



# INTELLECTUAL PROPERTY AND INNOVATION AMERICAN INN OF COURT

Tuesday, January 26, 2021

## Inn Luncheon Roundtable

### **CLE Materials**

#### Topic

Trademark and Copyright Changes in Consolidated  
Appropriations Act of 2020

#### Facilitated By

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CASE Act

Trademark Modernization Act

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Relief”

“Congress Creates a Copyright Claims Board for Adjudication of Small  
Copyright Infringement Claims”

1 (A) The Chairman and Ranking Member  
2 of the Committee on Financial Services of the  
3 House of Representatives.

4 (B) The Chairman and Ranking Member  
5 of the Committee on Banking, Housing, and  
6 Urban Affairs of the Senate.

7 (2) BANKING REGULATOR.—The term “banking  
8 regulator” means the Board of Governors of the  
9 Federal Reserve System, the Comptroller of the Cur-  
10 rency, the Federal Deposit Insurance Corporation,  
11 and the National Credit Union Administration.

12 (3) SENIOR APPOINTED LEADERSHIP.—With  
13 respect to a banking regulator, the term “senior ap-  
14 pointed leadership” means a position that requires  
15 Senate confirmation.

16 (e) SUNSET.—The provisions of this section shall  
17 have no force or effect on or after the date that is 7 years  
18 after the date of enactment of this Act.

## 19 **TITLE II—INTELLECTUAL** 20 **PROPERTY**

### 21 **Subtitle A—Copyrights**

#### 22 **SEC. 211. UNAUTHORIZED STREAMING.**

23 (a) AMENDMENT.—Chapter 113 of title 18, United  
24 States Code, is amended by inserting after section 2319B  
25 the following:

1 **“§ 2319C. Illicit digital transmission services**

2 “(a) DEFINITIONS.—In this section—

3 “(1) the terms ‘audiovisual work’, ‘computer  
4 program’, ‘copies’, ‘copyright owner’, ‘digital trans-  
5 mission’, ‘financial gain’, ‘motion picture’, ‘motion  
6 picture exhibition facility’, ‘perform’, ‘phonorecords’,  
7 ‘publicly’ (with respect to performing a work),  
8 ‘sound recording’, and ‘transmit’ have the meanings  
9 given those terms in section 101 of title 17;

10 “(2) the term ‘digital transmission service’  
11 means a service that has the primary purpose of  
12 publicly performing works by digital transmission;

13 “(3) the terms ‘publicly perform’ and ‘public  
14 performance’ refer to the exclusive rights of a copy-  
15 right owner under paragraphs (4) and (6) of section  
16 106 (relating to exclusive rights in copyrighted  
17 works) of title 17, as limited by sections 107  
18 through 122 of title 17; and

19 “(4) the term ‘work being prepared for com-  
20 mercial public performance’ means—

21 “(A) a computer program, a musical work,  
22 a motion picture or other audiovisual work, or  
23 a sound recording, if, at the time of unauthor-  
24 ized public performance—

1                   “(i) the copyright owner has a reason-  
2                   able expectation of commercial public per-  
3                   formance; and

4                   “(ii) the copies or phonorecords of the  
5                   work have not been commercially publicly  
6                   performed in the United States by or with  
7                   the authorization of the copyright owner;  
8                   or

9                   “(B) a motion picture, if, at the time of  
10                  unauthorized public performance, the motion  
11                  picture—

12                   “(i)(I) has been made available for  
13                   viewing in a motion picture exhibition facil-  
14                   ity; and

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

21                   “(ii) had not been commercially pub-  
22                   licly performed in the United States by or  
23                   with the authorization of the copyright  
24                   owner more than 24 hours before the un-  
25                   authorized public performance.

1           “(b) PROHIBITED ACT.—It shall be unlawful for a  
2 person to willfully, and for purposes of commercial advan-  
3 tage or private financial gain, offer or provide to the public  
4 a digital transmission service that—

5           “(1) is primarily designed or provided for the  
6 purpose of publicly performing works protected  
7 under title 17 by means of a digital transmission  
8 without the authority of the copyright owner or the  
9 law;

10           “(2) has no commercially significant purpose or  
11 use other than to publicly perform works protected  
12 under title 17 by means of a digital transmission  
13 without the authority of the copyright owner or the  
14 law; or

15           “(3) is intentionally marketed by or at the di-  
16 rection of that person to promote its use in publicly  
17 performing works protected under title 17 by means  
18 of a digital transmission without the authority of the  
19 copyright owner or the law.

20           “(c) PENALTIES.—Any person who violates sub-  
21 section (b) shall be, in addition to any penalties provided  
22 for under title 17 or any other law—

23           “(1) fined under this title, imprisoned not more  
24 than 3 years, or both;

1           “(2) fined under this title, imprisoned not more  
2 than 5 years, or both, if—

3           “(A) the offense was committed in connec-  
4 tion with 1 or more works being prepared for  
5 commercial public performance; and

6           “(B) the person knew or should have  
7 known that the work was being prepared for  
8 commercial public performance; and

9           “(3) fined under this title, imprisoned not more  
10 than 10 years, or both, if the offense is a second or  
11 subsequent offense under this section or section  
12 2319(a).

13          “(d) RULE OF CONSTRUCTION.—Nothing in this sec-  
14 tion shall be construed to—

15           “(1) affect the interpretation of any other pro-  
16 vision of civil copyright law, including the limitations  
17 of liability set forth in section 512 of title 17, or  
18 principles of secondary liability; or

19           “(2) prevent any Federal or State authority  
20 from enforcing cable theft or theft of service laws  
21 that are not subject to preemption under section 301  
22 of title 17.”.

23          “(b) TABLE OF SECTIONS AMENDMENT.—The table of  
24 section for chapter 113 of title 18, United States Code,

1 is amended by inserting after the item relating to section  
2 2319B the following:

“2319C. Illicit digital transmission services.”.

3 **SEC. 212. COPYRIGHT SMALL CLAIMS.**

4 (a) **SHORT TITLE.**—This section may be cited as the  
5 “Copyright Alternative in Small-Claims Enforcement Act  
6 of 2020” or the “CASE Act of 2020”.

7 (b) **AMENDMENT.**—Title 17, United States Code, is  
8 amended by adding at the end the following:

9 **“CHAPTER 15—COPYRIGHT SMALL**  
10 **CLAIMS**

“1501. Definitions.

“1502. Copyright Claims Board.

“1503. Authority and duties of the Copyright Claims Board.

“1504. Nature of proceedings.

“1505. Registration requirement.

“1506. Conduct of proceedings.

“1507. Effect of proceeding.

“1508. Review and confirmation by district court.

“1509. Relationship to other district court actions.

“1510. Implementation by Copyright Office.

“1511. Funding.

11 **“§ 1501. Definitions**

12 “In this chapter—

13 “(1) the term ‘claimant’ means the real party  
14 in interest that commences a proceeding before the  
15 Copyright Claims Board under section 1506(e), pur-  
16 suant to a permissible claim of infringement brought  
17 under section 1504(c)(1), noninfringement brought  
18 under section 1504(c)(2), or misrepresentation  
19 brought under section 1504(c)(3);

1           “(2) the term ‘counterclaimant’ means a re-  
2           spondent in a proceeding before the Copyright  
3           Claims Board that—

4                   “(A) asserts a permissible counterclaim  
5                   under section 1504(c)(4) against the claimant  
6                   in the proceeding; and

7                   “(B) is the real party in interest with re-  
8                   spect to the counterclaim described in subpara-  
9                   graph (A);

10           “(3) the term ‘party’—

11                   “(A) means a party; and

12                   “(B) includes the attorney of a party, as  
13                   applicable; and

14           “(4) the term ‘respondent’ means any person  
15           against whom a proceeding is brought before the  
16           Copyright Claims Board under section 1506(e), pur-  
17           suant to a permissible claim of infringement brought  
18           under section 1504(c)(1), noninfringement brought  
19           under section 1504(c)(2), or misrepresentation  
20           brought under section 1504(c)(3).

21   **“§ 1502. Copyright Claims Board**

22           “(a) IN GENERAL.—There is established in the Copy-  
23           right Office the Copyright Claims Board, which shall serve  
24           as an alternative forum in which parties may voluntarily



1 seek to resolve certain copyright claims regarding any cat-  
2 egory of copyrighted work, as provided in this chapter.

3 “(b) OFFICERS AND STAFF.—

4 “(1) COPYRIGHT CLAIMS OFFICERS.—The Reg-  
5 ister of Copyrights shall recommend 3 full-time  
6 Copyright Claims Officers to serve on the Copyright  
7 Claims Board in accordance with paragraph (3)(A).  
8 The Officers shall be appointed by the Librarian of  
9 Congress to such positions after consultation with  
10 the Register of Copyrights.

11 “(2) COPYRIGHT CLAIMS ATTORNEYS.—The  
12 Register of Copyrights shall hire not fewer than 2  
13 full-time Copyright Claims Attorneys to assist in the  
14 administration of the Copyright Claims Board.

15 “(3) QUALIFICATIONS.—

16 “(A) COPYRIGHT CLAIMS OFFICERS.—

17 “(i) IN GENERAL.—Each Copyright  
18 Claims Officer shall be an attorney who  
19 has not fewer than 7 years of legal experi-  
20 ence.

21 “(ii) EXPERIENCE.—Two of the Copy-  
22 right Claims Officers shall—

23 “(I) have substantial experience  
24 in the evaluation, litigation, or adju-

1                   dication of copyright infringement  
2                   claims; and

3                   “(II) between those 2 Officers,  
4                   have represented or presided over a  
5                   diversity of copyright interests, includ-  
6                   ing those of both owners and users of  
7                   copyrighted works.

8                   “(iii) ALTERNATIVE DISPUTE RESOLU-  
9                   TION.—The Copyright Claims Officer not  
10                  described in clause (ii) shall have substan-  
11                  tial familiarity with copyright law and ex-  
12                  perience in the field of alternative dispute  
13                  resolution, including the resolution of liti-  
14                  gation matters through that method of res-  
15                  olution.

16                  “(B) COPYRIGHT CLAIMS ATTORNEYS.—  
17                  Each Copyright Claims Attorney shall be an at-  
18                  torney who has not fewer than 3 years of sub-  
19                  stantial experience in copyright law.

20                  “(4) COMPENSATION.—

21                  “(A) COPYRIGHT CLAIMS OFFICERS.—

22                  “(i) DEFINITION.—In this subpara-  
23                  graph, the term ‘senior level employee of  
24                  the Federal Government’ means an em-  
25                  ployee, other than an employee in the Sen-

1           ior Executive Service, the position of whom  
2           is classified above GS-15 of the General  
3           Schedule.

4           “(ii) PAY RANGE.—Each Copyright  
5           Claims Officer shall be compensated at a  
6           rate of pay that is not less than the min-  
7           imum, and not more than the maximum,  
8           rate of pay payable for senior level employ-  
9           ees of the Federal Government, including  
10          locality pay, as applicable.

11          “(B) COPYRIGHT CLAIMS ATTORNEYS.—  
12          Each Copyright Claims Attorney shall be com-  
13          pensated at a rate of pay that is not more than  
14          the maximum rate of pay payable for level 10  
15          of GS-15 of the General Schedule, including lo-  
16          cality pay, as applicable.

17          “(5) TERMS.—

18                 “(A) IN GENERAL.—Subject to subpara-  
19                 graph (B), a Copyright Claims Officer shall  
20                 serve for a renewable term of 6 years.

21                 “(B) INITIAL TERMS.—The terms for the  
22                 first Copyright Claims Officers appointed under  
23                 this chapter shall be as follows:

1                   “(i) The first such Copyright Claims  
2                   Officer appointed shall be appointed for a  
3                   term of 4 years.

4                   “(ii) The second Copyright Claims Of-  
5                   ficer appointed shall be appointed for a  
6                   term of 5 years.

7                   “(iii) The third Copyright Claims Of-  
8                   ficer appointed shall be appointed for a  
9                   term of 6 years.

10                   “(6) VACANCIES AND INCAPACITY.—

11                   “(A) VACANCY.—

12                   “(i) IN GENERAL.—If a vacancy oc-  
13                   curs in the position of a Copyright Claims  
14                   Officer, the Librarian of Congress shall,  
15                   upon the recommendation of, and in con-  
16                   sultation with, the Register of Copyrights,  
17                   act expeditiously to appoint a Copyright  
18                   Claims Officer for that position.

19                   “(ii) VACANCY BEFORE EXPIRA-  
20                   TION.—An individual appointed to fill a  
21                   vacancy occurring before the expiration of  
22                   the term for which the predecessor of the  
23                   individual was appointed shall be appointed  
24                   to serve a 6-year term.

1           “(B) INCAPACITY.—If a Copyright Claims  
2           Officer is temporarily unable to perform the du-  
3           ties of the Officer, the Librarian of Congress  
4           shall, upon recommendation of, and in consulta-  
5           tion with, the Register of Copyrights, act expe-  
6           ditiously to appoint an interim Copyright  
7           Claims Officer to perform such duties during  
8           the period of such incapacity.

9           “(7) SANCTION OR REMOVAL.—Subject to sec-  
10          tion 1503(b), the Librarian of Congress may sanc-  
11          tion or remove a Copyright Claims Officer.

12          “(8) ADMINISTRATIVE SUPPORT.—The Register  
13          of Copyrights shall provide the Copyright Claims Of-  
14          ficers and Copyright Claims Attorneys with nec-  
15          essary administrative support, including techno-  
16          logical facilities, to carry out the duties of the Offi-  
17          cers and Attorneys under this chapter.

18          “(9) LOCATION OF COPYRIGHT CLAIMS  
19          BOARD.—The offices and facilities of the Copyright  
20          Claims Officers and Copyright Claims Attorneys  
21          shall be located at the Copyright Office.

22   **“§ 1503. Authority and duties of the Copyright Claims**  
23                           **Board**

24          “(a) FUNCTIONS.—

1           “(1) COPYRIGHT CLAIMS OFFICERS.—Subject  
2           to the provisions of this chapter and applicable regu-  
3           lations, the functions of the Copyright Claims Offi-  
4           cers shall be as follows:

5                   “(A) To render determinations on the civil  
6                   copyright claims, counterclaims, and defenses  
7                   that may be brought before the Officers under  
8                   this chapter.

9                   “(B) To ensure that claims, counterclaims,  
10                  and defenses are properly asserted and other-  
11                  wise appropriate for resolution by the Copyright  
12                  Claims Board.

13                  “(C) To manage the proceedings before the  
14                  Officers and render rulings pertaining to the  
15                  consideration of claims, counterclaims, and de-  
16                  fenses, including with respect to scheduling, dis-  
17                  covery, evidentiary, and other matters.

18                  “(D) To request, from participants and  
19                  nonparticipants in a proceeding, the production  
20                  of information and documents relevant to the  
21                  resolution of a claim, counterclaim, or defense.

22                  “(E) To conduct hearings and conferences.

23                  “(F) To facilitate the settlement by the  
24                  parties of claims and counterclaims.

25                  “(G) To—

1 “(i) award monetary relief; and

2 “(ii) include in the determinations of  
3 the Officers a requirement that certain ac-  
4 tivities under section 1504(e)(2) cease or  
5 be mitigated, if the party to undertake the  
6 applicable measure has so agreed.

7 “(H) To provide information to the public  
8 concerning the procedures and requirements of  
9 the Copyright Claims Board.

10 “(I) To maintain records of the pro-  
11 ceedings before the Officers, certify official  
12 records of such proceedings as needed, and, as  
13 provided in section 1506(t), make the records  
14 in such proceedings available to the public.

