

112TH CONGRESS  
1ST SESSION

# H. R. 3261

To promote prosperity, creativity, entrepreneurship, and innovation by combating the theft of U.S. property, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 26, 2011

Mr. SMITH of Texas (for himself and Mr. CONYERS, Mr. GOODLATTE, Mr. BERMAN, Mr. GRIFFIN of Arkansas, Mr. GALLEGLY, Mr. DEUTCH, Mr. CHABOT, Mr. ROSS of Florida, Mrs. BLACKBURN, Mrs. BONO MACK, Mr. TERRY, and Mr. SCHIFF) introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To promote prosperity, creativity, entrepreneurship, and innovation by combating the theft of U.S. property, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Stop Online Piracy Act”.

6 (b) TABLE OF CONTENTS.—The table of contents of  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Savings and severability clauses.

## TITLE I—COMBATING ONLINE PIRACY

- Sec. 101. Definitions.
- Sec. 102. Action by Attorney General to protect U.S. customers and prevent U.S. support of foreign infringing sites.
- Sec. 103. Market-based system to protect U.S. customers and prevent U.S. funding of sites dedicated to theft of U.S. property.
- Sec. 104. Immunity for taking voluntary action against sites dedicated to theft of U.S. property.
- Sec. 105. Immunity for taking voluntary action against sites that endanger public health.
- Sec. 106. Guidelines and study.
- Sec. 107. Denying U.S. capital to notorious foreign infringers.

## TITLE II—ADDITIONAL ENHANCEMENTS TO COMBAT INTELLECTUAL PROPERTY THEFT

- Sec. 201. Streaming of copyrighted works in violation of criminal law.
- Sec. 202. Trafficking in inherently dangerous goods or services.
- Sec. 203. Protecting U.S. businesses from foreign and economic espionage.
- Sec. 204. Amendments to sentencing guidelines.
- Sec. 205. Defending intellectual property rights abroad.

**1 SEC. 2. SAVINGS AND SEVERABILITY CLAUSES.****2 (a) SAVINGS CLAUSES.—**

**3 (1) FIRST AMENDMENT.—**Nothing in this Act  
**4** shall be construed to impose a prior restraint on free  
**5** speech or the press protected under the 1st Amend-  
**6** ment to the Constitution.

**7 (2) TITLE 17 LIABILITY.—**Nothing in title I  
**8** shall be construed to enlarge or diminish liability, in-  
**9** cluding vicarious or contributory liability, for any  
**10** cause of action available under title 17, United  
**11** States Code, including any limitations on liability  
**12** under such title.

**13 (b) SEVERABILITY.—**If any provision of this Act, or  
**14** the application of the provision to any person or cir-  
**15** cumstance, is held to be unconstitutional, the other provi-

1 sions or the application of the provision to other persons  
2 or circumstances shall not be affected thereby.

## 3 **TITLE I—COMBATING ONLINE** 4 **PIRACY**

### 5 **SEC. 101. DEFINITIONS.**

6 In this title:

7 (1) DOMAIN NAME.—The term “domain name”  
8 has the meaning given that term in section 45 of the  
9 Lanham Act (15 U.S.C. 1127) and includes any  
10 subdomain designation using such domain name as  
11 part of an electronic address on the Internet to iden-  
12 tify a unique online location.

13 (2) DOMAIN NAME SYSTEM SERVER.—The term  
14 “domain name system server” means a server or  
15 other mechanism used to provide the Internet pro-  
16 tocol address associated with a domain name.

17 (3) DOMESTIC DOMAIN NAME.—The term “do-  
18 mestic domain name” means a domain name that is  
19 registered or assigned by a domain name registrar,  
20 domain name registry, or other domain name reg-  
21 istration authority, that is located within a judicial  
22 district of the United States.

23 (4) DOMESTIC INTERNET PROTOCOL AD-  
24 DRESS.—The term “domestic Internet Protocol ad-  
25 dress” means an Internet Protocol address for which

1 the corresponding Internet Protocol allocation entity  
2 is located within a judicial district of the United  
3 States.

4 (5) DOMESTIC INTERNET SITE.—The term “do-  
5 mestic Internet site” means an Internet site for  
6 which the corresponding domain name or, if there is  
7 no domain name, the corresponding Internet Pro-  
8 tocol address, is a domestic domain name or domes-  
9 tic Internet Protocol address.

10 (6) FOREIGN DOMAIN NAME.—The term “for-  
11 eign domain name” means a domain name that is  
12 not a domestic domain name.

13 (7) FOREIGN INTERNET PROTOCOL ADDRESS.—  
14 The term “foreign Internet Protocol address” means  
15 an Internet Protocol address that is not a domestic  
16 Internet protocol address.

17 (8) FOREIGN INTERNET SITE.—The term “for-  
18 eign Internet site” means an Internet site that is  
19 not a domestic Internet site.

20 (9) INCLUDING.—The term “including” means  
21 including, but not limited to.

22 (10) INTELLECTUAL PROPERTY ENFORCEMENT  
23 COORDINATOR.—The term “Intellectual Property  
24 Enforcement Coordinator” means the Intellectual  
25 Property Enforcement Coordinator appointed under

1 section 301 of the Prioritizing Resources and Orga-  
2 nization for Intellectual Property Act of 2008 (15  
3 U.S.C. 8111).

4 (11) INTERNET.—The term “Internet” has the  
5 meaning given that term in section 5362(5) of title  
6 31, United States Code.

7 (12) INTERNET ADVERTISING SERVICE.—The  
8 term “Internet advertising service” means a service  
9 that for compensation sells, purchases, brokers,  
10 serves, inserts, verifies, clears, or otherwise facili-  
11 tates the placement of an advertisement, including a  
12 paid or sponsored search result, link, or placement,  
13 that is rendered in viewable form for any period of  
14 time on an Internet site.

15 (13) INTERNET PROTOCOL.—The term “Inter-  
16 net Protocol” means a protocol used for commu-  
17 nicating data across a packet-switched internetwork  
18 using the Transmission Control Protocol/Internet  
19 Protocol, and includes any predecessor or successor  
20 protocol to such protocol.

21 (14) INTERNET PROTOCOL ADDRESS.—The  
22 term “Internet Protocol address” means a numerical  
23 label that is assigned to each device that participates  
24 in a computer network that uses the Internet Pro-  
25 tocol for communication.

1           (15) INTERNET PROTOCOL ALLOCATION ENTI-  
2           TY.—The term “Internet Protocol allocation entity”  
3           means, with respect to a particular Internet Protocol  
4           address, the entity, local internet registry, or re-  
5           gional internet registry to which the smallest appli-  
6           cable block of Internet Protocol addresses containing  
7           that address is allocated or assigned by a local inter-  
8           net registry, regional internet registry, or other  
9           Internet Protocol address allocation authority, ac-  
10          cording to the applicable publicly available database  
11          of allocations and assignments, if any.

12          (16) INTERNET SEARCH ENGINE.—The term  
13          “Internet search engine” means a service made  
14          available via the Internet that searches, crawls, cat-  
15          egorizes, or indexes information or Web sites avail-  
16          able elsewhere on the Internet and on the basis of  
17          a user query or selection that consists of terms, con-  
18          cepts, categories, questions, or other data returns to  
19          the user a means, such as a hyperlinked list of Uni-  
20          form Resource Locators, of locating, viewing, or  
21          downloading such information or data available on  
22          the Internet relating to such query or selection.

23          (17) INTERNET SITE.—The term “Internet  
24          site” means the collection of digital assets, including  
25          links, indexes, or pointers to digital assets, accessible

1 through the Internet that are addressed relative to  
2 a common domain name or, if there is no domain  
3 name, a common Internet Protocol address.

4 (18) LANHAM ACT.—The term “Lanham Act”  
5 means the Act entitled “An Act to provide for the  
6 registration and protection of trademarks used in  
7 commerce, to carry out the provisions of certain  
8 international conventions, and for other purposes”,  
9 approved July 5, 1946 (commonly referred to as the  
10 “Trademark Act of 1946” or the “Lanham Act”).

11 (19) NONAUTHORITATIVE DOMAIN NAME SERV-  
12 ER.—The term “nonauthoritative domain name serv-  
13 er” means a server that does not contain complete  
14 copies of domains but uses a cache file that is com-  
15 prised of previous domain name server lookups, for  
16 which the server has received an authoritative re-  
17 sponse in the past.

18 (20) OWNER; OPERATOR.—The terms “owner”  
19 or “operator”, when used in connection with an  
20 Internet site, includes, respectively, any owner of a  
21 majority interest in, or any person with authority to  
22 operate, such Internet site.

23 (21) PAYMENT NETWORK PROVIDER.—

24 (A) IN GENERAL.—The term “payment  
25 network provider” means an entity that directly

1 or indirectly provides the proprietary services,  
2 infrastructure, and software to effect or facili-  
3 tate a debit, credit, or other payment trans-  
4 action.

5 (B) RULE OF CONSTRUCTION.—For pur-  
6 poses of this paragraph, a depository institution  
7 (as such term is defined under section 3 of the  
8 Federal Deposit Insurance Act) or credit union  
9 that initiates a payment transaction shall not  
10 be construed to be a payment network provider  
11 based solely on the offering or provision of such  
12 service.

13 (22) SERVICE PROVIDER.—The term “service  
14 provider” means a service provider as defined in sec-  
15 tion 512(k)(1) of title 17, United States Code, that  
16 operates a nonauthoritative domain name system  
17 server.

18 (23) U.S.-DIRECTED SITE.—The term “U.S.-di-  
19 rected site” means an Internet site or portion there-  
20 of that is used to conduct business directed to resi-  
21 dents of the United States, or that otherwise dem-  
22 onstrates the existence of minimum contacts suffi-  
23 cient for the exercise of personal jurisdiction over  
24 the owner or operator of the Internet site consistent

1 with the Constitution of the United States, based on  
2 relevant evidence that may include whether—

3 (A) the Internet site is used to provide  
4 goods or services to users located in the United  
5 States;

6 (B) there is evidence that the Internet site  
7 or portion thereof is intended to offer or pro-  
8 vide—

9 (i) such goods and services,

10 (ii) access to such goods and services,

11 or

12 (iii) delivery of such goods and serv-  
13 ices,

14 to users located in the United States;

15 (C) the Internet site or portion thereof  
16 does not contain reasonable measures to pre-  
17 vent such goods and services from being ob-  
18 tained in or delivered to the United States; and

19 (D) any prices for goods and services are  
20 indicated or billed in the currency of the United  
21 States.

22 (24) UNITED STATES.—The term “United  
23 States” includes any commonwealth, possession, or  
24 territory of the United States.

