(iii) be signed, physically or elec-
5 tronically, by an owner of an exclusive
6 right that is allegedly infringed, or by a
7 person authorized to act on such owner’s
8 behalf;

9 “(iv) provide an address, telephone
10 number, and electronic mail address, if
11 available, at which the complaining party
12 may be contacted in a timely manner;

13 “(v) describe the material claimed to
14 be infringing, including information rea-
15 sonably sufficient to permit the person ex-
16 peditiously to identify and locate the mate-
17 rial;

18 “(vi) provide reasonable proof of a
19 certificate of copyright registration for the
20 material in question, a filed application for
21 such registration, or a court order estab-
22 lishing that use of the material in the man-
23 ner complained of is not authorized by the
24 copyright owner or the law;

1 “(vii) contain a sworn statement that
2 the information in the notice is accurate,
3 that the complaining party is an owner of
4 the exclusive right that is claimed to be in-
5 fringed or otherwise has the authority to
6 enforce the owner’s rights under this title,
7 and that the complaining party has a good
8 faith belief that the use complained of is
9 an infringement;

10 “(viii) be accompanied by any pay-
11 ment that the Register of Copyrights de-
12 termines is necessary to deter frivolous and
13 de minimis notices; and

14 “(B) A person who is an employee or
15 agent of a nonprofit educational institution, li-
16 brary or archives, acting within the scope of his
17 employment, or such an educational institution,
18 library or archives itself, shall not be deemed to
19 have notice under subparagraph (A) if that per-
20 son reasonably believed (i) that the allegedly in-
21 fringing use was a fair use under Sec. 10 or (ii)
22 was otherwise lawful; and

23 “(C) The Register of Copyrights may, by
24 regulation, establish guidelines identifying addi-
25 tional information to be included in the notice

1 and shall issue a standard notice form in both
2 electronic and hard copy formats, which com-
3 plies with this paragraph, but failure of a party
4 to provide any such additional information, or
5 failure to use any issued form, shall not invali-
6 date the notice.

7 “(4) MISREPRESENTATIONS AND REDRESS FOR
8 WRONGFUL NOTIFICATIONS.—Any person who mate-
9 rially misrepresents that material on-line is infring-
10 ing in a notice described in paragraph (b)(3)(A),
11 shall be liable in a civil action that may be brought
12 in an appropriate United States district court or
13 State court for statutory damages of not less than
14 \$1,000, and any actual damages, including costs and
15 attorneys’ fees, incurred by—

16 “(A) the actual copyright owner or the al-
17 leged infringer arising out of the disabling or
18 blocking of access to or removal of such mate-
19 rial; or

20 “(B) any person who relies upon such mis-
21 representation in removing, disabling, or block-
22 ing access to the material claimed to be infring-
23 ing in such notice.

24 “(5) LIMITATION ON LIABILITY BASED UPON
25 REMOVING, DISABLING, OR BLOCKING ACCESS TO IN-

1 FRINGING MATERIAL.—A person shall not be liable
2 for any claim based on that person’s removing, dis-
3 abling, or blocking access for a period of ten days,
4 or until the person receives a court order concerning
5 the material, whichever is less, to material residing
6 on a system or network used in conjunction with
7 electronic communications that is controlled or oper-
8 ated by or for that person in response to notice pur-
9 suant to paragraph (b)(3)(A) that the material is in-
10 fringing, whether or not the material is infringing.

11 “(6) OTHER DEFENSES NOT AFFECTED.—A
12 person’s removing, disabling, or blocking access to
13 material residing on a system or network used in
14 conjunction with electronic communications that is
15 controlled or operated by or for that person, pursu-
16 ant to paragraph (1), or the failure to do so, shall
17 not adversely bear upon the consideration by a court
18 of any other issue pertaining to liability or remedy,
19 including any other limitation on liability established
20 in paragraph (a), any other applicable defense, any
21 claim that the service provider’s alleged conduct is
22 not infringing, or whether or not such conduct is
23 willful or innocent.”.

1 (b) CONFORMING AMENDMENT.—The table of sec-
 2 tions for chapter 5 of title 17, United States Code, is
 3 amended at the end the following:

“512. Liability relating to material on the Internet and on-line.”.