15 “(J) To carry out such other duties as are  
16 set forth in this chapter.

17 “(K) When not engaged in performing the  
18 duties of the Officers set forth in this chapter,  
19 to perform such other duties as may be as-  
20 signed by the Register of Copyrights.

21 “(2) COPYRIGHT CLAIMS ATTORNEYS.—Subject  
22 to the provisions of this chapter and applicable regu-  
23 lations, the functions of the Copyright Claims Attor-  
24 neys shall be as follows:

1           “(A) To provide assistance to the Copy-  
2 right Claims Officers in the administration of  
3 the duties of those Officers under this chapter.

4           “(B) To provide assistance to members of  
5 the public with respect to the procedures and  
6 requirements of the Copyright Claims Board.

7           “(C) To provide information to potential  
8 claimants contemplating bringing a permissible  
9 action before the Copyright Claims Board about  
10 obtaining a subpoena under section 512(h) for  
11 the sole purpose of identifying a potential re-  
12 spondent in such an action.

13           “(D) When not engaged in performing the  
14 duties of the Attorneys set forth in this chapter,  
15 to perform such other duties as may be as-  
16 signed by the Register of Copyrights.

17           “(b) INDEPENDENCE IN DETERMINATIONS.—

18           “(1) IN GENERAL.—The Copyright Claims  
19 Board shall render the determinations of the Board  
20 in individual proceedings independently on the basis  
21 of the records in the proceedings before it and in ac-  
22 cordance with the provisions of this title, judicial  
23 precedent, and applicable regulations of the Register  
24 of Copyrights.



1           “(2) CONSULTATION.—The Copyright Claims  
2 Officers and Copyright Claims Attorneys—

3           “(A) may consult with the Register of  
4 Copyrights on general issues of law; and

5           “(B) subject to section 1506(x), may not  
6 consult with the Register of Copyrights with re-  
7 spect to—

8           “(i) the facts of any particular matter  
9 pending before the Officers and the Attor-  
10 neys; or

11           “(ii) the application of law to the  
12 facts described in clause (i).

13           “(3) PERFORMANCE APPRAISALS.—Notwith-  
14 standing any other provision of law or any regula-  
15 tion or policy of the Library of Congress or Register  
16 of Copyrights, any performance appraisal of a Copy-  
17 right Claims Officer or Copyright Claims Attorney  
18 may not consider the substantive result of any indi-  
19 vidual determination reached by the Copyright  
20 Claims Board as a basis for appraisal except to the  
21 extent that the result may relate to any actual or al-  
22 leged violation of an ethical standard of conduct.

23           “(c) DIRECTION BY REGISTER.—Subject to sub-  
24 section (b), the Copyright Claims Officers and Copyright  
25 Claims Attorneys shall, in the administration of their du-

1 ties, be under the general direction of the Register of  
2 Copyrights.

3 “(d) INCONSISTENT DUTIES BARRED.—A Copyright  
4 Claims Officer or Copyright Claims Attorney may not un-  
5 dertake any duty that conflicts with the duties of the Offi-  
6 cer or Attorney in connection with the Copyright Claims  
7 Board.

8 “(e) RECUSAL.—A Copyright Claims Officer or Copy-  
9 right Claims Attorney shall recuse himself or herself from  
10 participation in any proceeding with respect to which the  
11 Copyright Claims Officer or Copyright Claims Attorney,  
12 as the case may be, has reason to believe that he or she  
13 has a conflict of interest.

14 “(f) EX PARTE COMMUNICATIONS.—Except as may  
15 otherwise be permitted by applicable law, any party to a  
16 proceeding before the Copyright Claims Board shall re-  
17 frain from ex parte communications with the Copyright  
18 Claims Officers and the Register of Copyrights concerning  
19 the substance of any active or pending proceeding before  
20 the Copyright Claims Board.

21 “(g) JUDICIAL REVIEW.—Actions of the Copyright  
22 Claims Officers and Register of Copyrights under this  
23 chapter in connection with the rendering of any deter-  
24 mination are subject to judicial review as provided under  
25 section 1508(c) and not under chapter 7 of title 5.

1 **“§ 1504. Nature of proceedings**

2 “(a) VOLUNTARY PARTICIPATION.—Participation in  
3 a Copyright Claims Board proceeding shall be on a vol-  
4 untary basis in accordance with this chapter, and the right  
5 of any party to instead pursue a claim, counterclaim, or  
6 defense in a district court of the United States, any other  
7 court, or any other forum, and to seek a jury trial, shall  
8 be preserved. The rights, remedies, and limitations under  
9 this section may not be waived except in accordance with  
10 this chapter.

11 “(b) STATUTE OF LIMITATIONS.—

12 “(1) IN GENERAL.—A proceeding may not be  
13 maintained before the Copyright Claims Board un-  
14 less the proceeding is commenced, in accordance  
15 with section 1506(e), before the Copyright Claims  
16 Board not later than 3 years after the claim ac-  
17 curred.

18 “(2) TOLLING.—Subject to section 1507(a), a  
19 proceeding commenced before the Copyright Claims  
20 Board shall toll the time permitted under section  
21 507(b) for the commencement of an action on the  
22 same claim in a district court of the United States  
23 during the period in which the proceeding is pend-  
24 ing.

25 “(c) PERMISSIBLE CLAIMS, COUNTERCLAIMS, AND  
26 DEFENSES.—The Copyright Claims Board may render de-

1 terminations with respect to the following claims, counter-  
2 claims, and defenses, subject to such further limitations  
3 and requirements, including with respect to particular  
4 classes of works, as may be set forth in regulations estab-  
5 lished by the Register of Copyrights:

6           “(1) A claim for infringement of an exclusive  
7 right in a copyrighted work provided under section  
8 106 by the legal or beneficial owner of the exclusive  
9 right at the time of the infringement for which the  
10 claimant seeks damages, if any, within the limita-  
11 tions set forth in subsection (e)(1).

12           “(2) A claim for a declaration of noninfringe-  
13 ment of an exclusive right in a copyrighted work  
14 provided under section 106, consistent with section  
15 2201 of title 28.

16           “(3) A claim under section 512(f) for misrepre-  
17 sentation in connection with a notification of claimed  
18 infringement or a counter notification seeking to re-  
19 place removed or disabled material, except that any  
20 remedies relating to such a claim in a proceeding be-  
21 fore the Copyright Claims Board shall be limited to  
22 those available under this chapter.

23           “(4) A counterclaim that is asserted solely  
24 against the claimant in a proceeding—

1           “(A) pursuant to which the counterclaim-  
2           ant seeks damages, if any, within the limita-  
3           tions set forth in subsection (e)(1); and

4           “(B) that—

5                   “(i) arises under section 106 or sec-  
6                   tion 512(f) and out of the same trans-  
7                   action or occurrence that is the subject of  
8                   a claim of infringement brought under  
9                   paragraph (1), a claim of noninfringement  
10                  brought under paragraph (2), or a claim of  
11                  misrepresentation brought under para-  
12                  graph (3); or

13                   “(ii) arises under an agreement per-  
14                   taining to the same transaction or occur-  
15                   rence that is the subject of a claim of in-  
16                   fringement brought under paragraph (1),  
17                   if the agreement could affect the relief  
18                   awarded to the claimant.

19           “(5) A legal or equitable defense under this title  
20           or otherwise available under law, in response to a  
21           claim or counterclaim asserted under this subsection.

22           “(6) A single claim or multiple claims permitted  
23           under paragraph (1), (2), or (3) by 1 or more claim-  
24           ants against 1 or more respondents, but only if all  
25           claims asserted in any 1 proceeding arise out of the

1 same allegedly infringing activity or continuous  
2 course of infringing activities and do not, in the ag-  
3 gregate, result in the recovery of such claim or  
4 claims for damages that exceed the limitations under  
5 subsection (e)(1).

6 “(d) EXCLUDED CLAIMS.—The following claims and  
7 counterclaims are not subject to determination by the  
8 Copyright Claims Board:

9 “(1) A claim or counterclaim that is not a per-  
10 missible claim or counterclaim under subsection (c).

11 “(2) A claim or counterclaim that has been fi-  
12 nally adjudicated by a court of competent jurisdic-  
13 tion or that is pending before a court of competent  
14 jurisdiction, unless that court has granted a stay to  
15 permit that claim or counterclaim to proceed before  
16 the Copyright Claims Board.

17 “(3) A claim or counterclaim by or against a  
18 Federal or State governmental entity.

19 “(4) A claim or counterclaim asserted against a  
20 person or entity residing outside of the United  
21 States, except in a case in which the person or entity  
22 initiated the proceeding before the Copyright Claims  
23 Board and is subject to counterclaims under this  
24 chapter.

25 “(e) PERMISSIBLE REMEDIES.—

1 “(1) MONETARY RECOVERY.—

2 “(A) ACTUAL DAMAGES, PROFITS, AND  
3 STATUTORY DAMAGES FOR INFRINGEMENT.—

4 With respect to a claim or counterclaim for in-  
5 fringement of copyright, and subject to the limi-  
6 tation on total monetary recovery under sub-  
7 paragraph (D), the Copyright Claims Board  
8 may award either of the following:

9 “(i) Actual damages and profits deter-  
10 mined in accordance with section 504(b),  
11 with that award taking into consideration,  
12 in appropriate cases, whether the infring-  
13 ing party has agreed to cease or mitigate  
14 the infringing activity under paragraph  
15 (2).

16 “(ii) Statutory damages, which shall  
17 be determined in accordance with section  
18 504(e), subject to the following conditions:

19 “(I) With respect to works timely  
20 registered under section 412, so that  
21 the works are eligible for an award of  
22 statutory damages in accordance with  
23 that section, the statutory damages  
24 may not exceed \$15,000 for each  
25 work infringed.

1                   “(II) With respect to works not  
2                   timely registered under section 412,  
3                   but eligible for an award of statutory  
4                   damages under this section, statutory  
5                   damages may not exceed \$7,500 per  
6                   work infringed, or a total of \$15,000  
7                   in any 1 proceeding.

8                   “(III) The Copyright Claims  
9                   Board may not make any finding  
10                  that, or consider whether, the in-  
11                  fringement was committed willfully in  
12                  making an award of statutory dam-  
13                  ages.

14                  “(IV) The Copyright Claims  
15                  Board may consider, as an additional  
16                  factor in awarding statutory damages,  
17                  whether the infringer has agreed to  
18                  cease or mitigate the infringing activ-  
19                  ity under paragraph (2).

20                  “(B) ELECTION OF DAMAGES.—With re-  
21                  spect to a claim or counterclaim of infringe-  
22                  ment, at any time before final determination is  
23                  rendered, and notwithstanding the schedule es-  
24                  tablished by the Copyright Claims Board under



1 section 1506(k), the claimant or counterclaim-  
2 ant shall elect—

3 “(i) to recover actual damages and  
4 profits or statutory damages under sub-  
5 paragraph (A); or

6 “(ii) not to recover damages.

7 “(C) DAMAGES FOR OTHER CLAIMS.—  
8 Damages for claims and counterclaims other  
9 than infringement claims, such as those  
10 brought under section 512(f), shall be subject  
11 to the limitation under subparagraph (D).

12 “(D) LIMITATION ON TOTAL MONETARY  
13 RECOVERY.—Notwithstanding any other provi-  
14 sion of law, a party that pursues any 1 or more  
15 claims or counterclaims in any single pro-  
16 ceeding before the Copyright Claims Board may  
17 not seek or recover in that proceeding a total  
18 monetary recovery that exceeds the sum of  
19 \$30,000, exclusive of any attorneys’ fees and  
20 costs that may be awarded under section  
21 1506(y)(2).

22 “(2) AGREEMENT TO CEASE CERTAIN ACTIV-  
23 ITY.—In a determination of the Copyright Claims  
24 Board, the Board shall include a requirement to

1 cease conduct if, in the proceeding relating to the  
2 determination—

3 “(A) a party agrees—

4 “(i) to cease activity that is found to  
5 be infringing, including removing or dis-  
6 abling access to, or destroying, infringing  
7 materials; or

8 “(ii) to cease sending a takedown no-  
9 tice or counter notice under section 512 to  
10 the other party regarding the conduct at  
11 issue before the Board if that notice or  
12 counter notice was found to be a knowing  
13 material misrepresentation under section  
14 512(f); and

15 “(B) the agreement described in subpara-  
16 graph (A) is reflected in the record for the pro-  
17 ceeding.

18 “(3) ATTORNEYS’ FEES AND COSTS.—Notwith-  
19 standing any other provision of law, except in the  
20 case of bad faith conduct as provided in section  
21 1506(y)(2), the parties to proceedings before the  
22 Copyright Claims Board shall bear their own attor-  
23 neys’ fees and costs.

24 “(f) JOINT AND SEVERAL LIABILITY.—Parties to a  
25 proceeding before the Copyright Claims Board may be

1 found jointly and severally liable if all such parties and  
2 relevant claims or counterclaims arise from the same ac-  
3 tivity or activities.

4 “(g) PERMISSIBLE NUMBER OF CASES.—The Reg-  
5 ister of Copyrights may establish regulations relating to  
6 the permitted number of proceedings each year by the  
7 same claimant under this chapter, in the interests of jus-  
8 tice and the administration of the Copyright Claims  
9 Board.

10 **“§ 1505. Registration requirement**

11 “(a) APPLICATION OR CERTIFICATE.—A claim or  
12 counterclaim alleging infringement of an exclusive right  
13 in a copyrighted work may not be asserted before the  
14 Copyright Claims Board unless—

15 “(1) the legal or beneficial owner of the copy-  
16 right has first delivered a completed application, a  
17 deposit, and the required fee for registration of the  
18 copyright to the Copyright Office; and

19 “(2) a registration certificate has either been  
20 issued or has not been refused.

21 “(b) CERTIFICATE OF REGISTRATION.—Notwith-  
22 standing any other provision of law, a claimant or counter-  
23 claimant in a proceeding before the Copyright Claims  
24 Board shall be eligible to recover actual damages and prof-  
25 its or statutory damages under this chapter for infringe-

1 ment of a work if the requirements of subsection (a) have  
2 been met, except that—

3 “(1) the Copyright Claims Board may not  
4 render a determination in the proceeding until—

5 “(A) a registration certificate with respect  
6 to the work has been issued by the Copyright  
7 Office, submitted to the Copyright Claims  
8 Board, and made available to the other parties  
9 to the proceeding; and

10 “(B) the other parties to the proceeding  
11 have been provided an opportunity to address  
12 the registration certificate;

13 “(2) if the proceeding may not proceed further  
14 because a registration certificate for the work is  
15 pending, the proceeding shall be held in abeyance  
16 pending submission of the certificate to the Copy-  
17 right Claims Board, except that, if the proceeding is  
18 held in abeyance for more than 1 year, the Copy-  
19 right Claims Board may, upon providing written no-  
20 tice to the parties to the proceeding, and 30 days to  
21 the parties to respond to the notice, dismiss the pro-  
22 ceeding without prejudice; and

23 “(3) if the Copyright Claims Board receives no-  
24 tice that registration with respect to the work has

1       been refused, the proceeding shall be dismissed with-  
2       out prejudice.

3       “(c) PRESUMPTION.—In a case in which a registra-  
4       tion certificate shows that registration with respect to a  
5       work was issued not later than 5 years after the date of  
6       the first publication of the work, the presumption under  
7       section 410(c) shall apply in a proceeding before the Copy-  
8       right Claims Board, in addition to relevant principles of  
9       law under this title.