1 **SEC. 102. ACTION BY ATTORNEY GENERAL TO PROTECT**  
2 **U.S. CUSTOMERS AND PREVENT U.S. SUP-**  
3 **PORT OF FOREIGN INFRINGING SITES.**

4 (a) DEFINITION.—For purposes of this section, a for-  
5 eign Internet site or portion thereof is a “foreign infring-  
6 ing site” if—

7 (1) the Internet site or portion thereof is a  
8 U.S.-directed site and is used by users in the United  
9 States;

10 (2) the owner or operator of such Internet site  
11 is committing or facilitating the commission of  
12 criminal violations punishable under section 2318,  
13 2319, 2319A, 2319B, or 2320, or chapter 90, of  
14 title 18, United States Code; and

15 (3) the Internet site would, by reason of acts  
16 described in paragraph (1), be subject to seizure in  
17 the United States in an action brought by the Attor-  
18 ney General if such site were a domestic Internet  
19 site.

20 (b) ACTION BY THE ATTORNEY GENERAL.—

21 (1) IN PERSONAM.—The Attorney General may  
22 commence an in personam action against—

23 (A) a registrant of a domain name used by  
24 a foreign infringing site; or

25 (B) an owner or operator of a foreign in-  
26 fringing site.

1           (2) IN REM.—If through due diligence the At-  
2           torney General is unable to find a person described  
3           in subparagraph (A) or (B) of paragraph (1), or no  
4           such person found has an address within a judicial  
5           district of the United States, the Attorney General  
6           may commence an in rem action against a foreign  
7           infringing site or the foreign domain name used by  
8           such site.

9           (3) NOTICE.—Upon commencing an action  
10          under this subsection, the Attorney General shall  
11          send a notice of the alleged violation and intent to  
12          proceed under this section—

13                 (A) to the registrant of the domain name  
14                 of the Internet site—

15                         (i) at the postal and electronic mail  
16                         addresses appearing in the applicable pub-  
17                         licly accessible database of registrations, if  
18                         any, and to the extent such addresses are  
19                         reasonably available; and

20                         (ii) via the postal and electronic mail  
21                         addresses of the registrar, registry, or  
22                         other domain name registration authority  
23                         that registered or assigned the domain  
24                         name of the Internet site, to the extent  
25                         such addresses are reasonably available; or

1 (B) to the owner or operator of the Inter-  
2 net site—

3 (i) at the primary postal and elec-  
4 tronic mail addresses for such owner or op-  
5 erator that is provided on the Internet site,  
6 if any, and to the extent such addresses  
7 are reasonably available; or

8 (ii) if there is no domain name of the  
9 Internet site, via the postal and electronic  
10 mail addresses of the Internet Protocol al-  
11 location entity appearing in the applicable  
12 publicly accessible database of allocations  
13 and assignments, if any, and to the extent  
14 such addresses are reasonably available; or

15 (C) in any other such form as the court  
16 may provide, including as may be required by  
17 rule 4(f) of the Federal Rules of Civil Proce-  
18 dure.

19 (4) SERVICE OF PROCESS.—For purposes of  
20 this section, the actions described in this subsection  
21 shall constitute service of process.

22 (5) RELIEF.—On application of the Attorney  
23 General following the commencement of an action  
24 under this section, the court may issue a temporary  
25 restraining order, a preliminary injunction, or an in-

1 junction, in accordance with rule 65 of the Federal  
2 Rules of Civil Procedure, against a registrant of a  
3 domain name used by the foreign infringing site or  
4 an owner or operator of the foreign infringing site  
5 or, in an action brought in rem under paragraph  
6 (2), against the foreign infringing site or a portion  
7 of such site, or the domain name used by such site,  
8 to cease and desist from undertaking any further ac-  
9 tivity as a foreign infringing site.

10 (c) ACTIONS BASED ON COURT ORDERS.—

11 (1) SERVICE.—A process server on behalf of  
12 the Attorney General, with prior approval of the  
13 court, may serve a copy of a court order issued pur-  
14 suant to this section on similarly situated entities  
15 within each class described in paragraph (2). Proof  
16 of service shall be filed with the court.

17 (2) REASONABLE MEASURES.—After being  
18 served with a copy of an order pursuant to this sub-  
19 section, the following shall apply:

20 (A) SERVICE PROVIDERS.—

21 (i) IN GENERAL.—A service provider  
22 shall take technically feasible and reason-  
23 able measures designed to prevent access  
24 by its subscribers located within the  
25 United States to the foreign infringing site

1 (or portion thereof) that is subject to the  
2 order, including measures designed to pre-  
3 vent the domain name of the foreign in-  
4 fringing site (or portion thereof) from re-  
5 solving to that domain name's Internet  
6 Protocol address. Such actions shall be  
7 taken as expeditiously as possible, but in  
8 any case within 5 days after being served  
9 with a copy of the order, or within such  
10 time as the court may order.

11 (ii) LIMITATIONS.—A service provider  
12 shall not be required—

13 (I) other than as directed under  
14 this subparagraph, to modify its net-  
15 work, software, systems, or facilities;

16 (II) to take any measures with  
17 respect to domain name resolutions  
18 not performed by its own domain  
19 name server; or

20 (III) to continue to prevent ac-  
21 cess to a domain name to which ac-  
22 cess has been effectively disabled by  
23 other means.

24 (iii) CONSTRUCTION.—Nothing in this  
25 subparagraph shall affect the limitation on

1 the liability of a service provider under sec-  
2 tion 512 of title 17, United States Code.

3 (iv) TEXT OF NOTICE.—The Attorney  
4 General shall prescribe the text of any no-  
5 tice displayed to users or customers of a  
6 service provider taking actions pursuant to  
7 this subparagraph. Such text shall state  
8 that an action is being taken pursuant to  
9 a court order obtained by the Attorney  
10 General.

11 (B) INTERNET SEARCH ENGINES.—A pro-  
12 vider of an Internet search engine shall take  
13 technically feasible and reasonable measures, as  
14 expeditiously as possible, but in any case within  
15 5 days after being served with a copy of the  
16 order, or within such time as the court may  
17 order, designed to prevent the foreign infringing  
18 site that is subject to the order, or a portion of  
19 such site specified in the order, from being  
20 served as a direct hypertext link.

21 (C) PAYMENT NETWORK PROVIDERS.—

22 (i) PREVENTING AFFILIATION.—A  
23 payment network provider shall take tech-  
24 nically feasible and reasonable measures,  
25 as expeditiously as possible, but in any

1 case within 5 days after being served with  
2 a copy of the order, or within such time as  
3 the court may order, designed to prevent,  
4 prohibit, or suspend its service from com-  
5 pleting payment transactions involving cus-  
6 tomers located within the United States or  
7 subject to the jurisdiction of the United  
8 States and the payment account—

9 (I) which is used by the foreign  
10 infringing site, or portion thereof, that  
11 is subject to the order; and

12 (II) through which the payment  
13 network provider would complete such  
14 payment transactions.

15 (ii) NO DUTY TO MONITOR.—A pay-  
16 ment network provider shall be considered  
17 to be in compliance with clause (i) if it  
18 takes action described in that clause with  
19 respect to accounts it has as of the date on  
20 which a copy of the order is served, or as  
21 of the date on which the order is amended  
22 under subsection (e).

23 (D) INTERNET ADVERTISING SERVICES.—

24 (i) REQUIRED ACTIONS.—An Internet  
25 advertising service that contracts to pro-

1           vide advertising to or for the foreign in-  
2           fringing site, or portion thereof, that is  
3           subject to the order, or that knowingly  
4           serves advertising to or for such site or  
5           such portion thereof, shall take technically  
6           feasible and reasonable measures, as expe-  
7           ditiously as possible, but in any case within  
8           5 days after being served with a copy of  
9           the order, or within such time as the court  
10          may order, designed to—

11                   (I) prevent its service from pro-  
12                   viding advertisements to or relating to  
13                   the foreign infringing site that is sub-  
14                   ject to the order or a portion of such  
15                   site specified in the order;

16                   (II) cease making available ad-  
17                   vertisements for the foreign infringing  
18                   site or such portion thereof, or paid or  
19                   sponsored search results, links, or  
20                   other placements that provide access  
21                   to such foreign infringing site or such  
22                   portion thereof; and

23                   (III) cease providing or receiving  
24                   any compensation for advertising or  
25                   related services to, from, or in connec-

1           tion with such foreign infringing site  
2           or such portion thereof.

3           (ii) NO DUTY TO MONITOR.—An inter-  
4           net advertising service shall be considered  
5           to be in compliance with clause (i) if it  
6           takes action described in that clause with  
7           respect to accounts it has as of the date on  
8           which a copy of the order is served, or as  
9           of the date on which the order is amended  
10          under subsection (e).

11          (3) COMMUNICATION WITH USERS.—Except as  
12          provided under paragraph (2)(A)(iv), an entity tak-  
13          ing an action described in this subsection shall de-  
14          termine the means to communicate such action to  
15          the entity’s users or customers.

16          (4) ENFORCEMENT OF ORDERS.—

17           (A) IN GENERAL.—To ensure compliance  
18           with orders issued pursuant to this section, the  
19           Attorney General may bring an action for in-  
20           junctive relief—

21           (i) against any entity served under  
22           paragraph (1) that knowingly and willfully  
23           fails to comply with the requirements of  
24           this subsection to compel such entity to  
25           comply with such requirements; or

1           (ii) against any entity that knowingly  
2           and willfully provides or offers to provide  
3           a product or service designed or marketed  
4           for the circumvention or bypassing of  
5           measures described in paragraph (2) and  
6           taken in response to a court order issued  
7           pursuant to this subsection, to enjoin such  
8           entity from interfering with the order by  
9           continuing to provide or offer to provide  
10          such product or service.

11          (B) RULE OF CONSTRUCTION.—The au-  
12          thority granted the Attorney General under  
13          subparagraph (A)(i) shall be the sole legal rem-  
14          edy to enforce the obligations under this section  
15          of any entity described in paragraph (2).

16          (C) DEFENSE.—A defendant in an action  
17          under subparagraph (A)(i) may establish an af-  
18          firmative defense by showing that the defendant  
19          does not have the technical means to comply  
20          with this subsection without incurring an un-  
21          reasonable economic burden, or that the order  
22          is not authorized by this subsection. Such show-  
23          ing shall not be presumed to be a complete de-  
24          fense but shall serve as a defense only for those  
25          measures for which a technical limitation on

1 compliance is demonstrated or for such portions  
2 of the order as are demonstrated to be unau-  
3 thorized by this subsection.

