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FEDERAL COPYRIGHT LAW

THE LEGISLATIVE HISTORIES OF THE MAJOR ENACTMENTS OF THE 105th CONGRESS

Volume V Document Numbers 88-140

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INTRODUCTION

Three major pieces of copyright legislation were passed by the 105th Congress. The first to be enacted was the No Electronic Theft (NET) Act, passed in response to a federal district court decision finding no criminal liability in the distribution of copyrighted software where there was no financial gain. Under the NET Act, liability is determined by the retail value of the work in question. Reproduction of works worth over \$1,000 is a misdemeanor, while copying works valued over \$2,500 ranks as a felony. Those convicted face fines and imprisonment of up to three years for the first offense, and up to six years for a second conviction. The act also extends the statute of limitations from three to five years and mandates "victim impact statements."

More controversial was the issue of copyright term extension. Opponents viewed such proposals as a move by major publishers and producers to deprive the public of access to copyrighted works soon to enter the public domain with the expiration of the old copyright term, most notably Disney's Mickey Mouse in 2002. Proponents claimed the extension of the copyright term by twenty years would promote creativity by offering artists and authors a greater return on their work, and would bring the United States into line with the copyright term in effect overseas.

Their views prevailed with the passage of the Sonny Bono Copyright Term Extension Act. Title I of the Act amends federal law so as to extend from fifty to seventy years the duration of copyrights. Most notably this includes copyrights on works created after Jan. 1, 1978, for which it extends the term to the life of the author plus seventy years. Section 104 of the Act provides an exception for libraries and archives, allowing reproduction for preservation, scholarship, or research during the last twenty years of the copyright term. This limited exception applies only if it can be determined that the work in question is not subject to normal commercial exploitation, cannot be obtained at a reasonable price, and the copyright holder has not provided notice that either of these conditions applies. Title II consists of the Fairness in Music Licensing Act of 1998. This provides that the use of transmission or retransmission of a non-dramatic musical work originated by a radio or television broadcast is not a copyright infringement if the establishment is a food service or drinking establishment, no direct charge was made to see or hear the

transmission, and such, and that the transmission or retransmission was licensed by the copyright holder.

The final and most important copyright enactment of the 105th Congress was the Digital Millennium Copyright Act. The most notable part of the legislation was Title I, the WIPO Copyright and Performances and Phonograms Treaties Implementation Act of 1998. This Act, which amends federal law to conform to these treaties, sparked controversy because of its “anti-circumvention” provisions which opponents claimed would render unlawful such legitimate activities as encryption research and reverse engineering. The remainder of the legislation includes:

Title II - the Online Copyright Infringement Liability Limitation Act which limits the liability for copyright infringement of Internet service providers;

Title III - the Computer Maintenance Competition Assurance Act providing that under certain conditions there is no copyright violation where copies of computer programs are made solely in conjunction with the repair of computer equipment;

Title IV - Miscellaneous Provisions;

Title V - Vessel Hull Design Protection Act which amends federal copyright law to protect original hull designs which make vessels distinctive or attractive.

Notably absent from the Act was any provision extending copyright protection to databases. Such a provision had been a last minute addition by the House to H.R. 2281, but was dropped from the final bill version by the Conference Committee.

This compilation includes the full text of all three enactments, prior bill versions, relevant congressional reports and hearings, *Congressional Record* references, and presidential statements. Also included are the full texts of the WIPO treaties.

William H. Manz
St. John's University
June 1999

MASTER TABLE OF DOCUMENTS

Volume I

I. The Law as Enacted

Doc. No. 1 No Electronic Theft (NET) Act, P.L. 105-147, 111 Stat. 2678.

II. Report on the Law

Doc. No. 2 No Electronic Theft (NET) Act, H. Rep. No. 105-339, 105th Cong., 1st Sess. (Oct. 23, 1997).

Doc. No. 3 The Copyright Infringement Liability of Online and Internet Service Providers: Hearing before the Committee on the Judiciary, S. Hrg. 105-366, 105th Cong., 1st Sess. (Sept. 4, 1997).

III. Hearing on the Law

Doc. No. 4 *Copyright Piracy and H.R. 2265, the No Electronic Theft (NET) Act: Hearing before the Subcommittee on Courts and Intellectual Property of the House Committee on the Judiciary, 105th Cong., 1st Sess. (Sept. 11, 1997).*

IV. Bill Versions

Doc. No. 5 H.R. 2265 - No Electronic Theft (NET) Act. Introduced by Rep. Goodlatte and referred to the Senate Committee on the Judiciary, 105th Cong., 1st Sess. (July 25, 1997).

Doc. No. 6 H.R. 2265 - No Electronic Theft (NET) Act. Reported in the House, 105th Cong., 1st Sess. (Oct. 23, 1997).

Doc. No. 7 H.R. 2265 - No Electronic Theft (NET) Act. Passed by the House, 105th Cong., 1st Sess. (Nov. 4, 1997).

Doc. No. 8 H.R. 2265 - No Electronic Theft (NET) Act. Referred to the Senate Committee on the Judiciary, 105th Cong., 1st Sess. (Nov. 4, 1997).

Doc. No. 9 H.R. 2265 - No. Electronic Theft (NET) Act. Enrolled bill sent to the President, 105th Cong., 1st Sess. (Jan. 7, 1997).

V. Prior Bill Versions

Doc. No. 10 S. 1044 - Criminal Copyright Improvement Act of 1997. Introduced by Sen. Leahy and referred to the Senate Committee on the Judiciary, 105th Cong., 1st Sess. (July 21, 1997).

Doc. No. 11 S. 1122 - Criminal Copyright Improvement Act of 1995. Introduced by Sen Leahy and referred to the Senate Committee on the Judiciary, 105th Cong., 1st Sess. (Aug. 4, 1995).

Doc. No. 12 S. 1284 - NII Copyright Protection Act of 1995. Introduced by Sen. Hatch and referred to the Senate Committee on the Judiciary, 104th Cong., 1st Sess. (Sept. 28, 1995).

Doc. No. 13 H.R. 2441 - NII Copyright Protection Act of 1995. Introduced by Rep. Moorhead and referred to the Senate Committee on the Judiciary, 104th Cong., 1st Sess. (Sept. 29, 1995).

VI. Congressional Record

Doc. No. 14 141 Cong. Rec. S14550 (daily ed. Sept. 28, 1995) (introduction of S. 1284 by Sen. Hatch and the text of the bill).

Doc. No. 15 141 Cong. Rec. E1892 (daily ed. Sept. 29, 1995) (remarks of Rep. Moorhead on the NII Copyright Protection Act of 1995).

Doc. No. 16 141 Cong. Rec. S19114 (daily ed. Dec. 21, 1995) (text of Title XIV, Computer Software Piracy, of the Crime Prevention Act of 1995).

Doc. No. 17 141 Cong. Rec. S19117 (daily ed. Dec. 21, 1995) (text of Title XIV, Computer Software Piracy, of the Crime Prevention Act of 1995).

Doc. No. 18 142 Cong. Rec. E890 (daily ed. May 23, 1996) (remarks of Rep. Moorhead on the introduction of the NII Copy-

right Protection Act of 1996). (This legislation was never actually introduced).

- Doc. No. 19** 143 Cong. Rec. S7772 (daily ed. July 21, 1997) (introduction of S. 1044 by Sen. Leahy and the text of the bill).
- Doc. No. 20** 143 Cong. Rec. E1527 (daily ed. July 25, 1997) (remarks of Rep. Coble on the No Electronic Theft (NET) Act).
- Doc. No. 21** 143 Cong. Rec. E1529 (daily ed. July 25, 1997) (remarks of Rep. Goodlatte on the introduction of H.R. 2265).
- Doc. No. 22** 143 Cong. Rec. H9883 (daily ed. Nov. 4, 1997) (full text of H.R. 2265 as passed by the House).
- Doc. No. 23** 143 Cong. Rec. S12689 (daily ed. Nov. 13, 1997) (Senate consideration of H.R. 2265).

VII. Past Hearings

- Doc. No. 24** *NII Copyright Protection Act of 1995: Joint Hearing before the Subcommittee on Courts and Intellectual Property of the House Committee on the Judiciary and the Senate Committee on the Judiciary, 104th Cong., 1st Sess. (Nov. 15, 1995).*
- Doc. No. 25** *NII Copyright Protection Act of 1995: Hearings before the Subcommittee on Courts and Intellectual Property of the House Committee on the Judiciary Part II, 104th Cong., 2d Sess. (Feb. 7 and 8, 1996).*

Volume II

I. The Law as Enacted

- Doc. No. 26** Sonny Bono Copyright Term Extension Act, P.L. 105-298, 112 Stat. 2827.

II. Reports on the Law

- Doc. No. 27** Copyright Term Extension Act, H. Rep. No. 105-452, 105th Cong., 2d Sess. (Mar. 18, 1998).
- Doc. No. 28** Providing for the Consideration of H.R. 2589: The Copyright Term Extension Act, H. Rep. No. 105-460, 105th Cong., 2d Sess. (Mar. 24, 1998).

III. Bill Versions

- Doc. No. 29** S. 505 - Copyright Term Extension Act of 1997. Introduced by Sen. Hatch and referred to the Committee on the Judiciary, 105th Cong., 1st Sess. (Mar. 20, 1997).
- Doc. No. 30** S. 505 - Sonny Bono Copyright Term Extension Act. Engrossed in the Senate, 105th Cong., 2d Sess. (Oct. 7, 1998).
- Doc. No. 31** S. 505 - Sonny Bono Copyright Term Extension Act. Enrolled bill sent to the President, 105th Cong., 2d Sess. (Jan. 27, 1998).
- Doc. No. 32** H.R. 2589 - Copyright Term Extension Act. Introduced by Rep. Coble and referred to the Committee on the Judiciary, 105th Cong., 1st Sess. (Oct. 1, 1997).
- Doc. No. 33** H.R. 2589 - Copyright Term Extension Act. Reported with an amendment, 105th Cong., 2d Sess. (Mar. 18, 1998).
- Doc. No. 34** H.R. 2589 - Sonny Bono Copyright Term Extension Act. Passed by the House, 105th Cong., 2d Sess. (Mar. 25, 1998).
- Doc. No. 35** H.R. 2589 - Sonny Bono Copyright Term Extension Act. Received in the Senate, 105th Cong., 2d Sess. (Mar. 26, 1998).

III. Prior Bill Versions

- Doc. No. 36** S. 483 - Copyright Term Extension Act of 1995. Introduced by Sen. Hatch and referred to the Committee on the Judiciary, 104th Cong., 1st Sess. (Mar. 2, 1995).
- Doc. No. 37** S. 483 - Copyright Term Extension Act of 1996. Reported with an amendment, 104th Cong., 2d Sess. (July 10, 1996).
- Doc. No. 38** H.R. 989 - Copyright Term Extension Act of 1995. Introduced and referred to the Committee on the Judiciary, 104th Cong., 1st Sess. (Feb. 16, 1995).
- Doc. No. 39** H.R. 604 - Copyright Term Extension Act of 1997. Introduced by Rep. Gallegly and referred to the Committee on the Judiciary, 105th Cong., 1st Sess. (Feb. 5, 1997).

- Doc. No. 40** H.R. 1621 - Copyright Term Extension Act of 1997. Introduced by Rep. Bono and referred to the Committee on the Judiciary, 105th Cong., 1st Sess. (May 15, 1997).
- Doc. No. 41** H.R. 4712 - Sonny Bono Copyright Term Extension Act. Introduced by Rep. and referred to the Committee on the Judiciary, 105th Cong., 2d Sess. (Oct. 7, 1998).

IV. Congressional Record

- Doc. No. 42** 141 Cong. Rec. E379 (daily ed. Feb. 16, 1995) (remarks of Rep. Moorhead on the Copyright Term Extension Act).
- Doc. No. 43** 141 Cong. Rec. S3390 (daily ed. Mar. 2, 1995) (introduction of S. 483 by Sen. Hatch, the text of the bill, remarks of Sen. Feinstein, and a reprint of *Extending Copyright Preserves U.S. Culture* by Prof. Arthur Miller).
- Doc. No. 44** 142 Cong. Rec. S3238 (daily ed. Mar. 29, 1996) (remarks of Sen. Boxer on the Copyright Term Extension Act),
- Doc. No. 45** 143 Cong. Rec. S6048 (daily ed. June 20, 1997) (remarks of Sen Abraham on the Copyright Term Extension Act of 1997).
- Doc. No. 46** 144 Cong. Rec. E160 (daily ed. Feb. 12, 1998) (remarks of Rep. Coble on H.R. 2180).
- Doc. No. 47** 144 Cong. Rec. 1447 (daily ed. Mar. 24, 1998) (Sensenbrenner Amendment No. 1 to H.R. 2589).
- Doc. No. 48** 144 Cong. Rec. 1448 (daily ed. Mar. 24, 1998) (Coble Amendment No. 2 to H.R. 2589).
- Doc. No. 49** 144 Cong. Rec. 1448 (daily ed. Mar. 24, 1998) (McCollum Amendment No. 3 to H.R. 2589).
- Doc. No. 50** 144 Cong. Rec. 1456 (daily ed. Mar. 25, 1998) (H. Res. 390 and consideration of H.R. 2589).
- Doc. No. 51** 144 Cong. Rec. E484 (daily ed. Mar. 26, 1998) (remarks of Rep. Jackson-Lee on H.R. 2589).
- Doc. No. 52** 144 Cong. Rec. E753 (daily ed. May 5, 1998) (remarks of Rep. Coble on H.R. 2589).

- Doc. No. 53** 144 Cong. Rec. H9946 (daily ed. Oct. 7, 1998) (consideration of S. 505 and the text of the bill).
- Doc. No. 54** 144 Cong. Rec. S11672 (daily ed. Oct. 7, 1998) (consideration of S. 505).
- Doc. No. 55** 144 Cong. Rec. E1995 (daily ed. Oct. 7, 1998) (remarks of Rep. Conyers on H.R. 2589).
- Doc. No. 56** 144 Cong. Rec. 11794 (daily ed. Oct. 10, 1998) (Hatch Amendment No. 3782 to H.R. 2589).
- Doc. No. 57** 144 Cong. Rec. E2070 (daily ed. Oct. 11, 1998) (remarks of Rep. Gordon on S. 505).
- Doc. No. 58** 144 Cong. Rec. E2088 (daily ed. Oct. 11, 1998) (remarks of Rep. Scarborough on S. 505).
- Doc. No. 59** 144 Cong. Rec. S12434 (daily ed. Oct. 12, 1998) (consideration of S. 505).
- Doc. No. 60** 144 Cong. Rec. E2096 (daily ed. Oct. 12, 1998) (remarks of Rep. Clement on S. 505).
- Doc. No. 61** 144 Cong. Rec. S12377 (daily ed. Oct. 12, 1998) (remarks of Sen. Hatch on S. 505).
- Doc. No. 62** 144 Cong. Rec. E2255 (daily ed. Oct. 20, 1998) (remarks of Rep. Tanner on S. 505).
- Doc. No. 63** 144 Cong. Rec. E2308 (daily ed. Nov. 12, 1998) (remarks of Rep. Conyers on S. 505).

V. Past Report

- Doc. No. 64** Copyright Term Extension Act of 1996 - S. Rep. No. 104-315 on S. 483, 104th Cong., 2d Sess. (July 10, 1996).

VI. Past Hearings

- Doc. No. 65** *Copyright Term, Film Labeling and Film Preservation Legislation: Hearings before the Subcommittee on Courts and Intellectual Property of the House Committee on the Judiciary on H.R. 989, H.R. 1248, and H.R. 1734, 104th Cong., 1st Sess. (June 1 and July 13, 1995).*

Volume III

- Doc. No. 66** The Copyright Term Extension Act of 1995: Hearings before the Senate Committee on the Judiciary, 104th Cong., 1st Sess. (Sept. 20, 1995).
- Doc. No. 67** *Pre-1978 Distribution of Recordings Containing Musical Compositions; Copyright Term Extension; and Copyright Per Program Licenses: Hearing before the Subcommittee on Courts and Intellectual Property of the House Committee on the Judiciary*, 105th Cong., 1st Sess. (June 27, 1997).

I. The Law as Enacted

- Doc. No. 68** Digital Millennium Copyright Act of 1998, P.L. 105-304, 112 Stat. 2860.

II. Reports on the Law

- Doc. No. 69** WIPO Copyright Treaties Implementation and On-Line Copyright Infringement Liability Limitation, H. Rep. No. 105-551, pt. I, 105th Cong., 2d Sess. (May 22, 1998).
- Doc. No. 70** Digital Millennium Copyright Act of 1998, H. Rep. No. 105-551, pt. II, 105th Cong., 2d Sess. (July 22, 1998).
- Doc. No. 71** Digital Millennium Copyright Act, H. Rep. No. 105-796 (105th Cong. 2d Sess. (Oct. 8, 1998).

III. Hearings on the Law

- Doc. No. 72** *WIPO Copyright Treaties Implementation Act; and On-Line Copyright Liability Limitation Act: Hearings on H.R. 2281 and H.R. 2280 before the Subcommittee on Courts and Intellectual Property, House Committee on the Judiciary*, 105th Cong., 1st Sess. (Sept. 16 and 17, 1997).

Volume IV

- Doc. No. 73** *The WIPO Copyright Treaties Implementation Act: Hearing before the Subcommittee on Telecommunications, Trade, and Consumer Protection of the House*

III. Bill Versions

- Doc. No. 74** H.R. 2281 - WIPO Copyright Treaties Implementation Act. Introduced by Rep. Coble and referred to the Committee on the Judiciary, 105th Cong., 1st Sess. (July 29, 1997).
- Doc. No. 75** H.R. 2281 - WIPO Copyright Treaties Implementation Act. Reported in the House, 105th Cong., 2d Sess. (July 22, 1998).
- Doc. No. 76** H.R. 2281 - Digital Millennium Copyright Act. Engrossed in the House, 105th Cong., (Aug. 4, 1998).
- Doc. No. 77** H.R. 2281 - Digital Millennium Copyright Act of 1998. Engrossed Senate amendment, 105th Cong., 2d Sess. (Sept. 17, 1998).
- Doc. No. 78** H.R. 2281 - Digital Millennium Copyright Act. Placed on the Senate calendar, 105th Cong., 2d Sess. (Aug. 31, 1998).
- Doc. No. 79** H.R. 2281 - Digital Millennium Copyright Act. Enrolled bill sent to the President, 105th Cong., 2d Sess. (Jan. 27, 1998).

IV. Past Bill Versions

- Doc. No. 80** H.R. 2180 - On-Line Copyright Liability Limitation Act. Introduced by Rep. Coble and referred to the Committee on the Judiciary, 105th Cong., 1st Sess. (July 17, 1997).
- Doc. No. 81** S. 1121 - WIPO Copyright and Performances and Phonograms Treaty Implementation Act of 1997. Introduced by Sen. Hatch and referred to the Committee on the Judiciary, 105th Cong., 1st Sess. (July 31, 1997).
- Doc. No. 82** S. 1146 - Digital Copyright Clarification and Technology Education Act of 1997. Introduced by Sen. Ashcroft and referred to the Committee on the Judiciary, 105th Cong., 1st Sess. (Sept. 3, 1997).

- Doc. No. 83** H.R. 2652 - Collections of Information Antipiracy Act. Introduced by Rep. Coble and referred to the Committee on the Judiciary, 105th Cong., 1st Sess. (Oct. 9, 1997).
- Doc. No. 84** H.R. 2652 - Collections of Information Antipiracy Act. Reported in the House, 105th Cong., 2d Sess. (May 12, 1998).
- Doc. No. 85** H.R. 2652 - Collections of Information Antipiracy Act. Passed by the House, 105th Cong., 2d Sess. (May 19, 1998).
- Doc. No. 86** H.R. 2652 - Collections of Information Antipiracy Act. Referred to Senate committee, 105th Cong., 2d Sess. (May 20, 1998).
- Doc. No. 87** H.R. 2696 - Vessel Hull Design Protection Act. Introduced by Rep. Coble and referred to the Committee on the Judiciary, 105th Cong., 1st Sess. (Oct. 22, 1997).

Volume V

- Doc. No. 88** H.R. 2696 - Vessel Hull Design Protection Act. Reported in the House, 105th Cong., 2d Sess. (Mar. 11, 1998).
- Doc. No. 89** H.R. 2696 - Vessel Hull Design Protection Act. Passed by the House, 105th Cong., 2d Sess. (Mar. 18, 1998).
- Doc. No. 90** H.R. 2696 - Vessel Hull Design Protection Act. Referred to Senate committee, 105th Cong., 2d Sess. (Mar. 19, 1998).
- Doc. No. 91** H.R. 3048 - Digital Era Copyright Enhancement Act. Introduced by Rep. Boucher and referred to the Committee on the Judiciary, 105th Cong., 1st Sess. (Nov. 13, 1997).
- Doc. No. 92** H.R. 3209 - On-Line Copyright Infringement Liability Limitation Act. Introduced by Rep. Coble and referred to the Committee on the Judiciary, 105th Cong., 2d Sess. (Feb. 12, 1998).
- Doc. No. 93** S. 2037 - Digital Millennium Copyright Act of 1998. Introduced by Sen. Hatch and referred the Committee on the Judiciary, 105th Cong. 2d Sess. (May 6, 1998).

- Doc. No. 94** S. 2037 - Digital Millennium Copyright Act of 1998. Passed by the Senate, 105th Cong., 2d Sess. (May 14, 1998).
- Doc. No. 95** S. 2291 - Collections of Information Antipiracy Act. Introduced by Rep. Grams and referred to the Committee on the Judiciary, 105th Cong., 2d Sess. (July 10, 1998).
- Doc. No. 96** S. 2502 - Vessel Hull Design Protection Act. Introduced by Sen. Breaux and referred to the Committee on the Judiciary, 105th Cong., 2d Sess. (Sept. 21, 1998).

V. Presidential Statements

- Doc. No. 97** Message From the President to the Senate on the WIPO Treaties (July 28, 1997).
- Doc. No. 98** Statement by the President on the passage of H.R. 2281 (Oct. 12, 1998).
- Doc. No. 99** Statement by the President on signing H.R. 2281 (Oct. 28, 1998).

VI. Congressional Record

- Doc. No. 100** 144 Cong. Rec. S8728 (daily ed. Sept. 3, 1997) (remarks of Sen. Ashcroft on H.R. 1146 and the text of the bill).
- Doc. No. 101** 143 Cong. Rec. S6726 (daily ed. June 27, 1997) (remarks of Sen. Hatch on the WIPO treaties).
- Doc. No. 102** 143 Cong. Rec. E1452 (daily ed. July 17, 1997) (introduction of the On-line Copyright Liability Limitation Act and the text of the bill).
- Doc. No. 103** 143 Cong. Rec. S8582 (daily ed. July 31, 1997) (introduction of S. 1121, the text of the bill, and remarks of Sens. Hatch, Leahy, Thompson, and Kohl).
- Doc. No. 104** 143 Cong. Rec. S8728 (daily ed. Sept. 3, 1997) (remarks of Sen. Ashcroft on H.R. 1146 and the text of the bill).
- Doc. No. 105** 144 Cong. Rec. S205 (daily ed. Jan. 29, 1998) (remarks of Sen. Leahy).

- Doc. No. 106** 144 Cong. Rec. E160 (daily ed. Feb. 12, 1998) (remarks of Rep. Coble on the On-line Copyright Liability Limitation Act).
- Doc. No. 107** 144 Cong. Rec. E165 (daily ed. Feb. 12, 1998) (remarks of Rep. Goodlatte).
- Doc. No. 108** 144 Cong. Rec. S1770 (daily ed. Mar. 11, 1998) (remarks of Sen. Ashcroft on H.R. 1146).
- Doc. No. 109** 144 Cong. Rec. H1243 (daily ed. Mar. 18, 1998) (consideration of H.R. 2696, the Vessel Hull Design Protection Act, and the text of the bill).
- Doc. No. 110** 144 Cong. Rec. S4439 (daily ed. May 6, 1998) (remarks of Sens. Leahy and Kohl on S. 2037).
- Doc. No. 111** 144 Cong. Rec. S4884 (daily ed. May 14, 1998) (consideration of S. 2037 and the text of the bill).
- Doc. No. 112** 144 Cong. Rec. S4921 (daily ed. May 14, 1998) (Hatch Amendment No. 2411 to S. 2037).
- Doc. No. 113** 144 Cong. Rec. H3398 (daily ed. May 19, 1998) (text of H.R. 2652 and consideration of the bill).
- Doc. No. 114** 144 Cong. Rec. E1052 (daily ed. June 5, 1998) (remarks of Rep. Hyde on H.R. 2652).
- Doc. No. 115** 144 Cong. Rec. E1207 (daily ed. June 23, 1998) (remarks of Rep. Coble on H.R. 2281).
- Doc. No. 116** 144 Cong. Rec. S7959 (daily ed. July 10, 1998) (remarks of Sen. Grams on S. 2291).
- Doc. No. 117** 144 Cong. Rec. H7074 (daily ed. Aug. 4, 1998) (text of H.R. 2281 and the consideration of the bill).
- Doc. No. 118** 144 Cong. Rec. S9935 (daily ed. Sept. 3, 1998) (remarks of Sen. Ashcroft on H.R. 2281).
- Doc. No. 119** 144 Cong. Rec. E1714 (daily ed. Sept. 14, 1998) (remarks of Rep. Hyde on H.R. 2281).
- Doc. No. 120** 144 Cong. Rec. S10657 (daily ed. Sept. 21, 1998) (introduction of S. 2502, the Vessel Hull Design Protection Act, by Sen. Breaux, and the text of the bill).