10       “(d) REGULATIONS.—In order to ensure that actions  
11       before the Copyright Claims Board proceed in a timely  
12       manner, the Register of Copyrights shall establish regula-  
13       tions allowing the Copyright Office to make a decision,  
14       on an expedited basis, to issue or deny copyright registra-  
15       tion for an unregistered work that is at issue before the  
16       Board.

17       **“§ 1506. Conduct of proceedings**

18       “(a) IN GENERAL.—

19               “(1) APPLICABLE LAW.—Proceedings of the  
20       Copyright Claims Board shall be conducted in ac-  
21       cordance with this chapter and regulations estab-  
22       lished by the Register of Copyrights under this chap-  
23       ter, in addition to relevant principles of law under  
24       this title.

1           “(2) CONFLICTING PRECEDENT.—If it appears  
2           that there may be conflicting judicial precedent on  
3           an issue of substantive copyright law that cannot be  
4           reconciled, the Copyright Claims Board shall follow  
5           the law of the Federal jurisdiction in which the ac-  
6           tion could have been brought if filed in a district  
7           court of the United States, or, if the action could  
8           have been brought in more than 1 such jurisdiction,  
9           the jurisdiction that the Copyright Claims Board de-  
10          termines has the most significant ties to the parties  
11          and conduct at issue.

12          “(b) RECORD.—The Copyright Claims Board shall  
13          maintain records documenting the proceedings before the  
14          Board.

15          “(c) CENTRALIZED PROCESS.—Proceedings before  
16          the Copyright Claims Board shall—

17                 “(1) be conducted at the offices of the Copy-  
18                 right Claims Board without the requirement of in-  
19                 person appearances by parties or others; and

20                 “(2) take place by means of written submis-  
21                 sions, hearings, and conferences carried out through  
22                 internet-based applications and other telecommuni-  
23                 cations facilities, except that, in cases in which phys-  
24                 ical or other nontestimonial evidence material to a  
25                 proceeding cannot be furnished to the Copyright

1 Claims Board through available telecommunications  
2 facilities, the Copyright Claims Board may make al-  
3 ternative arrangements for the submission of such  
4 evidence that do not prejudice any other party to the  
5 proceeding.

6 “(d) REPRESENTATION.—A party to a proceeding be-  
7 fore the Copyright Claims Board may be, but is not re-  
8 quired to be, represented by—

9 “(1) an attorney; or

10 “(2) a law student who is qualified under appli-  
11 cable law governing representation by law students  
12 of parties in legal proceedings and who provides  
13 such representation on a pro bono basis.

14 “(e) COMMENCEMENT OF PROCEEDING.—In order to  
15 commence a proceeding under this chapter, a claimant  
16 shall, subject to such additional requirements as may be  
17 prescribed in regulations established by the Register of  
18 Copyrights, file a claim with the Copyright Claims Board,  
19 that—

20 “(1) includes a statement of material facts in  
21 support of the claim;

22 “(2) is certified under subsection (y)(1); and

23 “(3) is accompanied by a filing fee in such  
24 amount as may be prescribed in regulations estab-  
25 lished by the Register of Copyrights.

1 “(f) REVIEW OF CLAIMS AND COUNTERCLAIMS.—

2 “(1) CLAIMS.—Upon the filing of a claim under  
3 subsection (e), the claim shall be reviewed by a  
4 Copyright Claims Attorney to ensure that the claim  
5 complies with this chapter and applicable regula-  
6 tions, subject to the following:

7 “(A) If the claim is found to comply, the  
8 claimant shall be notified regarding that com-  
9 pliance and instructed to proceed with service of  
10 the claim under subsection (g).

11 “(B) If the claim is found not to comply,  
12 the claimant shall be notified that the claim is  
13 deficient and be permitted to file an amended  
14 claim not later than 30 days after the date on  
15 which the claimant receives the notice, without  
16 the requirement of an additional filing fee. If  
17 the claimant files a compliant claim within that  
18 30-day period, the claimant shall be so notified  
19 and be instructed to proceed with service of the  
20 claim. If the claim is refiled within that 30-day  
21 period and still fails to comply, the claimant  
22 shall again be notified that the claim is defi-  
23 cient and shall be provided a second oppor-  
24 tunity to amend the claim not later than 30  
25 days after the date of that second notice, with-



1 out the requirement of an additional filing fee.  
2 If the claim is refiled again within that second  
3 30-day period and is compliant, the claimant  
4 shall be so notified and shall be instructed to  
5 proceed with service of the claim, but if the  
6 claim still fails to comply, upon confirmation of  
7 such noncompliance by a Copyright Claims Of-  
8 ficer, the proceeding shall be dismissed without  
9 prejudice. The Copyright Claims Board shall  
10 also dismiss without prejudice any proceeding  
11 in which a compliant claim is not filed within  
12 the applicable 30-day period.

13 “(C)(i) Subject to clause (ii), for purposes  
14 of this paragraph, a claim against an online  
15 service provider for infringement by reason of  
16 the storage of or referral or linking to infring-  
17 ing material that may be subject to the limita-  
18 tions on liability set forth in subsection (b), (c),  
19 or (d) of section 512 shall be considered non-  
20 compliant unless the claimant affirms in the  
21 statement required under subsection (e)(1) of  
22 this section that the claimant has previously no-  
23 tified the service provider of the claimed in-  
24 fringement in accordance with subsection  
25 (b)(2)(E), (c)(3), or (d)(3) of section 512, as

1 applicable, and the service provider failed to re-  
2 move or disable access to the material expedi-  
3 tiously upon the provision of such notice.

4 “(ii) If a claim is found to be noncompliant  
5 under clause (i), the Copyright Claims Board  
6 shall provide the claimant with information con-  
7 cerning the service of such a notice under the  
8 applicable provision of section 512.

9 “(2) COUNTERCLAIMS.—Upon the filing and  
10 service of a counterclaim, the counterclaim shall be  
11 reviewed by a Copyright Claims Attorney to ensure  
12 that the counterclaim complies with the provisions of  
13 this chapter and applicable regulations. If the coun-  
14 terclaim is found not to comply, the counterclaimant  
15 and the other parties to the proceeding shall be noti-  
16 fied that the counterclaim is deficient, and the  
17 counterclaimant shall be permitted to file and serve  
18 an amended counterclaim not later than 30 days  
19 after the date of such notice. If the counterclaimant  
20 files and serves a compliant counterclaim within that  
21 30-day period, the counterclaimant and such other  
22 parties shall be so notified. If the counterclaim is  
23 refiled and served within that 30-day period but still  
24 fails to comply, the counterclaimant and such other  
25 parties shall again be notified that the counterclaim

1 is deficient, and the counterclaimant shall be pro-  
2 vided a second opportunity to amend the counter-  
3 claim not later than 30 days after the date of the  
4 second notice. If the counterclaim is refiled and  
5 served again within that second 30-day period and  
6 is compliant, the counterclaimant and such other  
7 parties shall be so notified, but if the counterclaim  
8 still fails to comply, upon confirmation of such non-  
9 compliance by a Copyright Claims Officer, the coun-  
10 terclaim, but not the proceeding, shall be dismissed  
11 without prejudice.

12 “(3) DISMISSAL FOR UNSUITABILITY.—The  
13 Copyright Claims Board shall dismiss a claim or  
14 counterclaim without prejudice if, upon reviewing  
15 the claim or counterclaim, or at any other time in  
16 the proceeding, the Copyright Claims Board con-  
17 cludes that the claim or counterclaim is unsuitable  
18 for determination by the Copyright Claims Board,  
19 including on account of any of the following:

20 “(A) The failure to join a necessary party.

21 “(B) The lack of an essential witness, evi-  
22 dence, or expert testimony.

23 “(C) The determination of a relevant issue  
24 of law or fact that could exceed either the num-  
25 ber of proceedings the Copyright Claims Board

1           could reasonably administer or the subject mat-  
2           ter competence of the Copyright Claims Board.

3           “(g) SERVICE OF NOTICE AND CLAIMS.—In order to  
4 proceed with a claim against a respondent, a claimant  
5 shall, not later than 90 days after receiving notification  
6 under subsection (f) to proceed with service, file with the  
7 Copyright Claims Board proof of service on the respond-  
8 ent. In order to effectuate service on a respondent, the  
9 claimant shall cause notice of the proceeding and a copy  
10 of the claim to be served on the respondent, either by per-  
11 sonal service or pursuant to a waiver of personal service,  
12 as prescribed in regulations established by the Register of  
13 Copyrights. Such regulations shall include the following  
14 requirements:

15           “(1) The notice of the proceeding shall adhere  
16 to a prescribed form and shall set forth the nature  
17 of the Copyright Claims Board and proceeding, the  
18 right of the respondent to opt out, and the con-  
19 sequences of opting out and not opting out, includ-  
20 ing a prominent statement that, by not opting out  
21 within 60 days after receiving the notice, the re-  
22 spondent—

23           “(A) loses the opportunity to have the dis-  
24 pute decided by a court created under article

1           III of the Constitution of the United States;  
2           and

3                   “(B) waives the right to a jury trial re-  
4                   garding the dispute.

5                   “(2) The copy of the claim served on the re-  
6                   spondent shall be the same as the claim that was  
7                   filed with the Copyright Claims Board.

8                   “(3) Personal service of a notice and claim may  
9                   be effected by an individual who is not a party to  
10                  the proceeding and is older than 18 years of age.

11                  “(4) An individual, other than a minor or in-  
12                  competent individual, may be served by—

13                           “(A) complying with State law for serving  
14                           a summons in an action brought in courts of  
15                           general jurisdiction in the State where service is  
16                           made;

17                           “(B) delivering a copy of the notice and  
18                           claim to the individual personally;

19                           “(C) leaving a copy of the notice and claim  
20                           at the individual’s dwelling or usual place of  
21                           abode with someone of suitable age and discre-  
22                           tion who resides there; or

23                           “(D) delivering a copy of the notice and  
24                           claim to an agent designated by the respondent  
25                           to receive service of process or, if not so des-

1           ignated, an agent authorized by appointment or  
2           by law to receive service of process.

3           “(5)(A) A corporation, partnership, or unincor-  
4           porated association that is subject to suit in courts  
5           of general jurisdiction under a common name shall  
6           be served by delivering a copy of the notice and  
7           claim to its service agent. If such service agent has  
8           not been designated, service shall be accomplished—

9                   “(i) by complying with State law for serv-  
10           ing a summons in an action brought in courts  
11           of general jurisdiction in the State where serv-  
12           ice is made; or

13                   “(ii) by delivering a copy of the notice and  
14           claim to an officer, a managing or general  
15           agent, or any other agent authorized by ap-  
16           pointment or by law to receive service of proc-  
17           ess in an action brought in courts of general ju-  
18           risdiction in the State where service is made  
19           and, if the agent is one authorized by statute  
20           and the statute so requires, by also mailing a  
21           copy of the notice and claim to the respondent.

22           “(B) A corporation, partnership, or unincor-  
23           porated association that is subject to suit in courts  
24           of general jurisdiction under a common name may  
25           elect to designate a service agent to receive notice of

1 a claim against it before the Copyright Claims  
2 Board by complying with requirements that the Reg-  
3 ister of Copyrights shall establish by regulation. The  
4 Register of Copyrights shall maintain a current di-  
5 rectory of service agents that is available to the pub-  
6 lic for inspection, including through the internet,  
7 and may require such corporations, partnerships,  
8 and unincorporated associations designating such  
9 service agents to pay a fee to cover the costs of  
10 maintaining the directory.

11 “(6) In order to request a waiver of personal  
12 service, the claimant may notify a respondent, by  
13 first class mail or by other reasonable means, that  
14 a proceeding has been commenced, such notice to be  
15 made in accordance with regulations established by  
16 the Register of Copyrights, subject to the following:

17 “(A) Any such request shall be in writing,  
18 shall be addressed to the respondent, and shall  
19 be accompanied by a prescribed notice of the  
20 proceeding, a copy of the claim as filed with the  
21 Copyright Claims Board, a prescribed form for  
22 waiver of personal service, and a prepaid or  
23 other means of returning the form without cost.

24 “(B) The request shall state the date on  
25 which the request is sent, and shall provide the

1           respondent a period of 30 days, beginning on  
2           the date on which the request is sent, to return  
3           the waiver form signed by the respondent. The  
4           signed waiver form shall, for purposes of this  
5           subsection, constitute acceptance and proof of  
6           service as of the date on which the waiver is  
7           signed.

8           “(7)(A) A respondent’s waiver of personal serv-  
9           ice shall not constitute a waiver of the respondent’s  
10          right to opt out of the proceeding.

11          “(B) A respondent who timely waives personal  
12          service under paragraph (6) and does not opt out of  
13          the proceeding shall be permitted a period of 30  
14          days, in addition to the period otherwise permitted  
15          under the applicable procedures of the Copyright  
16          Claims Board, to submit a substantive response to  
17          the claim, including any defenses and counterclaims.

18          “(8) A minor or an incompetent individual may  
19          only be served by complying with State law for serv-  
20          ing a summons or like process on such an individual  
21          in an action brought in the courts of general juris-  
22          diction of the State where service is made.

23          “(9) Service of a claim and waiver of personal  
24          service may only be effected within the United  
25          States.



1           “(h) NOTIFICATION BY COPYRIGHT CLAIMS  
2 BOARD.—The Register of Copyrights shall establish regu-  
3 lations providing for a written notification to be sent by,  
4 or on behalf of, the Copyright Claims Board to notify the  
5 respondent of a pending proceeding against the respond-  
6 ent, as set forth in those regulations, which shall—

7           “(1) include information concerning the re-  
8 spondent’s right to opt out of the proceeding, the  
9 consequences of opting out and not opting out, and  
10 a prominent statement that, by not opting out with-  
11 in 60 days after the date of service under subsection  
12 (g), the respondent loses the opportunity to have the  
13 dispute decided by a court created under article III  
14 of the Constitution of the United States and waives  
15 the right to a jury trial regarding the dispute; and

16           “(2) be in addition to, and separate and apart  
17 from, the notice requirements under subsection (g).

18           “(i) OPT-OUT PROCEDURE.—Upon being properly  
19 served with a notice and claim, a respondent who chooses  
20 to opt out of the proceeding shall have a period of 60 days,  
21 beginning on the date of service, in which to provide writ-  
22 ten notice of such choice to the Copyright Claims Board,  
23 in accordance with regulations established by the Register  
24 of Copyrights. If proof of service has been filed by the  
25 claimant and the respondent does not submit an opt-out

1 notice to the Copyright Claims Board within that 60-day  
2 period, the proceeding shall be deemed an active pro-  
3 ceeding and the respondent shall be bound by the deter-  
4 mination in the proceeding to the extent provided under  
5 section 1507(a). If the respondent opts out of the pro-  
6 ceeding during that 60-day period, the proceeding shall  
7 be dismissed without prejudice, except that, in exceptional  
8 circumstances and upon written notice to the claimant, the  
9 Copyright Claims Board may extend that 60-day period  
10 in the interests of justice.

11 “(j) SERVICE OF OTHER DOCUMENTS.—Documents  
12 submitted or relied upon in a proceeding, other than the  
13 notice and claim, shall be served in accordance with regu-  
14 lations established by the Register of Copyrights.

15 “(k) SCHEDULING.—Upon confirmation that a pro-  
16 ceeding has become an active proceeding, the Copyright  
17 Claims Board shall issue a schedule for the future conduct  
18 of the proceeding. The schedule shall not specify a time  
19 that a claimant or counterclaimant is required make an  
20 election of damages that is inconsistent with section  
21 1504(e). A schedule issued by the Copyright Claims Board  
22 may be amended by the Copyright Claims Board in the  
23 interests of justice.