4 (D) DEFINITION.—For purposes of this  
5 paragraph, a product or service designed or  
6 marketed for the circumvention or bypassing of  
7 measures described in paragraph (2) and taken  
8 in response to a court order issued pursuant to  
9 this subsection includes a product or service  
10 that is designed or marketed to enable a do-  
11 main name described in such an order—

12 (i) to resolve to that domain name’s  
13 Internet protocol address notwithstanding  
14 the measures taken by a service provider  
15 under paragraph (2) to prevent such reso-  
16 lution; or

17 (ii) to resolve to a different domain  
18 name or Internet Protocol address that the  
19 provider of the product or service knows,  
20 reasonably should know, or reasonably be-  
21 lieves is used by an Internet site offering  
22 substantially similar infringing activities as  
23 those with which the infringing foreign  
24 site, or portion thereof, subject to a court  
25 order under this section was associated.

1 (5) IMMUNITY.—

2 (A) IMMUNITY FROM SUIT.—Other than in  
3 an action pursuant to paragraph (4), no cause  
4 of action shall lie in any Federal or State court  
5 or administrative agency against any entity  
6 served with a copy of a court order issued  
7 under this subsection, or against any director,  
8 officer, employee, or agent thereof, for any act  
9 reasonably designed to comply with this sub-  
10 section or reasonably arising from such order.

11 (B) IMMUNITY FROM LIABILITY.—Other  
12 than in an action pursuant to paragraph (4)—

13 (i) any entity served with a copy of an  
14 order under this subsection, and any direc-  
15 tor, officer, employee, or agent thereof,  
16 shall not be liable for any act reasonably  
17 designed to comply with this subsection or  
18 reasonably arising from such order; and

19 (ii) any—

20 (I) actions taken by customers of  
21 such entity to circumvent any restric-  
22 tion on access to the foreign infring-  
23 ing site, or portion thereof, that is  
24 subject to such order, that is insti-  
25 tuted pursuant to this subsection, or

1 (II) act, failure, or inability to re-  
2 strict access to a foreign infringing  
3 site, or portion thereof, that is subject  
4 to such order, in spite of good faith  
5 efforts to comply with such order by  
6 such entity,  
7 shall not be used by any person in any  
8 claim or cause of action against such enti-  
9 ty.

10 (d) MODIFICATION OR VACATION OF ORDERS.—

11 (1) IN GENERAL.—At any time after the  
12 issuance of an order under subsection (b), a motion  
13 to modify, suspend, or vacate the order may be filed  
14 by—

15 (A) any person, or owner or operator of  
16 property, that is subject to the order;

17 (B) any registrant of the domain name, or  
18 the owner or operator, of the Internet site that  
19 is subject to the order;

20 (C) any domain name registrar, registry,  
21 or other domain name registration authority  
22 that has registered or assigned the domain  
23 name of the Internet site that is subject to the  
24 order; or

1           (D) any entity that has been served with  
2           a copy of an order pursuant to subsection (c)  
3           that requires such entity to take action pre-  
4           scribed in that subsection.

5           (2) RELIEF.—Relief under this subsection shall  
6           be proper if the court finds that—

7                   (A) the foreign Internet site subject to the  
8                   order is no longer, or never was, a foreign in-  
9                   fringing site; or

10                   (B) the interests of justice otherwise re-  
11                   quire that the order be modified, suspended, or  
12                   vacated.

13           (3) CONSIDERATION.—In making a relief deter-  
14           mination under paragraph (2), a court may consider  
15           whether the domain name of the foreign Internet  
16           site has expired or has been re-registered by an enti-  
17           ty other than the entity that is subject to the order  
18           with respect to which the motion under paragraph  
19           (1) is brought.

20           (4) INTERVENTION.—An entity required to take  
21           action pursuant to subsection (c) if an order issues  
22           under subsection (b) may intervene at any time in  
23           any action commenced under subsection (b) that  
24           may result in such order, or in any action to modify,  
25           suspend, or vacate such order under this subsection.

1 (e) AMENDED ORDERS.—The Attorney General, if al-  
2 leging that a foreign Internet site previously adjudicated  
3 in an action under this section to be a foreign infringing  
4 site is accessible or has been reconstituted at a different  
5 domain name or Internet Protocol address, may petition  
6 the court to amend the order issued under this section  
7 accordingly.

8 (f) LAW ENFORCEMENT COORDINATION.—

9 (1) IN GENERAL.—The Attorney General shall  
10 inform the Intellectual Property Enforcement Coor-  
11 dinator and the heads of appropriate law enforce-  
12 ment agencies of all court orders issued under sub-  
13 section (b), and all amended orders issued under  
14 subsection (e), regarding foreign infringing sites.

15 (2) ALTERATIONS.—The Attorney General  
16 shall, and the defendant may, inform the Intellectual  
17 Property Enforcement Coordinator of the modifica-  
18 tion, suspension, expiration, or vacation of a court  
19 order issued under subsection (b) or an amended  
20 order issued under subsection (e).

21 **SEC. 103. MARKET-BASED SYSTEM TO PROTECT U.S. CUS-**  
22 **TOMERS AND PREVENT U.S. FUNDING OF**  
23 **SITES DEDICATED TO THEFT OF U.S. PROP-**  
24 **ERTY.**

25 (a) DEFINITIONS.—In this section:

1           (1) DEDICATED TO THEFT OF U.S. PROP-  
2           ERTY.—An “Internet site is dedicated to theft of  
3           U.S. property” if—

4                   (A) it is an Internet site, or a portion  
5                   thereof, that is a U.S.-directed site and is used  
6                   by users within the United States; and

7                   (B) either—

8                           (i) the U.S.-directed site is primarily  
9                           designed or operated for the purpose of,  
10                           has only limited purpose or use other than,  
11                           or is marketed by its operator or another  
12                           acting in concert with that operator for use  
13                           in, offering goods or services in a manner  
14                           that engages in, enables, or facilitates—

15                                   (I) a violation of section 501 of  
16                                   title 17, United States Code;

17                                   (II) a violation of section 1201 of  
18                                   title 17, United States Code; or

19                                   (III) the sale, distribution, or  
20                                   promotion of goods, services, or mate-  
21                                   rials bearing a counterfeit mark, as  
22                                   that term is defined in section 34(d)  
23                                   of the Lanham Act or section 2320 of  
24                                   title 18, United States Code; or

1 (ii) the operator of the U.S.-directed  
2 site—

3 (I) is taking, or has taken, delib-  
4 erate actions to avoid confirming a  
5 high probability of the use of the  
6 U.S.-directed site to carry out acts  
7 that constitute a violation of section  
8 501 or 1201 of title 17, United States  
9 Code; or

10 (II) operates the U.S.-directed  
11 site with the object of promoting, or  
12 has promoted, its use to carry out  
13 acts that constitute a violation of sec-  
14 tion 501 or 1201 of title 17, United  
15 States Code, as shown by clear ex-  
16 pression or other affirmative steps  
17 taken to foster infringement.

18 (2) QUALIFYING PLAINTIFF.—The term “quali-  
19 fying plaintiff” means, with respect to a particular  
20 Internet site or portion thereof, a holder of an intel-  
21 lectual property right harmed by the activities de-  
22 scribed in paragraph (1) occurring on that Internet  
23 site or portion thereof.

24 (b) DENYING U.S. FINANCIAL SUPPORT OF SITES  
25 DEDICATED TO THEFT OF U.S. PROPERTY.—

1           (1) PAYMENT NETWORK PROVIDERS.—Except  
2           in the case of an effective counter notification pursu-  
3           ant to paragraph (5), a payment network provider  
4           shall take technically feasible and reasonable meas-  
5           ures, as expeditiously as possible, but in any case  
6           within 5 days after delivery of a notification under  
7           paragraph (4), that are designed to prevent, pro-  
8           hibit, or suspend its service from completing pay-  
9           ment transactions involving customers located within  
10          the United States and the Internet site, or portion  
11          thereof, that is specified in the notification under  
12          paragraph (4).

13          (2) INTERNET ADVERTISING SERVICES.—Ex-  
14          cept in the case of an effective counter notification  
15          pursuant to paragraph (5), an Internet advertising  
16          service that contracts with the operator of an Inter-  
17          net site, or portion thereof, that is specified in a no-  
18          tification delivered under paragraph (4), to provide  
19          advertising to or for such site or portion thereof, or  
20          that knowingly serves advertising to or for such site  
21          or portion thereof, shall take technically feasible and  
22          reasonable measures, as expeditiously as possible,  
23          but in any case within 5 days after delivery the noti-  
24          fication under paragraph (4), that are designed to—

1 (A) prevent its service from providing ad-  
2 vertisements to or relating to the Internet site,  
3 or portion thereof, that is specified in the notifi-  
4 cation;

5 (B) cease making available advertisements  
6 for such Internet site, or portion thereof, that  
7 is specified in the notification, or paid or spon-  
8 sored search results, links, or other placements  
9 that provide access to such Internet site, or  
10 portion thereof, that is specified in the notifica-  
11 tion; and

12 (C) cease providing or receiving any com-  
13 pensation for advertising or related services to,  
14 from, or in connection with such Internet site,  
15 or portion thereof, that is specified in the notifi-  
16 cation.

17 (3) DESIGNATED AGENT.—

18 (A) IN GENERAL.—Each payment network  
19 provider and each Internet advertising service  
20 shall designate an agent to receive notifications  
21 described in paragraph (4), by making available  
22 through its service, including on its Web site in  
23 a location accessible to the public, and by pro-  
24 viding to the Copyright Office, substantially the  
25 following:

1 (i) The name, address, phone number,  
2 and electronic mail address of the agent.

3 (ii) Other contact information that the  
4 Register of Copyrights considers appro-  
5 priate.

6 (B) DIRECTORY OF AGENTS.—The Reg-  
7 ister of Copyrights shall maintain and make  
8 available to the public for inspection, including  
9 through the Internet, in electronic format, a  
10 current directory of agents designated under  
11 subparagraph (A).

12 (4) NOTIFICATION REGARDING INTERNET SITES  
13 DEDICATED TO THEFT OF U.S. PROPERTY.—

14 (A) REQUIREMENTS.—Subject to subpara-  
15 graph (B), a notification under this paragraph  
16 is effective only if it is a written communication  
17 that is provided to the designated agent of a  
18 payment network provider or an Internet adver-  
19 tising service and includes substantially the fol-  
20 lowing:

21 (i) A physical or electronic signature  
22 of a person authorized to act on behalf of  
23 the holder of an intellectual property right  
24 harmed by the activities described in sub-  
25 section (a)(1).

1           (ii) Identification of the Internet site,  
2           or portion thereof, dedicated to theft of  
3           U.S. property, including either the domain  
4           name or Internet Protocol address of such  
5           site, or both.