- Doc. No. 121** 144 Cong. Rec. 11887 (daily ed. Oct. 8, 1998) (consideration of the conference report on S. 2281).
- Doc. No. 122** 144 Cong. Rec. S12730 (daily ed. Oct. 10, 1998) (remarks of Sen. Leahy on H.R. 2281).
- Doc. No. 123** 144 Cong. Rec. H10615 (daily ed. Oct. 12, 1998) (consideration of the conference report on S. 2281).
- Doc. No. 124** 144 Cong. Rec. S12375 (daily ed. Oct. 12, 1998) (remarks of Sen. Hatch on H.R. 2281).
- Doc. No. 125** 144 Cong. Rec. S12378 (daily ed. Oct. 12, 1998) (remarks of Sen Grams on the WIPO Copyright Treaties Implementation Act Conference Report).
- Doc. No. 126** 144 Cong. Rec. E2136, (daily ed. Oct. 13, 1998) (remarks of Rep. Bliley on the Digital Millennium Copyright Act).
- Doc. No. 127** 144 Cong. Rec. E2144 (daily ed. Oct. 13, 1998) (remarks of Rep. Tauzin on H.R. 2281).
- Doc. No. 128** 144 Cong. Rec. S12730 (daily ed. Oct. 20, 1998) (remarks of Sen. Leahy on H.R. 2281).
- Doc. No. 129** 144 Cong. Rec. S12972 (daily ed. Oct. 21, 1998) (consideration of the WIPO treaties).
- Doc. No. 130** 144 Cong. Rec. S12985 (daily ed. Nov. 12, 1998) (Resolution of Ratification of the Treaties).

VII. Related Reports

- Doc. No. 131** Vessel Hull Design Protection Act, H. Rep. No. 105-436, 105th Cong., 2d Sess. (Mar. 11, 1998).
- Doc. No. 132** Digital Millennium Copyright Act of 1998, S. Rep. No. 105-190, 105th Cong., 2d Sess. (May 11, 1998).
- Doc. No. 133** Collections of Information Antipiracy Act, H. Rep. No. 525, 105th Cong., 2d Sess. (May 12, 1998).
- Doc. No. 134** WIPO Copyright Treaty (WCT) (1996) and WIPO Performances and Phonograms Treaty (WPPT) (1996), Exec. Rep. No. 105-25, 105th Cong., 2d Sess. (Oct. 14, 1998).

VIII. Related Hearing

- Doc. No. 135** *The Copyright Infringement Liability of On-Line and Internet Service Providers, Hearing before the Committee on the Judiciary on S. 1146, 105th Cong., 1st Sess. (Sept. 4, 1997).*

IX. WIPO Treaties and Documents

- Doc. No. 136** WIPO Copyright Treaty adopted by the Diplomatic Conference on Dec. 20, 1996.
- Doc. No. 137** WIPO Performances and Phonograms Treaty adopted by the Diplomatic Conference on Dec. 20, 1996.
- Doc. No. 138** Resolution Concerning Audiovisual Performances (Dec. 2-20, 1996).
- Doc. No. 139** Agreed Statements Concerning the WIPO Copyright Treaty (Dec. 20, 1996).
- Doc. No. 140** Agreed Statements Concerning the WIPO Performances and Phonograms Treaty (Dec. 20, 1996).

LEGISLATIVE CHRONOLOGY

I. No Electronic Theft (NET) Act

House Actions

- Jul. 25, 1997:** Referred to the House Committee on the Judiciary.
- Aug. 5, 1997:** Referred to the Subcommittee on Courts and Intellectual Property.
- Sep. 11, 1997:** Subcommittee Hearings held.
- Sep. 30, 1997:** Subcommittee Consideration and Mark-up Session held.
- Sep. 30, 1997:** Forwarded by Subcommittee to Full Committee (Amended) by Voice Vote.
- Oct. 7, 1997:** Committee Consideration and Mark-up Session held.
- Oct. 7, 1997:** Ordered to be Reported (Amended) by voice vote.
- Oct. 23, 1997:** Reported to House (Amended) by House Committee on the Judiciary. H. Rep. No. 105-339.
- Oct. 23, 1997:** Placed on the Union Calendar, Calendar No. 198.
- Nov. 4, 1997:** Called up by House under suspension of the rules. Considered by House as unfinished business. Passed House (Amended) by voice vote.

Senate Actions

- Nov. 5, 1997:** Received in the Senate and read twice and referred to the Committee on the Judiciary.
- Nov. 13, 1997:** Passed Senate without amendment by unanimous consent.
- Nov. 14, 1997:** Message on Senate action sent to the House.

Executive Actions

- Nov. 13, 1997:** Cleared for White House.
- Dec. 5, 1997:** Presented to President.

Dec. 16, 1997: Signed by President. Became Public Law No: 105-147.

II. Sonny Bono Copyright Extension Act

Senate Actions

Mar. 20, 1997: S. 505 read twice and referred to the Committee on the Judiciary.

Mar. 26, 1998: H.R. 2589 received in the Senate and read twice and referred to the Committee on Judiciary.

Oct. 7, 1998: S. 505 discharged by Senate Committee on the Judiciary. Measure laid before the Senate by unanimous consent. Amendment SP 3782 proposed by Senator Lott for Senator Hatch agreed to in Senate by unanimous consent. Passed Senate with an amendment by unanimous consent. Message on Senate action sent to the House.

House Actions

Oct. 1, 1997: H.R. 2589 referred to the House Committee on the Judiciary.

Mar. 3, 1998: Committee Consideration and Mark-up Session held on H.R. 2589.

Mar. 4, 1998: H.R. 2589 ordered to be Reported (Amended) by voice vote.

Mar. 18, 1998: H.R. 2589 reported to House (Amended) by House Committee on Judiciary. H. Rep. No.105-452.

Mar. 18, 1998: H.R. 2589 placed on the Union Calendar, Calendar No. 258.

Mar. 24, 1998: H.R. 2589 reported to House.

Mar. 25, 1998: H.R. 2589 Amendments: HA 531 Amendment offered by Representative Coble, and agreed to by voice vote; HA 533 Amendment Offered by Representative McCollum, and failed by recorded vote: 150 - 259; HA 532 Amendment Offered by Representative Sensenbrenner, and agreed to by recorded vote: 297 - 112. Rule H. Res. 390 passed House. Called up by House under the provisions of rule H. Res. 390. The House

adopted the amendment in the nature of a substitute as agreed to by the Committee of the whole House on the state of the Union. H.R. 2589 passed House (Amended) by voice vote.

Oct. 7, 1998: S. 505 called up by House under suspension of the rules and passed by voice vote.

Executive Actions

Oct. 7, 1998: Cleared for White House.

Oct. 15, 1998: Presented to President.

Oct. 27, 1998: Signed by President. Became Public Law No: 105-298.

III. Digital Millennium Copyright Act

House Actions

July 29, 1997: Referred to the House Committee on the Judiciary.

Aug. 7, 1997: Referred to the Subcommittee on Courts and Intellectual Property.

Sep. 16, 1997: Subcommittee hearings held.

Apr. 1, 1998: Committee consideration and mark-up session held.

Apr. 1, 1998: Ordered to be Reported (Amended) by voice vote.

May 22, 1998: Reported to House (Amended) by House Committee on 105-551, Part I.

May 22, 1998: Referred jointly and sequentially to the House Committee on Commerce.

Jun. 5, 1998: Subcommittee hearings held.

Jun. 17, 1998: Subcommittee consideration and mark-up session held.

Jul. 17, 1998: Committee consideration and mark-up session held.

Jul. 17, 1998: Ordered to be Reported (Amended) by Yeas- Nays vote: 41 - 0.

Jul. 22, 1998: Reported to House (Amended) by House Committee on Commerce. H.Rep No. 105-551,Part II.

- May 22, 1998:** Referred jointly and sequentially to the House Committee on Ways and Means.
- Jul. 22, 1998:** House Committee on Ways and Means discharged. Placed on the Union Calendar, Calendar No. 362.
- Aug. 4, 1998:** Called up by the House under suspension of the rules. Passed House (Amended) by voice vote.

Senate Actions

- Apr. 30, 1998:** S. 2037 ordered to be reported by the Committee on Judiciary.
- May 6, 1998:** S. 2037 reported to Senate by Senator Hatch without a report, and is placed on Senate Legislative Calendar under General Orders. Calendar No. 358.
- May 11, 1998:** By Senator Hatch from Committee on Judiciary filed written report on S. 2037. Report No. 105-190. Additional views filed.
- May 14, 1998:** S. 2037 laid before Senate by unanimous consent. Amendment SP 2411 proposed by Senator Hatch, and agreed to in Senate by voice vote. Passed Senate with an amendment by Yea-Nay vote. 99-0.
- Sep. 17, 1998:** Senate incorporated S. 2037 in H.R. 2281 as an amendment. Senate passed companion measure H.R. 2281 in lieu of this measure by unanimous consent. Senate vitiated previous passage. Indefinitely postponed by Senate by unanimous consent.
- Aug. 31, 1998:** Received in the Senate. Read twice. Placed on Senate Legislative Calendar under General Orders. Calendar No. 535.
- Sep. 17, 1998:** Measure laid before Senate by unanimous consent. Senate struck all after the Enacting Clause and substituted the language of S. 2037 amended. Passed Senate in lieu of S. 2037 with an amendment by unanimous consent.
- Sep. 18, 1998:** Message on Senate action sent to the House.

Oct. 8, 1998: Conference papers: Senate report and managers' statement official papers held at the desk in Senate. Message on Senate action sent to the House.

Conference Actions

Sep. 17, 1998: Senate insists on its amendment asks for a conference and appoints as conferees Sens. Hatch; Thurmond and Leahy.

Sep. 23, 1998: On motion that the House disagree to the Senate amendment, and agree to a conference Agreed to without objection. The Speaker appoints as conferees Reps. Hyde, Coble, Goodlatte, Conyers, Berman Bliley, Tauzin, and Dingell..

Sep. 24, 1998: Conference held.

Oct. 8, 1998: Conference report H. Rep No. 105-796 filed in House. Senate agreed to conference report by unanimous consent. Conferees agreed to file conference report.

Oct. 12, 1998: House agreed to conference report by voice vote.

Executive Actions

Oct. 12, 1998: Cleared for White House.

Oct. 20, 1998: Presented to President.

Oct. 28, 1998: Signed by President. Became Public Law No: 105-304.

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Document No. 88

Union Calendar No. 246

105TH CONGRESS
2D SESSION**H. R. 2696****[Report No. 105-436]**

To amend title 17, United States Code, to provide for protection of certain original designs.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 22, 1997

Mr. COBLE (for himself and Mr. SHAW) introduced the following bill; which was referred to the Committee on the Judiciary

MARCH 11, 1998

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on October 22, 1997]

A BILL

To amend title 17, United States Code, to provide for protection of certain original designs.

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 referred to as the “Vessel Hull Design*
5 *Protection Act”.*

1 **SEC. 2. PROTECTION OF CERTAIN ORIGINAL DESIGNS.**

2 *Title 17, United States Code, is amended by adding*
 3 *at the end the following new chapter:*

4 **“CHAPTER 12—PROTECTION OF ORIGINAL**
 5 **DESIGNS**

“Sec.

“1201. *Designs protected.*

“1202. *Designs not subject to protection.*

“1203. *Revisions, adaptations, and rearrangements.*

“1204. *Commencement of protection.*

“1205. *Term of protection.*

“1206. *Design notice.*

“1207. *Effect of omission of notice.*

“1208. *Exclusive rights.*

“1209. *Infringement.*

“1210. *Application for registration.*

“1211. *Benefit of earlier filing date in foreign country.*

“1212. *Oaths and acknowledgments.*

“1213. *Examination of application and issue or refusal of registration.*

“1214. *Certification of registration.*

“1215. *Publication of announcements and indexes.*

“1216. *Fees.*

“1217. *Regulations.*

“1218. *Copies of records.*

“1219. *Correction of errors in certificates.*

“1220. *Ownership and transfer.*

“1221. *Remedy for infringement.*

“1222. *Injunctions.*

“1223. *Recovery for infringement.*

“1224. *Power of court over registration.*

“1225. *Liability for action on registration fraudulently obtained.*

“1226. *Penalty for false marking.*

“1227. *Penalty for false representation.*

“1228. *Enforcement by Treasury and Postal Service.*

“1229. *Relation to design patent and copyright law.*

“1230. *Common law and other rights unaffected.*

“1231. *Administrator.*

“1232. *No retroactive effect.*

6 **“§ 1201. *Designs protected***

7 **“(a) *DESIGNS PROTECTED.*—**

8 **“(1) *IN GENERAL.*—*The designer or other owner***
 9 ***of an original design of a useful article which makes***
 10 ***the article attractive or distinctive in appearance to***

1 *the purchasing or using public may secure the protec-*
2 *tion provided by this chapter upon complying with*
3 *and subject to this chapter.*

4 “(2) *VESSEL HULLS OR COMPONENT PARTS*
5 *THEREOF.—The design of a vessel hull or component*
6 *part of a vessel hull, including a plug or mold, is sub-*
7 *ject to protection under this chapter, notwithstanding*
8 *section 1202(4).*

9 “(b) *DEFINITIONS.—For the purpose of this chapter,*
10 *the following terms have the following meanings:*

11 “(1) *A design is ‘original’ if it is the result of*
12 *the designer’s creative endeavor that provides a dis-*
13 *tinguishable variation over prior work pertaining to*
14 *similar articles which is more than merely trivial*
15 *and has not been copied from another source.*

16 “(2) *A ‘useful article’ is a vessel hull or a compo-*
17 *nent part thereof, including a plug or mold, which in*
18 *normal use has an intrinsic utilitarian function that*
19 *is not merely to portray the appearance of the article*
20 *or to convey information. An article which normally*
21 *is part of a useful article shall be deemed to be a use-*
22 *ful article.*

23 “(3) *A ‘vessel’ is a craft, especially one larger*
24 *than a rowboat, designed to navigate on water.*

1 “(4) A ‘hull’ is the frame or body of a vessel, ex-
2 clusive of masts, sails, yards, and rigging.

3 “(5) A ‘plug’ means a device or model used to
4 make a mold for the purpose of exact duplication, re-
5 gardless of whether the device or model has an intrin-
6 sic utilitarian function that is not only to portray the
7 appearance of the product or to convey information.

8 “(6) A ‘mold’ means a matrix or form in which
9 a substance for material is used, regardless of whether
10 the matrix or form has an intrinsic utilitarian func-
11 tion that is not only to portray the appearance of the
12 product or to convey information.

13 **“§ 1202. Designs not subject to protection**

14 “Protection under this chapter shall not be available
15 for a design that is—

16 “(1) not original;

17 “(2) staple or commonplace, such as a standard
18 geometric figure, familiar symbol, emblem, or motif,
19 or other shape, pattern, or configuration which has
20 become standard, common, prevalent, or ordinary;

21 “(3) different from a design excluded by para-
22 graph (2) only in insignificant details or in elements
23 which are variants commonly used in the relevant
24 trades;

1 “(4) dictated solely by a utilitarian function of
2 the article that embodies it; or

3 “(5) embodied in a useful article that was made
4 public by the designer or owner in the United States
5 or a foreign country more than 1 year before the date
6 of the application for registration under this chapter.

7 **“§ 1203. Revisions, adaptations, and rearrangements**

8 “Protection for a design under this chapter shall be
9 available notwithstanding the employment in the design of
10 subject matter excluded from protection under section 1202
11 if the design is a substantial revision, adaptation, or rear-
12 rangement of such subject matter. Such protection shall be
13 independent of any subsisting protection in subject matter
14 employed in the design, and shall not be construed as secur-
15 ing any right to subject matter excluded from protection
16 under this chapter or as extending any subsisting protection
17 under this chapter.

18 **“§ 1204. Commencement of protection**

19 “The protection provided for a design under this chap-
20 ter shall commence upon the earlier of the date of publica-
21 tion of the registration under section 1213(a) or the date
22 the design is first made public as defined by section 1210(b).

23 **“§ 1205. Term of protection**

24 “(a) *IN GENERAL.*—Subject to subsection (b), the pro-
25 tection provided under this chapter for a design shall con-

1 *tinue for a term of 10 years from the date of the commence-*
2 *ment of protection under section 1204.*

3 “(b) *EXPIRATION.*—*All terms of protection provided in*
4 *this section shall run to the end of the calendar year in*
5 *which they would otherwise expire.*

6 “(c) *TERMINATION OF RIGHTS.*—*Upon expiration or*
7 *termination of protection in a particular design under this*
8 *chapter, all rights under this chapter in the design shall*
9 *terminate, regardless of the number of different articles in*
10 *which the design may have been used during the term of*
11 *its protection.*

12 **“§ 1206. *Design notice***

13 “(a) *CONTENTS OF DESIGN NOTICE.*—(1) *Whenever*
14 *any design for which protection is sought under this chapter*
15 *is made public under section 1210(b), the owner of the de-*
16 *sign shall, subject to the provisions of section 1207, mark*
17 *it or have it marked legibly with a design notice consisting*
18 *of—*

19 “(A) *the words ‘Protected Design’, the abbrevia-*
20 *tion ‘Prot’d Des.’, or the letter ‘D’ with a circle, or*
21 *the symbol *D*;*

22 “(B) *the year of the date on which protection for*
23 *the design commenced; and*

1 “(C) the name of the owner, an abbreviation by
2 which the name can be recognized, or a generally ac-
3 cepted alternative designation of the owner.

4 Any distinctive identification of the owner may be used for
5 purposes of subparagraph (C) if it has been approved and
6 recorded by the Administrator before the design marked
7 with such identification is registered.

8 “(2) After registration, the registration number may
9 be used instead of the elements specified in subparagraphs
10 (B) and (C) of paragraph (1).

11 “(b) LOCATION OF NOTICE.—The design notice shall
12 be so located and applied as to give reasonable notice of
13 design protection while the vessel hull embodying the design
14 is passing through its normal channels of commerce.

15 “(c) SUBSEQUENT REMOVAL OF NOTICE.—When the
16 owner of a design has complied with the provisions of this
17 section, protection under this chapter shall not be affected
18 by the removal, destruction, or obliteration by others of the
19 design notice on an article.

20 “§ 1207. *Effect of omission of notice*

21 “(a) ACTIONS WITH NOTICE.—Except as provided in
22 subsection (b), the omission of the notice prescribed in sec-
23 tion 1206 shall not cause loss of the protection under this
24 chapter or prevent recovery for infringement under this
25 chapter against any person who, after receiving written no-

1 *tice of the design protection, begins an undertaking leading*
2 *to infringement under this chapter.*

3 “(b) *ACTIONS WITHOUT NOTICE.*—*The omission of the*
4 *notice prescribed in section 1406 shall prevent any recovery*
5 *under section 1223 against a person who began an under-*
6 *taking leading to infringement under this chapter before re-*
7 *ceiving written notice of the design protection. No injunc-*
8 *tion shall be issued under this chapter with respect to such*
9 *undertaking unless the owner of the design reimburses that*
10 *person for any reasonable expenditure or contractual obli-*
11 *gation in connection with such undertaking that was in-*
12 *curred before receiving written notice of the design protec-*
13 *tion, as the court in its discretion directs. The burden of*
14 *providing written notice of design protection shall be on*
15 *the owner of the design.*

16 **“§ 1208. *Exclusive rights***

17 *“The owner of a design protected under this chapter*
18 *has the exclusive right to—*

19 *“(1) make, have made, or import, for sale or for*
20 *use in trade, any vessel hull embodying that design;*
21 *and*

22 *“(2) sell or distribute for sale or for use in trade*
23 *any vessel hull embodying that design.*

1 **“§ 1209. Infringement**

2 “(a) *ACTS OF INFRINGEMENT.*—*Except as provided in*
 3 *subsection (b), it shall be infringement of the exclusive rights*
 4 *in a design protected under this chapter for any person,*
 5 *without the consent of the owner of the design, within the*
 6 *United States and during the term of such protection, to—*

7 “(1) *make, have made, or import, for sale or for*
 8 *use in trade, any infringing article as defined in sub-*
 9 *section (e); or*

10 “(2) *sell or distribute for sale or for use in trade*
 11 *any such infringing article.*

12 “(b) *ACTS OF SELLERS AND DISTRIBUTORS.*—*A seller*
 13 *or distributor of an infringing article who did not make*
 14 *or import the vessel hull shall be deemed to have infringed*
 15 *on a design protected under this chapter only if that per-*
 16 *son—*

17 “(1) *induced or acted in collusion with a manu-*
 18 *facturer to make, or an importer to import such arti-*
 19 *cle, except that merely purchasing or giving an order*
 20 *to purchase a vessel hull in the ordinary course of*
 21 *business shall not of itself constitute such inducement*
 22 *or collusion; or*

23 “(2) *refused or failed, upon the request of the*
 24 *owner of the design, to make a prompt and full dis-*
 25 *closure of that person’s source of such vessel hull, and*
 26 *that person orders or reorders such article after hav-*

1 *ing receiving notice by registered or certified mail of*
2 *the protection subsisting in the design.*

3 “(c) *ACTS WITHOUT KNOWLEDGE.*—*It shall not be in-*
4 *fringement under this section to make, have made, import,*
5 *sell, or distribute, any vessel hull embodying a design which*
6 *was created without knowledge that a design was protected*
7 *under this chapter and was copied from such protected de-*
8 *sign.*

9 “(d) *ACTS IN ORDINARY COURSE OF BUSINESS.*—*A*
10 *person who incorporates into that person’s product of man-*
11 *ufacture an infringing article acquired from others in the*
12 *ordinary course of business, or who, without knowledge of*
13 *the protected design embodied in an infringing article,*
14 *makes or processes the infringing article for the account of*
15 *another person in the ordinary course of business, shall not*
16 *be deemed to have infringed the rights in that design under*
17 *this chapter except under a condition contained in para-*
18 *graph (1) or (2) of subsection (b). Accepting an order or*
19 *reorder from the source of the infringing article shall be*
20 *deemed ordering or reordering within the meaning of sub-*
21 *section (b)(2).*

22 “(e) *INFRINGING ARTICLE DEFINED.*—*As used in this*
23 *section, an ‘infringing article’ is any article the design of*
24 *which has been copied from a design protected under this*
25 *chapter, without the consent of the owner of the protected*

1 *design. An infringing article is not an illustration or pic-*
 2 *ture of a protected design in an advertisement, book, peri-*
 3 *odical, newspaper, photograph, broadcast, motion picture,*
 4 *or similar medium or an article that embodies, in common*
 5 *with the protected design, only elements described in section*
 6 *1202. A design shall not be deemed to have been copied from*
 7 *a protected design if it is original and not substantially*
 8 *similar in appearance to a protected design.*

9 “(f) *ESTABLISHING ORIGINALITY.*—*The party to any*
 10 *action or proceeding under this chapter who alleges rights*
 11 *under this chapter in a design shall have the burden of es-*
 12 *tablishing the design’s originality whenever the opposing*
 13 *party introduces an earlier work which is identical to such*
 14 *design, or so similar as to make prima facie showing that*
 15 *such design was copied from such work.*

16 “(g) *REPRODUCTION FOR TEACHING OR ANALYSIS.*—
 17 *It is not an infringement of the exclusive rights of a design*
 18 *owner for a person to reproduce the design in a vessel hull*
 19 *or in any other form solely for the purpose of teaching, ana-*
 20 *lyzing, or evaluating the appearance, concepts, or tech-*
 21 *niques embodied in the design, or the function of the vessel*
 22 *hull embodying the design.*

23 **“§ 1210. Application for registration**

24 “(a) *TIME LIMIT FOR APPLICATION FOR REGISTRA-*
 25 *TION.*—*Protection under this chapter shall be lost if appli-*

1 *cation for registration of the design is not made within one*
2 *year after the date on which the design is first made public.*

3 “(b) *WHEN DESIGN IS MADE PUBLIC.*—*A design is*
4 *made public when an existing vessel hull embodying the de-*
5 *sign is anywhere publicly exhibited, publicly distributed, or*
6 *offered for sale or sold to the public by the owner of the*
7 *design or with the owner’s consent.*

8 “(c) *APPLICATION BY OWNER OF DESIGN.*—*Applica-*
9 *tion for registration may be made by the owner of the de-*
10 *sign.*

11 “(d) *CONTENTS OF APPLICATION.*—*The application*
12 *for registration shall be made to the Administrator and*
13 *shall state—*

14 “(1) *the name and address of the designer or de-*
15 *signers of the design;*

16 “(2) *the name and address of the owner if dif-*
17 *ferent from the designer;*

18 “(3) *the specific name of the vessel hull embody-*
19 *ing the design;*

20 “(4) *the date, if any, that the design was first*
21 *made public, if such date was earlier than the date*
22 *of the application;*

23 “(5) *affirmation that the design has been fixed*
24 *in a useful article; and*

1 “(6) *such other information as may be required*
2 *by the Administrator.*

3 *The application for registration may include a description*
4 *setting forth the salient features of the design, but the ab-*
5 *sence of such a description shall not prevent registration*
6 *under this chapter.*

7 “(e) *SWORN STATEMENT.*—*The application for reg-*
8 *istration shall be accompanied by a statement under oath*
9 *by the applicant or the applicant’s duly authorized agent*
10 *or representative, setting forth, to the best of the applicant’s*
11 *knowledge and belief—*

12 “(1) *that the design is original and was created*
13 *by the designer or designers named in the applica-*
14 *tion;*

15 “(2) *that the design has not previously been reg-*
16 *istered on behalf of the applicant or the applicant’s*
17 *predecessor in title; and*

18 “(3) *that the applicant is the person entitled to*
19 *protection and to registration under this chapter.*

20 *If the design has been made public with the design notice*
21 *prescribed in section 1406, the statement shall also describe*
22 *the exact form and position of the design notice.*

23 “(f) *EFFECT OF ERRORS.*—(1) *Error in any statement*
24 *or assertion as to the utility of the vessel hull named in*
25 *the application, the design of which is sought to be reg-*

1 istered, shall not affect the protection secured under this
2 chapter.