24 “(l) CONFERENCES.—One or more Copyright Claims  
25 Officers may hold a conference to address case manage-

1 ment or discovery issues in a proceeding, which shall be  
2 noted upon the record of the proceeding and may be re-  
3 corded or transcribed.

4 “(m) PARTY SUBMISSIONS.—A proceeding of the  
5 Copyright Claims Board may not include any formal mo-  
6 tion practice, except that, subject to applicable regulations  
7 and procedures of the Copyright Claims Board—

8 “(1) the parties to the proceeding may make re-  
9 quests to the Copyright Claims Board to address  
10 case management and discovery matters, and submit  
11 responses thereto; and

12 “(2) the Copyright Claims Board may request  
13 or permit parties to make submissions addressing  
14 relevant questions of fact or law, or other matters,  
15 including matters raised sua sponte by the Copy-  
16 right Claims Officers, and offer responses thereto.

17 “(n) DISCOVERY.—Discovery in a proceeding shall be  
18 limited to the production of relevant information and doc-  
19 uments, written interrogatories, and written requests for  
20 admission, as provided in regulations established by the  
21 Register of Copyrights, except that—

22 “(1) upon the request of a party, and for good  
23 cause shown, the Copyright Claims Board may ap-  
24 prove additional relevant discovery, on a limited  
25 basis, in particular matters, and may request spe-

1 cific information and documents from participants in  
2 the proceeding and voluntary submissions from non-  
3 participants, consistent with the interests of justice;

4 “(2) upon the request of a party, and for good  
5 cause shown, the Copyright Claims Board may issue  
6 a protective order to limit the disclosure of docu-  
7 ments or testimony that contain confidential infor-  
8 mation; and

9 “(3) after providing notice and an opportunity  
10 to respond, and upon good cause shown, the Copy-  
11 right Claims Board may apply an adverse inference  
12 with respect to disputed facts against a party who  
13 has failed to timely provide discovery materials in  
14 response to a proper request for materials that could  
15 be relevant to such facts.

16 “(o) EVIDENCE.—The Copyright Claims Board may  
17 consider the following types of evidence in a proceeding,  
18 and such evidence may be admitted without application  
19 of formal rules of evidence:

20 “(1) Documentary and other nontestimonial  
21 evidence that is relevant to the claims, counter-  
22 claims, or defenses in the proceeding.

23 “(2) Testimonial evidence, submitted under  
24 penalty of perjury in written form or in accordance  
25 with subsection (p), limited to statements of the par-

1 ties and nonexpert witnesses, that is relevant to the  
2 claims, counterclaims, and defenses in a proceeding,  
3 except that, in exceptional cases, expert witness tes-  
4 timony or other types of testimony may be permitted  
5 by the Copyright Claims Board for good cause  
6 shown.

7 “(p) HEARINGS.—The Copyright Claims Board may  
8 conduct a hearing to receive oral presentations on issues  
9 of fact or law from parties and witnesses to a proceeding,  
10 including oral testimony, subject to the following:

11 “(1) Any such hearing shall be attended by not  
12 fewer than 2 of the Copyright Claims Officers.

13 “(2) The hearing shall be noted upon the record  
14 of the proceeding and, subject to paragraph (3), may  
15 be recorded or transcribed as deemed necessary by  
16 the Copyright Claims Board.

17 “(3) A recording or transcript of the hearing  
18 shall be made available to any Copyright Claims Of-  
19 ficer who is not in attendance.

20 “(q) VOLUNTARY DISMISSAL.—

21 “(1) BY CLAIMANT.—Upon the written request  
22 of a claimant that is received before a respondent  
23 files a response to the claim in a proceeding, the  
24 Copyright Claims Board shall dismiss the pro-

1       ceeding, or a claim or respondent, as requested,  
2       without prejudice.

3           “(2) BY COUNTERCLAIMANT.—Upon written re-  
4       quest of a counterclaimant that is received before a  
5       claimant files a response to the counterclaim, the  
6       Copyright Claims Board shall dismiss the counter-  
7       claim, such dismissal to be without prejudice.

8           “(3) CLASS ACTIONS.—Any party in an active  
9       proceeding before the Copyright Claims Board who  
10      receives notice of a pending or putative class action,  
11      arising out of the same transaction or occurrence, in  
12      which that party is a class member may request in  
13      writing dismissal of the proceeding before the Board.  
14      Upon notice to all claimants and counterclaimants,  
15      the Copyright Claims Board shall dismiss the pro-  
16      ceeding without prejudice.

17      “(r) SETTLEMENT.—

18           “(1) IN GENERAL.—At any time in an active  
19      proceeding, some or all of the parties may—

20           “(A) jointly request a conference with a  
21      Copyright Claims Officer for the purpose of fa-  
22      cilitating settlement discussions; or

23           “(B) submit to the Copyright Claims  
24      Board an agreement providing for settlement

1           and dismissal of some or all of the claims and  
2           counterclaims in the proceeding.

3           “(2) ADDITIONAL REQUEST.—A submission  
4           under paragraph (1)(B) may include a request that  
5           the Copyright Claims Board adopt some or all of the  
6           terms of the parties’ settlement in a final determina-  
7           tion in the proceeding.

8           “(s) FACTUAL FINDINGS.—Subject to subsection  
9           (n)(3), the Copyright Claims Board shall make factual  
10          findings based upon a preponderance of the evidence.

11          “(t) DETERMINATIONS.—

12           “(1) NATURE AND CONTENTS.—A determina-  
13          tion rendered by the Copyright Claims Board in a  
14          proceeding shall—

15                   “(A) be reached by a majority of the Copy-  
16                   right Claims Board;

17                   “(B) be in writing, and include an expla-  
18                   nation of the factual and legal basis of the de-  
19                   termination;

20                   “(C) set forth any terms by which a re-  
21                   spondent or counterclaim respondent has  
22                   agreed to cease infringing activity under section  
23                   1504(e)(2);

1           “(D) to the extent requested under sub-  
2           section (r)(2), set forth the terms of any settle-  
3           ment agreed to under subsection (r)(1); and

4           “(E) include a clear statement of all dam-  
5           ages and other relief awarded, including under  
6           subparagraphs (C) and (D).

7           “(2) DISSENT.—A Copyright Claims Officer  
8           who dissents from a decision contained in a deter-  
9           mination under paragraph (1) may append a state-  
10          ment setting forth the grounds for that dissent.

11          “(3) PUBLICATION.—Each final determination  
12          of the Copyright Claims Board shall be made avail-  
13          able on a publicly accessible website. The Register  
14          shall establish regulations with respect to the publi-  
15          cation of other records and information relating to  
16          such determinations, including the redaction of  
17          records to protect confidential information that is  
18          the subject of a protective order under subsection  
19          (n)(2).

20          “(4) FREEDOM OF INFORMATION ACT.—All in-  
21          formation relating to proceedings of the Copyright  
22          Claims Board under this chapter is exempt from dis-  
23          closure to the public under section 552(b)(3) of title  
24          5, except for determinations, records, and informa-  
25          tion published under paragraph (3).



1           “(u) RESPONDENT’S DEFAULT.—If a proceeding has  
2 been deemed an active proceeding but the respondent has  
3 failed to appear or has ceased participating in the pro-  
4 ceeding, as demonstrated by the respondent’s failure,  
5 without justifiable cause, to meet 1 or more deadlines or  
6 requirements set forth in the schedule adopted by the  
7 Copyright Claims Board under subsection (k), the Copy-  
8 right Claims Board may enter a default determination, in-  
9 cluding the dismissal of any counterclaim asserted by the  
10 respondent, as follows and in accordance with such other  
11 requirements as the Register of Copyrights may establish  
12 by regulation:

13           “(1) The Copyright Claims Board shall require  
14 the claimant to submit relevant evidence and other  
15 information in support of the claimant’s claim and  
16 any asserted damages and, upon review of such evi-  
17 dence and any other requested submissions from the  
18 claimant, shall determine whether the materials so  
19 submitted are sufficient to support a finding in favor  
20 of the claimant under applicable law and, if so, the  
21 appropriate relief and damages, if any, to be award-  
22 ed.

23           “(2) If the Copyright Claims Board makes an  
24 affirmative determination under paragraph (1), the  
25 Copyright Claims Board shall prepare a proposed

1 default determination, and shall provide written no-  
2 tice to the respondent at all addresses, including  
3 email addresses, reflected in the records of the pro-  
4 ceeding before the Copyright Claims Board, of the  
5 pendency of a default determination by the Copy-  
6 right Claims Board and of the legal significance of  
7 such determination. Such notice shall be accom-  
8 panied by the proposed default determination and  
9 shall provide that the respondent has a period of 30  
10 days, beginning on the date of the notice, to submit  
11 any evidence or other information in opposition to  
12 the proposed default determination.

13 “(3) If the respondent responds to the notice  
14 provided under paragraph (2) within the 30-day pe-  
15 riod provided in such paragraph, the Copyright  
16 Claims Board shall consider the respondent’s sub-  
17 missions and, after allowing the other parties to ad-  
18 dress such submissions, maintain, or amend its pro-  
19 posed determination as appropriate, and the result-  
20 ing determination shall not be a default determina-  
21 tion.

22 “(4) If the respondent fails to respond to the  
23 notice provided under paragraph (2), the Copyright  
24 Claims Board shall proceed to issue the default de-  
25 termination as a final determination. Thereafter, the

1       respondent may only challenge such determination to  
2       the extent permitted under section 1508(c), except  
3       that, before any additional proceedings are initiated  
4       under section 1508, the Copyright Claims Board  
5       may, in the interests of justice, vacate the default  
6       determination.

7       “(v) CLAIMANT’S FAILURE TO PROCEED.—

8               “(1) FAILURE TO COMPLETE SERVICE.—If a  
9       claimant fails to complete service on a respondent  
10      within the 90-day period required under subsection  
11      (g), the Copyright Claims Board shall dismiss that  
12      respondent from the proceeding without prejudice. If  
13      a claimant fails to complete service on all respond-  
14      ents within that 90-day period, the Copyright Claims  
15      Board shall dismiss the proceeding without preju-  
16      dice.

17              “(2) FAILURE TO PROSECUTE.—If a claimant  
18      fails to proceed in an active proceeding, as dem-  
19      onstrated by the claimant’s failure, without justifi-  
20      able cause, to meet 1 or more deadlines or require-  
21      ments set forth in the schedule adopted by the Copy-  
22      right Claims Board under subsection (k), the Copy-  
23      right Claims Board may, upon providing written no-  
24      tice to the claimant and a period of 30 days, begin-  
25      ning on the date of the notice, to respond to the no-

1       tice, and after considering any such response, issue  
2       a determination dismissing the claimant’s claims,  
3       which shall include an award of attorneys’ fees and  
4       costs, if appropriate, under subsection (y)(2). There-  
5       after, the claimant may only challenge such deter-  
6       mination to the extent permitted under section  
7       1508(e), except that, before any additional pro-  
8       ceedings are initiated under section 1508, the Copy-  
9       right Claims Board may, in the interests of justice,  
10      vacate the determination of dismissal.

11      “(w) REQUEST FOR RECONSIDERATION.—A party  
12      may, not later than 30 days after the date on which the  
13      Copyright Claims Board issues a final determination in  
14      a proceeding under this chapter, submit a written request  
15      for reconsideration of, or an amendment to, such deter-  
16      mination if the party identifies a clear error of law or fact  
17      material to the outcome, or a technical mistake. After pro-  
18      viding the other parties an opportunity to address such  
19      request, the Copyright Claims Board shall either deny the  
20      request or issue an amended final determination.

21      “(x) REVIEW BY REGISTER.—If the Copyright  
22      Claims Board denies a party a request for reconsideration  
23      of a final determination under subsection (w), that party  
24      may, not later than 30 days after the date of such denial,  
25      request review of the final determination by the Register

1 of Copyrights in accordance with regulations established  
2 by the Register. Such request shall be accompanied by a  
3 reasonable filing fee, as provided in such regulations. The  
4 review by the Register shall be limited to consideration  
5 of whether the Copyright Claims Board abused its discre-  
6 tion in denying reconsideration of the determination. After  
7 providing the other parties an opportunity to address the  
8 request, the Register shall either deny the request for re-  
9 view, or remand the proceeding to the Copyright Claims  
10 Board for reconsideration of issues specified in the remand  
11 and for issuance of an amended final determination. Such  
12 amended final determination shall not be subject to fur-  
13 ther consideration or review, other than under section  
14 1508(c).

15 “(y) CONDUCT OF PARTIES AND ATTORNEYS.—

16 “(1) CERTIFICATION.—The Register of Copy-  
17 rights shall establish regulations requiring certifi-  
18 cation of the accuracy and truthfulness of state-  
19 ments made by participants in proceedings before  
20 the Copyright Claims Board.

21 “(2) BAD FAITH CONDUCT.—Notwithstanding  
22 any other provision of law, in any proceeding in  
23 which a determination is rendered and it is estab-  
24 lished that a party pursued a claim, counterclaim, or  
25 defense for a harassing or other improper purpose,

1 or without a reasonable basis in law or fact, then,  
2 unless inconsistent with the interests of justice, the  
3 Copyright Claims Board shall in such determination  
4 award reasonable costs and attorneys' fees to any  
5 adversely affected party of in an amount of not more  
6 than \$5,000, except that—

7 “(A) if an adversely affected party ap-  
8 peared pro se in the proceeding, the award to  
9 that party shall be for costs only, in an amount  
10 of not more than \$2,500; and

11 “(B) in extraordinary circumstances, such  
12 as where a party has demonstrated a pattern or  
13 practice of bad faith conduct as described in  
14 this paragraph, the Copyright Claims Board  
15 may, in the interests of justice, award costs and  
16 attorneys' fees in excess of the limitations  
17 under this paragraph.

18 “(3) ADDITIONAL PENALTY.—If the Board  
19 finds that on more than 1 occasion within a 12-  
20 month period a party pursued a claim, counterclaim,  
21 or defense before the Copyright Claims Board for a  
22 harassing or other improper purpose, or without a  
23 reasonable basis in law or fact, that party shall be  
24 barred from initiating a claim before the Copyright  
25 Claims Board under this chapter for a period of 12

1 months beginning on the date on which the Board  
2 makes such a finding. Any proceeding commenced  
3 by that party that is still pending before the Board  
4 when such a finding is made shall be dismissed with-  
5 out prejudice, except that if a proceeding has been  
6 deemed active under subsection (i), the proceeding  
7 shall be dismissed under this paragraph only if the  
8 respondent provides written consent thereto.

9 “(z) REGULATIONS FOR SMALLER CLAIMS.—The  
10 Register of Copyrights shall establish regulations to pro-  
11 vide for the consideration and determination, by not fewer  
12 than 1 Copyright Claims Officer, of any claim under this  
13 chapter in which total damages sought do not exceed  
14 \$5,000 (exclusive of attorneys’ fees and costs). A deter-  
15 mination issued under this subsection shall have the same  
16 effect as a determination issued by the entire Copyright  
17 Claims Board.

18 “(aa) OPT-OUT FOR LIBRARIES AND ARCHIVES.—

19 “(1) IN GENERAL.—The Register of Copyrights  
20 shall establish regulations allowing for a library or  
21 archives that does not wish to participate in pro-  
22 ceedings before the Copyright Claims Board to pre-  
23 emptively opt out of such proceedings.

24 “(2) PROCEDURES.—The regulations estab-  
25 lished under paragraph (1) shall—

1           “(A) set forth procedures for preemptively  
2           opting out of proceedings before the Copyright  
3           Claims Board; and

4           “(B) require that the Copyright Office  
5           compile and maintain a publicly available list of  
6           the libraries and archives that have successfully  
7           opted out of proceedings in accordance with the  
8           procedures described in subparagraph (A).