6           (iii) Identification of the specific facts  
7           to support the claim that the Internet site,  
8           or portion thereof, is dedicated to theft of  
9           U.S. property and to clearly show that im-  
10          mediate and irreparable injury, loss, or  
11          damage will result to the holder of the in-  
12          tellectual property right harmed by the ac-  
13          tivities described in subsection (a)(1) in  
14          the absence of timely action by the pay-  
15          ment network provider or Internet adver-  
16          tising service.

17          (iv) Information reasonably sufficient  
18          to establish that the payment network pro-  
19          vider or Internet advertising service is pro-  
20          viding payment processing or Internet ad-  
21          vertising services for such site.

22          (v) Information reasonably sufficient  
23          to permit the payment network provider or  
24          Internet advertising service to contact the  
25          holder of the intellectual property right

1           harmed by the activities described in sub-  
2           section (a)(1).

3                   (vi) A statement that the holder of the  
4           intellectual property right has a good faith  
5           belief that the use of the owner's works or  
6           goods in which the right exists, in the  
7           manner described in the notification, is not  
8           authorized by the holder, its agent, or law.

9                   (vii) A statement that the information  
10          in the notification is accurate, and, under  
11          penalty of perjury, that the signatory is  
12          authorized to act on behalf of the holder of  
13          the intellectual property right harmed by  
14          the activities described in subsection  
15          (a)(1).

16                   (viii) Identification of the evidence in-  
17          dicating that the site (or portion thereof)  
18          is a U.S.-directed site.

19                   (B) SERVICE IF NO AGENT DESIGNATED.—  
20          If a payment network provider or Internet ad-  
21          vertising service has not designated an agent  
22          under paragraph (3), the notification under  
23          subparagraph (A) may be provided to any offi-  
24          cer or legal representative of such provider or  
25          service.

1 (C) NOTICE TO INTERNET SITE IDENTI-  
2 FIED IN NOTIFICATION.—Upon receipt of an ef-  
3 fective notification under this paragraph, a pay-  
4 ment network provider or Internet advertising  
5 service shall take appropriate steps to ensure  
6 timely delivery of the notification to the Inter-  
7 net site identified in the notification.

8 (5) COUNTER NOTIFICATION.—

9 (A) REQUIREMENTS.—Subject to subpara-  
10 graph (B), a counter notification is effective  
11 under this paragraph only if it is a written com-  
12 munication that is provided to the designated  
13 agent of a payment network provider or an  
14 Internet advertising service and includes sub-  
15 stantially the following:

16 (i) A physical or electronic signature  
17 of the owner or operator of the Internet  
18 site, or portion thereof, specified in a noti-  
19 fication under paragraph (4) subject to  
20 which action is to be taken by the payment  
21 network provider or Internet advertising  
22 service under paragraph (1) or (2), or of  
23 the registrant of the domain name used by  
24 such site or portion thereof.

1           (ii) In the case of an Internet site  
2 specified in the notification under para-  
3 graph (4) that is a foreign Internet site, a  
4 statement that the owner or operator, or  
5 registrant, consents to the jurisdiction of  
6 the courts of the United States, and will  
7 accept service of process from the person  
8 who provided notification under paragraph  
9 (4), or an agent of such person, for pur-  
10 poses of adjudicating whether the site is an  
11 Internet site dedicated to theft of U.S.  
12 property under this section.

13           (iii) A statement under penalty of per-  
14 jury that the owner or operator, or reg-  
15 istrant, has a good faith belief that it does  
16 not meet the criteria of an Internet site  
17 dedicated to theft of U.S. property as set  
18 forth under this section.

19           (iv) The name, address, email ad-  
20 dress, and telephone number of the owner,  
21 operator, or registrant.

22           (B) SERVICE IF NO AGENT DESIGNATED.—  
23 If a payment network provider or Internet ad-  
24 vertising service has not designated an agent  
25 under paragraph (3), the counter notification

1 under subparagraph (A) may be provided to  
2 any officer or legal representative of such pro-  
3 vider or service.

4 (6) MISREPRESENTATIONS.—Any provider of a  
5 notification or counter notification who knowingly  
6 materially misrepresents under this section—

7 (A) that a site is an Internet site dedicated  
8 to the theft of U.S. property, or

9 (B) that such site does not meet the cri-  
10 teria of an Internet site dedicated to the theft  
11 of U.S. property,

12 shall be liable for damages, including costs and at-  
13 torneys' fees, incurred by the person injured by such  
14 misrepresentation as a result of the misrepresenta-  
15 tion.

16 (c) LIMITED INJUNCTIVE RELIEF IN CASES OF  
17 COUNTER NOTIFICATION.—

18 (1) IN PERSONAM.—If an effective counter noti-  
19 fication is made under subsection (b)(5), or if a pay-  
20 ment network provider fails to comply with sub-  
21 section (b)(1), or an Internet advertising service fails  
22 to comply with subsection (b)(2), pursuant to a noti-  
23 fication under subsection (b)(4) in the absence of  
24 such a counter notification, a qualifying plaintiff  
25 may commence an in personam action against—

1           (A) a registrant of a domain name used by  
2           the Internet site, or portion thereof, that is sub-  
3           ject to the notification under subsection (b)(4);  
4           or

5           (B) an owner or operator of the Internet  
6           site or portion thereof.

7           (2) IN REM.—If through due diligence a quali-  
8           fying plaintiff who is authorized to bring an in per-  
9           sonam action under paragraph (1) with respect to  
10          an Internet site dedicated to theft of U.S. property  
11          is unable to find a person described in subpara-  
12          graphs (A) or (B) of paragraph (1), or no such per-  
13          son found has an address within a judicial district  
14          of the United States, the qualifying plaintiff may  
15          commence an in rem action against that Internet  
16          site or the domain name used by such site.

17          (3) NOTICE.—Upon commencing an action  
18          under this subsection, the qualifying plaintiff shall  
19          send a notice of the alleged activity described in sub-  
20          section (a)(1) and intent to proceed under this sub-  
21          section—

22                 (A) to the registrant of the domain name  
23                 of the Internet site, or portion thereof, that is  
24                 the subject to the notification under subsection  
25                 (b)(4)—

1 (i) at the postal and electronic mail  
2 addresses appearing in the applicable pub-  
3 licly accessible database of registrations, if  
4 any, and to the extent such addresses are  
5 reasonably available; and

6 (ii) via the postal and electronic mail  
7 addresses of the registrar, registry, or  
8 other domain name registration authority  
9 that registered or assigned the domain  
10 name of the Internet site, or portion there-  
11 of, to the extent such addresses are reason-  
12 ably available;

13 (B) to the owner or operator of the Inter-  
14 net site, or portion thereof—

15 (i) at the primary postal and elec-  
16 tronic mail addresses for such owner or op-  
17 erator that are provided on the Internet  
18 site, or portion thereof, if any, and to the  
19 extent such addresses are reasonably avail-  
20 able; or

21 (ii) if there is no domain name of the  
22 Internet site or portion thereof, via the  
23 postal and electronic mail addresses of the  
24 Internet Protocol allocation entity appear-  
25 ing in the applicable publicly accessible

1 database of allocations and assignments, if  
2 any, and to the extent such addresses are  
3 reasonably available; or

4 (C) in any other such form as the court  
5 may prescribe, including as may be required by  
6 rule 4(f) of the Federal Rules of Civil Proce-  
7 dure.

8 (4) SERVICE OF PROCESS.—For purposes of  
9 this section, the actions described in this subsection  
10 shall constitute service of process.

11 (5) RELIEF.—On application of a qualifying  
12 plaintiff following the commencement of an action  
13 under this section with respect to an Internet site  
14 dedicated to theft of U.S. property, the court may  
15 issue a temporary restraining order, a preliminary  
16 injunction, or an injunction, in accordance with rule  
17 65 of the Federal Rules of Civil Procedure, against  
18 a registrant of a domain name used by the Internet  
19 site, or against an owner or operator of the Internet  
20 site, or, in an action brought in rem under para-  
21 graph (2), against the Internet site, or against the  
22 domain name used by the Internet site, to cease and  
23 desist from undertaking any further activity as an  
24 Internet site dedicated to theft of U.S. property.

25 (d) ACTIONS BASED ON COURT ORDERS.—

1 (1) SERVICE AND RESPONSE.—

2 (A) SERVICE BY QUALIFYING PLAIN-  
3 TIF.—A qualifying plaintiff, with the prior ap-  
4 proval of the court, may serve a copy of a court  
5 order issued under subsection (c) on similarly  
6 situated entities described in paragraph (2).  
7 Proof of service shall be filed with the court.

8 (B) RESPONSE.—An entity served under  
9 subparagraph (A) shall, not later than 7 days  
10 after the date of such service, file with the  
11 court a certification acknowledging receipt of a  
12 copy of the order and stating that such entity  
13 has complied or will comply with the obligations  
14 imposed under paragraph (2), or explaining  
15 why the entity will not so comply.

16 (C) VENUE FOR SERVICE.—A copy of the  
17 court order may be served in any judicial dis-  
18 trict where an entity resides or may be found.

19 (2) REASONABLE MEASURES.—After being  
20 served with a copy of an order pursuant to this sub-  
21 section, the following shall apply:

22 (A) PAYMENT NETWORK PROVIDERS.—

23 (i) PREVENTING AFFILIATION.—A  
24 payment network provider shall take tech-  
25 nically feasible and reasonable measures,

1 as expeditiously as possible, but in any  
2 case within 5 days after being served with  
3 a copy of the court order, or within such  
4 time as the court may order, that are de-  
5 signed to prevent, prohibit, or suspend its  
6 service from completing payment trans-  
7 actions involving customers located within  
8 the United States or subject to the juris-  
9 diction of the United States and any ac-  
10 count—

11 (I) which is used by the Internet  
12 site dedicated to theft of U.S. prop-  
13 erty that is subject to the order; and

14 (II) through which the payment  
15 network provider would complete such  
16 payment transactions.

17 (ii) NO DUTY TO MONITOR.—A pay-  
18 ment network provider is in compliance  
19 with clause (i) if it takes action described  
20 in that clause with respect to accounts it  
21 has as of the date of service of the order,  
22 or as of the date of any subsequent notice  
23 that its service is being used to complete  
24 payment transactions described in clause  
25 (i).