3 “(2) Errors in omitting a joint designer or in naming
4 an alleged joint designer shall not affect the validity of the
5 registration, or the actual ownership or the protection of
6 the design, unless it is shown that the error occurred with
7 deceptive intent.

8 “(g) DESIGN MADE IN SCOPE OF EMPLOYMENT.—In
9 a case in which the design was made within the regular
10 scope of the designer’s employment and individual author-
11 ship of the design is difficult or impossible to ascribe and
12 the application so states, the name and address of the em-
13 ployer for whom the design was made may be stated instead
14 of that of the individual designer.

15 “(h) PICTORIAL REPRESENTATION OF DESIGN.—The
16 application for registration shall be accompanied by two
17 copies of a drawing or other pictorial representation of the
18 vessel hull having one or more views, adequate to show the
19 design, in a form and style suitable for reproduction, which
20 shall be deemed a part of the application.

21 “(i) DESIGN IN MORE THAN ONE USEFUL ARTICLE.—
22 If the distinguishing elements of a design are in substan-
23 tially the same form in different vessel hulls, the design shall
24 be protected as to all such vessel hulls when protected as

1 *to one of them, but not more than one registration shall*
 2 *be required for the design.*

3 “(j) *APPLICATION FOR MORE THAN ONE DESIGN.—*
 4 *More than one design may be included in the same applica-*
 5 *tion under such conditions as may be prescribed by the Ad-*
 6 *ministrator. For each design included in an application the*
 7 *fee prescribed for a single design shall be paid.*

8 “§ 1211. ***Benefit of earlier filing date in foreign coun-***
 9 ***try***

10 “*An application for registration of a design filed in*
 11 *the United States by any person who has, or whose legal*
 12 *representative or predecessor or successor in title has, pre-*
 13 *viously filed an application for registration of the same de-*
 14 *sign in a foreign country which extends to designs of owners*
 15 *who are citizens of the United States, or to applications*
 16 *filed under this chapter, similar protection to that provided*
 17 *under this chapter shall have that same effect as if filed*
 18 *in the United States on the date on which the applications*
 19 *as first filed in any such foreign country, if the application*
 20 *in the United States is filed within 6 months after the earli-*
 21 *est date on which any such foreign application was filed.*

22 “§ 1212. ***Oaths and acknowledgments***

23 “(a) *IN GENERAL.—Oaths and acknowledgments re-*
 24 *quired by this chapter—*

25 “(1) *may be made—*

1 “(A) before any person in the United States
2 authorized by law to administer oaths, or

3 “(B) when made in a foreign country, be-
4 fore any diplomatic or consular officer of the
5 United States authorized to administer oaths, or
6 before any official authorized to administer oaths
7 in the foreign country concerned, whose author-
8 ity shall be proved by a certificate of a diplo-
9 matic or consular officer of the United States,
10 and

11 “(2) shall be valid if they comply with the laws
12 of the State or country where made.

13 “(b) WRITTEN DECLARATION IN LIEU OF OATH.—(1)
14 The Administrator may by rule prescribe that any docu-
15 ment which is to be filed under this chapter in the Office
16 of the Administrator and which is required by any law,
17 rule, or other regulation to be under oath, may be subscribed
18 to by a written declaration in such form as the Adminis-
19 trator may prescribe, and such declaration shall be in lieu
20 of the oath otherwise required.

21 “(2) Whenever a written declaration under paragraph
22 (1) is used, the document containing the declaration shall
23 state that willful false statements are punishable by fine or
24 imprisonment, or both, pursuant to section 1001 of title 18,

1 *and may jeopardize the validity of the application or docu-*
2 *ment or a registration resulting therefrom.*

3 **“§ 1213. Examination of application and issue or re-**
4 **fusals of registration**

5 “(a) *DETERMINATION OF REGISTRABILITY OF DESIGN;*
6 *REGISTRATION.*—*Upon the filing of an application for reg-*
7 *istration in proper form under section 1210, and upon pay-*
8 *ment of the fee prescribed under section 1216, the Adminis-*
9 *trator shall determine whether or not the application relates*
10 *to a design which on its face appears to be subject to protec-*
11 *tion under this chapter, and, if so, the Register shall register*
12 *the design. Registration under this subsection shall be an-*
13 *nounced by publication. The date of registration shall be*
14 *the date of publication.*

15 “(b) *REFUSAL TO REGISTER; RECONSIDERATION.*—*If,*
16 *in the judgment of the Administrator, the application for*
17 *registration relates to a design which on its face is not sub-*
18 *ject to protection under this chapter, the Administrator*
19 *shall send to the applicant a notice of refusal to register*
20 *and the grounds for the refusal. Within 3 months after the*
21 *date on which the notice of refusal is sent, the applicant*
22 *may, by written request, seek reconsideration of the applica-*
23 *tion. After consideration of such a request, the Adminis-*
24 *trator shall either register the design or send to the appli-*
25 *cant a notice of final refusal to register.*

1 “(c) *APPLICATION TO CANCEL REGISTRATION.*—Any
2 *person who believes he or she is or will be damaged by a*
3 *registration under this chapter may, upon payment of the*
4 *prescribed fee, apply to the Administrator at any time to*
5 *cancel the registration on the ground that the design is not*
6 *subject to protection under this chapter, stating the reasons*
7 *for the request. Upon receipt of an application for cancella-*
8 *tion, the Administrator shall send to the owner of the de-*
9 *sign, as shown in the records of the Office of the Adminis-*
10 *trator, a notice of the application, and the owner shall have*
11 *a period of 3 months after the date on which such notice*
12 *is mailed in which to present arguments to the Adminis-*
13 *trator for support of the validity of the registration. It shall*
14 *also be within the authority of the Administrator to estab-*
15 *lish, by regulation, conditions under which the opposing*
16 *parties may appear and be heard in support of their argu-*
17 *ments. If, after the periods provided for the presentation*
18 *of arguments have expired, the Administrator determines*
19 *that the applicant for cancellation has established that the*
20 *design is not subject to protection under this chapter, the*
21 *Administrator shall order the registration stricken from the*
22 *record. Cancellation under this subsection shall be an-*
23 *nounced by publication, and notice of the Administrator’s*
24 *final determination with respect to any application for can-*

1 *cellation shall be sent to the applicant and to the owner*
 2 *of record.*

3 **“§ 1214. Certification of registration**

4 *“Certificates of registration shall be issued in the name*
 5 *of the United States under the seal of the Office of the Reg-*
 6 *ister and shall be recorded in the official records of that*
 7 *office. The certificate shall state the name of the useful arti-*
 8 *cle, the date of filing of the application, the date of registra-*
 9 *tion, and the date the design was made public, if earlier*
 10 *than the date of filing of the application, and shall contain*
 11 *a reproduction of the drawing or other pictorial representa-*
 12 *tion of the design. If a description of the salient features*
 13 *of the design appears in the application, this description*
 14 *shall also appear in the certificate. A certificate of registra-*
 15 *tion shall be admitted in any court as prima facie evidence*
 16 *of the facts stated in the certificate.*

17 **“§ 1215. Publication of announcements and indexes**

18 *“(a) PUBLICATIONS OF THE ADMINISTRATOR.—The*
 19 *Administrator shall publish lists and indexes of registered*
 20 *designs and cancellations of designs and may also publish*
 21 *the drawings or other pictorial representations of registered*
 22 *designs for sale or other distribution.*

23 *“(b) FILE OF REPRESENTATIVES OF REGISTERED DE-*
 24 *SIGNS.—The Administrator shall establish and maintain a*
 25 *file of the drawings or other pictorial representations of reg-*

1 *istered designs. The file shall be available for use by the*
2 *public under such conditions as the Administrator may pre-*
3 *scribe.*

4 **“§ 1216. Fees**

5 *“The Administrator shall by regulation set reasonable*
6 *fees for the filing of applications to register designs under*
7 *this chapter and for other services relating to the adminis-*
8 *tration of this chapter, taking into consideration the cost*
9 *of providing these services and the benefit of a public record.*

10 **“§ 1217. Regulations**

11 *“The Administrator may establish regulations for the*
12 *administration of this chapter.*

13 **“§ 1218. Copies of records**

14 *“Upon payment of the prescribed fee, any person may*
15 *obtain a certified copy of any official record of the Office*
16 *of the Administrator that relates to this chapter. That copy*
17 *shall be admissible in evidence with the same effect as the*
18 *original.*

19 **“§ 1219. Correction of errors in certificates**

20 *“The Register may, by a certificate of correction under*
21 *seal, correct any error in a registration incurred through*
22 *the fault of the Office, or, upon payment of the required*
23 *fee, any error of a clerical or typographical nature occur-*
24 *ring in good faith but not through the fault of the Office.*
25 *Such registration, together with the certificate, shall there-*

1 *after have the same effect as if it had been originally issued*
2 *in such corrected form.*

3 **“§ 1220. Ownership and transfer**

4 “(a) *PROPERTY RIGHT IN DESIGN.*—*The property*
5 *right in a design subject to protection under this chapter*
6 *shall vest in the designer, the legal representatives of a de-*
7 *ceased designer or of one under legal incapacity, the em-*
8 *ployer for whom the designer created the design in the case*
9 *of a design made within the regular scope of the designer’s*
10 *employment, or a person to whom the rights of the designer*
11 *or of such employer have been transferred. The person in*
12 *whom the property right is vested shall be considered the*
13 *owner of the design.*

14 “(b) *TRANSFER OF PROPERTY RIGHT.*—*The property*
15 *right in a registered design, or a design for which an appli-*
16 *cation for registration has been or may be filed, may be*
17 *assigned, granted, conveyed, or mortgaged by an instrument*
18 *in writing, signed by the owner, or may be bequeathed by*
19 *will.*

20 “(c) *OATH OR AFFIRMATION OF TRANSFER.*—*An ac-*
21 *knowledgment under section 1212 shall be prima facie evi-*
22 *dence of the execution of an assignment, grant, conveyance,*
23 *or mortgage under subsection (b).*

24 “(d) *RECORDATION OF TRANSFER.*—*An assignment,*
25 *grant, conveyance, or mortgage under subsection (b) shall*

1 *be void as against any subsequent purchaser or mortgagee*
2 *for a valuable consideration, unless it is recorded in the*
3 *Office of the Administrator within 3 months after its date*
4 *of execution or before the date of such subsequent purchase*
5 *or mortgage.*

6 **“§ 1221. Remedy for infringement**

7 “(a) *IN GENERAL.*—*The owner of a design is entitled,*
8 *after issuance of a certificate of registration of the design*
9 *under this chapter, to institute an action for any infringe-*
10 *ment of the design.*

11 “(b) *REVIEW OF REFUSAL TO REGISTER.*—(1) *Subject*
12 *to paragraph (2), the owner of a design may seek judicial*
13 *review of a final refusal of the Administrator to register*
14 *the design under this chapter by bringing a civil action,*
15 *and may in the same action, if the court adjudges the design*
16 *subject to protection under this chapter, enforce the rights*
17 *in that design under this chapter.*

18 “(2) *The owner of a design may seek judicial review*
19 *under this section if—*

20 “(A) *the owner has previously duly filed and*
21 *prosecuted to final refusal an application in proper*
22 *form for registration of the design;*

23 “(B) *the owner causes a copy of the complaint*
24 *in the action to be delivered to the Administrator*

1 *within 10 days after the commencement of the action;*
 2 *and*

3 *“(C) the defendant has committed acts in respect*
 4 *to the design which would constitute infringement*
 5 *with respect to a design protected under this chapter.*

6 *“(c) ADMINISTRATOR AS PARTY TO ACTION.—The Ad-*
 7 *ministrator may at the Administrator’s option, become a*
 8 *party to the action with respect to the issue of registrability*
 9 *of the design claim by entering an appearance within 60*
 10 *days after being served with the complaint, but the Reg-*
 11 *ister’s failure to become a party shall not deprive the court*
 12 *of jurisdiction to determine that issue.*

13 *“(d) USE OF ARBITRATION TO RESOLVE DISPUTE.—*
 14 *The parties to an infringement dispute under this chapter,*
 15 *within such time as may be specified by the Administrator*
 16 *by regulation, may determine the dispute, or any aspect*
 17 *of the dispute, by arbitration. Arbitration shall be governed*
 18 *by title 9. The parties shall give notice of any arbitration*
 19 *award to the Administrator, and such award shall, as be-*
 20 *tween the parties to the arbitration, be dispositive of the*
 21 *issues to which it relates. The arbitration award shall be*
 22 *unenforceable until such notice is given. Nothing in this*
 23 *subsection shall preclude the Administrator from determin-*
 24 *ing whether a design is subject to registration in a cancella-*
 25 *tion proceeding under section 1213(c).*

1 **§ 1222. Injunctions**

2 “(a) *IN GENERAL.*—A court having jurisdiction over
3 actions under this chapter may grant injunctions in ac-
4 cordance with the principles of equity to prevent infringe-
5 ment, including, in its discretion, prompt relief by tem-
6 porary restraining orders and preliminary injunctions.

7 “(b) *DAMAGES FOR INJUNCTIVE RELIEF WRONGFULLY*
8 *OBTAINED.*—A seller or distributor who suffers damage by
9 reason of injunctive relief wrongfully obtained under this
10 section has a cause of action against the applicant for such
11 injunctive relief and may recover such relief as may be ap-
12 propriate, including damages for lost profits, cost of mate-
13 rials, loss of good will, and punitive damages in instances
14 where the injunctive relief was sought in bade faiths, and,
15 unless the court finds extenuating circumstances, to recover
16 a reasonable attorney’s fee.

17 **“§ 1223. Recovery for infringement**

18 “(a) *DAMAGES.*—Upon a finding for the claimant in
19 an action for infringement under this chapter, the court
20 shall award the claimant damages adequate to compensate
21 for the infringement. In addition, the court may increase
22 the damages to such amount, not exceeding \$50,000 or \$1
23 per copy, whichever is greater, as the court determines to
24 be just. The damages awarded shall constitute compensation
25 and not a penalty. The court may receive expert testimony
26 as an aid to the determination of damages.

1 “(b) *INFRINGEMENT’S PROFITS.*—As an alternative to the
 2 remedies provided in subsection (a), the court may award
 3 the claimant the infringer’s profits resulting from the sale
 4 of the copies if the court finds that the infringer’s sales are
 5 reasonably related to the use of the claimant’s design. In
 6 such a case, the claimant shall be required to prove only
 7 the amount of the infringer’s sales and the infringer shall
 8 be required to prove its expenses against such sales.

9 “(c) *STATUTE OF LIMITATIONS.*—No recovery under
 10 subsection (a) or (b) shall be had for any infringement com-
 11 mitted more than 3 years before the date on which the com-
 12 plaint is filed.

13 “(d) *ATTORNEY’S FEES.*—In an action for infringe-
 14 ment under this chapter, the court may award reasonable
 15 attorney’s fees to the prevailing party.

16 “(e) *DISPOSITION OF INFRINGING AND OTHER ARTI-*
 17 *CLES.*—The court may order that all infringing articles,
 18 and any plates, molds, patterns, models, or other means spe-
 19 cifically adapted for making the articles, be delivered up
 20 for destruction or other disposition as the court may direct.

21 “§ 1224. *Power of court over registration*

22 “*In any action involving the protection of a design*
 23 *under this chapter, the court, when appropriate, may order*
 24 *registration of a design under this chapter or the cancella-*
 25 *tion of such a registration. Any such order shall be certified*

1 *by the court to the Administrator, who shall make an ap-*
2 *propriate entry upon the record.*

3 **“§ 1225. Liability for action on registration fraudu-**
4 **lently obtained**

5 *“Any person who brings an action for infringement*
6 *knowing that registration of the design was obtained by a*
7 *false or fraudulent representation materially affecting the*
8 *rights under this chapter, shall be liable in the sum of*
9 *\$10,000, or such part of that amount as the court may de-*
10 *termine. That amount shall be to compensate the defendant*
11 *and shall be charged against the plaintiff and paid to the*
12 *defendant, in addition to such costs and attorney’s fees of*
13 *the defendant as may be assessed by the court.*

14 **“§ 1226. Penalty for false marking**

15 *“(a) IN GENERAL.—Whoever, for the purpose of deceiv-*
16 *ing the public, marks upon, applies to, or uses in advertis-*
17 *ing in connection with an article made, used, distributed,*
18 *or sold, a design which is not protected under this chapter,*
19 *a design notice specified in section 1206, or any other words*
20 *or symbols importing that the design is protected under this*
21 *chapter, knowing that the design is not so protected, shall*
22 *pay a civil fine of not more than \$500 for each such offense.*

23 *“(b) SUIT BY PRIVATE PERSONS.—Any person may*
24 *sue for the penalty established by subsection (a), in which*
25 *event one-half of the penalty shall be awarded to the person*

1 *swing and the remainder shall be awarded to the United*
2 *States.*

3 **“§ 1227. Penalty for false representation**

4 *“Whoever knowingly makes a false representation ma-*
5 *terially affecting the rights obtainable under this chapter*
6 *for the purpose of obtaining registration of a design under*
7 *this chapter shall pay a penalty of not less than \$500 and*
8 *not more than \$1,000, and any rights or privileges that*
9 *individual may have in the design under this chapter shall*
10 *be forfeited.*

11 **“§ 1228. Enforcement by Treasury and Postal Service**

12 *“(a) REGULATIONS.—The Secretary of the Treasury*
13 *and the United States Postal Service shall separately or*
14 *jointly issue regulations for the enforcement of the rights*
15 *set forth in section 1208 with respect to importation. These*
16 *regulations may require, as a condition for the exclusion*
17 *of articles from the United States, that the person seeking*
18 *exclusion take any one or more of the following actions:*

19 *“(1) Obtain a court order enjoining, or an order*
20 *of the International Trade Commission under section*
21 *337 of the Tariff Act of 1930 excluding, importation*
22 *of the articles.*

23 *“(2) Furnish proof that the design involved is*
24 *protected under this chapter and that the importation*

1 *of the articles would infringe the rights in the design*
2 *under this chapter.*

3 “(3) *Post a surety bond for any injury that may*
4 *result if the detention or exclusion of the articles*
5 *proves to be unjustified.*

6 “(b) *SEIZURE AND FORFEITURE.—Articles imported*
7 *in violation of the rights set forth in section 1208 are subject*
8 *to seizure and forfeiture in the same manner as property*
9 *imported in violation of the customs laws. Any such for-*
10 *feited articles shall be destroyed as directed by the Secretary*
11 *of the Treasury or the court, as the case may be, except*
12 *that the articles may be returned to the country of export*
13 *whenever it is shown to the satisfaction of the Secretary*
14 *of the Treasury that the importer had no reasonable*
15 *grounds for believing that his or her acts constituted a vio-*
16 *lation of the law.*

17 **“§ 1229. Relation to design patent and copyright law**

18 *“The issuance of a design patent under title 35 for an*
19 *original design for an article of manufacture, or the*
20 *issuance of a copyright registration under title 17 for an*
21 *original design, shall terminate any protection of the origi-*
22 *nal design under this chapter.*

23 **“§ 1230. Common law and other rights unaffected**

24 *“Nothing in this chapter shall annul or limit—*

1 “(1) common law or other rights or remedies, if
2 any, available to or held by any person with respect
3 to a design which has not been registered under this
4 chapter; or

5 “(2) any right under the trademark laws or any
6 right protected against unfair competition.

7 **“§ 1231. Administrator**

8 *“The Administrator and Office of the Administrator
9 referred to in this chapter shall be the Register of Copy-
10 rights and the Copyrights Office of the Library of Congress,
11 respectively.*

12 **“§ 1232. No retroactive effect**

13 *“Protection under this chapter shall not be available
14 for any design that has been made public under section
15 1209(b) before the effective date of this chapter.”.*

16 **SEC. 3. CONFORMING AMENDMENTS.**

17 (a) *TABLE OF CHAPTERS.—The table of chapters for
18 title 17, United States Code, is amended by adding at the
19 end the following:*

“12. Protection of Original Designs 1201”.

20 (b) *JURISDICTION OF DISTRICT COURTS OVER DESIGN
21 ACTIONS.—(1) Section 1338(c) of title 28, United States
22 Code, is amended by inserting “, and to exclusive rights
23 in designs under chapter 12 of title 17,” after “title 17”.*

1 (2)(A) *The section heading for section 1338 of title 28,*
2 *United States Code, is amended by inserting “designs,”*
3 *after “mask works,”.*

4 (B) *The item relating to section 1338 in the table of*
5 *sections at the beginning of chapter 85 of title 28, United*
6 *States Code, is amended by inserting “designs,” after “mask*
7 *works,”.*

8 (c) *PLACE OF DESIGN ACTIONS.—Section 1400(a) of*
9 *title 28, United States Code, is amended by inserting “or*
10 *designs” after “mask works”.*

11 (d) *ACTIONS AGAINST THE UNITED STATES.—Section*
12 *1498(e) of title 28, United States Code, is amended by in-*
13 *serting “, and to exclusive rights in designs under chapter*
14 *12 of title 17,” after “title 17”.*

15 **SEC. 4. EFFECTIVE DATE.**

16 *The amendments made by sections 2 and 3 shall take*
17 *effect one year after the date of the enactment of this Act.*

Document No. 89

105TH CONGRESS
2D SESSION

H. R. 2696

AN ACT

To amend title 17, United States Code, to provide for protection of certain original designs.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be referred to as the “Vessel Hull De-
3 sign Protection Act”.

4 **SEC. 2. PROTECTION OF CERTAIN ORIGINAL DESIGNS.**

5 Title 17, United States Code, is amended by adding
6 at the end the following new chapter:

7 **“CHAPTER 12—PROTECTION OF ORIGINAL**
8 **DESIGNS**

“Sec.

“1201. Designs protected.

“1202. Designs not subject to protection.

“1203. Revisions, adaptations, and rearrangements.

“1204. Commencement of protection.

“1205. Term of protection.

“1206. Design notice.

“1207. Effect of omission of notice.

“1208. Exclusive rights.

“1209. Infringement.

“1210. Application for registration.

“1211. Benefit of earlier filing date in foreign country.

“1212. Oaths and acknowledgments.

“1213. Examination of application and issue or refusal of registration.

“1214. Certification of registration.

“1215. Publication of announcements and indexes.

“1216. Fees.

“1217. Regulations.

“1218. Copies of records.

“1219. Correction of errors in certificates.

“1220. Ownership and transfer.

“1221. Remedy for infringement.

“1222. Injunctions.

“1223. Recovery for infringement.

“1224. Power of court over registration.

“1225. Liability for action on registration fraudulently obtained.

“1226. Penalty for false marking.

“1227. Penalty for false representation.

“1228. Enforcement by Treasury and Postal Service .

“1229. Relation to design patent law.

“1230. Common law and other rights unaffected.

“1231. Administrator; Office of the Administrator.

“1232. No retroactive effect.