9           “(3) NO FEE OR RENEWAL REQUIRED.—The  
10          Register of Copyrights may not—

11           “(A) charge a library or archives a fee to  
12           preemptively opt out of proceedings under this  
13           subsection; or

14           “(B) require a library or archives to renew  
15           a decision to preemptively opt out of pro-  
16           ceedings under this subsection.

17           “(4) DEFINITIONS.—For purposes of this sub-  
18          section, the terms ‘library’ and ‘archives’ mean any  
19          library or archives, respectively, that qualifies for the  
20          limitations on exclusive rights under section 108.

21          **“§ 1507. Effect of proceeding**

22           “(a) DETERMINATION.—Subject to the reconsider-  
23          ation and review processes provided under subsections (w)  
24          and (x) of section 1506 and section 1508(c), the issuance  
25          of a final determination by the Copyright Claims Board



1 in a proceeding, including a default determination or de-  
2 termination based on a failure to prosecute, shall, solely  
3 with respect to the parties to such determination, preclude  
4 relitigation before any court or tribunal, or before the  
5 Copyright Claims Board, of the claims and counterclaims  
6 asserted and finally determined by the Board, and may  
7 be relied upon for such purpose in a future action or pro-  
8 ceeding arising from the same specific activity or activi-  
9 ties, subject to the following:

10           “(1) A determination of the Copyright Claims  
11 Board shall not preclude litigation or relitigation as  
12 between the same or different parties before any  
13 court or tribunal, or the Copyright Claims Board, of  
14 the same or similar issues of fact or law in connec-  
15 tion with claims or counterclaims not asserted or not  
16 finally determined by the Copyright Claims Board.

17           “(2) A determination of ownership of a copy-  
18 righted work for purposes of resolving a matter be-  
19 fore the Copyright Claims Board may not be relied  
20 upon, and shall not have any preclusive effect, in  
21 any other action or proceeding before any court or  
22 tribunal, including the Copyright Claims Board.

23           “(3) Except to the extent permitted under this  
24 subsection and section 1508, any determination of  
25 the Copyright Claims Board may not be cited or re-

1        lied upon as legal precedent in any other action or  
2        proceeding before any court or tribunal, including  
3        the Copyright Claims Board.

4        “(b) CLASS ACTIONS NOT AFFECTED.—

5           “(1) IN GENERAL.—A proceeding before the  
6        Copyright Claims Board shall not have any effect on  
7        a class action proceeding in a district court of the  
8        United States, and section 1509(a) shall not apply  
9        to a class action proceeding in a district court of the  
10       United States.

11          “(2) NOTICE OF CLASS ACTION.—Any party to  
12        an active proceeding before the Copyright Claims  
13        Board who receives notice of a pending class action,  
14        arising out of the same transaction or occurrence as  
15        the proceeding before the Copyright Claims Board,  
16        in which the party is a class member shall either—

17           “(A) opt out of the class action, in accord-  
18        ance with regulations established by the Reg-  
19        ister of Copyrights; or

20           “(B) seek dismissal under section  
21        1506(q)(3) of the proceeding before the Copy-  
22        right Claims Board.

23          “(c) OTHER MATERIALS IN PROCEEDING.—Except  
24        as permitted under this section and section 1508, a sub-  
25        mission or statement of a party or witness made in connec-

1 tion with a proceeding before the Copyright Claims Board,  
2 including a proceeding that is dismissed, may not be cited  
3 or relied upon in, or serve as the basis of, any action or  
4 proceeding concerning rights or limitations on rights  
5 under this title before any court or tribunal, including the  
6 Copyright Claims Board.

7 “(d) APPLICABILITY OF SECTION 512(g).—A claim  
8 or counterclaim before the Copyright Claims Board that  
9 is brought under subsection (c)(1) or (c)(4) of section  
10 1504, or brought under subsection (c)(6) of section 1504  
11 and that relates to a claim under subsection (c)(1) or  
12 (c)(4) of such section, qualifies as an action seeking an  
13 order to restrain a subscriber from engaging in infringing  
14 activity under section 512(g)(2)(C) if—

15 “(1) notice of the commencement of the Copy-  
16 right Claims Board proceeding is provided by the  
17 claimant to the service provider’s designated agent  
18 before the service provider replaces the material fol-  
19 lowing receipt of a counter notification under section  
20 512(g); and

21 “(2) the claim brought alleges infringement of  
22 the material identified in the notification of claimed  
23 infringement under section 512(c)(1)(C).

24 “(e) FAILURE TO ASSERT COUNTERCLAIM.—The  
25 failure or inability to assert a counterclaim in a proceeding

1 before the Copyright Claims Board shall not preclude the  
2 assertion of that counterclaim in a subsequent court action  
3 or proceeding before the Copyright Claims Board.

4 “(f) OPT-OUT OR DISMISSAL OF PARTY.—If a party  
5 has timely opted out of a proceeding under section 1506(i)  
6 or is dismissed from a proceeding before the Copyright  
7 Claims Board issues a final determination in the pro-  
8 ceeding, the determination shall not be binding upon and  
9 shall have no preclusive effect with respect to that party.

10 **“§ 1508. Review and confirmation by district court**

11 “(a) IN GENERAL.—In any proceeding in which a  
12 party has failed to pay damages, or has failed otherwise  
13 to comply with the relief, awarded in a final determination  
14 of the Copyright Claims Board, including a default deter-  
15 mination or a determination based on a failure to pros-  
16 ecute, the aggrieved party may, not later than 1 year after  
17 the date on which the final determination is issued, any  
18 reconsideration by the Copyright Claims Board or review  
19 by the Register of Copyrights is resolved, or an amended  
20 final determination is issued, whichever occurs last, apply  
21 to the United States District Court for the District of Co-  
22 lumbia or any other appropriate district court of the  
23 United States for an order confirming the relief awarded  
24 in the final determination and reducing such award to  
25 judgment. The court shall grant such order and direct

1 entry of judgment unless the determination is or has been  
2 vacated, modified, or corrected under subsection (c). If the  
3 United States District Court for the District of Columbia  
4 or other district court of the United States, as the case  
5 may be, issues an order confirming the relief awarded by  
6 the Copyright Claims Board, the court shall impose on the  
7 party who failed to pay damages or otherwise comply with  
8 the relief, the reasonable expenses required to secure such  
9 order, including attorneys' fees, that were incurred by the  
10 aggrieved party.

11 “(b) FILING PROCEDURES.—

12 “(1) APPLICATION TO CONFIRM DETERMINA-  
13 TION.—Notice of the application under subsection  
14 (a) for confirmation of a determination of the Copy-  
15 right Claims Board and entry of judgment shall be  
16 provided to all parties to the proceeding before the  
17 Copyright Claims Board that resulted in the deter-  
18 mination, in accordance with the procedures applica-  
19 ble to service of a motion in the district court of the  
20 United States where the application is made.

21 “(2) CONTENTS OF APPLICATION.—The appli-  
22 cation under subsection (a) shall include the fol-  
23 lowing:

24 “(A) A certified copy of the final or  
25 amended final determination of the Copyright

1 Claims Board, as reflected in the records of the  
2 Copyright Claims Board, following any process  
3 of reconsideration or review by the Register of  
4 Copyrights, to be confirmed and rendered to  
5 judgment.

6 “(B) A declaration by the applicant, under  
7 penalty of perjury—

8 “(i) that the copy is a true and cor-  
9 rect copy of such determination;

10 “(ii) stating the date the determina-  
11 tion was issued;

12 “(iii) stating the basis for the chal-  
13 lenge under subsection (c)(1); and

14 “(iv) stating whether the applicant is  
15 aware of any other proceedings before the  
16 court concerning the same determination  
17 of the Copyright Claims Board.

18 “(c) CHALLENGES TO THE DETERMINATION.—

19 “(1) BASES FOR CHALLENGE.—Not later than  
20 90 days after the date on which the Copyright  
21 Claims Board issues a final or amended final deter-  
22 mination in a proceeding, or not later than 90 days  
23 after the date on which the Register of Copyrights  
24 completes any process of reconsideration or review of  
25 the determination, whichever occurs later, a party

1       may seek an order from a district court of the  
2       United States vacating, modifying, or correcting the  
3       determination of the Copyright Claims Board in the  
4       following cases:

5               “(A) If the determination was issued as a  
6               result of fraud, corruption, misrepresentation,  
7               or other misconduct.

8               “(B) If the Copyright Claims Board ex-  
9               ceeded its authority or failed to render a final  
10              determination concerning the subject matter at  
11              issue.

12              “(C) In the case of a default determination  
13              or determination based on a failure to pros-  
14              ecute, if it is established that the default or fail-  
15              ure was due to excusable neglect.

16              “(2) PROCEDURE TO CHALLENGE.—

17              “(A) NOTICE OF APPLICATION.—Notice of  
18              the application to challenge a determination of  
19              the Copyright Claims Board shall be provided  
20              to all parties to the proceeding before the Copy-  
21              right Claims Board, in accordance with the pro-  
22              cedures applicable to service of a motion in the  
23              court where the application is made.

24              “(B) STAYING OF PROCEEDINGS.—For  
25              purposes of an application under this sub-

1 section, any judge who is authorized to issue an  
2 order to stay the proceedings in another action  
3 brought in the same court may issue an order,  
4 to be served with the notice of application, stay-  
5 ing proceedings to enforce the award while the  
6 challenge is pending.

7 **“§ 1509. Relationship to other district court actions**

8 “(a) STAY OF DISTRICT COURT PROCEEDINGS.—  
9 Subject to section 1507(b), a district court of the United  
10 States shall issue a stay of proceedings or such other relief  
11 as the court determines appropriate with respect to any  
12 claim brought before the court that is already the subject  
13 of a pending or active proceeding before the Copyright  
14 Claims Board.

15 “(b) ALTERNATIVE DISPUTE RESOLUTION PROC-  
16 ESS.—A proceeding before the Copyright Claims Board  
17 under this chapter shall qualify as an alternative dispute  
18 resolution process under section 651 of title 28 for pur-  
19 poses of referral of eligible cases by district courts of the  
20 United States upon the consent of the parties.

21 **“§ 1510. Implementation by Copyright Office**

22 “(a) REGULATIONS.—

23 “(1) IMPLEMENTATION GENERALLY.—The Reg-  
24 ister of Copyrights shall establish regulations to  
25 carry out this chapter. Such regulations shall include



1 the fees prescribed under subsections (e) and (x) of  
2 section 1506. The authority to issue such fees shall  
3 not limit the authority of the Register of Copyrights  
4 to establish fees for services under section 708. All  
5 fees received by the Copyright Office in connection  
6 with the activities under this chapter shall be depos-  
7 ited by the Register of Copyrights and credited to  
8 the appropriations for necessary expenses of the Of-  
9 fice in accordance with section 708(d). In estab-  
10 lishing regulations under this subsection, the Reg-  
11 ister of Copyrights shall provide for the efficient ad-  
12 ministration of the Copyright Claims Board, and for  
13 the ability of the Copyright Claims Board to timely  
14 complete proceedings instituted under this chapter,  
15 including by implementing mechanisms to prevent  
16 harassing or improper use of the Copyright Claims  
17 Board by any party.

18 “(2) LIMITS ON MONETARY RELIEF.—

19 “(A) IN GENERAL.—Subject to subpara-  
20 graph (B), not earlier than 3 years after the  
21 date on which Copyright Claims Board issues  
22 the first determination of the Copyright Claims  
23 Board, the Register of Copyrights may, in order  
24 to further the goals of the Copyright Claims  
25 Board, conduct a rulemaking to adjust the lim-

1 its on monetary recovery or attorneys' fees and  
2 costs that may be awarded under this chapter.

3 “(B) EFFECTIVE DATE OF ADJUST-  
4 MENT.—Any rule under subparagraph (A) that  
5 makes an adjustment shall take effect at the  
6 end of the 120-day period beginning on the  
7 date on which the Register of Copyrights sub-  
8 mits the rule to Congress and only if Congress  
9 does not, during that 120-day period, enact a  
10 law that provides in substance that Congress  
11 does not approve the rule.

12 “(b) NECESSARY FACILITIES.—Subject to applicable  
13 law, the Register of Copyrights may retain outside vendors  
14 to establish internet-based, teleconferencing, and other fa-  
15 cilities required to operate the Copyright Claims Board.

16 “(c) FEES.—Any filing fees, including the fee to com-  
17 mence a proceeding under section 1506(e), shall be pre-  
18 scribed in regulations established by the Register of Copy-  
19 rights. The sum total of such filing fees shall be in an  
20 amount of not less than \$100, may not exceed the cost  
21 of filing an action in a district court of the United States,  
22 and shall be fixed in amounts that further the goals of  
23 the Copyright Claims Board.

1 **“§ 1511. Funding**

2 “There are authorized to be appropriated such sums  
3 as may be necessary to pay the costs incurred by the Copy-  
4 right Office under this chapter that are not covered by  
5 fees collected for services rendered under this chapter, in-  
6 cluding the costs of establishing and maintaining the  
7 Copyright Claims Board and its facilities.”.

8 (c) CLERICAL AMENDMENT.—The table of chapters  
9 for title 17, United States Code, is amended by adding  
10 at the end the following:

**“15. Copyright Small Claims ..... 1501”.**

11 (d) IMPLEMENTATION.—

12 (1) IN GENERAL.—Except as provided in para-  
13 graph (2), not later than 1 year after the date of en-  
14 actment of this Act, the Copyright Claims Board es-  
15 tablished under section 1502 of title 17, United  
16 States Code, as added by subsection (b) of this sec-  
17 tion, shall begin operations.

18 (2) EXTENSION.—The Register of Copyrights  
19 may, for good cause, extend the deadline under  
20 paragraph (1) by not more than 180 days if the  
21 Register of Copyrights provides notice of the exten-  
22 sion to the public and to Congress.

23 (e) STUDY.—Not later than 3 years after the date  
24 on which the Copyright Claims Board issues the first de-  
25 termination of the Copyright Claims Board under chapter

1 15 of title 17, United States Code, as added by subsection  
2 (b) of this section, the Register of Copyrights shall con-  
3 duct, and report to Congress on, a study that addresses  
4 the following:

5 (1) The use and efficacy of the Copyright  
6 Claims Board in resolving copyright claims, includ-  
7 ing the number of proceedings the Copyright Claims  
8 Board could reasonably administer.

9 (2) Whether adjustments to the authority of the  
10 Copyright Claims Board are necessary or advisable,  
11 including with respect to—

12 (A) eligible claims, such as claims under  
13 section 1202 of title 17, United States Code;  
14 and

15 (B) works and applicable damages limita-  
16 tions.

17 (3) Whether greater allowance should be made  
18 to permit awards of attorneys' fees and costs to pre-  
19 vailing parties, including potential limitations on  
20 such awards.

21 (4) Potential mechanisms to assist copyright  
22 owners with small claims in ascertaining the identity  
23 and location of unknown online infringers.

24 (5) Whether the Copyright Claims Board  
25 should be expanded to offer mediation or other non-

1 binding alternative dispute resolution services to in-  
2 terested parties.

3 (6) Such other matters as the Register of Copy-  
4 rights believes may be pertinent concerning the  
5 Copyright Claims Board.

6 (f) SEVERABILITY.—If any provision of this section,  
7 an amendment made by this section, or the application  
8 of such provision or amendment to any person or cir-  
9 cumstance is held to be unconstitutional, the remainder  
10 of this section and the amendments made by this section,  
11 and the application of the provision or the amendment to  
12 any other person or circumstance, shall not be affected.