1 (B) INTERNET ADVERTISING SERVICES.—

2 (i) REQUIRED ACTIONS.—An Internet  
3 advertising service that contracts with the  
4 Internet site dedicated to theft of U.S.  
5 property that is subject to the order to  
6 provide advertising to or for such Internet  
7 site, or that knowingly serves advertising  
8 to or for such internet site, shall take tech-  
9 nically feasible and reasonable measures,  
10 as expeditiously as possible, but in any  
11 case within 5 days after being served with  
12 a copy of the order, or within such time as  
13 the court may order, that are designed  
14 to—

15 (I) prevent its service from pro-  
16 viding advertisements to or relating to  
17 the Internet site;

18 (II) cease making available ad-  
19 vertisements for the Internet site, or  
20 paid or sponsored search results,  
21 links, or other placements that pro-  
22 vide access to the Internet site; and

23 (III) cease providing or receiving  
24 any compensation for advertising or

1 related services to, from, or in connec-  
2 tion with the Internet site.

3 (ii) NO DUTY TO MONITOR.—An inter-  
4 net advertising service is in compliance  
5 with clause (i) if it takes action described  
6 in that clause with respect to accounts it  
7 has as of the date on which a copy of the  
8 order is served, or as of the date of any  
9 subsequent notice that its service is being  
10 used for activities described in clause (i).

11 (3) COMMUNICATION WITH USERS.—An entity  
12 taking an action described in this subsection shall  
13 determine the means to communicate such action to  
14 the entity’s users or customers.

15 (4) ENFORCEMENT OF ORDERS.—

16 (A) RULE OF CONSTRUCTION.—The au-  
17 thority under this subsection shall be the sole  
18 legal remedy to enforce the obligations of any  
19 entity under this subsection.

20 (B) PROCEDURES AND RELIEF.—

21 (i) SHOW CAUSE ORDER.—On a show-  
22 ing by the qualifying plaintiff of probable  
23 cause to believe that an entity served with  
24 a copy of a court order issued under sub-  
25 section (c) has not complied with its obli-

1 gations under this subsection by reason of  
2 such court order, the court shall require  
3 the entity to show cause why an order  
4 should not issue—

5 (I) to require compliance with the  
6 obligations of this subsection; and

7 (II) to impose an appropriate  
8 monetary sanction, consistent with the  
9 court's exercise of its equitable au-  
10 thority, to enforce compliance with its  
11 lawful orders, if the entity—

12 (aa) has knowingly and will-  
13 fully failed to file a certification  
14 required by paragraph (1)(B);

15 (bb) has filed such a certifi-  
16 cation agreeing to comply but  
17 has knowingly and willfully failed  
18 to do so; or

19 (cc) has knowingly and will-  
20 fully certified falsely that compli-  
21 ance with the requirements of  
22 paragraph (2) is not required by  
23 law.

24 (ii) SERVICE OF PROCESS.—The order  
25 to show cause, and any other process, may

1           be served in any judicial district where the  
2           entity resides or may be found.

3           (C) DEFENSE.—An entity against whom  
4           relief is sought under subparagraph (B) may  
5           establish an affirmative defense by showing that  
6           the entity does not have the technical means to  
7           comply with this subsection without incurring  
8           an unreasonable economic burden, or that the  
9           order is not authorized by this subsection. Such  
10          showing shall not be presumed to be a complete  
11          defense but shall serve as a defense only for  
12          those measures for which a technical limitation  
13          on compliance is demonstrated or for such por-  
14          tions of the order as are demonstrated to be un-  
15          authorized by this subsection.

16          (5) IMMUNITY.—

17           (A) IMMUNITY FROM SUIT.—Other than in  
18           an action pursuant to paragraph (4), no cause  
19           of action shall lie in any Federal or State court  
20           or administrative agency against any entity  
21           served with a copy of a court order issued  
22           under subsection (c), or against any director,  
23           officer, employee, or agent thereof, for any act  
24           reasonably designed to comply with this sub-  
25           section or reasonably arising from such order.

1 (B) IMMUNITY FROM LIABILITY.—Other  
2 than in an action pursuant to paragraph (4)—

3 (i) any entity served with a copy of an  
4 order under this subsection, and any direc-  
5 tor, officer, employee, or agent thereof,  
6 shall not be liable for any acts reasonably  
7 designed to comply with this subsection or  
8 reasonably arising from such order; and

9 (ii) any—

10 (I) actions taken by customers of  
11 such entity to circumvent any restric-  
12 tion on access to the Internet site, or  
13 portion thereof that is subject to such  
14 order, that is instituted pursuant to  
15 this subsection, or

16 (II) act, failure, or inability to re-  
17 strict access to an Internet site or  
18 portion thereof that is subject to such  
19 order, despite good faith efforts to  
20 comply with such order by such enti-  
21 ty,

22 shall not be used by any person in any  
23 claim or cause of action against such enti-  
24 ty.

25 (e) MODIFICATION OR VACATION OF ORDERS.—

1           (1) IN GENERAL.—At any time after the  
2 issuance of an order under subsection (e), or an  
3 amended order issued under subsection (f), with re-  
4 spect to an Internet site dedicated to theft of U.S.  
5 property, a motion to modify, suspend, or vacate the  
6 order may be filed by—

7           (A) any person, or owner or operator of  
8 property, that is subject to the order;

9           (B) any registrant of the domain name, or  
10 the owner or operator, of such Internet site;

11           (C) any domain name registrar, registry,  
12 or other domain name registration authority  
13 that has registered or assigned the domain  
14 name of such Internet site; or

15           (D) any entity that has been served with  
16 a copy of an order under subsection (d), or an  
17 amended order under subsection (f), that re-  
18 quires such entity to take action prescribed in  
19 that subsection.

20           (2) RELIEF.—Relief under this subsection shall  
21 be proper if the court finds that—

22           (A) the Internet site subject to the order  
23 is no longer, or never was, an Internet site  
24 dedicated to theft of U.S. property; or

1           (B) the interests of justice otherwise re-  
2           quire that the order be modified, suspended, or  
3           vacated.

4           (3) CONSIDERATION.—In making a relief deter-  
5           mination under paragraph (2), a court may consider  
6           whether the domain name of the Internet site has  
7           expired or has been re-registered by an entity other  
8           than the entity that is subject to the order with re-  
9           spect to which the motion under paragraph (1) is  
10          brought.

11          (4) INTERVENTION.—An entity required to take  
12          action pursuant to subsection (d) if an order issues  
13          under subsection (c) may intervene at any time in  
14          any action commenced under subsection (c) that  
15          may result in such order, or in any action to modify,  
16          suspend, or vacate such order under this subsection.

17          (f) AMENDED ORDERS.—The qualifying plaintiff, if  
18          alleging that an Internet site previously adjudicated in an  
19          action under this section to be an Internet site dedicated  
20          to theft of U.S. property is accessible or has been reconsti-  
21          tuted at a different domain name or Internet Protocol ad-  
22          dress, may petition the court to amend the order issued  
23          under this section accordingly.

24          (g) REPORTING OF ORDERS.—

1           (1) IN GENERAL.—The qualifying plaintiff shall  
2           inform the Intellectual Property Enforcement Coor-  
3           dinator of any court order issued under subsection  
4           (c) or amended order issued under subsection (f).

5           (2) ALTERATIONS.—Upon the modification,  
6           suspension, expiration, or vacation of a court order  
7           issued under subsection (c) or an amended order  
8           issued under subsection (f), the qualifying plaintiff  
9           shall, and the defendant may, so inform the Intellec-  
10          tual Property Enforcement Coordinator.

11 **SEC. 104. IMMUNITY FOR TAKING VOLUNTARY ACTION**  
12                           **AGAINST SITES DEDICATED TO THEFT OF U.S.**  
13                           **PROPERTY.**

14          No cause of action shall lie in any Federal or State  
15          court or administrative agency against, no person may rely  
16          in any claim or cause of action against, and no liability  
17          for damages to any person shall be granted against, a  
18          service provider, payment network provider, Internet ad-  
19          vertising service, advertiser, Internet search engine, do-  
20          main name registry, or domain name registrar for taking  
21          any action described in section 102(c)(2), section  
22          103(d)(2), or section 103(b) with respect to an Internet  
23          site, or otherwise voluntarily blocking access to or ending  
24          financial affiliation with an Internet site, in the reasonable  
25          belief that—

1           (1) the Internet site is a foreign infringing site  
2           or is an Internet site dedicated to theft of U.S. prop-  
3           erty; and

4           (2) the action is consistent with the entity’s  
5           terms of service or other contractual rights.

6 **SEC. 105. IMMUNITY FOR TAKING VOLUNTARY ACTION**  
7                           **AGAINST SITES THAT ENDANGER PUBLIC**  
8                           **HEALTH.**

9           (a) REFUSAL OF SERVICE.—A service provider, pay-  
10          ment network provider, Internet advertising service, ad-  
11          vertiser, Internet search engine, domain name registry, or  
12          domain name registrar, acting in good faith and based on  
13          credible evidence, may stop providing or refuse to provide  
14          services to an Internet site that endangers the public  
15          health.

16          (b) IMMUNITY FROM LIABILITY.—An entity de-  
17          scribed in subsection (a), including its directors, officers,  
18          employees, or agents, that ceases or refuses to provide  
19          services under subsection (a) shall not be liable to any per-  
20          son under any Federal or State law for such action.

21          (c) DEFINITIONS.—In this section:

22                  (1) ADULTERATED.—The term “adulterated”  
23                  has the meaning given that term in section 501 of  
24                  the Federal Food, Drug, and Cosmetic Act (21  
25                  U.S.C. 351).

1           (2) INTERNET SITE THAT ENDANGERS THE  
2 PUBLIC HEALTH.—The term “Internet site that en-  
3 dangers the public health” means an Internet site  
4 that is primarily designed or operated for the pur-  
5 pose of, has only limited purpose or use other than,  
6 or is marketed by its operator or another acting in  
7 concert with that operator for use in—

8                   (A) offering, selling, dispensing, or distrib-  
9                   uting any prescription medication, and does so  
10                   regularly without a valid prescription; or

11                   (B) offering, selling, dispensing, or distrib-  
12                   uting any prescription medication that is adul-  
13                   terated or misbranded.

14           (3) MISBRANDED.—the term “misbranded” has  
15 the meaning given that term in section 502 of the  
16 Federal Food, Drug, and Cosmetic Act (21 U.S.C.  
17 352).

18           (4) PRESCRIPTION MEDICATION.—

19                   (A) PRESCRIPTION MEDICATION.—The  
20                   term “prescription medication” means a drug  
21                   that is subject to section 503(b) of the Federal  
22                   Food, Drug, and Cosmetic Act (21 U.S.C.  
23                   353(b)).

24                   (B) DRUG.—The term “drug” has the  
25                   meaning given that term in section 201(g)(1) of

1 the Federal Food Drug, and Cosmetic Act (21  
2 U.S.C. 321(g)(1)).