4 TITLE II—TECHNOLOGY FOR TEACHERS AND
 5 LIBRARIANS

6 **SEC. 201. SHORT TITLE.**

7 This title may be cited as the “Technology for Edu-
 8 cators and Children (TECh) Act”.

9 **SEC. 202. FAIR USE.**

10 (a) TRANSMISSIONS.—The first sentence of section
 11 107 of title 17, United States Code, is amended by insert-
 12 ing after “or by any other means specified in that sec-
 13 tion,” the following: “and by analog or digital trans-
 14 mission,”.

15 (b) DETERMINATION.—Section 107 of title 17,
 16 United States Code, is amended by adding at the end
 17 thereof the following: “In making a determination con-
 18 cerning fair use, no independent weight shall be afforded
 19 to—

20 “(1) the means by which the work has been
 21 performed, displayed or distributed under the au-
 22 thority of the copyright owner; or

23 “(2) the application of an effective technological
 24 measure (as defined under section 1201(c)) to the
 25 work.”.

1 **SEC. 203. LIBRARY EXEMPTIONS.**

2 Section 108 of title 17, United States Code, is
3 amended—

4 (1) by striking “Notwithstanding” at the begin-
5 ning of subsection (a) and inserting: “Except as oth-
6 erwise provided and notwithstanding”;

7 (2) by inserting after “copyright” in subsection
8 (a)(3): “if such notice appears on the copy or phono-
9 record that is reproduced under the provisions of
10 this section”;

11 (3) in subsection (b) by—

12 (A) deleting “a copy or phonorecord” and
13 inserting in lieu thereof: “three copies or
14 phonorecords”; and

15 (B) deleting “in facsimile form”; and

16 (4) in subsection (c) by—

17 (A) deleting “a copy or phonorecord” and
18 inserting in lieu thereof: “three copies or
19 phonorecords”;

20 (B) deleting “in facsimile form”; and

21 (C) inserting “or if the existing format in
22 which the work is stored has become obsolete,”
23 after “stolen,”.

1 **SEC. 204. DISTANCE EDUCATION.**

2 (a) TITLE CHANGE.—The title of section 117 of title
3 17,

4 United States Code, is amended to read as follows:

5 **“§ 110. Limitations on exclusive rights: Exemption of**
6 **certain activities”;**

7 (b) PERFORMANCE, DISPLAY AND DISTRIBUTION OF
8 A WORK.—Section 110(2) of title 17, United States Code,
9 is amended to read as follows:

10 “(2) performance, display or distribution of a
11 work, by or in the course of an analog or digital
12 transmission, if—

13 “(A) the performance, display or distribu-
14 tion is a regular part of the systematic instruc-
15 tional activities of a governmental body or a
16 nonprofit educational institution;

17 “(B) the performance, display or distribu-
18 tion is directly related and of material assist-
19 ance to the teaching content of the trans-
20 mission; and

21 “(C) the work is provided for reception
22 by—

23 “(i) students officially enrolled in the
24 course in connection with which it is pro-
25 vided; or

1 “(ii) officers or employees of govern-
 2 mental bodies as part of their official du-
 3 ties or employment;”

4 (c) EPHEMERAL RECORDINGS OF WORKS.—Section
 5 112(b) of title 17, United States Code, is amended by de-
 6 leting “transmit a performance or display of” and insert-
 7 ing in lieu thereof: “perform, display or distribute”.

8 **SEC. 205. LIMITATIONS ON EXCLUSIVE RIGHTS.**

9 (a) TITLE.—The title of section 117 of title 17,
 10 United States Code, is amended to read as follows:

11 **“§ 117. Limitations on exclusive rights: Computer**
 12 **programs and digital copies”;**

13 (b) DIGITAL COPIES.—Section 117 of title 17, United
 14 States Code, is amended by inserting “(a)” before “Not-
 15 withstanding” and inserting the following as a new sub-
 16 section (b):

17 “(b) Notwithstanding the provisions of section 106,
 18 it is not an infringement to make a copy of a work in
 19 a digital format if such copying—

20 “(1) is incidental to the operation of a device in
 21 the course of the use of a work otherwise lawful
 22 under this title; and

23 “(2) does not conflict with the normal exploi-
 24 tation of the work and does not unreasonably preju-
 25 dice the legitimate interests of the author.”.