## 13 **Subtitle B—Trademarks**

### 14 **SEC. 221. SHORT TITLE; TABLE OF CONTENTS.**

15 (a) SHORT TITLE.—This subtitle may be cited as the  
16 “Trademark Modernization Act of 2020” or the “TM Act  
17 of 2020”.

18 (b) TABLE OF CONTENTS.—The table of contents for  
19 this subtitle is as follows:

#### Subtitle B—Trademarks

Sec. 221. Short title; table of contents.

Sec. 222. Definitions.

Sec. 223. Providing for third-party submission of evidence during examination.

Sec. 224. Providing for flexible response periods.

Sec. 225. Ex parte expungement; ex parte reexamination; new grounds for can-  
cellation.

Sec. 226. Rebuttable presumption of irreparable harm.

Sec. 227. Report on decluttering initiatives.

Sec. 228. Amendments to confirm authority of the Director.

1 binding alternative dispute resolution services to in-  
2 terested parties.

3 (6) Such other matters as the Register of Copy-  
4 rights believes may be pertinent concerning the  
5 Copyright Claims Board.

6 (f) SEVERABILITY.—If any provision of this section,  
7 an amendment made by this section, or the application  
8 of such provision or amendment to any person or cir-  
9 cumstance is held to be unconstitutional, the remainder  
10 of this section and the amendments made by this section,  
11 and the application of the provision or the amendment to  
12 any other person or circumstance, shall not be affected.

## 13 **Subtitle B—Trademarks**

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Sec. 225. Ex parte expungement; ex parte reexamination; new grounds for can-  
cellation.

Sec. 226. Rebuttable presumption of irreparable harm.

Sec. 227. Report on decluttering initiatives.

Sec. 228. Amendments to confirm authority of the Director.

1 **SEC. 222. DEFINITIONS.**

2 In this subtitle:

3 (1) **DIRECTOR.**—The term “Director” means  
4 the Under Secretary of Commerce for Intellectual  
5 Property and Director of the United States Patent  
6 and Trademark Office.

7 (2) **TRADEMARK ACT OF 1946.**—The term  
8 “Trademark Act of 1946” means the Act entitled  
9 “An Act to provide for the registration and protec-  
10 tion of trademarks used in commerce, to carry out  
11 the provisions of certain international conventions,  
12 and for other purposes”, approved July 5, 1946 (15  
13 U.S.C. 1051 et. seq) (commonly referred to as the  
14 “Trademark Act of 1946” or the “Lanham Act”).

15 **SEC. 223. PROVIDING FOR THIRD-PARTY SUBMISSION OF**  
16 **EVIDENCE DURING EXAMINATION.**

17 (a) **AMENDMENT.**—Section 1 of the Trademark Act  
18 of 1946 (15 U.S.C. 1051) is amended by adding at the  
19 end the following:

20 “(f) A third party may submit for consideration for  
21 inclusion in the record of an application evidence relevant  
22 to a ground for refusal of registration. The third-party  
23 submission shall identify the ground for refusal and in-  
24 clude a concise description of each piece of evidence sub-  
25 mitted in support of each identified ground for refusal.  
26 Not later than 2 months after the date on which the sub-

1 mission is filed, the Director shall determine whether the  
2 evidence should be included in the record of the applica-  
3 tion. The Director shall establish by regulation appro-  
4 priate procedures for the consideration of evidence sub-  
5 mitted by a third party under this subsection and may  
6 prescribe a fee to accompany the submission. If the Direc-  
7 tor determines that the third-party evidence should be in-  
8 cluded in the record of the application, only the evidence  
9 and the ground for refusal to which the evidence relates  
10 may be so included. Any determination by the Director  
11 whether or not to include evidence in the record of an ap-  
12 plication shall be final and non-reviewable, and a deter-  
13 mination to include or to not include evidence in the record  
14 shall not prejudice any party's right to raise any issue and  
15 rely on any evidence in any other proceeding.”.

16 (b) DEADLINE FOR PROCEDURES.—Not later than 1  
17 year after the date of enactment of this Act, the Director  
18 shall establish the appropriate procedures described in sec-  
19 tion 1(f) of the Trademark Act of 1946, as added by sub-  
20 section (a).

21 (c) EFFECTIVE DATE.—The amendment made by  
22 subsection (a) shall take effect 1 year after the date of  
23 enactment of this Act.



1 **SEC. 224. PROVIDING FOR FLEXIBLE RESPONSE PERIODS.**

2 Section 12(b) of the Trademark Act of 1946 (15  
3 U.S.C. 1062(b)) is amended to read as follows:

4 “(b)(1) If the applicant is found not entitled to reg-  
5 istration, the examiner shall notify the applicant thereof  
6 and of the reasons therefor. The applicant may reply or  
7 amend the application, which shall then be reexamined.  
8 This procedure may be repeated until the examiner finally  
9 refuses registration of the mark or the application is aban-  
10 doned as described in paragraph (2).

11 “(2) After notification under paragraph (1), the ap-  
12 plicant shall have a period of 6 months in which to reply  
13 or amend the application, or such shorter time that is not  
14 less than 60 days, as prescribed by the Director by regula-  
15 tion. If the applicant fails to reply or amend or appeal  
16 within the relevant time period, including any extension  
17 under paragraph (3), the application shall be deemed to  
18 have been abandoned, unless it can be shown to the satis-  
19 faction of the Director that the delay in responding was  
20 unintentional, in which case the application may be revived  
21 and such time may be extended. The Director may pre-  
22 scribe a fee to accompany any request to revive.

23 “(3) The Director shall provide, by regulation, for ex-  
24 tensions of time to respond to the examiner for any time  
25 period under paragraph (2) that is less than 6 months.  
26 The Director shall allow the applicant to obtain extensions

1 of time to reply or amend aggregating 6 months from the  
2 date of notification under paragraph (1) when the appli-  
3 cant so requests. However, the Director may set by regula-  
4 tion the time for individual periods of extension, and pre-  
5 scribe a fee, by regulation, for any extension request. Any  
6 request for extension shall be filed on or before the date  
7 on which a reply or amendment is due under paragraph  
8 (1).”.

9 **SEC. 225. EX PARTE EXPUNGEMENT; EX PARTE REEXAM-**  
10 **INATION; NEW GROUNDS FOR CANCELLA-**  
11 **TION.**

12 (a) EX PARTE EXPUNGEMENT.—The Trademark Act  
13 of 1946 is amended by inserting after section 16 (15  
14 U.S.C. 1066) the following:

15 **“SEC. 16A. EX PARTE EXPUNGEMENT.**

16 “(a) PETITION.—Notwithstanding sections 7(b) and  
17 22, and subsections (a) and (b) of section 33, any person  
18 may file a petition to expunge a registration of a mark  
19 on the basis that the mark has never been used in com-  
20 merce on or in connection with some or all of the goods  
21 or services recited in the registration.

22 “(b) CONTENTS OF PETITION.—A petition filed  
23 under subsection (a), together with any supporting docu-  
24 ments, shall—

1           “(1) identify the registration that is the subject  
2 of the petition;

3           “(2) identify each good or service recited in the  
4 registration for which it is alleged that the mark has  
5 never been used in commerce;

6           “(3) include a verified statement that sets  
7 forth—

8                   “(A) the elements of the reasonable inves-  
9 tigation the petitioner conducted to determine  
10 that the mark has never been used in commerce  
11 on or in connection with the goods and services  
12 identified in the petition; and

13                   “(B) any additional facts that support the  
14 allegation that the mark has never been used in  
15 commerce on or in connection with the identi-  
16 fied goods and services;

17           “(4) include any supporting evidence on which  
18 the petitioner relies; and

19           “(5) be accompanied by the fee prescribed by  
20 the Director.

21           “(c) INITIAL DETERMINATION; INSTITUTION.—

22                   “(1) PRIMA FACIE CASE DETERMINATION, IN-  
23 STITUTION, AND NOTIFICATION.—The Director  
24 shall, for each good or service identified under sub-  
25 section (b)(2), determine whether the petition sets

1       forth a prima facie case of the mark having never  
2       been used in commerce on or in connection with  
3       each such good or service, institute an ex parte  
4       expungement proceeding for each good or service for  
5       which the Director determines that a prima facie  
6       case has been set forth, and provide a notice to the  
7       registrant and petitioner of the determination of  
8       whether or not the proceeding was instituted. Such  
9       notice shall include a copy of the petition and any  
10      supporting documents and evidence that were in-  
11      cluded with the petition.

12           “(2) REASONABLE INVESTIGATION GUID-  
13      ANCE.—The Director shall promulgate regulations  
14      regarding what constitutes a reasonable investigation  
15      under subsection (b)(3) and the general types of evi-  
16      dence that could support a prima facie case that a  
17      mark has never been used in commerce, but the Di-  
18      rector shall retain the discretion to determine wheth-  
19      er a prima facie case is set out in a particular pro-  
20      ceeding.

21           “(3) DETERMINATION BY DIRECTOR.—Any de-  
22      termination by the Director whether or not to insti-  
23      tute a proceeding under this section shall be final  
24      and non-reviewable, and shall not prejudice any par-  
25      ty’s right to raise any issue and rely on any evidence

1 in any other proceeding, except as provided in sub-  
2 section (j).

3 “(d) EX PARTE EXPUNGEMENT PROCEDURES.—The  
4 procedures for ex parte expungement shall be the same  
5 as the procedures for examination under section 12(b), ex-  
6 cept that the Director shall promulgate regulations estab-  
7 lishing and governing a proceeding under this section,  
8 which may include regulations that—

9 “(1) set response and extension times particular  
10 to this type of proceeding, which, notwithstanding  
11 section 12(b)(3), need not be extendable to 6  
12 months;

13 “(2) set limits governing the timing and num-  
14 ber of petitions filed for a particular registration or  
15 by a particular petitioner or real parties in interest;  
16 and

17 “(3) define the relation of a proceeding under  
18 this section to other proceedings concerning the  
19 mark.

20 “(e) REGISTRANT’S EVIDENCE OF USE.—A reg-  
21 istrant’s documentary evidence of use shall be consistent  
22 with when a mark shall be deemed to be in use in com-  
23 merce under the definition of ‘use in commerce’ in section  
24 45, but shall not be limited in form to that of specimens  
25 as provided in section 1(a).

1           “(f) **EXCUSABLE NONUSE.**—During an ex parte  
2 expungement proceeding, for a mark registered under sec-  
3 tion 44(e) or an extension of protection under section 66,  
4 the registrant may offer evidence showing that any nonuse  
5 is due to special circumstances that excuse such nonuse.  
6 In such a case, the examiner shall determine whether the  
7 facts and evidence demonstrate excusable nonuse and shall  
8 not find that the registration should be cancelled under  
9 subsection (g) for any good or service for which excusable  
10 nonuse is demonstrated.

11           “(g) **EXAMINER’S DECISION; ORDER TO CANCEL.**—  
12 For each good or service for which it is determined that  
13 a mark has never been used in commerce, and for which  
14 the provisions of subsection (f) do not apply, the examiner  
15 shall find that the registration should be cancelled for each  
16 such good or service. A mark shall not be found to have  
17 never been used in commerce if there is evidence of use  
18 in commerce by the registrant that temporally would have  
19 supported registration at the time the application was filed  
20 or the relevant allegation of use was made, or after reg-  
21 istration, but before the petition to expunge was filed  
22 under subsection (a), or an ex parte expungement pro-  
23 ceeding was instituted by the Director under subsection  
24 (h). Unless overturned on review of the examiner’s deci-  
25 sion, the Director shall issue an order cancelling the reg-

1 istration, in whole or in part, after the time for appeal  
2 has expired or any appeal proceeding has terminated.

3 “(h) EX PARTE EXPUNGEMENT BY THE DIREC-  
4 TOR.—

5 “(1) IN GENERAL.—The Director may, on the  
6 Director’s own initiative, institute an ex parte  
7 expungement proceeding if the Director discovers in-  
8 formation that supports a prima facie case of a  
9 mark having never been used in commerce on or in  
10 connection with any good or service covered by a  
11 registration. The Director shall promptly notify the  
12 registrant of such determination, at which time the  
13 ex parte expungement proceeding shall proceed ac-  
14 cording to the same procedures for ex parte  
15 expungement established pursuant to subsection (d).  
16 If the Director determines, based on the Director’s  
17 own initiative, to institute an expungement pro-  
18 ceeding, the Director shall transmit or make avail-  
19 able the information that formed the basis for that  
20 determination as part of the institution notice sent  
21 to the registrant.

22 “(2) RULE OF CONSTRUCTION.—Nothing in  
23 this subsection shall be construed to limit any other  
24 authority of the Director.

25 “(i) TIME FOR INSTITUTION.—

1           “(1) WHEN PETITION MAY BE FILED, EX  
2           PARTE EXPUNGEMENT PROCEEDING INSTITUTED.—  
3           A petition for ex parte expungement of a registra-  
4           tion under subsection (a) may be filed, or the Direc-  
5           tor may institute on the Director’s own initiative an  
6           ex parte expungement proceeding of a registration  
7           under subsection (h), at any time following the expi-  
8           ration of 3 years after the date of registration and  
9           before the expiration of 10 years following the date  
10          of registration.

11           “(2) EXCEPTION.—Notwithstanding paragraph  
12          (1), for a period of 3 years after the date of enact-  
13          ment of this section, a petition for expungement of  
14          a registration under subsection (a) may be filed, or  
15          the Director may institute on the Director’s own ini-  
16          tiative an ex parte expungement proceeding of a reg-  
17          istration under subsection (h), at any time following  
18          the expiration of 3 years after the date of registra-  
19          tion.

20          “(j) LIMITATION ON LATER EX PARTE  
21          EXPUNGEMENT PROCEEDINGS.—

22           “(1) NO CO-PENDING PROCEEDINGS.—With re-  
23          spect to a particular registration, while an ex parte  
24          expungement proceeding is pending, no later ex  
25          parte expungement proceeding may be instituted



1 with respect to the same goods or services that are  
2 the subject of a pending ex parte expungement pro-  
3 ceeding.

4 “(2) ESTOPPEL.—With respect to a particular  
5 registration, for goods or services previously subject  
6 to an instituted expungement proceeding for which,  
7 in that proceeding, it was determined that the reg-  
8 istrant had used the mark for particular goods or  
9 services, as relevant, and the registration was not  
10 cancelled as to those goods or services, no further ex  
11 parte expungement proceedings may be initiated as  
12 to those goods or services, regardless of the identity  
13 of the petitioner.

14 “(k) USE IN COMMERCE REQUIREMENT NOT AL-  
15 TERED.—Nothing in this section shall affect the require-  
16 ment for use in commerce of a mark registered under sec-  
17 tion 1(a) or 23.”.

18 (b) NEW GROUNDS FOR CANCELLATION.—Section 14  
19 of the Trademark Act of 1946 (15 U.S.C. 1064) is amend-  
20 ed—

21 (1) by striking the colon at the end of para-  
22 graph (5) and inserting a period;

23 (2) by inserting after paragraph (5) the fol-  
24 lowing:

1           “(6) At any time after the 3-year period fol-  
2           lowing the date of registration, if the registered  
3           mark has never been used in commerce on or in con-  
4           nection with some or all of the goods or services re-  
5           cited in the registration.”; and

6           (3) in the flush text following paragraph (6), as  
7           added by paragraph (2) of this subsection, by insert-  
8           ing “Nothing in paragraph (6) shall be construed to  
9           limit the timing applicable to any other ground for  
10          cancellation. A registration under section 44(e) or  
11          66 shall not be cancelled pursuant to paragraph (6)  
12          if the registrant demonstrates that any nonuse is  
13          due to special circumstances that excuse such non-  
14          use.” after “identical certification mark is applied.”.