3 (5) VALID PRESCRIPTION.—The term “valid  
4 prescription” has the meaning given that term in  
5 section 309(e)(2)(A) of the Controlled Substances  
6 Act (21 U.S.C. 829(e)(2)(A)).

7 **SEC. 106. GUIDELINES AND STUDY.**

8 (a) GUIDELINES.—The Attorney General shall—

9 (1) provide appropriate resources and proce-  
10 dures for case management and development to ef-  
11 fect timely disposition of actions brought under this  
12 title;

13 (2) develop a deconfliction process in consulta-  
14 tion with appropriate law enforcement agencies, in-  
15 cluding U.S. Immigration and Customs Enforce-  
16 ment, to coordinate enforcement activities under this  
17 title;

18 (3) publish procedures developed in consultation  
19 with appropriate law enforcement agencies, including  
20 U.S. Immigration and Customs Enforcement, to re-  
21 ceive information from the public relevant to the en-  
22 forcement of this title; and

23 (4) provide guidance to intellectual property  
24 rights holders about what information such rights  
25 holders should provide to assist in initiating an in-

1 investigation or to supplement an ongoing investiga-  
2 tion pursuant to this title.

3 (b) STUDY.—

4 (1) NATURE OF STUDY.—The Register of Copy-  
5 rights, in consultation with appropriate departments  
6 and agencies of the United States and other stake-  
7 holders, shall conduct a study on the enforcement  
8 and effectiveness of this title and on any need to  
9 amend the provisions of this title to adapt to emerg-  
10 ing technologies.

11 (2) REPORTS TO CONGRESS.—Not later than 2  
12 years after the date of the enactment of this Act, the  
13 Register of Copyrights shall submit to the Commit-  
14 tees on the Judiciary of the House of Representa-  
15 tives and the Senate a report containing the results  
16 of the study conducted under this subsection and  
17 any recommendations that the Register may have as  
18 a result of the study.

19 **SEC. 107. DENYING U.S. CAPITAL TO NOTORIOUS FOREIGN**  
20 **INFRINGERS.**

21 (a) IDENTIFICATION AND RECOMMENDATIONS RE-  
22 GARDING NOTORIOUS FOREIGN INFRINGERS.—

23 (1) IN GENERAL.—Using existing resources, the  
24 Intellectual Property Enforcement Coordinator, in  
25 consultation with the Secretaries of Treasury and

1 Commerce, the United States Trade Representative,  
2 the Chairman of the Securities and Exchange Com-  
3 mission, and the heads of other departments and ap-  
4 propriate agencies, shall identify and conduct an  
5 analysis of notorious foreign infringers whose activi-  
6 ties cause significant harm to holders of intellectual  
7 property rights in the United States.

8 (2) PUBLIC INPUT.—In carrying out paragraph  
9 (1), the Intellectual Property Enforcement Coordi-  
10 nator shall solicit and give consideration to the views  
11 and recommendations of members of the public, in-  
12 cluding holders of intellectual property rights in the  
13 United States.

14 (b) REPORT TO CONGRESS.—The Intellectual Prop-  
15 erty Enforcement Coordinator shall, not later than 6  
16 months after the date of the enactment of this Act, submit  
17 to the Committees on the Judiciary of the House of Rep-  
18 resentatives and the Senate a report that includes the fol-  
19 lowing:

20 (1) An analysis of notorious foreign infringers  
21 and a discussion of how these infringers violate in-  
22 dustry norms regarding the protection of intellectual  
23 property.

24 (2) An analysis of the significant harm inflicted  
25 by notorious foreign infringers on consumers, busi-

1 nesses, and intellectual property industries in the  
2 United States and abroad.

3 (3) An examination of whether notorious for-  
4 eign infringers have attempted to or succeeded in ac-  
5 cessing capital markets in the United States for  
6 funding or public offerings.

7 (4) An analysis of the adequacy of relying upon  
8 foreign governments to pursue legal action against  
9 notorious foreign infringers.

10 (5) A discussion of specific policy recommenda-  
11 tions to deter the activities of notorious foreign in-  
12 fringers and encourage foreign businesses to adopt  
13 industry norms that promote the protection of intel-  
14 lectual property globally, including addressing—

15 (A) whether notorious foreign infringers  
16 that engage in significant infringing activity  
17 should be prohibited by the laws of the United  
18 States from seeking to raise capital in the  
19 United States, including offering stock for sale  
20 to the public; and

21 (B) whether the United States Government  
22 should initiate a process to identify and des-  
23 ignate foreign entities from a list of notorious  
24 foreign infringers that would be prohibited from  
25 raising capital in the United States.

1 **TITLE II—ADDITIONAL EN-**  
2 **HANCEMENTS TO COMBAT IN-**  
3 **TELLECTUAL PROPERTY**  
4 **THEFT**

5 **SEC. 201. STREAMING OF COPYRIGHTED WORKS IN VIOLA-**  
6 **TION OF CRIMINAL LAW.**

7 (a) TITLE 17 AMENDMENTS.—Section 506(a) of title  
8 17, United States Code, is amended to read as follows:

9 “(a) CRIMINAL INFRINGEMENT.—

10 “(1) IN GENERAL.—Any person who willfully  
11 infringes a copyright shall be punished as provided  
12 under section 2319 of title 18, if the infringement  
13 was committed—

14 “(A) for purposes of commercial advantage  
15 or private financial gain;

16 “(B) by the reproduction or distribution,  
17 including by electronic means, during any 180-  
18 day period, of 1 or more copies or phonorecords  
19 of 1 or more copyrighted works, or by the pub-  
20 lic performance by means of digital trans-  
21 mission, during any 180-day period, of 1 or  
22 more copyrighted works, when the total retail  
23 value of the copies or phonorecords, or of the  
24 public performances, is more than \$1,000; or

1           “(C) by the distribution or public perform-  
2           ance of a work being prepared for commercial  
3           dissemination, by making it available on a com-  
4           puter network accessible to members of the  
5           public, if such person knew or should have  
6           known that the work was intended for commer-  
7           cial dissemination.

8           “(2) EVIDENCE.—For purposes of this sub-  
9           section, evidence of reproduction, distribution, or  
10          public performance of a copyrighted work, by itself,  
11          shall not be sufficient to establish willful infringe-  
12          ment of a copyright.

13          “(3) DEFINITION.—In this subsection, the term  
14          ‘work being prepared for commercial dissemination’  
15          means—

16                 “(A) a computer program, a musical work,  
17                 a motion picture or other audiovisual work, or  
18                 a sound recording, if, at the time of unauthor-  
19                 ized distribution or public performance—

20                         “(i)(I) the copyright owner has a rea-  
21                         sonable expectation of commercial distribu-  
22                         tion; and

23                         “(II) the copies or phonorecords of  
24                         the work have not been commercially dis-  
25                         tributed in the United States by or with

1 the authorization of the copyright owner;  
2 or

3 “(ii)(I) the copyright owner does not  
4 intend to offer copies of the work for com-  
5 mercial distribution but has a reasonable  
6 expectation of other forms of commercial  
7 dissemination of the work; and

8 “(II) the work has not been commer-  
9 cially disseminated to the public in the  
10 United States by or with the authorization  
11 of the copyright owner;

12 “(B) a motion picture, if, at the time of  
13 unauthorized distribution or public perform-  
14 ance, the motion picture—

15 “(i)(I) has been made available for  
16 viewing in a motion picture exhibition facil-  
17 ity; and

18 “(II) has not been made available in  
19 copies for sale to the general public in the  
20 United States by or with the authorization  
21 of the copyright owner in a format in-  
22 tended to permit viewing outside a motion  
23 picture exhibition facility; or

24 “(ii) had not been commercially dis-  
25 seminated to the public in the United

1 States by or with the authorization of the  
2 copyright owner more than 24 hours before  
3 the unauthorized distribution or public per-  
4 formance.”.

5 (b) TITLE 18 AMENDMENTS.—Section 2319 of title  
6 18, United States Code, is amended—

7 (1) in subsection (b)(1), by striking “during  
8 any 180-day period” and all that follows and insert  
9 “of at least 10 copies or phonorecords, or of at least  
10 10 public performances by means of digital trans-  
11 mission, of 1 or more copyrighted works, during any  
12 180-day period, which have a total retail value of  
13 more than \$2,500;”;

14 (2) in subsection (c)—

15 (A) in paragraph (1), by striking “of 10 or  
16 more copies or phonorecords” and all that fol-  
17 lows and inserting “including by electronic  
18 means, of at least 10 copies or phonorecords, or  
19 of at least 10 public performances by means of  
20 digital transmission, of 1 or more copyrighted  
21 works, during any 180-day period, which have  
22 a total retail value of more than \$2,500;”;

23 (B) in paragraph (3), by striking “if the  
24 offense” and all that follows and inserting “in  
25 any other case;”;

1           (3) in subsection (d)(4), by striking “under  
2           paragraph (2)” and inserting “committed for pur-  
3           poses of commercial advantage or private financial  
4           gain under subsection (a)”;

5           (4) in subsection (f)—

6           (A) by amending paragraph (2) to read as  
7           follows:

8           “(2) the terms ‘reproduction’, ‘distribution’,  
9           and ‘public performance’ refer to the exclusive rights  
10          of a copyright owner under paragraphs (1), (3), (4),  
11          and (6), respectively, of section 106 (relating to ex-  
12          clusive rights in copyrighted works), as limited by  
13          sections 107 through 122, of title 17; and”;

14          (B) in paragraph (3), by striking “; and”  
15          and inserting a period; and

16          (C) by striking paragraph (4); and

17          (5) by adding at the end the following new sub-  
18          section:

19          “(g) EVIDENCE OF TOTAL RETAIL VALUE.—For  
20          purposes of this section and section 506(a) of title 17,  
21          total retail value may be shown by evidence of—

22                 “(1) the total retail price that persons receiving  
23                 the reproductions, distributions, or public perform-  
24                 ances constituting the offense would have paid to re-

1       ceive such reproductions, distributions, or public per-  
2       formances lawfully;

3               “(2) the total economic value of the reproduc-  
4       tions, distributions, or public performances to the in-  
5       fringer or to the copyright owner, as shown by evi-  
6       dence of fee, advertising, or other revenue that was  
7       received by the person who commits the offense, or  
8       that the copyright owner would have been entitled to  
9       receive had such reproductions, distributions, or  
10      public performances been offered lawfully; or

11              “(3) the total fair market value of licenses to  
12      offer the type of reproductions, distributions, or pub-  
13      lic performances constituting the offense.”.