1 TITLE III—WIPO TREATY IMPLEMENTATION

2 SEC. 301. WIPO IMPLEMENTATION

3 Title 17 of the United States Code is amended by
4 adding the following sections:

5 “§ 1201. Circumvention of certain technological meas-
6 ures

7 “(a) CIRCUMVENTION CONDUCT.—No person, for the
8 purpose of facilitating or engaging in an act of infringe-
9 ment, shall engage in conduct so as knowingly to remove,
10 deactivate or otherwise circumvent the application or oper-
11 ation of any effective technological measure used by a
12 copyright owner to preclude or limit reproduction of a
13 work or a portion thereof. As used in this subsection, the
14 term ‘conduct’ does not include manufacturing, importing
15 or distributing a device or a computer program.

16 “(b) CONDUCT GOVERNED BY SEPARATE CHAP-
17 TER.—Notwithstanding subsection (a), this section shall
18 not apply with respect to conduct or the offer or perform-
19 ance of a service governed by a separate chapter of this
20 title.

21 “(c) DEFINITION OF EFFECTIVE TECHNOLOGICAL
22 MEASURE.—As used in this section, the term ‘effective
23 technological measure’ means information included with or
24 an attribute applied to a transmission or a copy of a work
25 in a digital format, or a portion thereof, so as to protect

1 the rights of a copyright owner of such work or portion
 2 thereof under chapter one of this title and which—

3 “(1) encrypts or scrambles the work or a por-
 4 tion thereof in the absence of access information
 5 supplied by the copyright owner; or

6 “(2) includes attributes regarding access to or
 7 recording of the work that cannot be removed with-
 8 out degrading the work or a portion thereof.

9 **“§ 1202. Integrity of copyright management informa-**
 10 **tion**

11 “(a) FALSE COPYRIGHT MANAGEMENT INFORMA-
 12 TION.—No person shall knowingly provide copyright man-
 13 agement information that is false, or knowingly publicly
 14 distribute or import for distribution copyright manage-
 15 ment information that is false, with intent to induce, facili-
 16 tate, or conceal infringement.

17 “(b) REMOVAL OR ALTERATION OF COPYRIGHT
 18 MANAGEMENT INFORMATION.—No person shall, without
 19 authority of the copyright owner or other lawful authority,
 20 knowingly and with intent to mislead or to induce or facili-
 21 tate infringement—

22 “(1) remove or alter any copyright management
 23 information;

24 “(2) publicly distribute or import for distribu-
 25 tion a copy of phonorecord containing copyright

1 management information that has been altered with-
 2 out authority of the copyright owner or other lawful
 3 authority; or

4 “(3) publicly distribute or import for distribu-
 5 tion a copy or phonorecord from which copyright
 6 management information has been removed without
 7 authority of the copyright owner or other lawful au-
 8 thority:

9 *Provided*, That the conduct governed by this subsection
 10 does not include the manufacturing, importing or distrib-
 11 uting of a device.

12 (c) DEFINITION OF COPYRIGHT MANAGEMENT IN-
 13 FORMATION.—As used in this chapter, the term ‘copyright
 14 management information’ means the following information
 15 in electronic form as carried in or as data accompanying
 16 a copy of phonorecord of a work, including in digital form:

17 “(1) The title and other information identifying
 18 the work, including the information set forth in a
 19 notice of copyright;

20 “(2) The name and other identifying informa-
 21 tion of the author of the work;

22 “(3) The name and other identifying informa-
 23 tion of the copyright owner of the work, including
 24 the information set forth in a notice of copyright;

25 “(4) Terms and conditions for uses of the work;

1 “(5) Identifying numbers or symbols referring
 2 to such information or links to such information;
 3 and

4 “(6) Such other identifying information con-
 5 cerning the work as the Register of Copyrights may
 6 prescribe by regulation:

7 *Provided*, That the term ‘copyright management informa-
 8 tion’ does not include the information described in section
 9 1002, section 1201(c), or a chapter of this title other than
 10 chapters one through nine of this title: *Provided further*,
 11 That, in order to assure privacy protection, the term
 12 ‘copyright management information’ does not include any
 13 personally identifiable information relating to the user of
 14 a work, including but not limited to the name, account,
 15 address or other contact information of or pertaining to
 16 the user.