15          (c) **EX PARTE REEXAMINATION.**—The Trademark  
16 Act of 1946 is amended by inserting after section 16A,  
17 as added by subsection (a), the following:

18          **“SEC. 16B. EX PARTE REEXAMINATION.**

19          “(a) **PETITION FOR REEXAMINATION.**—Any person  
20 may file a petition to reexamine a registration of a mark  
21 on the basis that the mark was not in use in commerce  
22 on or in connection with some or all of the goods or serv-  
23 ices recited in the registration on or before the relevant  
24 date.

1           “(b) RELEVANT DATE.—In this section, the term  
2 ‘relevant date’ means, with respect to an application for  
3 the registration of a mark with an initial filing basis of—

4           “(1) section 1(a) and not amended at any point  
5 to be filed pursuant to section 1(b), the date on  
6 which the application was initially filed; or

7           “(2) section 1(b) or amended at any point to be  
8 filed pursuant to section 1(b), the date on which—

9           “(A) an amendment to allege use under  
10 section 1(c) was filed; or

11           “(B) the period for filing a statement of  
12 use under section 1(d) expired, including all ap-  
13 proved extensions thereof.

14           “(c) REQUIREMENTS FOR THE PETITION.—A peti-  
15 tion filed under subsection (a), together with any sup-  
16 porting documents, shall—

17           “(1) identify the registration that is the subject  
18 of the petition;

19           “(2) identify each good and service recited in  
20 the registration for which it is alleged that the mark  
21 was not in use in commerce on or in connection with  
22 on or before the relevant date;

23           “(3) include a verified statement that sets  
24 forth—

1           “(A) the elements of the reasonable inves-  
2           tigation the petitioner conducted to determine  
3           that the mark was not in use in commerce on  
4           or in connection with the goods and services  
5           identified in the petition on or before the rel-  
6           evant date; and

7           “(B) any additional facts that support the  
8           allegation that the mark was not in use in com-  
9           merce on or before the relevant date on or in  
10          connection with the identified goods and serv-  
11          ices;

12          “(4) include supporting evidence on which the  
13          petitioner relies; and

14          “(5) be accompanied by the fee prescribed by  
15          the Director.

16          “(d) INITIAL DETERMINATION; INSTITUTION.—

17                 “(1) PRIMA FACIE CASE DETERMINATION, IN-  
18                 STITUTION, AND NOTIFICATION.—The Director  
19                 shall, for each good or service identified under sub-  
20                 section (c)(2), determine whether the petition sets  
21                 forth a prima facie case of the mark having not been  
22                 in use in commerce on or in connection with each  
23                 such good or service, institute an ex parte reexam-  
24                 ination proceeding for each good or service for which  
25                 the Director determines that the prima facie case

1 has been set forth, and provide a notice to the reg-  
2 istrant and petitioner of the determination of wheth-  
3 er or not the proceeding was instituted. Such notice  
4 shall include a copy of the petition and any sup-  
5 porting documents and evidence that were included  
6 with the petition.

7 “(2) REASONABLE INVESTIGATION GUID-  
8 ANCE.—The Director shall promulgate regulations  
9 regarding what constitutes a reasonable investigation  
10 under subsection (c)(3) and the general types of evi-  
11 dence that could support a prima facie case that the  
12 mark was not in use in commerce on or in connec-  
13 tion with a good or service on or before the relevant  
14 date, but the Director shall retain discretion to de-  
15 termine whether a prima facie case is set out in a  
16 particular proceeding.

17 “(3) DETERMINATION BY DIRECTOR.—Any de-  
18 termination by the Director whether or not to insti-  
19 tute a reexamination proceeding under this section  
20 shall be final and non-reviewable, and shall not prej-  
21 udice any party’s right to raise any issue and rely  
22 on any evidence in any other proceeding, except as  
23 provided in subsection (j).

24 “(e) REEXAMINATION PROCEDURES.—The proce-  
25 dures for reexamination shall be the same as the proce-

1 dures established under section 12(b) except that the Di-  
2 rector shall promulgate regulations establishing and gov-  
3 erning a proceeding under this section, which may include  
4 regulations that—

5 “(1) set response and extension times particular  
6 to this type of proceeding, which, notwithstanding  
7 section 12(b)(3), need not be extendable to 6  
8 months;

9 “(2) set limits governing the timing and num-  
10 ber of petitions filed for a particular registration or  
11 by a particular petitioner or real parties in interest;  
12 and

13 “(3) define the relation of a reexamination pro-  
14 ceeding under this section to other proceedings con-  
15 cerning the mark.

16 “(f) REGISTRANT’S EVIDENCE OF USE.—A reg-  
17 istrant’s documentary evidence of use shall be consistent  
18 with when a mark shall be deemed to be in use in com-  
19 merce under the definition of ‘use in commerce’ in section  
20 45, but shall not be limited in form to that of specimens  
21 as provided in section 1(a).

22 “(g) EXAMINER’S DECISION; ORDER TO CANCEL.—  
23 For each good or service for which it is determined that  
24 the registration should not have issued because the mark  
25 was not in use in commerce on or before the relevant date,

1 the examiner shall find that the registration should be  
2 cancelled for each such good or service. Unless overturned  
3 on review of the examiner's decision, the Director shall  
4 issue an order cancelling the registration, in whole or in  
5 part, after the time for appeal has expired or any appeal  
6 proceeding has terminated.

7 “(h) REEXAMINATION BY DIRECTOR.—

8 “(1) IN GENERAL.—The Director may, on the  
9 Director's own initiative, institute an ex parte reex-  
10 amination proceeding if the Director discovers infor-  
11 mation that supports a prima facie case of the mark  
12 having not been used in commerce on or in connec-  
13 tion with some or all of the goods or services covered  
14 by the registration on or before the relevant date.  
15 The Director shall promptly notify the registrant of  
16 such determination, at which time reexamination  
17 shall proceed according to the same procedures es-  
18 tablished pursuant to subsection (e). If the Director  
19 determines, based on the Director's own initiative, to  
20 institute an ex parte reexamination proceeding, the  
21 Director shall transmit or make available the infor-  
22 mation that formed the basis for that determination  
23 as part of the institution notice.

1           “(2) RULE OF CONSTRUCTION.—Nothing in  
2           this subsection shall be construed to limit any other  
3           authority of the Director.

4           “(i) TIME FOR INSTITUTION.—A petition for ex parte  
5           reexamination may be filed, or the Director may institute  
6           on the Director’s own initiative an ex parte reexamination  
7           proceeding, at any time not later than 5 years after the  
8           date of registration of a mark registered based on use in  
9           commerce.

10          “(j) LIMITATION ON LATER EX PARTE REEXAMINA-  
11          TION PROCEEDINGS.—

12                 “(1) NO CO-PENDING PROCEEDINGS.—With re-  
13                 spect to a particular registration, while an ex parte  
14                 reexamination proceeding is pending, no later ex  
15                 parte reexamination proceeding may be instituted  
16                 with respect to the same goods or services that are  
17                 the subject of a pending ex parte reexamination pro-  
18                 ceeding.

19                 “(2) ESTOPPEL.—With respect to a particular  
20                 registration, for any goods or services previously  
21                 subject to an instituted ex parte reexamination pro-  
22                 ceeding for which, in that proceeding, it was deter-  
23                 mined that the registrant had used the mark for  
24                 particular goods or services before the relevant date,  
25                 and the registration was not cancelled as to those



1 goods or services, no further ex parte reexamination  
2 proceedings may be initiated as to those goods or  
3 services, regardless of the identity of the petitioner.

4 “(k) SUPPLEMENTAL REGISTER.—The provisions of  
5 subsection (b) apply, as appropriate, to registrations  
6 under section 23. Nothing in this section shall be con-  
7 strued to limit the timing of a cancellation action under  
8 section 24.”.

9 (d) APPEAL.—

10 (1) APPEAL TO TRADEMARK TRIAL AND APPEAL  
11 BOARD.—Section 20 of the Trademark Act of 1946  
12 (15 U.S.C. 1070) is amended by inserting “or a  
13 final decision by an examiner in an ex parte  
14 expungement proceeding or ex parte reexamination  
15 proceeding” after “registration of marks”.

16 (2) APPEAL TO COURTS.—

17 (A) EXPUNGEMENT OR EX PARTE REEX-  
18 AMINATION.—Section 21(a)(1) of the Trade-  
19 mark Act of 1946 (15 U.S.C. 1071(a)(1)) is  
20 amended by striking “or an applicant for re-  
21 newal” and inserting the following: “an appli-  
22 cant for renewal, or a registrant subject to an  
23 ex parte expungement proceeding or an ex parte  
24 reexamination proceeding”.

1           (B) EXCEPTION.—Section 21(b)(1) of the  
2           Trademark Act of 1946 (15 U.S.C. 1071(b)(1))  
3           is amended by inserting “, except for a reg-  
4           istrant subject to an ex parte expungement pro-  
5           ceeding or an ex parte reexamination pro-  
6           ceeding,” before “is dissatisfied”.

7           (e) TECHNICAL AND CONFORMING AMENDMENTS.—  
8           The Trademark Act of 1946 is amended—

9           (1) in section 15 (15 U.S.C. 1065), by striking  
10          “paragraphs (3) and (5)” and inserting “paragraphs  
11          (3), (5), and (6)”; and

12          (2) in section 26 (15 U.S.C. 1094), by adding  
13          at the end the following: “Registrations on the sup-  
14          plemental register shall be subject to ex parte  
15          expungement and ex parte reexamination under sec-  
16          tions 16A and 16B, respectively.”.

17          (f) DEADLINE FOR PROCEDURES.—Not later than 1  
18          year after the date of enactment of this Act, the Director  
19          shall issue regulations to carry out sections 16A and 16B  
20          of the Trademark Act of 1946, as added by subsections  
21          (a) and (c).

22          (g) EFFECTIVE DATE.—The amendments made by  
23          this section shall take effect upon the expiration of the  
24          1-year period beginning on the date of enactment of this

1 Act, and shall apply to any mark registered before, on,  
2 or after that effective date.

3 **SEC. 226. REBUTTABLE PRESUMPTION OF IRREPARABLE**  
4 **HARM.**

5 (a) AMENDMENT.—Section 34(a) of the Trademark  
6 Act of 1946 (15 U.S.C. 1116(a)) is amended by inserting  
7 after the first sentence the following: “A plaintiff seeking  
8 any such injunction shall be entitled to a rebuttable pre-  
9 sumption of irreparable harm upon a finding of a violation  
10 identified in this subsection in the case of a motion for  
11 a permanent injunction or upon a finding of likelihood of  
12 success on the merits for a violation identified in this sub-  
13 section in the case of a motion for a preliminary injunction  
14 or temporary restraining order.”.

15 (b) RULE OF CONSTRUCTION.—The amendment  
16 made by subsection (a) shall not be construed to mean  
17 that a plaintiff seeking an injunction was not entitled to  
18 a presumption of irreparable harm before the date of en-  
19 actment of this Act.

20 **SEC. 227. REPORT ON DECLUTTERING INITIATIVES.**

21 (a) STUDY.—The Comptroller General of the United  
22 States shall consult with the Director to conduct a study  
23 on the efforts of the Director during the period beginning  
24 12 months after the date of enactment of this Act and  
25 ending 30 months after the date of enactment of this Act

1 to address inaccurate and false claims of use in trademark  
2 applications and registrations. Inaccurate and false claims  
3 of use include any declaration of use by a trademark appli-  
4 cant or registrant that cannot be supported by use in com-  
5 merce as defined in section 45 of the Trademark Act of  
6 1946 (15 U.S.C. 1127) or the regulations relevant to the  
7 definition of specimens under section 1 of the Trademark  
8 Act of 1946 (15 U.S.C. 1051), as applicable.

9 (b) CONTENTS OF STUDY.—In conducting the study  
10 under subsection (a), the Comptroller General shall assess  
11 the following:

12 (1) With respect to sections 16A and 16B of  
13 the Trademark Act of 1946, as added by section  
14 225—

15 (A) the number of petitions filed under  
16 each such section for which a decision not to in-  
17 stitute was issued;

18 (B) the number of petitions filed under  
19 each such section for which a decision to insti-  
20 tute was issued;

21 (C) the number of in-process and com-  
22 pleted proceedings instituted under each such  
23 section, including any proceedings instituted by  
24 the Director's own initiative;

1 (D) the average time taken to resolve pro-  
2 ceedings instituted under each such section, in-  
3 cluding the average time between—

4 (i) the filing of a petition under each  
5 such section and an examiner's final deci-  
6 sion under section 16A(g) and 16B(g), or  
7 the last decision issued by the examiner if  
8 the registrant failed to respond to the lat-  
9 est-in-time decision by the examiner; and

10 (ii) the institution of a proceeding  
11 under each such section, including any pro-  
12 ceedings instituted by the Director's own  
13 initiative, and an examiner's final decision  
14 under section 16A(g) and 16B(g), or the  
15 last decision issued by the examiner if the  
16 registrant failed to respond to the latest-  
17 in-time decision by the examiner;

18 (E) the number of appeals of decisions of  
19 examiners to the Trademark Trial and Appeal  
20 Board and to the courts for each such pro-  
21 ceeding; and

22 (F) an accounting of the final outcome of  
23 each such proceeding instituted by identifying  
24 the number of goods or services for which such  
25 proceedings were instituted, and the number of

1 goods or services for each involved registration  
2 that were cancelled pursuant to such pro-  
3 ceedings.

4 (2) With respect to section 1(f) of the Trade-  
5 mark Act of 1946, as added by section 223—

6 (A) the number of third-party submissions  
7 filed under such section for which the third-  
8 party asserts in the submission that the mark  
9 has not been used in commerce; and

10 (B) of the applications identified in sub-  
11 paragraph (A), the number of applications in  
12 which the third-party submission evidence is in-  
13 cluded in the application; and

14 (C) of those applications identified in sub-  
15 paragraph (B), the number of applications—

16 (i) refused registration based on an  
17 assertion by the examiner that the mark  
18 has not been used in commerce; and

19 (ii) for which the examiner requested  
20 additional information from the applicant  
21 related to claims of use.

22 (3) The effectiveness of—

23 (A) the proceedings under sections 16A  
24 and 16B of the Trademark Act of 1946, as  
25 added by section 225, in addressing inaccurate

1           and false claims of use in trademark registra-  
2           tions; and

3                   (B) any additional programs conducted by  
4           the Director designed to address inaccurate and  
5           false claims of use in trademark applications  
6           and registrations, including the post-registra-  
7           tion use audit, as implemented as of the date  
8           of enactment of this Act under sections  
9           2.161(h) and 7.37(h) of title 37, Code of Fed-  
10          eral Regulations.

11          (c) REPORT TO CONGRESS.—Not later than 3 years  
12 after the date of enactment of this Act, the Comptroller  
13 General of the United States shall submit to the Com-  
14 mittee on the Judiciary of the Senate and the Committee  
15 on the Judiciary of the House of Representatives a re-  
16 port—

17                   (1) on the results of the study conducted under  
18          this section; and

19                   (2) that includes any recommendations, based  
20          on the results of the study, for any changes to laws  
21          or regulations that will improve the integrity of the  
22          trademark register or reduce inaccurate or false  
23          claims of use.