14      (c) RULE OF CONSTRUCTION.—Any person acting  
15      with a good faith reasonable basis in law to believe that  
16      the person’s conduct is lawful shall not be considered to  
17      have acted willfully for purposes of the amendments made  
18      by this section. Such person includes, but is not limited  
19      to, a person engaged in conduct forming the basis of a  
20      bona fide commercial dispute over the scope of existence  
21      of a contract or license governing such conduct where such  
22      person has a reasonable basis in law to believe that such  
23      conduct is noninfringing. Nothing in this subsection shall  
24      affect the application or interpretation of the willfulness  
25      requirement in any other provision of civil or criminal law.

1 **SEC. 202. TRAFFICKING IN INHERENTLY DANGEROUS**  
2 **GOODS OR SERVICES.**

3 Section 2320 of title 18, United States Code, is  
4 amended as follows:

5 (1) Subsection (a) is amended to read as fol-  
6 lows:

7 “(1) IN GENERAL.—

8 “(A) OFFENSES.—Whoever—

9 “(i) intentionally traffics or attempts  
10 to traffic in goods or services and know-  
11 ingly uses a counterfeit mark on or in con-  
12 nection with such goods or services,

13 “(ii) intentionally traffics or attempts  
14 to traffic in labels, patches, stickers, wrap-  
15 pers, badges, emblems, medallions, charms,  
16 boxes, containers, cans, cases, hangtags,  
17 documentation, or packaging of any type  
18 or nature, knowing that a counterfeit mark  
19 has been applied thereto, the use of which  
20 is likely to cause confusion, to cause mis-  
21 take, or to deceive, or

22 “(iii) intentionally imports, exports, or  
23 traffics in counterfeit drugs or inten-  
24 tionally participates in or knowingly aids  
25 drug counterfeiting,

1 shall, if an individual, be fined not more than  
2 \$2,000,000 or imprisoned not more than 10  
3 years, or both, and, if a person other than an  
4 individual, be fined not more than \$5,000,000.

5 “(B) SUBSEQUENT OFFENSES.—In the  
6 case of an offense by a person under this para-  
7 graph that occurs after that person is convicted  
8 of another offense under this paragraph, the  
9 person convicted, if an individual, shall be fined  
10 not more than \$5,000,000 or imprisoned not  
11 more than 20 years, or both, and if other than  
12 an individual, shall be fined not more than  
13 \$15,000,000.

14 “(2) SERIOUS BODILY HARM OR DEATH.—

15 “(A) SERIOUS BODILY HARM.—If the of-  
16 fender knowingly or recklessly causes or at-  
17 tempts to cause serious bodily injury from con-  
18 duct in violation of paragraph (1), the penalty  
19 shall be, for an individual, a fine of not more  
20 than \$5,000,000 or imprisonment for any term  
21 of years or for life, or both, and for other than  
22 an individual, a fine of not more than  
23 \$15,000,000.

24 “(B) DEATH.—If the offender knowingly  
25 or recklessly causes or attempts to cause death

1 from conduct in violation of paragraph (1), the  
2 penalty shall be, for an individual, a fine of not  
3 more than \$5,000,000 or imprisonment for any  
4 term of years or for life, or both, and for other  
5 than an individual, a fine of not more than  
6 \$15,000,000.

7 “(3) MILITARY GOODS OR SERVICES.—

8 “(A) IN GENERAL.—A person who com-  
9 mits an offense under paragraph (1) shall be  
10 punished in accordance with subparagraph (B)  
11 if—

12 “(i) the offense involved a good or  
13 service described in paragraph (1) that if  
14 it malfunctioned, failed, or was com-  
15 promised, could reasonably be foreseen to  
16 cause—

17 “(I) serious bodily injury or  
18 death;

19 “(II) disclosure of classified in-  
20 formation;

21 “(III) impairment of combat op-  
22 erations; or

23 “(IV) other significant harm—

24 “(aa) to a member—

1                   “(AA) of the Armed  
2                   Forces; or

3                   “(BB) of a Federal,  
4                   State, or local law enforce-  
5                   ment agency; or

6                   “(bb) to national security or  
7                   critical infrastructure; and

8                   “(ii) the person had knowledge that  
9                   the good or service is falsely identified as  
10                  meeting military standards or is intended  
11                  for use in a military or national security  
12                  application, or a law enforcement or crit-  
13                  ical infrastructure application.

14                  “(B) PENALTIES.—

15                  “(i) INDIVIDUAL.—An individual who  
16                  commits an offense described in subpara-  
17                  graph (A) shall be fined not more than  
18                  \$5,000,000, imprisoned for not more than  
19                  20 years, or both.

20                  “(ii) PERSON OTHER THAN AN INDI-  
21                  VIDUAL.—A person other than an indi-  
22                  vidual that commits an offense described in  
23                  subparagraph (A) shall be fined not more  
24                  than \$15,000,000.

25                  “(C) SUBSEQUENT OFFENSES.—

1           “(i) INDIVIDUAL.—An individual who  
2           commits an offense described in subpara-  
3           graph (A) after the individual is convicted  
4           of an offense under subparagraph (A) shall  
5           be fined not more than \$15,000,000, im-  
6           prisoned not more than 30 years, or both.

7           “(ii) PERSON OTHER THAN AN INDI-  
8           VIDUAL.—A person other than an indi-  
9           vidual that commits an offense described in  
10          subparagraph (A) after the person is con-  
11          victed of an offense under subparagraph  
12          (A) shall be fined not more than  
13          \$30,000,000.”.

14          (2) Subsection (e) is amended—

15                 (A) in paragraph (1), by striking the pe-  
16                 riod at the end and inserting a semicolon;

17                 (B) in paragraph (3), by striking “and” at  
18                 the end;

19                 (C) in paragraph (4), by striking the pe-  
20                 riod at the end and inserting a semicolon; and

21                 (D) by adding at the end the following:

22                         “(5) the term ‘counterfeit drug’ has the mean-  
23                         ing given that term in section 201(g)(2) of the Fed-  
24                         eral Food Drug, and Cosmetic Act (21 U.S.C.  
25                         321(g)(2));

1           “(6) the term ‘critical infrastructure’ has the  
2 meaning given that term in section 2339D(c);

3           “(7) the term ‘drug counterfeiting’ means any  
4 act prohibited by section 301(i) of the Federal Food  
5 Drug, and Cosmetic Act (21 U.S.C. 331(i));

6           “(8) the term ‘final dosage form’ has the mean-  
7 ing given that term in section 735(4) of the Federal  
8 Food, Drug, and Cosmetic Act (21 U.S.C. 379g(4));

9           “(9) the term ‘falsely identified as meeting mili-  
10 tary standards’ relating to a good or service means  
11 there is a material misrepresentation that the good  
12 or service meets a standard, requirement, or speci-  
13 fication issued by the Department of Defense, an  
14 Armed Force, or a reserve component;

15           “(10) the term ‘use in a military or national se-  
16 curity application’ means the use of a good or serv-  
17 ice, independently, in conjunction with, or as a com-  
18 ponent of another good or service—

19           “(A) during the performance of the official  
20 duties of the Armed Forces of the United  
21 States or the reserve components of the Armed  
22 Forces; or

23           “(B) by the United States to perform or  
24 directly support—

25           “(i) combat operations; or

1 “(ii) critical national defense or na-  
2 tional security functions; and

3 “(11) the term ‘use in a law enforcement or  
4 critical infrastructure application’ means the use of  
5 a good or service, independently, in conjunction  
6 with, or as a component of, another good or service  
7 by a person who is directly engaged in—

8 “(A) Federal, State, or local law enforce-  
9 ment; or

10 “(B) an official function pertaining to crit-  
11 ical infrastructure.”.

12 **SEC. 203. PROTECTING U.S. BUSINESSES FROM FOREIGN**  
13 **AND ECONOMIC ESPIONAGE.**

14 (a) FOR OFFENSES COMMITTED BY INDIVIDUALS.—  
15 Section 1831(a) of title 18, United States Code, is amend-  
16 ed, in the matter after paragraph (5)—

17 (1) by striking “15 years” and inserting “20  
18 years”; and

19 (2) by striking “not more than \$500,000” and  
20 inserting “not less than \$1,000,000 and not more  
21 than \$5,000,000”.

22 (b) FOR OFFENSES COMMITTED BY ORGANIZA-  
23 TIONS.—Section 1831(b) of such title is amended by strik-  
24 ing “\$10,000,000” and inserting “not more than the  
25 greater of \$10,000,000 or 3 times the value of the stolen

1 trade secret to the organization (including expenses for re-  
2 search and design or other costs of reproducing the trade  
3 secret that the organization has thereby avoided)’’.

4 **SEC. 204. AMENDMENTS TO SENTENCING GUIDELINES.**

5 Not later than 180 days after the date of the enact-  
6 ment of this Act, pursuant to its authority under section  
7 994(p) of title 28, United States Code, the United States  
8 Sentencing Commission shall—

9 (1) review, and if appropriate, amend Federal  
10 Sentencing Guidelines and policy statements applica-  
11 ble to persons convicted of—

12 (A) intellectual property offenses;

13 (B) an offense under section 2320(a) of  
14 title 18, United States Code; or

15 (C) an offense under section 1831 of title  
16 18, United States Code;

17 (2) in carrying out such review, consider  
18 amending such Guidelines and policy statements  
19 to—

20 (A) apply an appropriate offense level en-  
21 hancement for intellectual property offenses  
22 committed in connection with an organized  
23 criminal enterprise;

1           (B) apply an appropriate offense level en-  
2           hancement to the simple misappropriation of a  
3           trade secret;

4           (C) apply an additional appropriate offense  
5           level enhancement if the defendant transmits or  
6           attempts to transmit the stolen trade secret  
7           outside of the United States and an additional  
8           appropriate enhancement if the defendant in-  
9           stead commits economic espionage;

10          (D) provide that when a defendant trans-  
11          mits trade secrets outside of the United States  
12          or commits economic espionage, that the de-  
13          fendant should face a minimum offense level;

14          (E) provide for an offense level enhance-  
15          ment for Guidelines relating to the theft of  
16          trade secrets and economic espionage, including  
17          trade secrets transferred or attempted to be  
18          transferred outside of the United States;

19          (F) apply an appropriate offense level en-  
20          hancement and minimum offense level for of-  
21          fenses under section 2320(a) of title 18, United  
22          States Code, that involve a product intended for  
23          use in a military or national security applica-  
24          tion, or a law enforcement or critical infrastruc-  
25          ture application;

1 (G) ensure that the Guidelines and policy  
2 statements (including section 2B5.3 of the Fed-  
3 eral Sentencing Guidelines (and any successor  
4 thereto)) reflect—

5 (i) the serious nature of the offenses  
6 described in section 2320(a) of title 18,  
7 United States Code;

8 (ii) the need for an effective deterrent  
9 and appropriate punishment to prevent of-  
10 fenses under section 2320(a) of title 18,  
11 United States Code; and

12 (iii) the effectiveness of incarceration  
13 in furthering the objectives described in  
14 clauses (i) and (ii); and

15 (H) ensure reasonable consistency with  
16 other relevant directives and Guidelines and  
17 Federal statutes;

18 (3) submit to Congress a report detailing the  
19 Commission's actions with respect to each potential  
20 amendment described in paragraph (2);

21 (4) make such conforming amendments to the  
22 Federal Sentencing Guidelines as the Commission  
23 determines necessary to achieve consistency with  
24 other Guideline provisions and applicable law; and

1           (5) promulgate the Guidelines, policy state-  
2           ments, or amendments provided for in this section  
3           as soon as practicable in accordance with the proce-  
4           dure set forth in section 21(a) of the Sentencing Act  
5           of 1987 (28 U.S.C. 994 note), as though the author-  
6           ity under that Act had not expired.