9 **“§ 1201. Designs protected**

10 **“(a) DESIGNS PROTECTED.—**

1 “(1) IN GENERAL.—The designer or other
2 owner of an original design of a useful article which
3 makes the article attractive or distinctive in appear-
4 ance to the purchasing or using public may secure
5 the protection provided by this chapter upon comply-
6 ing with and subject to this chapter.

7 “(2) VESSEL HULLS.—The design of a vessel
8 hull, including a plug or mold, is subject to protec-
9 tion under this chapter, notwithstanding section
10 1202(4).

11 “(b) DEFINITIONS.—For the purpose of this chapter,
12 the following terms have the following meanings:

13 “(1) A design is ‘original’ if it is the result of
14 the designer’s creative endeavor that provides a dis-
15 tinguishable variation over prior work pertaining to
16 similar articles which is more than merely trivial and
17 has not been copied from another source.

18 “(2) A ‘useful article’ is a vessel hull, including
19 a plug or mold, which in normal use has an intrinsic
20 utilitarian function that is not merely to portray the
21 appearance of the article or to convey information.
22 An article which normally is part of a useful article
23 shall be deemed to be a useful article.

24 “(3) A ‘vessel’ is a craft, especially one larger
25 than a rowboat, designed to navigate on water, but

1 does not include any such craft that exceeds 200
2 feet in length.

3 “(4) A ‘hull’ is the frame or body of a vessel,
4 including the deck of a vessel, exclusive of masts,
5 sails, yards, and rigging.

6 “(5) A ‘plug’ means a device or model used to
7 make a mold for the purpose of exact duplication,
8 regardless of whether the device or model has an in-
9 trinsic utilitarian function that is not only to portray
10 the appearance of the product or to convey informa-
11 tion.

12 “(6) A ‘mold’ means a matrix or form in which
13 a substance for material is used, regardless of
14 whether the matrix or form has an intrinsic utilitar-
15 ian function that is not only to portray the appear-
16 ance of the product or to convey information.

17 **“§ 1202. Designs not subject to protection**

18 “Protection under this chapter shall not be available
19 for a design that is—

20 “(1) not original;

21 “(2) staple or commonplace, such as a standard
22 geometric figure, a familiar symbol, an emblem, or
23 a motif, or another shape, pattern, or configuration
24 which has become standard, common, prevalent, or
25 ordinary;

1 “(3) different from a design excluded by para-
2 graph (2) only in insignificant details or in elements
3 which are variants commonly used in the relevant
4 trades;

5 “(4) dictated solely by a utilitarian function of
6 the article that embodies it; or

7 “(5) embodied in a useful article that was made
8 public by the designer or owner in the United States
9 or a foreign country more than 1 year before the
10 date of the application for registration under this
11 chapter.

12 **“§ 1203. Revisions, adaptations, and rearrangements**

13 “Protection for a design under this chapter shall be
14 available notwithstanding the employment in the design
15 of subject matter excluded from protection under section
16 1202 if the design is a substantial revision, adaptation,
17 or rearrangement of such subject matter. Such protection
18 shall be independent of any subsisting protection in sub-
19 ject matter employed in the design, and shall not be con-
20 strued as securing any right to subject matter excluded
21 from protection under this chapter or as extending any
22 subsisting protection under this chapter.

23 **“§ 1204. Commencement of protection**

24 “The protection provided for a design under this
25 chapter shall commence upon the earlier of the date of

1 publication of the registration under section 1213(a) or
2 the date the design is first made public as defined by sec-
3 tion 1210(b).

4 **“§ 1205. Term of protection**

5 “(a) IN GENERAL.—Subject to subsection (b), the
6 protection provided under this chapter for a design shall
7 continue for a term of 10 years beginning on the date of
8 the commencement of protection under section 1204.

9 “(b) EXPIRATION.—All terms of protection provided
10 in this section shall run to the end of the calendar year
11 in which they would otherwise expire.

12 “(c) TERMINATION OF RIGHTS.—Upon expiration or
13 termination of protection in a particular design under this
14 chapter, all rights under this chapter in the design shall
15 terminate, regardless of the number of different articles
16 in which the design may have been used during the term
17 of its protection.

18 **“§ 1206. Design notice**

19 “(a) CONTENTS OF DESIGN NOTICE.—(1) Whenever
20 any design for which protection is sought under this chap-
21 ter is made public under section 1210(b), the owner of
22 the design shall, subject to the provisions of section 1207,
23 mark it or have it marked legibly with a design notice con-
24 sisting of—

1 “(A) the words ‘Protected Design’, the abbrevi-
2 viation ‘Prot’d Des.’, or the letter ‘D’ with a circle,
3 or the symbol *D*;

4 “(B) the year of the date on which protection
5 for the design commenced; and

6 “(C) the name of the owner, an abbreviation by
7 which the name can be recognized, or a generally ac-
8 cepted alternative designation of the owner.

9 Any distinctive identification of the owner may be used
10 for purposes of subparagraph (C) if it has been recorded
11 by the Administrator before the design marked with such
12 identification is registered.

13 “(2) After registration, the registration number may
14 be used instead of the elements specified in subparagraphs
15 (B) and (C) of paragraph (1).

16 “(b) LOCATION OF NOTICE.—The design notice shall
17 be so located and applied as to give reasonable notice of
18 design protection while the useful article embodying the
19 design is passing through its normal channels of com-
20 merce.

21 “(c) SUBSEQUENT REMOVAL OF NOTICE.—When the
22 owner of a design has complied with the provisions of this
23 section, protection under this chapter shall not be affected
24 by the removal, destruction, or obliteration by others of
25 the design notice on an article.

1 **“§ 1207. Effect of omission of notice**

2 “(a) ACTIONS WITH NOTICE.—Except as provided in
3 subsection (b), the omission of the notice prescribed in sec-
4 tion 1206 shall not cause loss of the protection under this
5 chapter or prevent recovery for infringement under this
6 chapter against any person who, after receiving written
7 notice of the design protection, begins an undertaking
8 leading to infringement under this chapter.

9 “(b) ACTIONS WITHOUT NOTICE.—The omission of
10 the notice prescribed in section 1206 shall prevent any re-
11 covery under section 1223 against a person who began an
12 undertaking leading to infringement under this chapter
13 before receiving written notice of the design protection. No
14 injunction shall be issued under this chapter with respect
15 to such undertaking unless the owner of the design reim-
16 burses that person for any reasonable expenditure or con-
17 tractual obligation in connection with such undertaking
18 that was incurred before receiving written notice of the
19 design protection, as the court in its discretion directs.
20 The burden of providing written notice of design protec-
21 tion shall be on the owner of the design.

22 **“§ 1208. Exclusive rights**

23 “‘The owner of a design protected under this chapter
24 has the exclusive right to—

1 “(1) make, have made, or import, for sale or
2 for use in trade, any useful article embodying that
3 design; and

4 “(2) sell or distribute for sale or for use in
5 trade any useful article embodying that design.

6 **“§ 1209. Infringement**

7 “(a) ACTS OF INFRINGEMENT.—Except as provided
8 in subsection (b), it shall be infringement of the exclusive
9 rights in a design protected under this chapter for any
10 person, without the consent of the owner of the design,
11 within the United States and during the term of such pro-
12 tection, to—

13 “(1) make, have made, or import, for sale or
14 for use in trade, any infringing article as defined in
15 subsection (e); or

16 “(2) sell or distribute for sale or for use in
17 trade any such infringing article.

18 “(b) ACTS OF SELLERS AND DISTRIBUTORS.—A sell-
19 er or distributor of an infringing article who did not make
20 or import the article shall be deemed to have infringed
21 on a design protected under this chapter only if that per-
22 son—

23 “(1) induced or acted in collusion with a manu-
24 facturer to make, or an importer to import such ar-
25 ticle, except that merely purchasing or giving an

1 order to purchase such article in the ordinary course
2 of business shall not of itself constitute such induce-
3 ment or collusion; or

4 “(2) refused or failed, upon the request of the
5 owner of the design, to make a prompt and full dis-
6 closure of that person’s source of such article, and
7 that person orders or reorders such article after re-
8 ceiving notice by registered or certified mail of the
9 protection subsisting in the design.

10 “(c) ACTS WITHOUT KNOWLEDGE.—It shall not be
11 infringement under this section to make, have made, im-
12 port, sell, or distribute, any article embodying a design
13 which was created without knowledge that a design was
14 protected under this chapter and was copied from such
15 protected design.

16 “(d) ACTS IN ORDINARY COURSE OF BUSINESS.—A
17 person who incorporates into that person’s product of
18 manufacture an infringing article acquired from others in
19 the ordinary course of business, or who, without knowl-
20 edge of the protected design embodied in an infringing ar-
21 ticle, makes or processes the infringing article for the ac-
22 count of another person in the ordinary course of business,
23 shall not be deemed to have infringed the rights in that
24 design under this chapter except under a condition con-
25 tained in paragraph (1) or (2) of subsection (b). Accepting

1 an order or reorder from the source of the infringing arti-
2 cle shall be deemed ordering or reordering within the
3 meaning of subsection (b)(2).

4 “(e) INFRINGING ARTICLE DEFINED.—As used in
5 this section, an ‘infringing article’ is any article the design
6 of which has been copied from a design protected under
7 this chapter, without the consent of the owner of the pro-
8 tected design. An infringing article is not an illustration
9 or picture of a protected design in an advertisement, book,
10 periodical, newspaper, photograph, broadcast, motion pic-
11 ture, or similar medium. A design shall not be deemed to
12 have been copied from a protected design if it is original
13 and not substantially similar in appearance to a protected
14 design.

15 “(f) ESTABLISHING ORIGINALITY.—The party to any
16 action or proceeding under this chapter who alleges rights
17 under this chapter in a design shall have the burden of
18 establishing the design’s originality whenever the opposing
19 party introduces an earlier work which is identical to such
20 design, or so similar as to make prima facie showing that
21 such design was copied from such work.

22 “(g) REPRODUCTION FOR TEACHING OR ANALY-
23 SIS.—It is not an infringement of the exclusive rights of
24 a design owner for a person to reproduce the design in
25 a useful article or in any other form solely for the purpose

1 of teaching, analyzing, or evaluating the appearance, con-
2 cepts, or techniques embodied in the design, or the func-
3 tion of the useful article embodying the design.

4 **“§ 1210. Application for registration**

5 “(a) TIME LIMIT FOR APPLICATION FOR REGISTRA-
6 TION.—Protection under this chapter shall be lost if appli-
7 cation for registration of the design is not made within
8 two years after the date on which the design is first made
9 public.

10 “(b) WHEN DESIGN IS MADE PUBLIC.—A design is
11 made public when an existing useful article embodying the
12 design is anywhere publicly exhibited, publicly distributed,
13 or offered for sale or sold to the public by the owner of
14 the design or with the owner’s consent.

15 “(c) APPLICATION BY OWNER OF DESIGN.—Applica-
16 tion for registration may be made by the owner of the de-
17 sign.

18 “(d) CONTENTS OF APPLICATION.—The application
19 for registration shall be made to the Administrator and
20 shall state—

21 “(1) the name and address of the designer or
22 designers of the design;

23 “(2) the name and address of the owner if dif-
24 ferent from the designer;

1 “(3) the specific name of the useful article em-
2 bodying the design;

3 “(4) the date, if any, that the design was first
4 made public, if such date was earlier than the date
5 of the application;

6 “(5) affirmation that the design has been fixed
7 in a useful article; and

8 “(6) such other information as may be required
9 by the Administrator.

10 The application for registration may include a description
11 setting forth the salient features of the design, but the
12 absence of such a description shall not prevent registration
13 under this chapter.

14 “(e) SWORN STATEMENT.—The application for reg-
15 istration shall be accompanied by a statement under oath
16 by the applicant or the applicant’s duly authorized agent
17 or representative, setting forth, to the best of the appli-
18 cant’s knowledge and belief—

19 “(1) that the design is original and was created
20 by the designer or designers named in the applica-
21 tion;

22 “(2) that the design has not previously been
23 registered on behalf of the applicant or the appli-
24 cant’s predecessor in title; and

1 “(3) that the applicant is the person entitled to
2 protection and to registration under this chapter.

3 If the design has been made public with the design notice
4 prescribed in section 1206, the statement shall also de-
5 scribe the exact form and position of the design notice.

6 “(f) EFFECT OF ERRORS.—(1) Error in any state-
7 ment or assertion as to the utility of the useful article
8 named in the application under this section, the design
9 of which is sought to be registered, shall not affect the
10 protection secured under this chapter.

11 “(2) Errors in omitting a joint designer or in naming
12 an alleged joint designer shall not affect the validity of
13 the registration, or the actual ownership or the protection
14 of the design, unless it is shown that the error occurred
15 with deceptive intent.

16 “(g) DESIGN MADE IN SCOPE OF EMPLOYMENT.—
17 In a case in which the design was made within the regular
18 scope of the designer’s employment and individual author-
19 ship of the design is difficult or impossible to ascribe and
20 the application so states, the name and address of the em-
21 ployer for whom the design was made may be stated in-
22 stead of that of the individual designer.

23 “(h) PICTORIAL REPRESENTATION OF DESIGN.—
24 The application for registration shall be accompanied by
25 two copies of a drawing or other pictorial representation

1 of the useful article embodying the design, having one or
 2 more views, adequate to show the design, in a form and
 3 style suitable for reproduction, which shall be deemed a
 4 part of the application.

5 “(i) DESIGN IN MORE THAN ONE USEFUL ARTI-
 6 CLE.—If the distinguishing elements of a design are in
 7 substantially the same form in different useful articles, the
 8 design shall be protected as to all such useful articles when
 9 protected as to one of them, but not more than one reg-
 10 istration shall be required for the design.

11 “(j) APPLICATION FOR MORE THAN ONE DESIGN.—
 12 More than one design may be included in the same appli-
 13 cation under such conditions as may be prescribed by the
 14 Administrator. For each design included in an application
 15 the fee prescribed for a single design shall be paid.

16 **“§ 1211. Benefit of earlier filing date in foreign coun-
 17 try**

18 “An application for registration of a design filed in
 19 the United States by any person who has, or whose legal
 20 representative or predecessor or successor in title has, pre-
 21 viously filed an application for registration of the same
 22 design in a foreign country which extends to designs of
 23 owners who are citizens of the United States, or to appli-
 24 cations filed under this chapter, similar protection to that
 25 provided under this chapter shall have that same effect

1 as if filed in the United States on the date on which the
2 application was first filed in such foreign country, if the
3 application in the United States is filed within 6 months
4 after the earliest date on which any such foreign applica-
5 tion was filed.

6 **“§ 1212. Oaths and acknowledgments**

7 “(a) IN GENERAL.—Oaths and acknowledgments re-
8 quired by this chapter—

9 “(1) may be made—

10 “(A) before any person in the United
11 States authorized by law to administer oaths; or

12 “(B) when made in a foreign country, be-
13 fore any diplomatic or consular officer of the
14 United States authorized to administer oaths,
15 or before any official authorized to administer
16 oaths in the foreign country concerned, whose
17 authority shall be proved by a certificate of a
18 diplomatic or consular officer of the United
19 States; and

20 “(2) shall be valid if they comply with the laws
21 of the State or country where made.

22 “(b) WRITTEN DECLARATION IN LIEU OF OATH.—

23 (1) The Administrator may by rule prescribe that any doc-
24 ument which is to be filed under this chapter in the Office
25 of the Administrator and which is required by any law,

1 rule, or other regulation to be under oath, may be sub-
 2 scribed to by a written declaration in such form as the
 3 Administrator may prescribe, and such declaration shall
 4 be in lieu of the oath otherwise required.

5 “(2) Whenever a written declaration under paragraph
 6 (1) is used, the document containing the declaration shall
 7 state that willful false statements are punishable by fine
 8 or imprisonment, or both, pursuant to section 1001 of title
 9 18, and may jeopardize the validity of the application or
 10 document or a registration resulting therefrom.

11 **“§ 1213. Examination of application and issue or re-**
 12 **fusal of registration**

13 “(a) DETERMINATION OF REGISTRABILITY OF DE-
 14 SIGN; REGISTRATION.—Upon the filing of an application
 15 for registration in proper form under section 1210, and
 16 upon payment of the fee prescribed under section 1216,
 17 the Administrator shall determine whether or not the ap-
 18 plication relates to a design which on its face appears to
 19 be subject to protection under this chapter, and, if so, the
 20 Register shall register the design. Registration under this
 21 subsection shall be announced by publication. The date of
 22 registration shall be the date of publication.

23 “(b) REFUSAL TO REGISTER; RECONSIDERATION.—
 24 If, in the judgment of the Administrator, the application
 25 for registration relates to a design which on its face is

1 not subject to protection under this chapter, the Adminis-
2 trator shall send to the applicant a notice of refusal to
3 register and the grounds for the refusal. Within 3 months
4 after the date on which the notice of refusal is sent, the
5 applicant may, by written request, seek reconsideration of
6 the application. After consideration of such a request, the
7 Administrator shall either register the design or send to
8 the applicant a notice of final refusal to register.

9 “(c) APPLICATION TO CANCEL REGISTRATION.—Any
10 person who believes he or she is or will be damaged by
11 a registration under this chapter may, upon payment of
12 the prescribed fee, apply to the Administrator at any time
13 to cancel the registration on the ground that the design
14 is not subject to protection under this chapter, stating the
15 reasons for the request. Upon receipt of an application for
16 cancellation, the Administrator shall send to the owner of
17 the design, as shown in the records of the Office of the
18 Administrator, a notice of the application, and the owner
19 shall have a period of 3 months after the date on which
20 such notice is mailed in which to present arguments to
21 the Administrator for support of the validity of the reg-
22 istration. The Administrator shall also have the authority
23 to establish, by regulation, conditions under which the op-
24 posing parties may appear and be heard in support of
25 their arguments. If, after the periods provided for the

1 presentation of arguments have expired, the Administrator
2 determines that the applicant for cancellation has estab-
3 lished that the design is not subject to protection under
4 this chapter, the Administrator shall order the registration
5 stricken from the record. Cancellation under this sub-
6 section shall be announced by publication, and notice of
7 the Administrator's final determination with respect to
8 any application for cancellation shall be sent to the appli-
9 cant and to the owner of record.

10 **“§ 1214. Certification of registration**

11 “Certificates of registration shall be issued in the
12 name of the United States under the seal of the Office
13 of the Administrator and shall be recorded in the official
14 records of the Office. The certificate shall state the name
15 of the useful article, the date of filing of the application,
16 the date of registration, and the date the design was made
17 public, if earlier than the date of filing of the application,
18 and shall contain a reproduction of the drawing or other
19 pictorial representation of the design. If a description of
20 the salient features of the design appears in the applica-
21 tion, the description shall also appear in the certificate.
22 A certificate of registration shall be admitted in any court
23 as prima facie evidence of the facts stated in the certifi-
24 cate.

1 **“§ 1215. Publication of announcements and indexes**

2 “(a) PUBLICATIONS OF THE ADMINISTRATOR.—The
3 Administrator shall publish lists and indexes of registered
4 designs and cancellations of designs and may also publish
5 the drawings or other pictorial representations of reg-
6 istered designs for sale or other distribution.

7 “(b) FILE OF REPRESENTATIVES OF REGISTERED
8 DESIGNS.—The Administrator shall establish and main-
9 tain a file of the drawings or other pictorial representa-
10 tions of registered designs. The file shall be available for
11 use by the public under such conditions as the Adminis-
12 trator may prescribe.

13 **“§ 1216. Fees**

14 “The Administrator shall by regulation set reason-
15 able fees for the filing of applications to register designs
16 under this chapter and for other services relating to the
17 administration of this chapter, taking into consideration
18 the cost of providing these services and the benefit of a
19 public record.

20 **“§ 1217. Regulations**

21 “The Administrator may establish regulations for the
22 administration of this chapter.

23 **“§ 1218. Copies of records**

24 “Upon payment of the prescribed fee, any person may
25 obtain a certified copy of any official record of the Office
26 of the Administrator that relates to this chapter. That

1 copy shall be admissible in evidence with the same effect
2 as the original.

3 **“§ 1219. Correction of errors in certificates**

4 “The Administrator may, by a certificate of correc-
5 tion under seal, correct any error in a registration in-
6 curred through the fault of the Office, or, upon payment
7 of the required fee, any error of a clerical or typographical
8 nature occurring in good faith but not through the fault
9 of the Office. Such registration, together with the certifi-
10 cate, shall thereafter have the same effect as if it had been
11 originally issued in such corrected form.

12 **“§ 1220. Ownership and transfer**

13 “(a) PROPERTY RIGHT IN DESIGN.—The property
14 right in a design subject to protection under this chapter
15 shall vest in the designer, the legal representatives of a
16 deceased designer or of one under legal incapacity, the em-
17 ployer for whom the designer created the design in the
18 case of a design made within the regular scope of the de-
19 signer’s employment, or a person to whom the rights of
20 the designer or of such employer have been transferred.
21 The person in whom the property right is vested shall be
22 considered the owner of the design.

23 “(b) TRANSFER OF PROPERTY RIGHT.—The prop-
24 erty right in a registered design, or a design for which
25 an application for registration has been or may be filed,

1 may be assigned, granted, conveyed, or mortgaged by an
2 instrument in writing, signed by the owner, or may be be-
3 queathed by will.

4 “(c) OATH OR ACKNOWLEDGEMENT OF TRANS-
5 FER.—An oath or acknowledgment under section 1212
6 shall be prima facie evidence of the execution of an assign-
7 ment, grant, conveyance, or mortgage under subsection
8 (b).

9 “(d) RECORDATION OF TRANSFER.—An assignment,
10 grant, conveyance, or mortgage under subsection (b) shall
11 be void as against any subsequent purchaser or mortgagee
12 for a valuable consideration, unless it is recorded in the
13 Office of the Administrator within 3 months after its date
14 of execution or before the date of such subsequent pur-
15 chase or mortgage.

16 **“§ 1221. Remedy for infringement**

17 “(a) IN GENERAL.—The owner of a design is enti-
18 tled, after issuance of a certificate of registration of the
19 design under this chapter, to institute an action for any
20 infringement of the design.

21 “(b) REVIEW OF REFUSAL TO REGISTER.—(1) Sub-
22 ject to paragraph (2), the owner of a design may seek judi-
23 cial review of a final refusal of the Administrator to reg-
24 ister the design under this chapter by bringing a civil ac-
25 tion, and may in the same action, if the court adjudges

1 the design subject to protection under this chapter, en-
2 force the rights in that design under this chapter.

3 “(2) The owner of a design may seek judicial review
4 under this section if—

5 “(A) the owner has previously duly filed and
6 prosecuted to final refusal an application in proper
7 form for registration of the design;

8 “(B) the owner causes a copy of the complaint
9 in the action to be delivered to the Administrator
10 within 10 days after the commencement of the ac-
11 tion; and

12 “(C) the defendant has committed acts in re-
13 spect to the design which would constitute infringe-
14 ment with respect to a design protected under this
15 chapter.

16 “(c) ADMINISTRATOR AS PARTY TO ACTION.—The
17 Administrator may, at the Administrator’s option, become
18 a party to the action with respect to the issue of
19 registrability of the design claim by entering an appear-
20 ance within 60 days after being served with the complaint,
21 but the failure of the Administrator to become a party
22 shall not deprive the court of jurisdiction to determine that
23 issue.

24 “(d) USE OF ARBITRATION TO RESOLVE DISPUTE.—
25 The parties to an infringement dispute under this chapter,

1 within such time as may be specified by the Administrator
2 by regulation, may determine the dispute, or any aspect
3 of the dispute, by arbitration. Arbitration shall be gov-
4 erned by title 9. The parties shall give notice of any arbi-
5 tration award to the Administrator, and such award shall,
6 as between the parties to the arbitration, be dispositive
7 of the issues to which it relates. The arbitration award
8 shall be unenforceable until such notice is given. Nothing
9 in this subsection shall preclude the Administrator from
10 determining whether a design is subject to registration in
11 a cancellation proceeding under section 1213(c).

12 **§ 1222. Injunctions**

13 “(a) IN GENERAL.—A court having jurisdiction over
14 actions under this chapter may grant injunctions in ac-
15 cordance with the principles of equity to prevent infringe-
16 ment of a design under this chapter, including, in its dis-
17 cretion, prompt relief by temporary restraining orders and
18 preliminary injunctions.

19 “(b) DAMAGES FOR INJUNCTIVE RELIEF WRONG-
20 FULLY OBTAINED.—A seller or distributor who suffers
21 damage by reason of injunctive relief wrongfully obtained
22 under this section has a cause of action against the appli-
23 cant for such injunctive relief and may recover such relief
24 as may be appropriate, including damages for lost profits,
25 cost of materials, loss of good will, and punitive damages

1 in instances where the injunctive relief was sought in bad
2 faith, and, unless the court finds extenuating cir-
3 cumstances, reasonable attorney's fees.