17 **“§ 1203. Civil remedies**

18 “(a) CIVIL ACTIONS.—Any person aggrieved by a vio-
 19 lation of section 1201(a) or 1202 may bring a civil action
 20 in an appropriate United States district court against any
 21 person for such violation.

22 “(b) POWERS OF THE COURT.—In an action brought
 23 under subsection (a), the court—

1 “(1) may grant a temporary and a permanent
2 injunction on such terms as it deems reasonable to
3 prevent or restrain a violation;

4 “(2) may grant such other equitable relief as it
5 deems appropriate;

6 “(3) may award damages pursuant to sub-
7 section (c);

8 “(4) may allow the recovery of costs by or
9 against any party other than the United States or
10 an officer thereof; and

11 “(5) may award a reasonable attorney’s fee to
12 the prevailing party.

13 “(c) AWARD OF DAMAGES.—

14 “(1) IN GENERAL.—If the court finds that a
15 violation of section 1201(a) or 1202 has occurred,
16 the complaining party may elect to either actual
17 damages as computed under paragraph (2) or statu-
18 tory damages as computed under paragraph (3).

19 “(2) ACTUAL DAMAGES.—The court may award
20 to the complaining party the actual damages suf-
21 fered by him or her as a result of the violation, and
22 any profits of the violator that are attributable to
23 the violation and are not taken into account in com-
24 puting the actual damages, if the complaining party

1 elects such damages instead of statutory damages at
2 any time before final judgment is entered.

3 “(3) STATUTORY DAMAGES.—(A) The court
4 may award to the complaining party statutory dam-
5 ages for each violation of section 1201(a) of not less
6 than \$250 or more than \$2,500, as the court consid-
7 ers just, if the complaining party elects such dam-
8 ages instead of actual damages at any time before
9 final judgment is entered.

10 “(B) The court may award to the complaining
11 party statutory damages for each violation of section
12 1202 of not less than \$500 or more than \$20,000,
13 as the court considers just, if the complaining party
14 elects such damages instead of actual damages at
15 any time before final judgment is entered.

16 “(4) REPEATED VIOLATIONS.—In an case in
17 which the court finds that a person has violated sec-
18 tion 1201(a) or 1202 within three years after a final
19 judgment against that person for another such viola-
20 tion was entered, the court may increase the award
21 of damages to not more than double the amount
22 that would otherwise be awarded under paragraph
23 (2) or (3), as the court considers just.

24 “(5) INNOCENT VIOLATION.—The court may re-
25 duce or remit altogether the total award of damages

1 that otherwise would be awarded under paragraph
 2 (2) or (3) in any case in which the violator sustains
 3 the burden of proving, and the court finds, that the
 4 violator was not aware and had no reason to believe
 5 that its acts constituted a violation of section
 6 1201(a) or 1202.”.

7 **SEC. 302. CONFORMING AMENDMENTS.**

8 (a) TABLE OF SECTIONS.—The table of sections for
 9 chapter 1 of title 17, United States Code, is amended by—
 10 (1) revising the item relating to section 110 to
 11 read as follows:

“110. Limitations on exclusive rights: Exemption of certain activities.”;

12 and

13 (2) revising the item relating to section 117 to
 14 read as follows:

“117. Limitations on exclusive rights: Computer programs and digital copies.”.

15 (b) TABLE OF CHAPTERS.—The table of chapters for
 16 title 17, United States Code, is amended by adding at the
 17 end the following:

“12. Copyright Protection and Management Systems 1201”.

18 **SEC. 303. EFFECTIVE DATES.**

19 (a) IN GENERAL.—Sections one through seven and
 20 section 9(a) of this Act, and the amendments made by
 21 sections one through seven and section 9(a) of this Act,
 22 shall take effect on the date of enactment of this Act.

1 (b) WIPO TREATIES.—Section 8 and section 9(b) of
2 this Act, and the amendments made by section 8 and sec-
3 tion 9(b) of this Act, shall take effect on the date on which
4 both the World Intellectual Property Organization Copy-
5 right Treaty and the World Intellectual Property Organi-
6 zation Performances and Phonograms Treaty have en-
7 tered into force with respect to the United States.

○