7 **SEC. 205. DEFENDING INTELLECTUAL PROPERTY RIGHTS**

8                           **ABROAD.**

9           (a) **RESOURCES TO PROTECT INTELLECTUAL PROP-**  
10 **ERTY RIGHTS.—**

11           (1) **POLICY.**—The Secretary of State and the  
12           Secretary of Commerce, in consultation with the  
13           Register of Copyrights, shall ensure that the protec-  
14           tion in foreign countries of the intellectual property  
15           rights of United States persons is a significant com-  
16           ponent of United States foreign and commercial pol-  
17           icy in general, and in relations with individual coun-  
18           tries in particular.

19           (2) **DEDICATION OF RESOURCES.**—The Sec-  
20           retary of State and the Secretary of Commerce, in  
21           consultation with the Register of Copyrights, and  
22           the heads of other appropriate departments and  
23           agencies, shall ensure that adequate resources are  
24           available at the United States embassy or diplomatic  
25           mission (as the case may be) in any country that is

1 identified under section 182(a)(1) of the Trade Act  
2 of 1974 (19 U.S.C. 2242(a)(1)) to ensure—

3 (A) aggressive support for enforcement ac-  
4 tion against violations of the intellectual prop-  
5 erty rights of United States persons in such  
6 country;

7 (B) cooperation with and support for the  
8 host government's efforts to conform its appli-  
9 cable laws, regulations, practices, and processes  
10 to enable the host government to honor its  
11 international and bilateral obligations with re-  
12 spect to the protection of intellectual property  
13 rights;

14 (C) consistency with the policy and coun-  
15 try-specific priorities set forth in the most re-  
16 cent report of USTR under such section  
17 182(a)(1); and

18 (D) support for holders of United States  
19 intellectual property rights and industries whose  
20 access to foreign markets is improperly re-  
21 stricted by intellectual property related issues.

22 (b) NEW APPOINTMENTS.—

23 (1) APPOINTMENTS AND ADMINISTRATION.—

24 The Secretary of State and the Secretary of Com-  
25 merce, in consultation with the Register of Copy-

1 rights, shall appoint at least one intellectual prop-  
2 erty attaché to be assigned to the United States em-  
3 bassy or diplomatic mission (as the case may be) in  
4 a country in each geographic region covered by a re-  
5 gional bureau of the Department of State. The Di-  
6 rector of the Patent and Trademark Office shall  
7 maintain authority over hiring, personnel ratings,  
8 and objectives for the attachés, in consultation with  
9 the Secretary of State. Depending on experience and  
10 expertise, intellectual property attachés shall be des-  
11 ignated as the diplomatic rank in-mission of First  
12 Secretary or Counselor.

13 (2) REGIONS DEFINED.—The geographic re-  
14 gions referred to in paragraph (1) are the following:

15 (A) Africa.

16 (B) Europe and Eurasia.

17 (C) East Asia and the Pacific.

18 (D) The Near East.

19 (E) South and Central Asia and the Pa-  
20 cific.

21 (F) The Western Hemisphere.

22 (3) DUTIES.—The intellectual property attachés  
23 appointed under this subsection shall focus primarily  
24 on intellectual property matters, including the devel-  
25 opment, protection, and enforcement of applicable

1 law. Each intellectual property attaché shall work, in  
2 accordance with guidance from the Director, and in  
3 coordination with appropriate staff at the Depart-  
4 ments of Commerce and State and the Copyright  
5 Office, to advance the policy goals and priorities of  
6 the United States Government. Those policy goals  
7 and priorities shall be consistent with USTR's re-  
8 ports under section 182(a)(1) of the Trade Act of  
9 1974. The intellectual property attachés shall work  
10 with United States holders of intellectual property  
11 rights and industry to address intellectual property  
12 rights violations in the countries where the attachés  
13 are assigned.

14 (c) PRIORITY ASSIGNMENTS.—

15 (1) IN GENERAL.—Subject to paragraph (2), in  
16 designating the United States embassies or diplo-  
17 matic missions where attachés will be assigned under  
18 subsection (b), the Secretary of State and the Sec-  
19 retary of Commerce shall give priority to countries  
20 where the activities of an attaché are likely to  
21 achieve the greatest potential benefit in reducing in-  
22 tellectual property infringement in the United States  
23 market, to advance the intellectual property rights of  
24 United States persons and their licensees, and to ad-  
25 vance the interests of United States persons who

1       may otherwise be harmed by violations of intellectual  
2       property rights in those countries.

3               (2) ASSIGNMENTS TO PRIORITY COUNTRIES.—

4       In carrying out paragraph (1), the Secretary of  
5       State and the Secretary of Commerce shall consider  
6       assigning intellectual property attachés—

7               (A) to the countries that have been identi-  
8               fied under section 182(a)(1) of the Trade Act  
9               of 1974 (19 U.S.C. 2242(a)(1)); and

10              (B) to countries of critical economic impor-  
11              tance to the advancement of United States in-  
12              tellectual property rights and interests.

13       (d) TRAINING.—The Secretary of State and the Sec-  
14       retary of Commerce shall ensure that each intellectual  
15       property attaché appointed under subsection (b) is fully  
16       trained for the responsibilities of the position before as-  
17       suming duties at the United States embassy or diplomatic  
18       mission to which the attaché is assigned.

19       (e) COORDINATION.—The activities of intellectual  
20       property attachés under this section shall be determined  
21       in consultation with the Intellectual Property Enforcement  
22       Coordinator. The Director shall assist in coordinating the  
23       policy priorities and activities of the intellectual property  
24       attachés and oversee administrative and personnel mat-  
25       ters.

1 (f) TRAINING AND TECHNICAL ASSISTANCE.—

2 (1) CONSISTENCY.—Using existing resources,  
3 all training and technical assistance provided by in-  
4 tellectual property attachés appointed under sub-  
5 section (b), or under other authority, relating to in-  
6 tellectual property enforcement and protection  
7 abroad shall be designed to be consistent with the  
8 policy and country-specific priorities set forth in the  
9 most recent report of USTR under section 182(a) of  
10 the Trade Act of 1974.

11 (2) ROLE OF IPEC.—Such training and tech-  
12 nical assistance programs shall be carried out in  
13 consultation with the Intellectual Property Enforce-  
14 ment Coordinator. The Director shall assist in co-  
15 ordinating the training and technical assistance pro-  
16 grams conducted by intellectual property attachés.

17 (g) ACTIVITIES IN OTHER COUNTRIES.—In the case  
18 of countries that are not identified under section  
19 182(a)(1) of the Trade Act of 1974, the activities of Fed-  
20 eral departments and agencies with respect to intellectual  
21 property rights in those countries, intellectual property  
22 programs and outreach of the United States Government  
23 in those countries, and training and technical assistance  
24 programs of the United States Government relating to in-  
25 tellectual property in those countries may be conducted

1 to the extent they are consistent with compelling commer-  
2 cial or foreign policy interests of the United States.

3 (h) REPORTS TO CONGRESS.—The Intellectual Prop-  
4 erty Enforcement Coordinator shall include in the annual  
5 report submitted under section 314 of the Prioritizing Re-  
6 sources and Organization for Intellectual Property Act of  
7 2008 (15 U.S.C. 8114) on the activities of the advisory  
8 committee established under section 301 of that Act (15  
9 U.S.C. 8111) information on the appointment, designation  
10 for assignment, and activities of all intellectual property  
11 attachés of any Federal department or agency who are  
12 serving abroad.

13 (i) DEFINITIONS.—In this section:

14 (1) DIRECTOR.—The terms “Director of the  
15 Patent and Trademark Office” and “Director” mean  
16 the Under Secretary for Intellectual Property and  
17 Director of the United States Patent and Trade-  
18 mark Office.

19 (2) INTELLECTUAL PROPERTY ENFORCE-  
20 MENT.—The term “intellectual property enforce-  
21 ment” has the meaning given that term in section  
22 302 of the Prioritizing Resources and Organization  
23 for Intellectual Property Act of 2008 (15 U.S.C.  
24 8112).

1           (3) INTELLECTUAL PROPERTY ENFORCEMENT  
2           COORDINATOR.—The term “Intellectual Property  
3           Enforcement Coordinator” means the Intellectual  
4           Property Enforcement Coordinator appointed under  
5           section 301 of the Prioritizing Resources and Orga-  
6           nization for Intellectual Property Act of 2008 (15  
7           U.S.C. 8111).

8           (4) INTELLECTUAL PROPERTY RIGHTS.—The  
9           term “intellectual property rights” means the rights  
10          of holders of copyrights, patents, trademarks, other  
11          forms of intellectual property, and trade secrets.

12          (5) USTR.—The term “USTR” means the  
13          United States Trade Representative.

14          (6) UNITED STATES PERSON.—The term  
15          “United States person” means—

16                 (A) any United States resident or national;

17                 (B) any corporation, partnership, other  
18                 business entity, or other organization, that is  
19                 organized under the laws of the United States;  
20                 and

21                 (C) any foreign subsidiary or affiliate (in-  
22                 cluding any permanent foreign establishment)  
23                 of any corporation, partnership, business entity,  
24                 or organization described in subparagraph (B),

1           that is controlled in fact by such corporation,  
2           partnership, business entity, or organization.

3           (j) AUTHORIZATION OF APPROPRIATIONS.—The Sec-  
4   retary of State and the Secretary of Commerce shall pro-  
5   vide for the training and support of the intellectual prop-  
6   erty attachés appointed under subsection (b) using exist-  
7   ing resources.

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