4 **“§ 1223. Recovery for infringement**

5 “(a) DAMAGES.—Upon a finding for the claimant in
6 an action for infringement under this chapter, the court
7 shall award the claimant damages adequate to compensate
8 for the infringement. In addition, the court may increase
9 the damages to such amount, not exceeding \$50,000 or
10 \$1 per copy, whichever is greater, as the court determines
11 to be just. The damages awarded shall constitute com-
12 pensation and not a penalty. The court may receive expert
13 testimony as an aid to the determination of damages.

14 “(b) INFRINGER'S PROFITS.—As an alternative to
15 the remedies provided in subsection (a), the court may
16 award the claimant the infringer's profits resulting from
17 the sale of the copies if the court finds that the infringer's
18 sales are reasonably related to the use of the claimant's
19 design. In such a case, the claimant shall be required to
20 prove only the amount of the infringer's sales and the in-
21 fringer shall be required to prove its expenses against such
22 sales.

23 “(c) STATUTE OF LIMITATIONS.—No recovery under
24 subsection (a) or (b) shall be had for any infringement

1 committed more than 3 years before the date on which
2 the complaint is filed.

3 “(d) ATTORNEY’S FEES.—In an action for infringe-
4 ment under this chapter, the court may award reasonable
5 attorney’s fees to the prevailing party.

6 “(e) DISPOSITION OF INFRINGING AND OTHER ARTI-
7 CLES.—The court may order that all infringing articles,
8 and any plates, molds, patterns, models, or other means
9 specifically adapted for making the articles, be delivered
10 up for destruction or other disposition as the court may
11 direct.

12 **“§ 1224. Power of court over registration**

13 “In any action involving the protection of a design
14 under this chapter, the court, when appropriate, may
15 order registration of a design under this chapter or the
16 cancellation of such a registration. Any such order shall
17 be certified by the court to the Administrator, who shall
18 make an appropriate entry upon the record.

19 **“§ 1225. Liability for action on registration fraudu-
20 lently obtained**

21 “Any person who brings an action for infringement
22 knowing that registration of the design was obtained by
23 a false or fraudulent representation materially affecting
24 the rights under this chapter, shall be liable in the sum
25 of \$10,000, or such part of that amount as the court may

1 determine. That amount shall be to compensate the de-
2 fendant and shall be charged against the plaintiff and paid
3 to the defendant, in addition to such costs and attorney's
4 fees of the defendant as may be assessed by the court.

5 **“§ 1226. Penalty for false marking**

6 “(a) IN GENERAL.—Whoever, for the purpose of de-
7 ceiving the public, marks upon, applies to, or uses in ad-
8 vertising in connection with an article made, used, distrib-
9 uted, or sold, a design which is not protected under this
10 chapter, a design notice specified in section 1206, or any
11 other words or symbols importing that the design is pro-
12 tected under this chapter, knowing that the design is not
13 so protected, shall pay a civil fine of not more than \$500
14 for each such offense.

15 “(b) SUIT BY PRIVATE PERSONS.—Any person may
16 sue for the penalty established by subsection (a), in which
17 event one-half of the penalty shall be awarded to the per-
18 son suing and the remainder shall be awarded to the
19 United States.

20 **“§ 1227. Penalty for false representation**

21 “Whoever knowingly makes a false representation
22 materially affecting the rights obtainable under this chap-
23 ter for the purpose of obtaining registration of a design
24 under this chapter shall pay a penalty of not less than
25 \$500 and not more than \$1,000, and any rights or privi-

1 leges that individual may have in the design under this
2 chapter shall be forfeited.

3 **“§ 1228. Enforcement by Treasury and Postal Service**

4 “(a) REGULATIONS.—The Secretary of the Treasury
5 and the United States Postal Service shall separately or
6 jointly issue regulations for the enforcement of the rights
7 set forth in section 1208 with respect to importation. Such
8 regulations may require, as a condition for the exclusion
9 of articles from the United States, that the person seeking
10 exclusion take any one or more of the following actions:

11 “(1) Obtain a court order enjoining, or an order
12 of the International Trade Commission under sec-
13 tion 337 of the Tariff Act of 1930 excluding, importa-
14 tion of the articles.

15 “(2) Furnish proof that the design involved is
16 protected under this chapter and that the importa-
17 tion of the articles would infringe the rights in the
18 design under this chapter.

19 “(3) Post a surety bond for any injury that
20 may result if the detention or exclusion of the arti-
21 cles proves to be unjustified.

22 “(b) SEIZURE AND FORFEITURE.—Articles imported
23 in violation of the rights set forth in section 1208 are sub-
24 ject to seizure and forfeiture in the same manner as prop-
25 erty imported in violation of the customs laws. Any such

1 forfeited articles shall be destroyed as directed by the Sec-
2 retary of the Treasury or the court, as the case may be,
3 except that the articles may be returned to the country
4 of export whenever it is shown to the satisfaction of the
5 Secretary of the Treasury that the importer had no rea-
6 sonable grounds for believing that his or her acts con-
7 stituted a violation of the law.

8 **“§ 1229. Relation to design patent law**

9 “The issuance of a design patent under title 35 for
10 an original design for an article of manufacture shall ter-
11 minate any protection of the original design under this
12 chapter.

13 **“§ 1230. Common law and other rights unaffected**

14 “Nothing in this chapter shall annul or limit—

15 “(1) common law or other rights or remedies,
16 if any, available to or held by any person with re-
17 spect to a design which has not been registered
18 under this chapter; or

19 “(2) any right under the trademark laws or any
20 right protected against unfair competition.

21 **“§ 1231. Administrator; Office of the Administrator**

22 “In this chapter, the ‘Administrator’ is the Register
23 of Copyrights, and the ‘Office of the Administrator’ and
24 the ‘Office’ refer to the Copyright Office of the Library
25 of Congress.

1 **“§ 1232. No retroactive effect**

2 “Protection under this chapter shall not be available
3 for any design that has been made public under section
4 1210(b) before the effective date of this chapter.”.

5 **SEC. 3. CONFORMING AMENDMENTS.**

6 (a) **TABLE OF CHAPTERS.**—The table of chapters for
7 title 17, United States Code, is amended by adding at the
8 end the following:

“12. **Protection of Original Designs** 1201”.

9 (b) **JURISDICTION OF DISTRICT COURTS OVER DE-**
10 **SIGN ACTIONS.**—(1) Section 1338(c) of title 28, United
11 States Code, is amended by inserting “, and to exclusive
12 rights in designs under chapter 12 of title 17,” after “title
13 17”.

14 (2)(A) The section heading for section 1338 of title
15 28, United States Code, is amended by inserting “**de-**
16 **signs,**” after “**mask works,**”.

17 (B) The item relating to section 1338 in the table
18 of sections at the beginning of chapter 85 of title 28,
19 United States Code, is amended by inserting “designs,”
20 after “mask works,”.

21 (c) **PLACE FOR BRINGING DESIGN ACTIONS.**—Sec-
22 tion 1400(a) of title 28, United States Code, is amended
23 by inserting “or designs” after “mask works”.

24 (d) **ACTIONS AGAINST THE UNITED STATES.**—Sec-
25 tion 1498(e) of title 28, United States Code, is amended

1 by inserting “, and to exclusive rights in designs under
2 chapter 12 of title 17,” after “title 17”.

3 **SEC. 4. EFFECTIVE DATE.**

4 The amendments made by sections 2 and 3 shall take
5 effect one year after the date of the enactment of this Act.

Passed the House of Representatives March 18,
1998.

Attest:

Clerk.

Document No. 90

105TH CONGRESS
2^D SESSION

H. R. 2696

IN THE SENATE OF THE UNITED STATES

MARCH 19, 1998

Received; read twice and referred to the Committee on the Judiciary

AN ACT

To amend title 17, United States Code, to provide for protection of certain original designs.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be referred to as the “Vessel Hull De-
3 sign Protection Act”.

4 **SEC. 2. PROTECTION OF CERTAIN ORIGINAL DESIGNS.**

5 Title 17, United States Code, is amended by adding
6 at the end the following new chapter:

7 **“CHAPTER 12—PROTECTION OF ORIGINAL**
8 **DESIGNS**

“Sec.

“1201. Designs protected.

“1202. Designs not subject to protection.

“1203. Revisions, adaptations, and rearrangements.

“1204. Commencement of protection.

“1205. Term of protection.

“1206. Design notice.

“1207. Effect of omission of notice.

“1208. Exclusive rights.

“1209. Infringement.

“1210. Application for registration.

“1211. Benefit of earlier filing date in foreign country.

“1212. Oaths and acknowledgments.

“1213. Examination of application and issue or refusal of registration.

“1214. Certification of registration.

“1215. Publication of announcements and indexes.

“1216. Fees.

“1217. Regulations.

“1218. Copies of records.

“1219. Correction of errors in certificates.

“1220. Ownership and transfer.

“1221. Remedy for infringement.

“1222. Injunctions.

“1223. Recovery for infringement.

“1224. Power of court over registration.

“1225. Liability for action on registration fraudulently obtained.

“1226. Penalty for false marking.

“1227. Penalty for false representation.

“1228. Enforcement by Treasury and Postal Service .

“1229. Relation to design patent law.

“1230. Common law and other rights unaffected.

“1231. Administrator; Office of the Administrator.

“1232. No retroactive effect.

9 **“§ 1201. Designs protected**

10 **“(a) DESIGNS PROTECTED.—**

1 “(1) IN GENERAL.—The designer or other
2 owner of an original design of a useful article which
3 makes the article attractive or distinctive in appear-
4 ance to the purchasing or using public may secure
5 the protection provided by this chapter upon comply-
6 ing with and subject to this chapter.

7 “(2) VESSEL HULLS.—The design of a vessel
8 hull, including a plug or mold, is subject to protec-
9 tion under this chapter, notwithstanding section
10 1202(4).

11 “(b) DEFINITIONS.—For the purpose of this chapter,
12 the following terms have the following meanings:

13 “(1) A design is ‘original’ if it is the result of
14 the designer’s creative endeavor that provides a dis-
15 tinguishable variation over prior work pertaining to
16 similar articles which is more than merely trivial and
17 has not been copied from another source.

18 “(2) A ‘useful article’ is a vessel hull, including
19 a plug or mold, which in normal use has an intrinsic
20 utilitarian function that is not merely to portray the
21 appearance of the article or to convey information.
22 An article which normally is part of a useful article
23 shall be deemed to be a useful article.

24 “(3) A ‘vessel’ is a craft, especially one larger
25 than a rowboat, designed to navigate on water, but

1 does not include any such craft that exceeds 200
2 feet in length.

3 “(4) A ‘hull’ is the frame or body of a vessel,
4 including the deck of a vessel, exclusive of masts,
5 sails, yards, and rigging.

6 “(5) A ‘plug’ means a device or model used to
7 make a mold for the purpose of exact duplication,
8 regardless of whether the device or model has an in-
9 trinsic utilitarian function that is not only to portray
10 the appearance of the product or to convey informa-
11 tion.

12 “(6) A ‘mold’ means a matrix or form in which
13 a substance for material is used, regardless of
14 whether the matrix or form has an intrinsic utilitar-
15 ian function that is not only to portray the appear-
16 ance of the product or to convey information.

17 **“§ 1202. Designs not subject to protection**

18 “Protection under this chapter shall not be available
19 for a design that is—

20 “(1) not original;

21 “(2) staple or commonplace, such as a standard
22 geometric figure, a familiar symbol, an emblem, or
23 a motif, or another shape, pattern, or configuration
24 which has become standard, common, prevalent, or
25 ordinary;

1 “(3) different from a design excluded by para-
2 graph (2) only in insignificant details or in elements
3 which are variants commonly used in the relevant
4 trades;

5 “(4) dictated solely by a utilitarian function of
6 the article that embodies it; or

7 “(5) embodied in a useful article that was made
8 public by the designer or owner in the United States
9 or a foreign country more than 1 year before the
10 date of the application for registration under this
11 chapter.

12 **“§ 1203. Revisions, adaptations, and rearrangements**

13 “Protection for a design under this chapter shall be
14 available notwithstanding the employment in the design
15 of subject matter excluded from protection under section
16 1202 if the design is a substantial revision, adaptation,
17 or rearrangement of such subject matter. Such protection
18 shall be independent of any subsisting protection in sub-
19 ject matter employed in the design, and shall not be con-
20 strued as securing any right to subject matter excluded
21 from protection under this chapter or as extending any
22 subsisting protection under this chapter.

23 **“§ 1204. Commencement of protection**

24 “‘The protection provided for a design under this
25 chapter shall commence upon the earlier of the date of

1 publication of the registration under section 1213(a) or
2 the date the design is first made public as defined by sec-
3 tion 1210(b).

4 **“§ 1205. Term of protection**

5 “(a) IN GENERAL.—Subject to subsection (b), the
6 protection provided under this chapter for a design shall
7 continue for a term of 10 years beginning on the date of
8 the commencement of protection under section 1204.

9 “(b) EXPIRATION.—All terms of protection provided
10 in this section shall run to the end of the calendar year
11 in which they would otherwise expire.

12 “(c) TERMINATION OF RIGHTS.—Upon expiration or
13 termination of protection in a particular design under this
14 chapter, all rights under this chapter in the design shall
15 terminate, regardless of the number of different articles
16 in which the design may have been used during the term
17 of its protection.

18 **“§ 1206. Design notice**

19 “(a) CONTENTS OF DESIGN NOTICE.—(1) Whenever
20 any design for which protection is sought under this chap-
21 ter is made public under section 1210(b), the owner of
22 the design shall, subject to the provisions of section 1207,
23 mark it or have it marked legibly with a design notice con-
24 sisting of—

1 “(A) the words ‘Protected Design’, the abbrevi-
2 viation ‘Prot’d Des.’, or the letter ‘D’ with a circle,
3 or the symbol *D*;

4 “(B) the year of the date on which protection
5 for the design commenced; and

6 “(C) the name of the owner, an abbreviation by
7 which the name can be recognized, or a generally ac-
8 cepted alternative designation of the owner.

9 Any distinctive identification of the owner may be used
10 for purposes of subparagraph (C) if it has been recorded
11 by the Administrator before the design marked with such
12 identification is registered.

13 “(2) After registration, the registration number may
14 be used instead of the elements specified in subparagraphs
15 (B) and (C) of paragraph (1).

16 “(b) LOCATION OF NOTICE.—The design notice shall
17 be so located and applied as to give reasonable notice of
18 design protection while the useful article embodying the
19 design is passing through its normal channels of com-
20 merce.

21 “(c) SUBSEQUENT REMOVAL OF NOTICE.—When the
22 owner of a design has complied with the provisions of this
23 section, protection under this chapter shall not be affected
24 by the removal, destruction, or obliteration by others of
25 the design notice on an article.

1 **“§ 1207. Effect of omission of notice**

2 “(a) ACTIONS WITH NOTICE.—Except as provided in
3 subsection (b), the omission of the notice prescribed in sec-
4 tion 1206 shall not cause loss of the protection under this
5 chapter or prevent recovery for infringement under this
6 chapter against any person who, after receiving written
7 notice of the design protection, begins an undertaking
8 leading to infringement under this chapter.

9 “(b) ACTIONS WITHOUT NOTICE.—The omission of
10 the notice prescribed in section 1206 shall prevent any re-
11 covery under section 1223 against a person who began an
12 undertaking leading to infringement under this chapter
13 before receiving written notice of the design protection. No
14 injunction shall be issued under this chapter with respect
15 to such undertaking unless the owner of the design reim-
16 burses that person for any reasonable expenditure or con-
17 tractual obligation in connection with such undertaking
18 that was incurred before receiving written notice of the
19 design protection, as the court in its discretion directs.
20 The burden of providing written notice of design protec-
21 tion shall be on the owner of the design.

22 **“§ 1208. Exclusive rights**

23 “‘The owner of a design protected under this chapter
24 has the exclusive right to—

1 “(1) make, have made, or import, for sale or
2 for use in trade, any useful article embodying that
3 design; and

4 “(2) sell or distribute for sale or for use in
5 trade any useful article embodying that design.

6 **“§ 1209. Infringement**

7 “(a) ACTS OF INFRINGEMENT.—Except as provided
8 in subsection (b), it shall be infringement of the exclusive
9 rights in a design protected under this chapter for any
10 person, without the consent of the owner of the design,
11 within the United States and during the term of such pro-
12 tection, to—

13 “(1) make, have made, or import, for sale or
14 for use in trade, any infringing article as defined in
15 subsection (e); or

16 “(2) sell or distribute for sale or for use in
17 trade any such infringing article.

18 “(b) ACTS OF SELLERS AND DISTRIBUTORS.—A sell-
19 er or distributor of an infringing article who did not make
20 or import the article shall be deemed to have infringed
21 on a design protected under this chapter only if that per-
22 son—

23 “(1) induced or acted in collusion with a manu-
24 facturer to make, or an importer to import such ar-
25 ticle, except that merely purchasing or giving an

1 order to purchase such article in the ordinary course
2 of business shall not of itself constitute such induce-
3 ment or collusion; or

4 “(2) refused or failed, upon the request of the
5 owner of the design, to make a prompt and full dis-
6 closure of that person’s source of such article, and
7 that person orders or reorders such article after re-
8 ceiving notice by registered or certified mail of the
9 protection subsisting in the design.

10 “(c) ACTS WITHOUT KNOWLEDGE.—It shall not be
11 infringement under this section to make, have made, im-
12 port, sell, or distribute, any article embodying a design
13 which was created without knowledge that a design was
14 protected under this chapter and was copied from such
15 protected design.

16 “(d) ACTS IN ORDINARY COURSE OF BUSINESS.—A
17 person who incorporates into that person’s product of
18 manufacture an infringing article acquired from others in
19 the ordinary course of business, or who, without knowl-
20 edge of the protected design embodied in an infringing ar-
21 ticle, makes or processes the infringing article for the ac-
22 count of another person in the ordinary course of business,
23 shall not be deemed to have infringed the rights in that
24 design under this chapter except under a condition con-
25 tained in paragraph (1) or (2) of subsection (b). Accepting

1 an order or reorder from the source of the infringing arti-
2 cle shall be deemed ordering or reordering within the
3 meaning of subsection (b)(2).

4 “(e) INFRINGING ARTICLE DEFINED.—As used in
5 this section, an ‘infringing article’ is any article the design
6 of which has been copied from a design protected under
7 this chapter, without the consent of the owner of the pro-
8 tected design. An infringing article is not an illustration
9 or picture of a protected design in an advertisement, book,
10 periodical, newspaper, photograph, broadcast, motion pic-
11 ture, or similar medium. A design shall not be deemed to
12 have been copied from a protected design if it is original
13 and not substantially similar in appearance to a protected
14 design.

15 “(f) ESTABLISHING ORIGINALITY.—The party to any
16 action or proceeding under this chapter who alleges rights
17 under this chapter in a design shall have the burden of
18 establishing the design’s originality whenever the opposing
19 party introduces an earlier work which is identical to such
20 design, or so similar as to make prima facie showing that
21 such design was copied from such work.

22 “(g) REPRODUCTION FOR TEACHING OR ANALY-
23 SIS.—It is not an infringement of the exclusive rights of
24 a design owner for a person to reproduce the design in
25 a useful article or in any other form solely for the purpose

1 of teaching, analyzing, or evaluating the appearance, con-
2 cepts, or techniques embodied in the design, or the func-
3 tion of the useful article embodying the design.

4 **“§ 1210. Application for registration**

5 “(a) TIME LIMIT FOR APPLICATION FOR REGISTRA-
6 TION.—Protection under this chapter shall be lost if appli-
7 cation for registration of the design is not made within
8 two years after the date on which the design is first made
9 public.

10 “(b) WHEN DESIGN IS MADE PUBLIC.—A design is
11 made public when an existing useful article embodying the
12 design is anywhere publicly exhibited, publicly distributed,
13 or offered for sale or sold to the public by the owner of
14 the design or with the owner’s consent.

15 “(c) APPLICATION BY OWNER OF DESIGN.—Applica-
16 tion for registration may be made by the owner of the de-
17 sign.

18 “(d) CONTENTS OF APPLICATION.—The application
19 for registration shall be made to the Administrator and
20 shall state—

21 “(1) the name and address of the designer or
22 designers of the design;

23 “(2) the name and address of the owner if dif-
24 ferent from the designer;

1 “(3) the specific name of the useful article em-
2 bodying the design;

3 “(4) the date, if any, that the design was first
4 made public, if such date was earlier than the date
5 of the application;

6 “(5) affirmation that the design has been fixed
7 in a useful article; and

8 “(6) such other information as may be required
9 by the Administrator.

10 The application for registration may include a description
11 setting forth the salient features of the design, but the
12 absence of such a description shall not prevent registration
13 under this chapter.

14 “(e) SWORN STATEMENT.—The application for reg-
15 istration shall be accompanied by a statement under oath
16 by the applicant or the applicant’s duly authorized agent
17 or representative, setting forth, to the best of the appli-
18 cant’s knowledge and belief—

19 “(1) that the design is original and was created
20 by the designer or designers named in the applica-
21 tion;

22 “(2) that the design has not previously been
23 registered on behalf of the applicant or the appli-
24 cant’s predecessor in title; and

1 “(3) that the applicant is the person entitled to
2 protection and to registration under this chapter.

3 If the design has been made public with the design notice
4 prescribed in section 1206, the statement shall also de-
5 scribe the exact form and position of the design notice.

6 “(f) EFFECT OF ERRORS.—(1) Error in any state-
7 ment or assertion as to the utility of the useful article
8 named in the application under this section, the design
9 of which is sought to be registered, shall not affect the
10 protection secured under this chapter.

11 “(2) Errors in omitting a joint designer or in naming
12 an alleged joint designer shall not affect the validity of
13 the registration, or the actual ownership or the protection
14 of the design, unless it is shown that the error occurred
15 with deceptive intent.

16 “(g) DESIGN MADE IN SCOPE OF EMPLOYMENT.—
17 In a case in which the design was made within the regular
18 scope of the designer’s employment and individual author-
19 ship of the design is difficult or impossible to ascribe and
20 the application so states, the name and address of the em-
21 ployer for whom the design was made may be stated in-
22 stead of that of the individual designer.

23 “(h) PICTORIAL REPRESENTATION OF DESIGN.—
24 The application for registration shall be accompanied by
25 two copies of a drawing or other pictorial representation

1 as if filed in the United States on the date on which the
2 application was first filed in such foreign country, if the
3 application in the United States is filed within 6 months
4 after the earliest date on which any such foreign applica-
5 tion was filed.

6 **“§ 1212. Oaths and acknowledgments**

7 “(a) IN GENERAL.—Oaths and acknowledgments re-
8 quired by this chapter—

9 “(1) may be made—

10 “(A) before any person in the United
11 States authorized by law to administer oaths; or

12 “(B) when made in a foreign country, be-
13 fore any diplomatic or consular officer of the
14 United States authorized to administer oaths,
15 or before any official authorized to administer
16 oaths in the foreign country concerned, whose
17 authority shall be proved by a certificate of a
18 diplomatic or consular officer of the United
19 States; and

20 “(2) shall be valid if they comply with the laws
21 of the State or country where made.

22 “(b) WRITTEN DECLARATION IN LIEU OF OATH.—

23 (1) The Administrator may by rule prescribe that any doc-
24 ument which is to be filed under this chapter in the Office
25 of the Administrator and which is required by any law,

1 rule, or other regulation to be under oath, may be sub-
 2 scribed to by a written declaration in such form as the
 3 Administrator may prescribe, and such declaration shall
 4 be in lieu of the oath otherwise required.

5 “(2) Whenever a written declaration under paragraph
 6 (1) is used, the document containing the declaration shall
 7 state that willful false statements are punishable by fine
 8 or imprisonment, or both, pursuant to section 1001 of title
 9 18, and may jeopardize the validity of the application or
 10 document or a registration resulting therefrom.

11 **“§ 1213. Examination of application and issue or re-**
 12 **fusal of registration**

13 “(a) DETERMINATION OF REGISTRABILITY OF DE-
 14 SIGN; REGISTRATION.—Upon the filing of an application
 15 for registration in proper form under section 1210, and
 16 upon payment of the fee prescribed under section 1216,
 17 the Administrator shall determine whether or not the ap-
 18 plication relates to a design which on its face appears to
 19 be subject to protection under this chapter, and, if so, the
 20 Register shall register the design. Registration under this
 21 subsection shall be announced by publication. The date of
 22 registration shall be the date of publication.

23 “(b) REFUSAL TO REGISTER; RECONSIDERATION.—
 24 If, in the judgment of the Administrator, the application
 25 for registration relates to a design which on its face is

1 not subject to protection under this chapter, the Adminis-
2 trator shall send to the applicant a notice of refusal to
3 register and the grounds for the refusal. Within 3 months
4 after the date on which the notice of refusal is sent, the
5 applicant may, by written request, seek reconsideration of
6 the application. After consideration of such a request, the
7 Administrator shall either register the design or send to
8 the applicant a notice of final refusal to register.

