

House okays watered down PRO IP Act

The House of Representatives has passed the Prioritizing Resources and Organization for Intellectual Property Act (the PRO IP Act), a bill intended to strengthen US copyright and trademark protection significantly and establish a new IP czar within the federal government. The bill now moves on to the Senate for consideration.

The proposed legislation features several measures which would drastically change the Copyright Act. Introduced as HR 4279 by House Judiciary Committee Chairman John Conyers Jr, the PRO IP Act has been the subject of extensive debate between entertainment industry proponents and those who felt that the proposals went too far (see "House of Representatives introduces PRO IP Act"). Ultimately, certain provisions were dropped, such as allowing penalties for each work infringed in a compilation of works (eg, in music DVDs and albums).

The House version of the PRO IP Act features broad criminal and civil provisions – it would permit the seizure not only of infringing goods, but also of property such as computers and other equipment "used or intended to be used" to commit or facilitate infringement. In civil matters, the PRO IP Act would authorize the seizure of property "owned or predominantly controlled" by the violator, or those conspiring with, aiding or abetting the violator, where there is a substantial connection between the subject property and the counterfeiting violation. It would also be possible to seize records concerning infringing activities, subject to confidentiality orders.

Monetary awards for counterfeiting would be significantly increased by the PRO IP Act and all proceeds from counterfeiting would be subject to forfeiture. The act would also increase the statutory damages available for trademark counterfeiting from between \$500 and \$100,000 per counterfeit mark per type of goods to between \$1,000 and \$200,000. In cases of wilful counterfeiting, an award of up to \$2 million per counterfeit mark could be granted.

The act would prioritize IP law enforcement, adding a prohibition against the exportation of infringing goods to

current statutory prohibitions on the importation of counterfeits. In addition, criminal liability for repeat offenders would be enhanced. Significantly, the PRO IP Act would seek to establish the Office of the US IP Enforcement Representative within the executive, as well as an IP Enforcement Division within the Department of Justice to be headed by an IP enforcement officer.

Federal civil law would also be amended to:

- provide a safe harbour for copyright registrations to avoid preventing a finding of infringement where technical errors exist in the registration;
- provide that copyright registration requirements, like the necessity of filing a registration before suing, apply only to civil infringement actions; and
- require courts to issue protective orders to prevent disclosure of seized records relating to copyright infringement.

The Computer Crime Enforcement Act would be amended to include the online infringement of copyrighted works in computer crime grant programmes and to provide Department of Justice grants to state and local law enforcement agencies to combat IP theft and infringement. In addition, federal criminal law would be amended to enhance criminal penalties for:

- copyright infringement;
- trafficking in counterfeit labels or packaging; and
- causing serious bodily harm or death while trafficking in counterfeit goods or services.

The amendments would also enhance civil and criminal forfeiture provisions for copyright infringement and provide for restitution to victims of such infringement.

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