9 “(c) APPLICATION TO CANCEL REGISTRATION.—Any
10 person who believes he or she is or will be damaged by
11 a registration under this chapter may, upon payment of
12 the prescribed fee, apply to the Administrator at any time
13 to cancel the registration on the ground that the design
14 is not subject to protection under this chapter, stating the
15 reasons for the request. Upon receipt of an application for
16 cancellation, the Administrator shall send to the owner of
17 the design, as shown in the records of the Office of the
18 Administrator, a notice of the application, and the owner
19 shall have a period of 3 months after the date on which
20 such notice is mailed in which to present arguments to
21 the Administrator for support of the validity of the reg-
22 istration. The Administrator shall also have the authority
23 to establish, by regulation, conditions under which the op-
24 posing parties may appear and be heard in support of
25 their arguments. If, after the periods provided for the

1 presentation of arguments have expired, the Administrator
2 determines that the applicant for cancellation has estab-
3 lished that the design is not subject to protection under
4 this chapter, the Administrator shall order the registration
5 stricken from the record. Cancellation under this sub-
6 section shall be announced by publication, and notice of
7 the Administrator's final determination with respect to
8 any application for cancellation shall be sent to the appli-
9 cant and to the owner of record.

10 **“§ 1214. Certification of registration**

11 “Certificates of registration shall be issued in the
12 name of the United States under the seal of the Office
13 of the Administrator and shall be recorded in the official
14 records of the Office. The certificate shall state the name
15 of the useful article, the date of filing of the application,
16 the date of registration, and the date the design was made
17 public, if earlier than the date of filing of the application,
18 and shall contain a reproduction of the drawing or other
19 pictorial representation of the design. If a description of
20 the salient features of the design appears in the applica-
21 tion, the description shall also appear in the certificate.
22 A certificate of registration shall be admitted in any court
23 as prima facie evidence of the facts stated in the certifi-
24 cate.

1 **“§ 1215. Publication of announcements and indexes**

2 “(a) PUBLICATIONS OF THE ADMINISTRATOR.—The
3 Administrator shall publish lists and indexes of registered
4 designs and cancellations of designs and may also publish
5 the drawings or other pictorial representations of reg-
6 istered designs for sale or other distribution.

7 “(b) FILE OF REPRESENTATIVES OF REGISTERED
8 DESIGNS.—The Administrator shall establish and main-
9 tain a file of the drawings or other pictorial representa-
10 tions of registered designs. The file shall be available for
11 use by the public under such conditions as the Adminis-
12 trator may prescribe.

13 **“§ 1216. Fees**

14 “The Administrator shall by regulation set reason-
15 able fees for the filing of applications to register designs
16 under this chapter and for other services relating to the
17 administration of this chapter, taking into consideration
18 the cost of providing these services and the benefit of a
19 public record.

20 **“§ 1217. Regulations**

21 “The Administrator may establish regulations for the
22 administration of this chapter.

23 **“§ 1218. Copies of records**

24 “Upon payment of the prescribed fee, any person may
25 obtain a certified copy of any official record of the Office
26 of the Administrator that relates to this chapter. That

1 copy shall be admissible in evidence with the same effect
2 as the original.

3 **“§ 1219. Correction of errors in certificates**

4 “The Administrator may, by a certificate of correc-
5 tion under seal, correct any error in a registration in-
6 curred through the fault of the Office, or, upon payment
7 of the required fee, any error of a clerical or typographical
8 nature occurring in good faith but not through the fault
9 of the Office. Such registration, together with the certifi-
10 cate, shall thereafter have the same effect as if it had been
11 originally issued in such corrected form.

12 **“§ 1220. Ownership and transfer**

13 “(a) PROPERTY RIGHT IN DESIGN.—The property
14 right in a design subject to protection under this chapter
15 shall vest in the designer, the legal representatives of a
16 deceased designer or of one under legal incapacity, the em-
17 ployer for whom the designer created the design in the
18 case of a design made within the regular scope of the de-
19 signer’s employment, or a person to whom the rights of
20 the designer or of such employer have been transferred.
21 The person in whom the property right is vested shall be
22 considered the owner of the design.

23 “(b) TRANSFER OF PROPERTY RIGHT.—The prop-
24 erty right in a registered design, or a design for which
25 an application for registration has been or may be filed,

1 may be assigned, granted, conveyed, or mortgaged by an
2 instrument in writing, signed by the owner, or may be be-
3 queathed by will.

4 “(c) OATH OR ACKNOWLEDGEMENT OF TRANS-
5 FER.—An oath or acknowledgment under section 1212
6 shall be prima facie evidence of the execution of an assign-
7 ment, grant, conveyance, or mortgage under subsection
8 (b).

9 “(d) RECORDATION OF TRANSFER.—An assignment,
10 grant, conveyance, or mortgage under subsection (b) shall
11 be void as against any subsequent purchaser or mortgagee
12 for a valuable consideration, unless it is recorded in the
13 Office of the Administrator within 3 months after its date
14 of execution or before the date of such subsequent pur-
15 chase or mortgage.

16 **“§ 1221. Remedy for infringement**

17 “(a) IN GENERAL.—The owner of a design is enti-
18 tled, after issuance of a certificate of registration of the
19 design under this chapter, to institute an action for any
20 infringement of the design.

21 “(b) REVIEW OF REFUSAL TO REGISTER.—(1) Sub-
22 ject to paragraph (2), the owner of a design may seek judi-
23 cial review of a final refusal of the Administrator to reg-
24 ister the design under this chapter by bringing a civil ac-
25 tion, and may in the same action, if the court adjudges

1 the design subject to protection under this chapter, en-
2 force the rights in that design under this chapter.

3 “(2) The owner of a design may seek judicial review
4 under this section if—

5 “(A) the owner has previously duly filed and
6 prosecuted to final refusal an application in proper
7 form for registration of the design;

8 “(B) the owner causes a copy of the complaint
9 in the action to be delivered to the Administrator
10 within 10 days after the commencement of the ac-
11 tion; and

12 “(C) the defendant has committed acts in re-
13 spect to the design which would constitute infringe-
14 ment with respect to a design protected under this
15 chapter.

16 “(c) ADMINISTRATOR AS PARTY TO ACTION.—The
17 Administrator may, at the Administrator’s option, become
18 a party to the action with respect to the issue of
19 registrability of the design claim by entering an appear-
20 ance within 60 days after being served with the complaint,
21 but the failure of the Administrator to become a party
22 shall not deprive the court of jurisdiction to determine that
23 issue.

24 “(d) USE OF ARBITRATION TO RESOLVE DISPUTE.—
25 The parties to an infringement dispute under this chapter,

1 within such time as may be specified by the Administrator
2 by regulation, may determine the dispute, or any aspect
3 of the dispute, by arbitration. Arbitration shall be gov-
4 erned by title 9. The parties shall give notice of any arbi-
5 tration award to the Administrator, and such award shall,
6 as between the parties to the arbitration, be dispositive
7 of the issues to which it relates. The arbitration award
8 shall be unenforceable until such notice is given. Nothing
9 in this subsection shall preclude the Administrator from
10 determining whether a design is subject to registration in
11 a cancellation proceeding under section 1213(c).

12 **§ 1222. Injunctions**

13 “(a) IN GENERAL.—A court having jurisdiction over
14 actions under this chapter may grant injunctions in ac-
15 cordance with the principles of equity to prevent infringe-
16 ment of a design under this chapter, including, in its dis-
17 cretion, prompt relief by temporary restraining orders and
18 preliminary injunctions.

19 “(b) DAMAGES FOR INJUNCTIVE RELIEF WRONG-
20 FULLY OBTAINED.—A seller or distributor who suffers
21 damage by reason of injunctive relief wrongfully obtained
22 under this section has a cause of action against the appli-
23 cant for such injunctive relief and may recover such relief
24 as may be appropriate, including damages for lost profits,
25 cost of materials, loss of good will, and punitive damages

1 in instances where the injunctive relief was sought in bad
2 faith, and, unless the court finds extenuating cir-
3 cumstances, reasonable attorney's fees.

4 **“§ 1223. Recovery for infringement**

5 “(a) DAMAGES.—Upon a finding for the claimant in
6 an action for infringement under this chapter, the court
7 shall award the claimant damages adequate to compensate
8 for the infringement. In addition, the court may increase
9 the damages to such amount, not exceeding \$50,000 or
10 \$1 per copy, whichever is greater, as the court determines
11 to be just. The damages awarded shall constitute com-
12 pensation and not a penalty. The court may receive expert
13 testimony as an aid to the determination of damages.

14 “(b) INFRINGER'S PROFITS.—As an alternative to
15 the remedies provided in subsection (a), the court may
16 award the claimant the infringer's profits resulting from
17 the sale of the copies if the court finds that the infringer's
18 sales are reasonably related to the use of the claimant's
19 design. In such a case, the claimant shall be required to
20 prove only the amount of the infringer's sales and the in-
21 fringer shall be required to prove its expenses against such
22 sales.

23 “(c) STATUTE OF LIMITATIONS.—No recovery under
24 subsection (a) or (b) shall be had for any infringement

1 committed more than 3 years before the date on which
2 the complaint is filed.

3 “(d) ATTORNEY’S FEES.—In an action for infringe-
4 ment under this chapter, the court may award reasonable
5 attorney’s fees to the prevailing party.

6 “(e) DISPOSITION OF INFRINGING AND OTHER ARTI-
7 CLES.—The court may order that all infringing articles,
8 and any plates, molds, patterns, models, or other means
9 specifically adapted for making the articles, be delivered
10 up for destruction or other disposition as the court may
11 direct.

12 **“§ 1224. Power of court over registration**

13 “In any action involving the protection of a design
14 under this chapter, the court, when appropriate, may
15 order registration of a design under this chapter or the
16 cancellation of such a registration. Any such order shall
17 be certified by the court to the Administrator, who shall
18 make an appropriate entry upon the record.

19 **“§ 1225. Liability for action on registration fraudu-** 20 **lently obtained**

21 “Any person who brings an action for infringement
22 knowing that registration of the design was obtained by
23 a false or fraudulent representation materially affecting
24 the rights under this chapter, shall be liable in the sum
25 of \$10,000, or such part of that amount as the court may

1 determine. That amount shall be to compensate the de-
2 fendant and shall be charged against the plaintiff and paid
3 to the defendant, in addition to such costs and attorney's
4 fees of the defendant as may be assessed by the court.

5 **“§ 1226. Penalty for false marking**

6 “(a) IN GENERAL.—Whoever, for the purpose of de-
7 ceiving the public, marks upon, applies to, or uses in ad-
8 vertising in connection with an article made, used, distrib-
9 uted, or sold, a design which is not protected under this
10 chapter, a design notice specified in section 1206, or any
11 other words or symbols importing that the design is pro-
12 tected under this chapter, knowing that the design is not
13 so protected, shall pay a civil fine of not more than \$500
14 for each such offense.

15 “(b) SUIT BY PRIVATE PERSONS.—Any person may
16 sue for the penalty established by subsection (a), in which
17 event one-half of the penalty shall be awarded to the per-
18 son suing and the remainder shall be awarded to the
19 United States.

20 **“§ 1227. Penalty for false representation**

21 “Whoever knowingly makes a false representation
22 materially affecting the rights obtainable under this chap-
23 ter for the purpose of obtaining registration of a design
24 under this chapter shall pay a penalty of not less than
25 \$500 and not more than \$1,000, and any rights or privi-

1 leges that individual may have in the design under this
2 chapter shall be forfeited.

3 **“§ 1228. Enforcement by Treasury and Postal Service**

4 “(a) REGULATIONS.—The Secretary of the Treasury
5 and the United States Postal Service shall separately or
6 jointly issue regulations for the enforcement of the rights
7 set forth in section 1208 with respect to importation. Such
8 regulations may require, as a condition for the exclusion
9 of articles from the United States, that the person seeking
10 exclusion take any one or more of the following actions:

11 “(1) Obtain a court order enjoining, or an order
12 of the International Trade Commission under sec-
13 tion 337 of the Tariff Act of 1930 excluding, impor-
14 tation of the articles.

15 “(2) Furnish proof that the design involved is
16 protected under this chapter and that the importa-
17 tion of the articles would infringe the rights in the
18 design under this chapter.

19 “(3) Post a surety bond for any injury that
20 may result if the detention or exclusion of the arti-
21 cles proves to be unjustified.

22 “(b) SEIZURE AND FORFEITURE.—Articles imported
23 in violation of the rights set forth in section 1208 are sub-
24 ject to seizure and forfeiture in the same manner as prop-
25 erty imported in violation of the customs laws. Any such

1 forfeited articles shall be destroyed as directed by the Sec-
 2 retary of the Treasury or the court, as the case may be,
 3 except that the articles may be returned to the country
 4 of export whenever it is shown to the satisfaction of the
 5 Secretary of the Treasury that the importer had no rea-
 6 sonable grounds for believing that his or her acts con-
 7 stituted a violation of the law.

8 **“§ 1229. Relation to design patent law**

9 “The issuance of a design patent under title 35 for
 10 an original design for an article of manufacture shall ter-
 11 minate any protection of the original design under this
 12 chapter.

13 **“§ 1230. Common law and other rights unaffected**

14 “Nothing in this chapter shall annul or limit—

15 “(1) common law or other rights or remedies,
 16 if any, available to or held by any person with re-
 17 spect to a design which has not been registered
 18 under this chapter; or

19 “(2) any right under the trademark laws or any
 20 right protected against unfair competition.

21 **“§ 1231. Administrator; Office of the Administrator**

22 “In this chapter, the ‘Administrator’ is the Register
 23 of Copyrights, and the ‘Office of the Administrator’ and
 24 the ‘Office’ refer to the Copyright Office of the Library
 25 of Congress.

1 **“§ 1232. No retroactive effect**

2 “Protection under this chapter shall not be available
3 for any design that has been made public under section
4 1210(b) before the effective date of this chapter.”.

5 **SEC. 3. CONFORMING AMENDMENTS.**

6 (a) **TABLE OF CHAPTERS.**—The table of chapters for
7 title 17, United States Code, is amended by adding at the
8 end the following:

“**12. Protection of Original Designs** **1201**”.

9 (b) **JURISDICTION OF DISTRICT COURTS OVER DE-**
10 **SIGN ACTIONS.**—(1) Section 1338(c) of title 28, United
11 States Code, is amended by inserting “, and to exclusive
12 rights in designs under chapter 12 of title 17,” after “title
13 17”.

14 (2)(A) The section heading for section 1338 of title
15 28, United States Code, is amended by inserting “**de-**
16 **signs,**” after “**mask works,**”.

17 (B) The item relating to section 1338 in the table
18 of sections at the beginning of chapter 85 of title 28,
19 United States Code, is amended by inserting “designs,”
20 after “mask works,”.

21 (c) **PLACE FOR BRINGING DESIGN ACTIONS.**—Sec-
22 tion 1400(a) of title 28, United States Code, is amended
23 by inserting “or designs” after “mask works”.

24 (d) **ACTIONS AGAINST THE UNITED STATES.**—Sec-
25 tion 1498(e) of title 28, United States Code, is amended

1 by inserting “, and to exclusive rights in designs under
2 chapter 12 of title 17,” after “title 17”.

3 **SEC. 4. EFFECTIVE DATE.**

4 The amendments made by sections 2 and 3 shall take
5 effect one year after the date of the enactment of this Act.

 Passed the House of Representatives March 18,
1998.

Attest:

Robin H. Carle,
Clerk.

Document No. 91

105TH CONGRESS
1ST SESSION

H. R. 3048

To update and preserve balance in the Copyright Act for the 21st Century; to advance educational opportunities through distance learning; to implement the World Intellectual Property Organization Copyright Treaty, and Performances and Phonograms Treaty, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 13, 1997

Mr. BOUCHER (for himself and Mr. CAMPBELL) introduced the following bill;
which was referred to the Committee on the Judiciary

A BILL

To update and preserve balance in the Copyright Act for the 21st Century; to advance educational opportunities through distance learning; to implement the World Intellectual Property Organization Copyright Treaty and Performances and Phonograms Treaty, 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 Era Copyright
5 Enhancement Act”.

1 **SEC. 2. FAIR USE.**

2 (a) TRANSMISSIONS.—The first sentence of section
3 107 of title 17, United States Code, is amended by insert-
4 ing after “or by any other means specified in that sec-
5 tion,” the following: “and by analog or digital trans-
6 mission,”; and

7 (b) DETERMINATION.—Section 107 of title 17, Unit-
8 ed States Code, is amended by adding at the end thereof
9 the following:

10 “In making a determination concerning fair use, no inde-
11 pendent weight shall be afforded to—

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

15 “(2) the application of an effective technological
16 measure (as defined under section 1201(c)) to the
17 work.”.

18 **SEC. 3. LIBRARY/ARCHIVE EXEMPTIONS.**

19 Section 108 of title 17, United States Code, is
20 amended—

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

24 (2) by inserting after “copyright” in subsection
25 (a)(3): “if such notice appears on the copy or phono-

1 record that is reproduced under the provisions of
2 this section”;

3 (3) in subsection (b) by—

4 (A) deleting “a copy or phonorecord” and
5 inserting in lieu thereof: “three copies or
6 phonorecords”; and

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

8 (4) in subsection (c) by—

9 (A) deleting “a copy or phonorecord” and
10 inserting in lieu thereof: “three copies or
11 phonorecords”;

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

13 (C) inserting “or if the existing format in
14 which the work is stored has become obsolete,”
15 after “stolen,”.

16 **SEC. 4. FIRST SALE.**

17 Section 109 of title 17, United States Code, is
18 amended by adding the following new subsection at the
19 end thereof:

20 “(f) The authorization for use set forth in subsection
21 (a) applies where the owner of a particular copy or phono-
22 record in a digital format lawfully made under this title,
23 or any person authorized by such owner, performs, dis-
24 plays or distributes the work by means of transmission
25 to a single recipient, if that person erases or destroys his

1 or her copy or phonorecord at substantially the same time.
2 The reproduction of the work, to the extent necessary for
3 such performance, display, distribution, is not an infringe-
4 ment.”.

5 **SEC. 5. DISTANCE LEARNING.**

6 (a) **TITLE CHANGE.**—The title of section 110 of title
7 17, United States Code, is amended to read as follows:
8 “§ 110. **Limitations on exclusive rights: Exemption of**
9 **certain activities”;**

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

13 “(2) performance, display or distribution of a
14 work, by or in the course of an analog or digital
15 transmission, if—

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

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

24 “(C) the work is provided for reception
25 by—

1 “(i) students officially enrolled in the
2 course in connection with which it is pro-
3 vided; or

4 “(ii) officers or employees of govern-
5 mental bodies as part of their official du-
6 ties or employment;”

7 (c) EPHEMERAL RECORDINGS OF WORKS.—Section
8 112(b) of title 17, United States Code, is amended by de-
9 leting “transmit a performance or display of” and insert-
10 ing in lieu thereof: “perform, display or distribute”.

11 **SEC. 6. LIMITATIONS ON EXCLUSIVE RIGHTS.**

12 (a) TITLE.—The title of section 117 of title 17, Unit-
13 ed States Code, is amended to read as follows:

14 **“§ Limitations on exclusive rights: Computer pro-**
15 **grams and digital copies”;**

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

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

23 “(1) is incidental to the operation of a device in
24 the course of the use of a work otherwise lawful
25 under this title; and

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

4 **SEC. 7. PREEMPTION.**

5 Section 301(a) of title 17, United States Code, is
6 amended by inserting the following at the end thereof:

7 “When a work is distributed to the public subject to non-
8 negotiable license terms, such terms shall not be enforce-
9 able under the common law or statutes of any state to
10 the extent that they—

11 “(1) limit the reproduction, adaptation, dis-
12 tribution, performance, or display, by means of
13 transmission or otherwise, of material that is
14 uncopyrightable under section 102(b) or otherwise;
15 or

16 “(2) abrogate or restrict the limitations on ex-
17 clusive rights specified in sections 107 through 114
18 and sections 117 and 118 of this title.”.

19 **SEC. 8. COPYRIGHT PROTECTION AND MANAGEMENT SYS-**
20 **TEMS.**

21 Title 17, United States Code, is amended by adding
22 at the end the following new chapter:

23 **“CHAPTER 12—COPYRIGHT PROTECTION AND**
24 **MANAGEMENT SYSTEMS**

“Sec.

“1201. Circumvention of certain technological measures.

“1202. Integrity of copyright management information.

“1203. Civil remedies.

1 **“§ 1201. Circumvention of certain technological meas-**
 2 **ures**

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

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

17 “(c) DEFINITION OF EFFECTIVE TECHNOLOGICAL
 18 MEASURE.—As used in this section, the term ‘effective
 19 technological measure’ means a change in the data com-
 20 prising a work or a copy of a work transmitted in digital
 21 format so as to protect the rights of a copyright owner
 22 of such work or portion thereof under this title and
 23 which—

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

4 “(2) includes attributes with respect to access
5 or recording status that cannot be removed without
6 degrading the work or a portion thereof.

7 **“§ 1202. Integrity of copyright management informa-**
8 **tion**

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

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

20 “(1) remove or alter any copyright management
21 information;

22 “(2) publicly distribute or import for distribu-
23 tion a copy or phonorecord containing copyright
24 management information that has been altered with-

1 out authority of the copyright owner or other lawful
2 authority; or

3 “(3) publicly distribute or import for distribu-
4 tion a copy or phonorecord from which copyright
5 management information has been removed without
6 authority of the copyright owner or other lawful au-
7 thority: *Provided*, That the conduct governed by this
8 subsection does not include the manufacturing, im-
9 porting or distributing of a device.

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

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

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

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

23 “(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 either actual dam-
17 ages as computed under paragraph (2) or statutory
18 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 any 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 damaages 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. 9. 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
 16 for title 17, United States Code, is amended by adding
 17 at the end the following:

“12. Copyright Protection and Management Systems 1201”.

18 **SEC. 10. 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)
2 of this Act, and the amendments made by section 8 and
3 section 9(b) of this Act, shall take effect on the date on
4 which both the World Intellectual Property Organization
5 Copyright Treaty and the World Intellectual Property Or-
6 ganization Performances and Phonograms Treaty have
7 entered into force with respect to the United States.

○

Document No. 92

105TH CONGRESS
2D SESSION

H. R. 3209

To amend title 17, United States Code, to limit liability for copyright infringement for on-line material.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 1998

Mr. COBLE (for himself and Mr. GOODLATTE) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend title 17, United States Code, to limit liability for copyright infringement for on-line material.

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 "On-Line Copyright In-
5 fringement Liability Limitation Act".

6 **SEC. 2. LIMITATIONS ON LIABILITY FOR COPYRIGHT IN-**
7 **FRINGEMENT.**

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

1 **“§ 512. Limitations on liability relating to material**
2 **on-line**

3 “(a) LIMITATION.—Notwithstanding the provisions
4 of section 106, a provider shall not be liable for—

5 “(1) direct infringement, based solely on the in-
6 termediate storage and transmission of material over
7 that provider’s system or network, if—

8 “(A) the transmission was initiated by an-
9 other person;

10 “(B) the storage and transmission is car-
11 ried out through an automatic technological
12 process, without any selection of that material
13 by the provider; and

14 “(C) any copy made of the material is not
15 retained longer than necessary for the purpose
16 of carrying out that transmission;

17 “(2) monetary relief under section 504 or 505
18 for contributory infringement or vicarious liability,
19 based solely on conduct described in paragraph (1);
20 or

21 “(3) monetary relief under section 504 or 505
22 for contributory infringement or vicarious liability,
23 based solely on transmitting or providing access to
24 material over that provider’s system or network,
25 other than conduct described in paragraph (1), if the
26 provider—

1 “(A) does not know and is not aware of in-
2 formation indicating that the material is in-
3 fringing; and

4 “(B) does not receive a financial benefit di-
5 rectly attributable to the infringing activity.

6 “(b) PROTECTION OF PRIVACY.—Nothing in sub-
7 section (a) shall authorize or obligate a provider to access
8 material that the provider is prohibited by law from ac-
9 cessing, or impose an affirmative obligation to monitor or
10 otherwise seek information indicating infringement.

11 “(c) LIMITATION BASED UPON REMOVING OR DIS-
12 ABLING ACCESS TO INFRINGING MATERIAL.—A provider
13 shall not be liable for any claim based on that provider’s
14 removing or disabling on-line access to material, in re-
15 sponse to knowledge or information indicating that the
16 material is infringing, whether or not the material is in-
17 fringing.

18 “(d) OTHER DEFENSES NOT AFFECTED.—Removing
19 or disabling access to material which a provider transmits
20 on-line or to which a provider provides on-line access, or
21 the failure to do so, shall not adversely bear upon the con-
22 sideration by a court of a defense to infringement asserted
23 by that provider on the basis of section 107 or any other
24 provision of law.

1 “(e) MISREPRESENTATIONS.—Any person who know-
2 ingly materially misrepresents that material on-line is in-
3 fringing shall be liable for any damages, including costs
4 and attorneys’ fees, incurred by the alleged infringer or
5 by any copyright owner or copyright owner’s authorized
6 licensee who is injured by such misrepresentation, or by
7 any provider who relies upon such misrepresentation in
8 removing or disabling access to the material claimed to
9 be infringing.

10 “(f) DEFINITION.—As used in this section, the term
11 ‘provider’ means a provider of on-line services or network
12 access.”.

13 (b) CONFORMING AMENDMENT.—The table of sec-
14 tions for chapter 5 of title 17, United States Code, is
15 amended by adding at the end the following:

“512. Limitations on liability relating to material on-line.”.

○

Document No. 93

Calendar No. 358

105TH CONGRESS
2^D SESSION**S. 2037**

To amend title 17, United States Code, to implement the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty, to provide limitations on copyright liability relating to material online, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 6, 1998

Mr. HATCH, from the Committee on the Judiciary, reported the following original bill; which was read twice and placed on the calendar

A BILL

To amend title 17, United States Code, to implement the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty, to provide limitations on copyright liability relating to material online, 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 Millennium
5 Copyright Act of 1998".

1 **SEC. 2. TABLE OF CONTENTS.**

- Sec. 1. Short title.
 Sec. 2. Table of contents.

TITLE I—WIPO TREATIES IMPLEMENTATION

- Sec. 101. Short title.
 Sec. 102. Technical amendments.
 Sec. 103. Copyright protection systems and copyright management information.
 Sec. 104. Conforming amendment.
 Sec. 105. Effective date.

TITLE II—INTERNET COPYRIGHT INFRINGEMENT LIABILITY

- Sec. 201. Short title.
 Sec. 202. Limitations on liability for Internet copyright infringement.
 Sec. 203. Conforming amendment.
 Sec. 204. Liability of educational institutions for online infringement of copy-
 right.
 Sec. 205. Effective date.

TITLE III—COMPUTER MAINTENANCE OR REPAIR

- Sec. 301. Limitation on exclusive rights; computer programs.

**TITLE IV—DISTANCE EDUCATION; EXEMPTION FOR LIBRARIES
 AND ARCHIVES**

- Sec. 401. Ephemeral recordings.
 Sec. 402. Limitations on exclusive rights; distance education.
 Sec. 403. Exemption for libraries and archives.

2 **TITLE I—WIPO TREATIES**
 3 **IMPLEMENTATION**

4 **SEC. 101. SHORT TITLE.**

5 This Title may be cited as the “WIPO Copyright and
 6 Performances and Phonograms Treaties Implementation
 7 Act of 1998”.

8 **SEC. 102. TECHNICAL AMENDMENTS.**

9 (a) Section 101 of title 17, United States Code, is
 10 amended—

11 (1) by deleting the definition of “Berne Conven-
 12 tion work”;

1 (2) in the definition of “The ‘country of origin’
2 of a Berne Convention work”, by deleting “The
3 ‘country of origin’ of a Berne Convention work,”,
4 capitalizing the first letter of the word “for”, delet-
5 ing “is the United States” after “For purposes of
6 section 411,”, and inserting “a work is a ‘United
7 States work’ only” after “For purposes of section
8 411.”;

9 (3) in subsection (1)(B) of the definition of
10 “The ‘country of origin’ of a Berne Convention
11 work”, by inserting “treaty party or parties” and
12 deleting “nation or nations adhering to the Berne
13 Convention”;

14 (4) in subsection (1)(C) of the definition of
15 “The ‘country of origin’ of a Berne Convention
16 work”, by inserting “is not a treaty party” and de-
17 leting “does not adhere to the Berne Convention”;

18 (5) in subsection (1)(D) of the definition of
19 “The ‘country of origin’ of a Berne Convention
20 work”, by inserting “is not a treaty party” and de-
21 leting “does not adhere to the Berne Convention”;

22 (6) in section (3) of the definition of “The
23 ‘country of origin’ of a Berne Convention work”, by
24 deleting “For the purposes of section 411, the ‘coun-

1 try of origin' of any other Berne Convention work is
2 not the United States.”;

3 (7) after the definition for “fixed”, by inserting
4 “The ‘Geneva Phonograms Convention’ is the Con-
5 vention for the Protection of Producers of
6 Phonograms Against Unauthorized Duplication of
7 Their Phonograms, concluded at Geneva, Switzer-
8 land on October 29, 1971.”;

9 (8) after the definition for “including”, by in-
10 serting “An ‘international agreement’ is—

11 “(1) the Universal Copyright Convention;

12 “(2) the Geneva Phonograms Convention;

13 “(3) the Berne Convention;

14 “(4) the WTO Agreement;

15 “(5) the WIPO Copyright Treaty;

16 “(6) the WIPO Performances and Phonograms
17 Treaty; and

18 “(7) any other copyright treaty to which the
19 United States is a party.”;

20 (9) after the definition for “transmit”, by in-
21 serting “A ‘treaty party’ is a country or intergovern-
22 mental organization other than the United States
23 that is a party to an international agreement.”;

24 (10) after the definition for “widow”, by insert-
25 ing “The ‘WIPO Copyright Treaty’ is the WIPO

1 Copyright Treaty concluded at Geneva, Switzerland,
2 on December 20, 1996.”;

3 (11) after the definition for “The ‘WIPO Copy-
4 right Treaty’, by inserting “The ‘WIPO Perform-
5 ances and Phonograms Treaty’ is the WIPO Per-
6 formances and Phonograms Treaty concluded at Ge-
7 neva, Switzerland on December 20, 1996.”; and

8 (12) by inserting, after the definition for “work
9 for hire”, “The ‘WTO Agreement’ is the Agreement
10 Establishing the World Trade Organization entered
11 into on April 15, 1994. The terms ‘WTO Agree-
12 ment’ and ‘WTO member country’ have the mean-
13 ings given those terms in paragraphs (9) and (10)
14 respectively of section 2 of the Uruguay Round
15 Agreements Act.”.

16 (b) Section 104 of title 17, United States Code, is
17 amended—

18 (1) in section (b)(1), by deleting “foreign nation
19 that is a party to a copyright treaty to which the
20 United States is also a party” and inserting “treaty
21 party”;

22 (2) in section (b)(2) by deleting “party to the
23 Universal Copyright Convention” and inserting
24 “treaty party”;

1 (3) by renumbering the present section (b)(3)
2 as (b)(5) and moving it to its proper sequential loca-
3 tion and inserting a new section (b)(3) to read:

4 “(3) the work is a sound recording that was
5 first fixed in a treaty party; or”;

6 (4) in section (b)(4) by deleting “Berne Con-
7 vention work” and inserting “pictorial, graphic or
8 sculptural work that is incorporated in a building or
9 other structure, or an architectural work that is em-
10 bodied in a building and the building or structure is
11 located in the United States or a treaty party”;

12 (5) by renumbering present section (b)(5) as
13 (b)(6);

14 (6) by inserting a new section (b)(7) to read:

15 “(7) For purposes of paragraph (2), a work
16 that is published in the United States or a treaty
17 party within thirty days of publication in a foreign
18 nation that is not a treaty party shall be considered
19 first published in the United States or such treaty
20 party as the case may be.”; and

21 (7) by inserting a new section (d) to read:

22 “(d) **EFFECT OF PHONOGRAMS TREATIES.**—Not-
23 withstanding the provisions of subsection (b), no works
24 other than sound recordings shall be eligible for protection
25 under this title solely by virtue of the adherence of the

1 United States to the Geneva Phonograms Convention or
2 the WIPO Performances and Phonograms Treaty.”.

3 (c) Section 104A(h) of title 17, United States Code,
4 is amended—

5 (1) in paragraph (1), by deleting “(A) a nation
6 adhering to the Berne Convention or a WTO mem-
7 ber country; or (B) subject to a Presidential procla-
8 mation under subsection (g),” and inserting—

9 “(A) a nation adhering to the Berne Con-
10 vention;

11 “(B) a WTO member country;

12 “(C) a nation adhering to the WIPO Copy-
13 right Treaty;

14 “(D) a nation adhering to the WIPO Per-
15 formances and Phonograms Treaty; or

16 “(E) subject to a Presidential proclamation
17 under subsection (g)”;

18 (2) paragraph (3) is amended to read as fol-
19 lows:

20 “(3) the term ‘eligible country’ means a nation,
21 other than the United States that—

22 “(A) becomes a WTO member country
23 after the date of enactment of the Uruguay
24 Round Agreements Act;

1 “(B) on the date of enactment is, or after
2 the date of enactment becomes, a nation adher-
3 ing to the Berne Convention;

4 “(C) adheres to the WIPO Copyright
5 Treaty;

6 “(D) adheres to the WIPO Performances
7 and Phonograms Treaty; or

8 “(E) after such date of enactment becomes
9 subject to a proclamation under subsection
10 (g).”;

11 (3) in paragraph (6)(C)(iii), by deleting “and”
12 after “eligibility”;

13 (4) at the end of paragraph (6)(D), by deleting
14 the period and inserting “; and”;

15 (5) by adding the following new paragraph
16 (6)(E):

17 “(E) if the source country for the work is
18 an eligible country solely by virtue of its adher-
19 ence to the WIPO Performances and
20 Phonograms Treaty, is a sound recording.”;

21 (6) in paragraph (8)(B)(i), by inserting “of
22 which” before “the majority” and striking “of eligi-
23 ble countries”; and

24 (7) by deleting paragraph (9).

1 (d) Section 411 of title 17, United States Code, is
2 amended—

3 (1) in subsection (a), by deleting “actions for
4 infringement of copyright in Berne Convention
5 works whose country of origin is not the United
6 States and”; and

7 (2) in subsection (a), by inserting “United
8 States” after “no action for infringement of the
9 copyright in any”.

10 (e) Section 507(a) of title 17, United States Code,
11 is amended by adding at the beginning, “Except as ex-
12 pressly provided elsewhere in this title,”.

13 **SEC. 103. COPYRIGHT PROTECTION SYSTEMS AND COPY-**
14 **RIGHT MANAGEMENT INFORMATION.**

15 Title 17, United States Code, is amended by adding
16 the following new chapter:

17 **“CHAPTER 12—COPYRIGHT PROTECTION AND**
18 **MANAGEMENT SYSTEMS**

“Sec.

“1201. Circumvention of copyright protection systems.

“1202. Integrity of copyright management information.

“1203. Civil remedies.

“1204. Criminal offenses and penalties.

“1205. Savings Clause.

19 **“§ 1201. Circumvention of copyright protection sys-**
20 **tems**

21 **“(a) VIOLATIONS REGARDING CIRCUMVENTION OF**
22 **TECHNOLOGICAL PROTECTION MEASURES.—(1) No per-**

1 son shall circumvent a technological protection measure
2 that effectively controls access to a work protected under
3 this title.

4 “(2) No person shall manufacture, import, offer to
5 the public, provide or otherwise traffic in any technology,
6 product, service, device, component, or part thereof that—

7 “(A) is primarily designed or produced for the
8 purpose of circumventing a technological protection
9 measure that effectively controls access to a work
10 protected under this title;

11 “(B) has only limited commercially significant
12 purpose or use other than to circumvent a techno-
13 logical protection measure that effectively controls
14 access to a work protected under this title; or

15 “(C) is marketed by that person or another act-
16 ing in concert with that person with that person’s
17 knowledge for use in circumventing a technological
18 protection measure that effectively controls access to
19 a work protected under this title.

20 “(3) As used in this subsection—

21 “(A) to ‘circumvent a technological protection
22 measure’ means to descramble a scrambled work, to
23 decrypt an encrypted work, or otherwise to avoid,
24 bypass, remove, deactivate, or impair a technological

1 protection measure, without the authority of the
2 copyright owner; and

3 “(B) a technological protection measure ‘effec-
4 tively controls access to a work’ if the measure, in
5 the ordinary course of its operation, requires the ap-
6 plication of information, or a process or a treatment,
7 with the authority of the copyright owner, to gain
8 access to the work.

9 “(b) ADDITIONAL VIOLATIONS.—(1) No person shall
10 manufacture, import, offer to the public, provide, or other-
11 wise traffic in any technology, product, service, device,
12 component, or part thereof that—

13 “(A) is primarily designed or produced for the
14 purpose of circumventing protection afforded by a
15 technological protection measure that effectively pro-
16 tects a right of a copyright owner under this title in
17 a work or a portion thereof;

18 “(B) has only limited commercially significant
19 purpose or use other than to circumvent protection
20 afforded by a technological protection measure that
21 effectively protects a right of a copyright owner
22 under this title in a work or a portion thereof; or

23 “(C) is marketed by that person or another act-
24 ing in concert with that person with that person’s
25 knowledge for use in circumventing protection af-

1 forded by a technological protection measure that ef-
2 fectively protects a right of a copyright owner under
3 this title in a work or a portion thereof.

4 “(2) As used in this subsection—

5 “(A) to ‘circumvent protection afforded by a
6 technological protection measure’ means avoiding,
7 bypassing, removing, deactivating, or otherwise im-
8 pairing a technological protection measure; and

9 “(B) a technological protection measure ‘effec-
10 tively protects a right of a copyright owner under
11 this title’ if the measure, in the ordinary course of
12 its operation, prevents, restricts, or otherwise limits
13 the exercise of a right of a copyright owner under
14 this title.

15 “(c) IMPORTATION.—The importation into the
16 United States, the sale for importation, or the sale within
17 the United States after importation by the owner, im-
18 porter, or consignee of any technology, product, service,
19 device, component, or part thereof as described in sub-
20 section (a) or (b) shall be actionable under section 337
21 of the Tariff Act of 1930 (19 U.S.C. 1337).

22 “(d) OTHER RIGHTS, ETC., NOT AFFECTED.—(1)
23 Nothing in this section shall affect rights, remedies, limi-
24 tations, or defenses to copyright infringement, including
25 fair use, under this title.

1 “(2) Nothing in this section shall enlarge or diminish
2 vicarious or contributory liability for copyright infringe-
3 ment in connection with any technology, product, service,
4 device, component or part thereof.

5 “(3) Nothing in this section shall require that the de-
6 sign of, or design and selection of parts and components
7 for, a consumer electronics, telecommunications, or com-
8 puting product provide for a response to any particular
9 technological protection measure, so long as such part or
10 component or the product, in which such part or compo-
11 nent is integrated, does not otherwise fall within the prohi-
12 bitions of subsections (a)(2) or (b)(1).

13 “(e) EXEMPTION FOR NONPROFIT LIBRARIES, AR-
14 CHIVES, AND EDUCATIONAL INSTITUTIONS.—(1) A non-
15 profit library, archives, or educational institution which
16 gains access to a commercially exploited copyrighted work
17 solely in order to make a good faith determination of
18 whether to acquire a copy of that work for the sole purpose
19 of engaging in conduct permitted under this title shall not
20 be in violation of subsection (a)(1). A copy of a work to
21 which access has been gained under this paragraph—

22 “(A) may not be retained longer than necessary
23 to make such good faith determination; and

24 “(B) may not be used for any other purpose.

1 “(2) The exemption made available under paragraph
2 (1) shall only apply with respect to a work when an iden-
3 tical copy of that work is not reasonably available in an-
4 other form.

5 “(3) A nonprofit library, archives, or educational in-
6 stitution that willfully for the purpose of commercial ad-
7 vantage or financial gain violates paragraph (1)—

8 “(A) shall, for the first offense, be subject to
9 the civil remedies under section 1203; and

10 “(B) shall, for repeated or subsequent offenses,
11 in addition to the civil remedies under section 1203,
12 forfeit the exemption provided under paragraph (1).

13 “(4) This subsection may not be used as a defense
14 to a claim under subsection (a)(2) or (b), nor may this
15 subsection permit a nonprofit library, archives, or edu-
16 cational institution to manufacture, import, offer to the
17 public, provide, or otherwise traffic in any technology
18 which circumvents a technological protection measure.

19 “(5) In order for a library or archives to qualify for
20 the exemption under this subsection, the collections of that
21 library or archives shall be—

22 “(A) open to the public; or

23 “(B) available not only to researchers affiliated
24 with the library or archives or with the institution

1 of which it is a part, but also to other persons doing
2 research in a specialized field.

3 “(f) LAW ENFORCEMENT AND INTELLIGENCE AC-
4 TIVITIES.—This section does not prohibit any lawfully au-
5 thorized investigative, protective, or intelligence activity of
6 an officer, agent or employee of the United States, a
7 State, or a political subdivision of a State, or a person
8 acting pursuant to a contract with such entities.

9 “(g) Notwithstanding the provisions of subsection
10 1201(a)(1), a person who has lawfully obtained the right
11 to use a copy of a computer program may circumvent a
12 technological protection measure that effectively controls
13 access to a particular portion of that program for the sole
14 purpose of identifying and analyzing those elements of the
15 program that are necessary to achieve interoperability of
16 an independently created computer program with other
17 programs, and that have not previously been readily avail-
18 able to the person engaging in the circumvention, to the
19 extent any such acts of identification and analysis do not
20 constitute infringement under this title.

21 “(h) Notwithstanding the provisions of subsections
22 1201(a)(2) and (b), a person may develop and employ
23 technological means to circumvent for the identification
24 and analysis described in subsection (g), or for the limited
25 purpose of achieving interoperability of an independently

1 created computer program with other programs, where
2 such means are necessary to achieve such interoperability,
3 to the extent that doing so does not constitute infringe-
4 ment under this title.

5 “(i) The information acquired through the acts per-
6 mitted under subsection (g), and the means permitted
7 under subsection (h), may be made available to others if
8 the person referred to in subsections (g) or (h) provides
9 such information or means solely for the purpose of
10 achieving interoperability of an independently created
11 computer program with other programs, and to the extent
12 that doing so does not constitute infringement under this
13 title, or violate applicable law other than this title.

14 “(j) For purposes of subsections (g), (h) and (i), the
15 term “interoperability” means the ability of computer pro-
16 grams to exchange information, and for such programs
17 mutually to use the information which has been ex-
18 changed.

19 “(k) In applying subsection (a) to a component or
20 part, the court may consider the necessity for its intended
21 and actual incorporation in a technology, product, service
22 or device, which (i) does not itself violate the provisions
23 of this chapter and (ii) has the sole purpose to prevent
24 the access of minors to material on the Internet.”

1 **“§ 1202. Integrity of copyright management informa-**
2 **tion**

3 “(a) FALSE COPYRIGHT MANAGEMENT INFORMA-
4 TION.—No person shall knowingly—

5 “(1) provide copyright management information
6 that is false, or

7 “(2) distribute or import for distribution copy-
8 right management information that is false, with the
9 intent to induce, enable, facilitate or conceal in-
10 fringement.

11 “(b) REMOVAL OR ALTERATION OF COPYRIGHT
12 MANAGEMENT INFORMATION.—No person shall, without
13 the authority of the copyright owner or the law—

14 “(1) intentionally remove or alter any copyright
15 management information,

16 “(2) distribute or import for distribution copy-
17 right management information knowing that the
18 copyright management information has been re-
19 moved or altered without authority of the copyright
20 owner or the law, or

21 “(3) distribute, import for distribution, or pub-
22 licly perform works, copies of works, or
23 phonorecords, knowing that copyright management
24 information has been removed or altered without au-
25 thority of the copyright owner or the law, knowing,
26 or, with respect to civil remedies under section 1203,

1 having reasonable grounds to know, that it will in-
2 duce, enable, facilitate or conceal an infringement of
3 any right under this title.

4 “(c) DEFINITION.—As used in this chapter, ‘copy-
5 right management information’ means the following infor-
6 mation conveyed in connection with copies or phonorecords
7 of a work or performances or displays of a work, including
8 in digital form—

9 “(1) the title and other information identifying
10 the work, including the information set forth on a
11 notice of copyright;

12 “(2) the name of, and other identifying infor-
13 mation about, the author of a work;

14 “(3) the name of, and other identifying infor-
15 mation about, the copyright owner of the work, in-
16 cluding the information set forth in a notice of copy-
17 right;

18 “(4) with the exception of public performances
19 of works by radio and television broadcast stations
20 the name of, and other identifying information
21 about, a performer whose performance is fixed in a
22 work other than an audiovisual work;

23 “(5) with the exception of public performances
24 of works by radio and television broadcast stations,
25 in the case of an audiovisual work, the name of, and

1 other identifying information about, a writer, per-
2 former, or director who is credited in the audiovisual
3 work;

4 “(6) identifying numbers of symbols referring
5 to such information or links to such information; or

6 “(7) such other information as the Register of
7 Copyrights may prescribe by regulation, except that
8 the Register of Copyrights may not require the pro-
9 vision of any information concerning the user of a
10 copyrighted work.

11 “(d) LAW ENFORCEMENT AND INTELLIGENCE AC-
12 TIVITIES.—This section does not prohibit any lawfully au-
13 thorized investigative, protective, or intelligence activity of
14 an officer, agent, or employee of the United States, a
15 State, or a political subdivision of a State, or a person
16 acting pursuant to a contract with such entities.

17 “(e) LIMITATIONS ON LIABILITY.—

18 “(1) ANALOG TRANSMISSIONS.—In the case of
19 an analog transmission, a person who is making
20 transmissions in its capacity as a radio or television
21 broadcast station, or as a cable system, or someone
22 who provides programming to such station or sys-
23 tem, shall not be liable for a violation of subsection

24 (b) if—

1 “(A) avoiding the activity that constitutes
2 such violation is not technically feasible or
3 would create an undue financial hardship on
4 such person; and

5 “(B) such person did not intend, by engag-
6 ing in such activity, to induce, enable, facilitate
7 or conceal infringement.

8 “(2) DIGITAL TRANSMISSIONS.—

9 “(A) If a digital transmission standard for
10 the placement of copyright management infor-
11 mation for a category of works is set in a vol-
12 untary, consensus standard-setting process in-
13 volving a representative cross-section of radio or
14 television broadcast stations or cable systems
15 and copyright owners of a category of works
16 that are intended for public performance by
17 such stations or systems, a person identified in
18 subsection (e)(1) shall not be liable for a viola-
19 tion of subsection (b) with respect to the par-
20 ticular copyright management information ad-
21 dressed by such standard if—

22 “(i) the placement of such information
23 by someone other than such person is not
24 in accordance with such standard; and

1 “(ii) the activity that constitutes such
2 violation is not intended to induce, enable,
3 facilitate or conceal infringement.

4 “(B) Until a digital transmission standard
5 has been set pursuant to subparagraph (A) with
6 respect to the placement of copyright manage-
7 ment information for a category or works, a
8 person identified in subsection (e)(1) shall not
9 be liable for a violation of subsection (b) with
10 respect to such copyright management informa-
11 tion, where the activity that constitutes such
12 violation is not intended to induce, enable, fa-
13 cilitate or conceal infringement, if—

14 “(i) the transmission of such informa-
15 tion by such person would result in a per-
16 ceptible visual or aural degradation of the
17 digital signal; or

18 “(ii) the transmission of such infor-
19 mation by such person would conflict
20 with—

21 “(I) an applicable government
22 regulation relating to transmission of
23 information in a digital signal;

24 “(II) an applicable industry-wide
25 standard relating to the transmission

1 of information in a digital signal that
 2 was adopted by a voluntary consensus
 3 standards body prior to the effective
 4 date of this section; or

5 “(III) an applicable industry-wide
 6 standard relating to the transmission
 7 of information in a digital signal that
 8 was adopted in a voluntary, consensus
 9 standards-setting process open to par-
 10 ticipation by a representative cross-
 11 section of radio or television broadcast
 12 stations or cable systems and copy-
 13 right owners of a category of works
 14 that are intended for public perform-
 15 ance by such stations or systems.

16 **“§ 1203. Civil remedies**

17 “(a) CIVIL ACTIONS.—Any person injured by a viola-
 18 tion of section 1201 or 1202 may bring a civil action in
 19 an appropriate United States district court for such viola-
 20 tion.

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

23 “(1) may grant temporary and permanent in-
 24 junctions on such terms as it deems reasonable to
 25 prevent or restrain a violation;

1 “(2) at any time while an action is pending,
2 may order the impounding, on such terms as it
3 deems reasonable, of any device or product that is
4 in the custody or control of the alleged violator and
5 that the court has reasonable cause to believe was
6 involved in a violation;

7 “(3) may award damages under subsection (c);

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

11 “(5) in its discretion may award reasonable at-
12 torney’s fees to the prevailing party; and

13 “(6) may, as part of a final judgment or decree
14 finding a violation, order the remedial modification
15 or the destruction of any device or product involved
16 in the violation that is in the custody or control of
17 the violator or has been impounded under paragraph
18 (2).

19 “(c) AWARD OF DAMAGES.—

20 “(1) IN GENERAL.—Except as otherwise pro-
21 vided in this chapter, a person committing a viola-
22 tion of section 1201 or 1202 is liable for either—

23 “(A) the actual damages and any addi-
24 tional profits of the violator, as provided in
25 paragraph (2), or

1 “(B) statutory damages, as provided in
2 paragraph (3).

3 “(2) ACTUAL DAMAGES.—The court shall
4 award to the complaining party the actual damages
5 suffered by the party as a result of the violation,
6 and any profits of the violator that are attributable
7 to the violation and are not taken into account in
8 computing the actual damages, if the complaining
9 party elects such damages at any time before final
10 judgment is entered.

11 “(3) STATUTORY DAMAGES.—

12 “(A) At any time before final judgment is
13 entered, a complaining party may elect to re-
14 cover an award of statutory damages for each
15 violation of section 1201 in the sum of not less
16 than \$200 or more than \$2,500 per act of cir-
17 cumvention, device, product, component, offer,
18 or performance of service, as the court consid-
19 ers just.

20 “(B) At any time before final judgment is
21 entered, a complaining party may elect to re-
22 cover an award of statutory damages for each
23 violation of section 1202 in the sum of not less
24 than \$2,500 or more than \$25,000.

1 “(4) REPEATED VIOLATIONS.—In any case in
2 which the injured party sustains the burden of prov-
3 ing, and the court finds, that a person has violated
4 section 1201 or 1202 within three years after a final
5 judgment was entered against the person for another
6 such violation, the court may increase the award of
7 damages up to triple the amount that would other-
8 wise be awarded, as the court considers just.

9 “(5) INNOCENT VIOLATIONS.—

10 “(A) IN GENERAL.—The court in its dis-
11 cretion may reduce or remit the total award of
12 damages in any case in which the violator sus-
13 tains the burden of proving, and the court
14 finds, that the violator was not aware and had
15 no reason to believe that its acts constituted a
16 violation.

17 “(B) NONPROFIT LIBRARY, ARCHIVES, OR
18 EDUCATIONAL INSTITUTIONS.—In the case of a
19 nonprofit library, archives, or educational insti-
20 tution, the court shall remit damages in any
21 case in which the library, archives, or edu-
22 cational institution sustains the burden of prov-
23 ing, and the court finds, that the library, ar-
24 chives, or educational institution was not aware

1 and had no reason to believe that its acts con-
2 stituted a violation.

3 **“§ 1204. Criminal offenses and penalties**

4 “(a) IN GENERAL.—Any person who violates section
5 1201 or 1202 willfully and for purposes of commercial ad-
6 vantage or private financial gain—

7 “(1) shall be fined not more than \$500,000 or
8 imprisoned for not more than 5 years, or both for
9 the first offense; and

10 “(2) shall be fined not more than \$1,000,000 or
11 imprisoned for not more than 10 years, or both for
12 any subsequent offense.

13 “(b) LIMITATION FOR NONPROFIT LIBRARY, AR-
14 CHIVES, OR EDUCATIONAL INSTITUTION.—Subsection (a)
15 shall not apply to a nonprofit library, archives, or edu-
16 cational institution.

17 “(c) STATUTE OF LIMITATIONS.—Notwithstanding
18 section 507(a) of this title, no criminal proceeding shall
19 be brought under this section unless such proceeding is
20 commenced within five years after the cause of action
21 arose.”.

22 **“§ 1205. Savings Clause**

23 “Nothing in this chapter abrogates, diminishes or
24 weakens the provisions of, nor provides any defense or ele-
25 ment of mitigation in a criminal prosecution or civil action

1 under, any federal or state law that prevents the violation
 2 of the privacy of an individual in connection with the indi-
 3 vidual's use of the Internet.”.

4 **SEC. 104. CONFORMING AMENDMENT.**

5 The table of chapters for Title 17, United States
 6 Code, is amended by adding at the end the following:

“12. Copyright Protection and Management Systems 1201”.

7 **SEC. 105. EFFECTIVE DATE.**

8 (a) **IN GENERAL.**—Subject to subsection (b), the
 9 amendments made by this title shall take effect on the
 10 date of the enactment of this Act.

11 (b) **AMENDMENTS RELATING TO CERTAIN INTER-**
 12 **NATIONAL AGREEMENTS.**—(1) The following shall take ef-
 13 fect upon entry into force of the WIPO Copyright Treaty
 14 with respect to the United States:

15 (A) paragraph (5) of the definition of “inter-
 16 national agreement” contained in section 101 of title
 17 17, United States Code, as amended by section
 18 102(a)(8) of this title.

19 (B) the amendment made by section 102(a)(10)
 20 of this title;

21 (C) subparagraph (C) of section 104A(h)(1) of
 22 title 17, United States Code, as amended by section
 23 102(e)(1) of this title; and

1 (D) subparagraph (C) of section 104A(h)(3) of
2 title 17, United States Code, as amended by section
3 102(c)(2) of this title.

4 (2) The following shall take effect upon the entry into
5 force of the WIPO Performances and Phonograms Treaty
6 with respect to the United States:

7 (A) paragraph (6) of the definition of “inter-
8 national agreement” contained in section 101 of title
9 17, United States Code, as amended by section
10 102(a)(8) of this title.

11 (B) the amendment made by section 102(a)(11)
12 of this title;

13 (C) the amendment made by section 102(b)(7)
14 of this title;

15 (D) Subparagraph (D) of section 104A(h)(1) of
16 title 17, United States Code, as amended by section
17 102(c)(2) of this title; and

18 (E) the amendment made by section 102(e)(4)
19 of this title; and

20 (F) the amendment made by section 102(e)(5)
21 of this title.

1 **TITLE II—INTERNET COPYRIGHT**
 2 **INFRINGEMENT LIABILITY**

3 **SEC. 201. SHORT TITLE.**

4 This title may be cited as the “Internet Copyright
 5 Infringement Liability Clarification Act of 1998”.

6 **SEC. 202. LIMITATIONS ON LIABILITY FOR INTERNET COPY-**
 7 **RIGHT INFRINGEMENT.**

8 (a) **IN GENERAL.**—Chapter 5 of title 17, United
 9 States Code, is amended by adding after section 511 the
 10 following new section:

11 **“§ 512. Liability of service providers for online in-**
 12 **fringement of copyright**

13 “(a) **DIGITAL NETWORK COMMUNICATIONS.**—A serv-
 14 ice provider shall not be liable for monetary relief, or ex-
 15 cept as provided in subsection (i) for injunctive or other
 16 equitable relief, for infringement for the provider’s trans-
 17 mitting, routing, or providing connections for, material
 18 through a system or network controlled or operated by or
 19 for the service provider, or the intermediate and transient
 20 storage of such material in the course of such transmit-
 21 ting, routing or providing connections, if—

22 “(1) it was initiated by or at the direction of a
 23 person other than the service provider;

1 “(2) it is carried out through an automatic
2 technical process without selection of such material
3 by the service provider;

4 “(3) the service provider does not select the re-
5 cipients of such material except as an automatic re-
6 sponse to the request of another;

7 “(4) no such copy of such material made by the
8 service provider is maintained on the system or net-
9 work in a manner ordinarily accessible to anyone
10 other than anticipated recipients, and no such copy
11 is maintained on the system or network in a manner
12 ordinarily accessible to the anticipated recipients for
13 a longer period than is reasonably necessary for the
14 communication; and

15 “(5) the material is transmitted without modi-
16 fication to its content.

17 “(b) SYSTEM CACHING.—A service provider shall not
18 be liable for monetary relief, or except as provided in sub-
19 section (i) for injunctive or other equitable relief, for in-
20 fringement for the intermediate and temporary storage of
21 material on the system or network controlled or operated
22 by or for the service provider, where (i) such material is
23 made available online by a person other than such service
24 provider, (ii) such material is transmitted from the person
25 described in clause (i) through such system or network

1 to someone other than that person at the direction of such
2 other person, and (iii) the storage is carried out through
3 an automatic technical process for the purpose of making
4 such material available to users of such system or network
5 who subsequently request access to that material from the
6 person described in clause (i), provided that:

7 “(1) such material is transmitted to such subse-
8 quent users without modification to its content from
9 the manner in which the material otherwise was
10 transmitted from the person described in clause (i);

11 “(2) such service provider complies with rules
12 concerning the refreshing, reloading or other updat-
13 ing of such material when specified by the person
14 making that material available online in accordance
15 with an accepted industry standard data commu-
16 nications protocol for the system or network through
17 which that person makes the material available; pro-
18 vided that the rules are not used by the person de-
19 scribed in clause (i) to prevent or unreasonably im-
20 pair such intermediate storage;

21 “(3) such service provider does not interfere
22 with the ability of technology associated with such
23 material that returns to the person described in
24 clause (i) the information that would have been
25 available to such person if such material had been

1 obtained by such subsequent users directly from
2 such person, provided that such technology—

3 “(A) does not significantly interfere with
4 the performance of the provider’s system or
5 network or with the intermediate storage of the
6 material;

7 “(B) is consistent with accepted industry
8 standard communications protocols; and

9 “(C) does not extract information from the
10 provider’s system or network other than the in-
11 formation that would have been available to
12 such person if such material had been accessed
13 by such users directly from such person;

14 “(4) either—

15 “(A) the person described in clause (i)
16 does not currently condition access to such ma-
17 terial; or

18 “(B) if access to such material is so condi-
19 tioned by such person, by a current individual
20 pre-condition, such as a pre-condition based on
21 payment of a fee, or provision of a password or
22 other information, the service provider permits
23 access to the stored material in significant part
24 only to users of its system or network that have

1 been so authorized and only in accordance with
2 those conditions; and

3 “(5) if the person described in clause (i) makes
4 that material available online without the authoriza-
5 tion of the copyright owner, then the service provider
6 responds expeditiously to remove, or disable access
7 to, the material that is claimed to be infringing upon
8 notification of claimed infringements described in
9 subsection (c)(3); provided that the material has
10 previously been removed from the originating site,
11 and the party giving the notification includes in the
12 notification a statement confirming that such mate-
13 rial has been removed or access to it has been dis-
14 abled or ordered to be removed or have access dis-
15 abled.

16 “(c) INFORMATION STORED ON SERVICE PROVID-
17 ERS.—

18 “(1) IN GENERAL.—A service provider shall not
19 be liable for monetary relief, or except as provided
20 in subsection (i) for injunctive or other equitable re-
21 lief, for infringement for the storage at the direction
22 of a user of material that resides on a system or net-
23 work controlled or operated by or for the service pro-
24 vider, if the service provider—

1 “(A)(i) does not have actual knowledge
2 that the material or activity is infringing,

3 “(ii) in the absence of such actual knowl-
4 edge, is not aware of facts or circumstances
5 from which infringing activity is apparent, or

6 “(iii) if upon obtaining such knowledge or
7 awareness, the service provider acts expedi-
8 tiously to remove or disable access to, the mate-
9 rial;

10 “(B) does not receive a financial benefit di-
11 rectly attributable to the infringing activity,
12 where the service provider has the right and
13 ability to control such activity; and

14 “(C) in the instance of a notification of
15 claimed infringement as described in paragraph
16 (3), responds expeditiously to remove, or disable
17 access to, the material that is claimed to be in-
18 fringing or to be the subject of infringing activ-
19 ity.

20 “(2) DESIGNATED AGENT.—The limitations on
21 liability established in this subsection apply only if
22 the service provider has designated an agent to re-
23 ceive notifications of claimed infringement described
24 in paragraph (3), by substantially making the name,
25 address, phone number, electronic mail address of

1 such agent, and other contact information deemed
2 appropriate by the Register of Copyrights, available
3 through its service, including on its website, and by
4 providing such information to the Copyright Office.
5 The Register of Copyrights shall maintain a current
6 directory of agents available to the public for inspec-
7 tion, including through the Internet, in both elec-
8 tronic and hard copy formats.

9 “(3) ELEMENTS OF NOTIFICATION.—

10 “(A) To be effective under this subsection,
11 a notification of claimed infringement means
12 any written communication provided to the
13 service provider’s designated agent that includes
14 substantially the following:

15 “(i) a physical or electronic signature
16 of a person authorized to act on behalf of
17 the owner of an exclusive right that is al-
18 legedly infringed;

19 “(ii) identification of the copyrighted
20 work claimed to have been infringed, or, if
21 multiple such works at a single online site
22 are covered by a single notification, a rep-
23 resentative list of such works at that site;

24 “(iii) identification of the material
25 that is claimed to be infringing or to be

1 the subject of infringing activity that is to
2 be removed or access to which is to be dis-
3 abled, and information reasonably suffi-
4 cient to permit the service provider to lo-
5 cate the material;

6 “(iv) information reasonably sufficient
7 to permit the service provider to contact
8 the complaining party, such as an address,
9 telephone number, and, if available an elec-
10 tronic mail address at which the complain-
11 ing party may be contacted;

12 “(v) a statement that the complaining
13 party has a good faith belief that use of
14 the material in the manner complained of
15 is not authorized by the copyright owner,
16 or its agent, or the law; and

17 “(vi) a statement that the information
18 in the notification is accurate, and under
19 penalty of perjury, that the complaining
20 party has the authority to enforce the own-
21 er’s rights that are claimed to be infringed.

22 “(B) A notification from the copyright
23 owner or from a person authorized to act on be-
24 half of the copyright owner that fails substan-
25 tially to conform to the provisions of paragraph

1 (3)(A) shall not be considered under paragraph
2 (1)(A) in determining whether a service pro-
3 vider has actual knowledge or is aware of facts
4 or circumstances from which infringing activity
5 is apparent, provided that the provider prompt-
6 ly attempts to contact the complaining party or
7 takes other reasonable steps to assist in the re-
8 ceipt of notice under paragraph (3)(A) when
9 the notice is provided to the service provider's
10 designated agent and substantially satisfies the
11 provisions of subparagraphs (3)(A)(ii), (iii), and
12 (iv).

13 “(d) INFORMATION LOCATION TOOLS.—A service
14 provider shall not be liable for monetary relief, or except
15 as provided in subsection (i) for injunctive or other equi-
16 table relief, for infringement for the provider referring or
17 linking users to an online location containing infringing
18 material or activity by using information location tools, in-
19 cluding a directory, index, reference, pointer or hypertext
20 link, if the provider—

21 “(1) does not have actual knowledge that the
22 material or activity is infringing or, in the absence
23 of such actual knowledge, is not aware of facts or
24 circumstances from which infringing activity is ap-
25 parent;

1 “(2) does not receive a financial benefit directly
2 attributable to the infringing activity, where the
3 service provider has the right and ability to control
4 such activity; and

5 “(3) responds expeditiously to remove or disable
6 the reference or link upon notification of claimed in-
7 fringement as described in subsection (c)(3); pro-
8 vided that for the purposes of this paragraph, the
9 element in subsection (c)(3)(A)(iii) shall be identi-
10 fication of the reference or link, to material or activ-
11 ity claimed to be infringing, that is to be removed
12 or access to which is to be disabled, and information
13 reasonably sufficient to permit the service provider
14 to locate such reference or link.

15 “(e) MISREPRESENTATIONS.—Any person who know-
16 ingly materially misrepresents under this section (1) that
17 material or activity is infringing, or (2) that material or
18 activity was removed or disabled by mistake or
19 misidentification, shall be liable for any damages, includ-
20 ing costs and attorneys’ fees, incurred by the alleged in-
21 fringer, by any copyright owner or copyright owner’s au-
22 thorized licensee, or by the service provider, who is injured
23 by such misrepresentation, as the result of the service pro-
24 vider relying upon such misrepresentation in removing or
25 disabling access to the material or activity claimed to be

1 infringing, or in replacing the removed material or ceasing
2 to disable access to it.

3 “(f) REPLACEMENT OF REMOVED OR DISABLED MA-
4 TERIAL AND LIMITATION ON OTHER LIABILITY.—

5 “(1) Subject to paragraph (2) of this sub-
6 section, a service provider shall not be liable to any
7 person for any claim based on the service provider’s
8 good faith disabling of access to, or removal of, ma-
9 terial or activity claimed to be infringing or based on
10 facts or circumstances from which infringing activity
11 is apparent, regardless of whether the material or
12 activity is ultimately determined to be infringing.

13 “(2) Paragraph (1) of this subsection shall not
14 apply with respect to material residing at the direc-
15 tion of a subscriber of the service provider on a sys-
16 tem or network controlled or operated by or for the
17 service provider that is removed, or to which access
18 is disabled by the service provider pursuant to a no-
19 tice provided under subsection (c)(1)(C), unless the
20 service provider—

21 “(A) takes reasonable steps promptly to
22 notify the subscriber that it has removed or dis-
23 abled access to the material;

24 “(B) upon receipt of a counter notice as
25 described in paragraph (3), promptly provides

1 the person who provided the notice under sub-
2 section (c)(1)(C) with a copy of the counter no-
3 tice, and informs such person that it will re-
4 place the removed material or cease disabling
5 access to it in ten business days; and

6 “(C) replaces the removed material and
7 ceases disabling access to it not less than ten,
8 nor more than fourteen, business days following
9 receipt of the counter notice, unless its des-
10 ignated agent first receives notice from the per-
11 son who submitted the notification under sub-
12 section (c)(1)(C) that such person has filed an
13 action seeking a court order to restrain the sub-
14 scriber from engaging in infringing activity re-
15 lating to the material on the service provider’s
16 system or network.

17 “(3) To be effective under this subsection, a
18 counter notification means any written communica-
19 tion provided to the service provider’s designated
20 agent that includes substantially the following:

21 “(A) a physical or electronic signature of
22 the subscriber;

23 “(B) identification of the material that has
24 been removed or to which access has been dis-
25 abled and the location at which such material

1 appeared before it was removed or access was
2 disabled;

3 “(C) a statement under penalty of perjury
4 that the subscriber has a good faith belief that
5 the material was removed or disabled as a re-
6 sult of mistake or misidentification of the mate-
7 rial to be removed or disabled;

8 “(D) the subscriber’s name, address and
9 telephone number, and a statement that the
10 subscriber consents to the jurisdiction of Fed-
11 eral Court for the judicial district in which the
12 address is located, or if the subscriber’s address
13 is outside of the United States, for any judicial
14 district in which the service provider may be
15 found, and that the subscriber will accept serv-
16 ice of process from the person who provided no-
17 tice under subsection (c)(1)(C) or agent of such
18 person.

19 “(4) A service provider’s compliance with para-
20 graph (2) shall not subject the service provider to li-
21 ability for copyright infringement with respect to the
22 material identified in the notice provided under sub-
23 section (c)(1)(C).

24 “(g) IDENTIFICATION OF DIRECT INFRINGER.—The
25 copyright owner or a person authorized to act on the own-

1 er's behalf may request an order for release of identifica-
2 tion of an alleged infringer by filing (i) a copy of a notifi-
3 cation described in subsection (c)(3)(A), including a pro-
4 posed order, and (ii) a sworn declaration that the purpose
5 of the order is to obtain the identity of an alleged infringer
6 and that such information will only be used for the pur-
7 pose of this title, with the clerk of any United States dis-
8 trict court. The order shall authorize and order the service
9 provider receiving the notification to disclose expeditiously
10 to the copyright owner or person authorized by the copy-
11 right owner information sufficient to identify the alleged
12 direct infringer of the material described in the notifica-
13 tion to the extent such information is available to the serv-
14 ice provider. The order shall be expeditiously issued if the
15 accompanying notification satisfies the provisions of sub-
16 section (c)(3)(A) and the accompanying declaration is
17 properly executed. Upon receipt of the order, either ac-
18 companying or subsequent to the receipt of a notification
19 described in subsection (c)(3)(A), a service provider shall
20 expeditiously give to the copyright owner or person author-
21 ized by the copyright owner the information required by
22 the order, notwithstanding any other provision of law and
23 regardless of whether the service provider responds to the
24 notification.

25 “(h) CONDITIONS FOR ELIGIBILITY.—

1 “(1) ACCOMMODATION OF TECHNOLOGY.—The
2 limitations on liability established by this section
3 shall apply only if the service provider—

4 “(A) has adopted and reasonably imple-
5 mented, and informs subscribers of the service
6 of, a policy for the termination of subscribers of
7 the service who are repeat infringers; and

8 “(B) accommodates and does not interfere
9 with standard technical measures as defined in
10 this subsection.

11 “(2) DEFINITION.—As used in this section,
12 “standard technical measures” are technical meas-
13 ures, used by copyright owners to identify or protect
14 copyrighted works, that—

15 “(A) have been developed pursuant to a
16 broad consensus of copyright owners and serv-
17 ice providers in an open, fair, voluntary, multi-
18 industry standards process;

19 “(B) are available to any person on rea-
20 sonable and nondiscriminatory terms; and

21 “(C) do not impose substantial costs on
22 service providers or substantial burdens on their
23 systems or networks.

24 “(i) INJUNCTIONS.—The following rules shall apply
25 in the case of any application for an injunction under sec-

1 tion 502 against a service provider that is not subject to
2 monetary remedies by operation of this section:

3 “(1) SCOPE OF RELIEF.—

4 “(A) With respect to conduct other than
5 that which qualifies for the limitation on rem-
6 edies as set forth in subsection (a), the court
7 may only grant injunctive relief with respect to
8 a service provider in one or more of the follow-
9 ing forms:

10 “(i) an order restraining it from pro-
11 viding access to infringing material or ac-
12 tivity residing at a particular online site on
13 the provider’s system or network;

14 “(ii) an order restraining it from pro-
15 viding access to an identified subscriber of
16 the service provider’s system or network
17 who is engaging in infringing activity by
18 terminating the specified accounts of such
19 subscriber; or

20 “(iii) such other injunctive remedies
21 as the court may consider necessary to pre-
22 vent or restrain infringement of specified
23 copyrighted material at a particular online
24 location, provided that such remedies are
25 the least burdensome to the service pro-

1 vider that are comparably effective for that
2 purpose.

3 “(B) If the service provider qualifies for
4 the limitation on remedies described in sub-
5 section (a), the court may only grant injunctive
6 relief in one or both of the following forms:

7 “(i) an order restraining it from pro-
8 viding access to an identified subscriber of
9 the service provider’s system or network
10 who is using the provider’s service to en-
11 gage in infringing activity by terminating
12 the specified accounts of such subscriber;
13 or

14 “(ii) an order restraining it from pro-
15 viding access, by taking specified reason-
16 able steps to block access, to a specific,
17 identified, foreign online location.

18 “(2) CONSIDERATIONS.—The court, in consid-
19 ering the relevant criteria for injunctive relief under
20 applicable law, shall consider:

21 “(A) whether such an injunction, either
22 alone or in combination with other such injunc-
23 tions issued against the same service provider
24 under this subsection, would significantly bur-

1 den either the provider or the operation of the
2 provider's system or network;

3 “(B) the magnitude of the harm likely to
4 be suffered by the copyright owner in the digi-
5 tal network environment if steps are not taken
6 to prevent or restrain the infringement;

7 “(C) whether implementation of such an
8 injunction would be technically feasible and ef-
9 fective, and would not interfere with access to
10 noninfringing material at other online locations;
11 and

12 “(D) whether other less burdensome and
13 comparably effective means of preventing or re-
14 straining access to the infringing material are
15 available.

16 “(3) NOTICE AND EX PARTE ORDERS.—Injunc-
17 tive relief under this subsection shall not be available
18 without notice to the service provider and an oppor-
19 tunity for such provider to appear, except for orders
20 ensuring the preservation of evidence or other orders
21 having no material adverse effect on the operation
22 of the service provider's communications network.

23 “(j) DEFINITIONS.—

24 “(1)(A) As used in subsection (a), the term
25 “service provider” means an entity offering the

1 transmission, routing or providing of connections for
2 digital online communications, between or among
3 points specified by a user, of material of the user's
4 choosing, without modification to the content of the
5 material as sent or received.

6 “(B) As used in any other subsection of this
7 section, the term “service provider” means a pro-
8 vider of online services or network access, or the op-
9 erator of facilities therefor, and includes an entity
10 described in the preceding paragraph of this sub-
11 section.

12 “(2) As used in this section, the term “mone-
13 tary relief” means damages, costs, attorneys’ fees,
14 and any other form of monetary payment.

15 “(k) OTHER DEFENSES NOT AFFECTED.—The fail-
16 ure of a service provider’s conduct to qualify for limitation
17 of liability under this section shall not bear adversely upon
18 the consideration of a defense by the service provider that
19 the service provider’s conduct is not infringing under this
20 title or any other defense.

21 “(l) PROTECTION OF PRIVACY.—Nothing in this sec-
22 tion shall be construed to condition the applicability of
23 subsections (a) through (d) on—

24 “(1) a service provider monitoring its service or
25 affirmatively seeking facts indicating infringing ac-