1 **SEC. 228. AMENDMENTS TO CONFIRM AUTHORITY OF THE**  
2 **DIRECTOR.**

3 (a) AMENDMENTS.—

4 (1) Section 18 of the Trademark Act of 1946  
5 (15 U.S.C. 1068) is amended by inserting after “es-  
6 tablished in the proceedings” the following: “. The  
7 authority of the Director under this section includes  
8 the authority to reconsider, and modify or set aside,  
9 a decision of the Trademark Trial and Appeal  
10 Board”.

11 (2) Section 20 of the Trademark Act of 1946  
12 (15 U.S.C. 1070) is amended by adding at the end  
13 the following: “The Director may reconsider, and  
14 modify or set aside, a decision of the Trademark  
15 Trial and Appeal Board under this section.”.

16 (3) Section 24 of the Trademark Act of 1946  
17 (15 U.S.C. 1092) is amended by inserting after  
18 “shall be canceled by the Director” the following: “,  
19 unless the Director reconsiders the decision of the  
20 Board, and modifies or sets aside, such decision”.

21 (b) RULES OF CONSTRUCTION.—

22 (1) AUTHORITY BEFORE DATE OF ENACT-  
23 MENT.—The amendments made by subsection (a)  
24 shall not be construed to mean that the Director  
25 lacked the authority to reconsider, and modify or set



1       aside, a decision of the Trademark Trial and Appeal  
2       Board before the date of enactment of this Act.

3               (2) AUTHORITY WITH RESPECT TO PARTICULAR  
4       DECISIONS.—The amendments made by subsection  
5       (a) shall not be construed to require the Director to  
6       reconsider, modify, or set aside any particular deci-  
7       sion of the Trademark Trial and Appeal Board.

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## IP Gets Modernization "Stimulus" in New Consolidated Appropriations Act, 2021

**USA** | December 28 2020

While a majority of the attention related to the passage of the Consolidated Appropriations Act, 2021<sup>1</sup> on December 27, 2020, has centered on the coronavirus stimulus and relief portion, the law also includes important changes to US intellectual property law, which are summarized below.

### TRADEMARK MODERNIZATION ACT (2020)

With President Trump's signature, the Trademark Modernization Act of 2020 (TM Act),<sup>2</sup> a bipartisan bill originally introduced in March 2020, will help to "modernize" trademark law by dealing with the ever-increasing reliance on electronic communications and by protecting legitimate trademark users from fraudulent attempts at trademark registration. Among the most interesting changes are:

- **Irreparable Harm:** The TM Act codifies the rule that a plaintiff in a trademark case is entitled to a rebuttable presumption of irreparable harm when seeking an injunction to remedy a trademark violation. Thus, an injunction can be issued based on the merits of the plaintiff's trademark rights without the need to establish the plaintiff has suffered irreparable harm due to the infringement. This law clarifies that there is a rebuttable presumption of irreparable harm in trademark violations that came into question after the *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006) Supreme Court decision in a patent infringement suit held that irreparable harm is not presumed.
- **Ex Parte Cancellations:** Current practice only allows for third parties to request the cancellation of trademark registration through an inter partes procedure before the Trademark Trial and Appeal Board (TTAB) or district court. The new act would provide third parties the ability to file an expedited ex parte proceeding requesting the cancellation or reexamination of registrations for any registered mark that has **never** been used in commerce or in connection with some or all of the registered goods and services after the standard three-year grace period following registration. Unlike the inter partes proceeding, the ex parte petition will not require the filing party to plead a "real interest" or allege a "direct or personal stake" in the outcome of the decision. This change will likely affect many US registrations based on foreign registrations with long lists of goods and services that were not required to prove use in commerce prior to obtaining registration.
- **Office Action Response Time:** Examiners will now be able to set response times to office actions issued during examinations different than the current six-month standard window. Examiners can set response times between **60 days** and six months, with the applicant able to request extensions (for a fee) to a full six-month period.

- **Third-Party Evidence:** While already a common practice (in the form of a Letter of Protest), the TM Act codifies the ability of third parties to submit evidence relevant to the examination of an application pending at the United States Patent and Trademark Office (USPTO). Such evidence may address any ground on which an examiner can refuse registration. The decision by the USPTO director on the inclusion of any evidence in the record is final and non-reviewable. However, exclusion of any evidence will not preclude any party's rights to raise an issue in a later proceeding (i.e., opposition).

## COPYRIGHTS

The legislation also includes the Copyright Alternative in Small-Claims Enforcement Act of 2019 (CASE Act).<sup>3</sup> While current copyright lawsuits can disadvantage small businesses or individuals due to the significant costs of copyright litigation, the CASE Act will provide copyright owners of all sizes access to a more affordable and streamlined alternative to settle smaller disputes.

The CASE Act will implement a new Copyright Claims Board that will focus on disputes valued at under \$30,000 (\$15,000 per claim or \$30,000 for the entire case). These disputes allow for defendants of infringement to opt out of the case and pay the fines rather than enter into a lengthy court case. Further, parties will be able to remotely participate in the hearing without the requirement of attorney representation.

In addition to the CASE Act, this bill will enact the Protecting Lawful Streaming Act, which will elevate copyright infringement claims based on streaming copyrighted works without permission from misdemeanor charges to felony charges. These upgraded punishments put infringement by streaming violations on par with current charges for reproduction and distribution rights violations.

## DOMAIN NAME REGISTRATION INFORMATION

The Consolidated Appropriations Act, 2021 also includes the Commerce, Justice, Science, and Related Agencies Appropriations Act, 2021.<sup>4</sup> As part of the Joint Explanatory statement, the National Telecommunications and Information Administration (NTIA) is directed to work with the Internet Corporation for Assigned Names and Numbers (ICANN) to expedite the process that provides law enforcement and IP rights holders timely access to accurate domain name registration information. This comes after years of frustration due to ICANN's decision to suspend mandatory whois requirements, not just for individuals but for corporations and other legal entities, as its solution to comply with various data regimes, most notably the European Union's General Data Protection Regulation (GDPR). ICANN's decision to undo decades of whois improvement over the objections of constituencies representing these interests has left legitimate third parties who wish to pursue criminal or civil remedies against the registrant of a domain name with little practical recourse.

While the current US legislation does not and cannot direct ICANN to restore a functioning whois, it makes clear that the United States has taken the position that a broad shutdown of the primary identification, and therefore accountability, mechanism is not acceptable to address legitimate interests around personally identifiable information. This bill makes clear that the United States is prepared to use legislative powers, whatever they may be, to prevent anonymous registration of domains, which can be a harbinger for fraudulent and/or criminal activity.

**Mayer Brown** - Michael D. Adams, Richard M. Assmus and Daniel P. Virtue

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## US Trademark and Copyright Reforms Accompany COVID-19 Relief

**USA** | December 28 2020

The Consolidated Appropriations Act, 2021 passed by Congress on December 21, 2020, and signed into law by President Donald Trump on December 27, includes sweeping changes to US trademark and copyright law. Part of the law, the Trademark Modernization Act of 2020 (TM Act), will provide trademark plaintiffs seeking injunctions a rebuttable presumption of irreparable harm, broadening the availability of injunctive relief; it will provide for third-party submission of evidence in trademark examination proceedings; and it will create a streamlined process for cancellation of trademarks failing to meet certain technical “use” requirements. The new law also includes the Copyright Alternative in Small-Claims Enforcement Act of 2019 (CASE Act), which creates a small claims tribunal within the U.S. Copyright Office for deciding disputes regarding infringement and DMCA claims, as well as the Protecting Lawful Streaming Act of 2020, which will create felony criminal liability for streaming pirated content for commercial purposes.

### **Trademark Modernization Act of 2020**

In federal courts, the TM Act may make it easier to obtain an injunction in certain trademark cases by providing for a presumption of irreparable harm when a party demonstrates likelihood of confusion. Historically, trademark plaintiffs in many courts were entitled to a presumption of irreparable injury when seeking an injunction upon demonstrating likelihood of confusion (or likelihood of success on the merits if seeking a preliminary injunction). However, after the Supreme Court’s decision in *eBay, Inc. v. MercExchange LLC*, 547 U.S. 388 (2006), which held that a plaintiff seeking a permanent injunction against patent infringement must demonstrate each prong of the traditional four-factor test before a court may grant such relief, a circuit split developed regarding whether a presumption of irreparable injury would apply in the corresponding four-factor test in trademark cases. Following *eBay*, the Ninth Circuit rejected the presumption of irreparable injury in trademark cases. Other circuits continued to apply the presumption, and notable treatises, including McCarthy on Trademarks, argued that the presumption should continue to apply. The TM Act will resolve the split and affirm the presumption of irreparable injury, though not retroactively.

At the US Patent and Trademark Office (USPTO), the TM Act will address the “significant increase in trademark registrations that falsely claim use of a mark that has, in fact, not been used by the registrant,” according to one of the bill’s sponsors, Hank Johnson, D-GA. The TM Act is ostensibly targeted at “the flood of fraudulent trademark registrations from China that currently cannot be cleared except through costly, time-consuming cancellation actions before the Trademark Trial and Appeal Board,” though the new law will impact other areas of trademark practice as well.

The TM Act includes three mechanisms to address registrations of marks that have not been used as required.

First, Section 1 of the Lanham Act (15 USC § 1051) has been amended to include a section codifying the process of submitting a letter of protest against registration of a mark. New subsection (f) allows a third party to submit to the USPTO director the evidence for inclusion in the application file supporting a ground for refusal of registration. The party must submit the evidence along with a short statement describing how the evidence supports the ground for refusal. This procedure will not be only for “use” and fraud issues – a variety of grounds for refusal can be raised in the third party submission. The director will have two months after the submission of the evidence to determine whether it should be included in the application file. A decision by the director will be final and non-reviewable, but would not prejudice a party’s ability to rely on the evidence in a subsequent (e.g., opposition or cancellation) proceeding. The director will have one year to establish the procedure by which the evidence will be considered.

Second, the TM Act creates a procedure known as expungement. This *ex parte* procedure will allow a third party, or the director itself, to seek cancellation of a registration on the grounds that the mark was never used in commerce on or in connection with some or all of the goods or services recited in the registration. The petitioner will be entitled to submit evidence of non-use, which the director will consider to determine whether expungement proceedings should be instituted. Expungement will be available starting three years after registration of the mark. Despite the use of *ex parte* terminology, the director is required to promulgate regulations governing the expungement proceeding that will allow the registrant to respond and provide evidence of use or excusable nonuse.

In parallel to the expungement procedure, the TM Act also creates an additional ground for cancellation, amending 15 USC § 1064 to include subparagraph 6, allowing cancellation at “any time after the three-year period following the date of registration, if the registered mark has never been used in commerce on or in connection with some or all of the goods or services recited in the registration.” This expands the limited grounds for cancellation of a registration that is over five years old.

Third, the TM Act creates a procedure for a party to seek *ex parte* reexamination of a registration on the basis that the mark was not in use in commerce on or in connection with some or all of the goods or services recited in the registration on or before a relevant date (e.g., filing date, amendment to allege use date or statement of use date, as applicable). Unlike expungement, the standard for a mark having been “never used” will not apply. Again, the director is required to promulgate regulations to govern the procedure.

The TM Act will also allow the director to set different deadlines to respond to a trademark office action. Currently, an applicant has six months to respond to an office action, no matter the issues raised. The TM Act empowers the director to set regulations changing the deadline within a range of 60 days to six months. For example, the director might choose to change the deadline for responding to a simple issue to be two months rather than six.

### **Copyright Alternative in Small-Claims Enforcement Act**

The CASE Act creates the Copyright Claims Board, a type of small-claims tribunal at the Copyright Office to decide claims of copyright infringement or abuses of the Digital Millennium Copyright Act (DMCA) takedown procedures. The tribunal will hear claims with a maximum recovery of \$30,000 in statutory or actual damages, exclusive of any attorneys’ fees and costs that may be awarded. The Register of Copyrights will establish implementing regulations.

While the CASE Act is ostensibly aimed at allowing individuals and small businesses access to bring claims of infringement for less valuable works, critics worry that the process allows an easier path to pursuing less meritorious claims. However, parties served with a notice and claim will have 60 days to opt out and have the proceeding be dismissed without prejudice.

The CASE Act does not allow for formal motion practice, though applicable regulations and procedures may provide parties a mechanism to make requests regarding case management, discovery or other matters. The CASE Act also provides for limited written discovery but not depositions without good cause. Determinations will have a preclusive effect on District Court litigations (except for those who opt out).

### **Protecting Lawful Streaming Act of 2020**

A new law codified at 18 U.S.C. § 2319B will make it a felony for a person to willfully, and for purposes of commercial advantage or private financial gain, offer or provide to the public a streaming service primarily designed or provided for the purpose of infringing copyrights, or that has no other commercially significant purpose, or that is intentionally marketed for use in connection with copyright infringement.

### **Key takeaways**

The Consolidated Appropriations Act, 2021 will lead to broad impacts on trademark litigation and prosecution, as well as administrative proceedings relating to trademarks and copyrights. Rights owners should be prepared to understand how they might benefit from the new laws as well as the risks they present.

Cooley LLP - John Paul Oleksiuk and Marcus Peterson

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## Congress Creates a Copyright Claims Board for Adjudication of Small Copyright Infringement Claims

**Mintz**

**USA** | January 5 2021

Following up on our [initial report](#) last year on the possible creation of a Copyright Claims Board, we can now confirm the creation of that Board. The Consolidated Appropriations Act signed into law by President Trump on December 27, 2020 incorporates the CASE Act, establishes this new Copyright Claims Board (CCB) within the Copyright Office. A summary of this new law and the Board's operations are explained below.

**Purpose:** In creating the CCB, Congress carried out a long-pending recommendation from the Copyright Office that copyright owners be given a streamlined, cost-efficient means of enforcing their rights without having to bring an action in federal court (which otherwise generally has exclusive jurisdiction over the copyright infringement claims).

**Description of the CCB:** The CCB will consist of three "Copyright Claims Officers" who will be appointed by the Librarian of Congress and will operate within the Copyright Office. The CCB will have jurisdiction over copyright infringement claims, claims seeking a declaration of noninfringement, certain claims arising under the notice and takedown provisions of the DMCA, and related defenses and counterclaims. Representation by counsel is not required to bring a case before the CCB and the amount of damages that the CCB can award in an infringement proceeding is capped at \$30,000. Attorneys' fees (up to \$5,000) may be awarded upon a showing of bad faith conduct (with higher awards in "extraordinary" circumstances). The CASE Act also authorizes the Copyright Office to adopt regulations allowing a single Copyright Claims Officer to consider claims that do not exceed \$5,000.

**Opt-Out:** Recourse to the CCB is voluntary and parties against whom an action is brought before the CCB have 60 days to "opt out" and thereby force the claimant to pursue relief in federal court.

**CCB Decisions:** The CCB is directed to apply the law of the federal jurisdiction in which the action could have been brought and to resolve conflict of laws issues based on the jurisdiction determined to have the most significant ties to the subject matter of the claim. CCB decisions may not be relied on as precedent in subsequent cases before either the CCB itself or federal courts. The CCB has authority to address copyright "trolls" who repeatedly file frivolous or harassing claims by barring such claimants from bringing claims for 12 months.

**Appellate Review:** Parties seeking to challenge a CCB decision may first seek reconsideration from the CCB and, if denied, may request that the Register of Copyrights review the decision for abuse of discretion. Under limited circumstances, such as where the CCB's determination was the result of fraud or other misconduct, or the CCB exceeded its authority, an order be sought from a federal district court vacating or modifying the CCB's decision.



**Implications/Criticism**: Proponents of the legislation include small copyright owners who would benefit from the reduced expense of pursuing their rights before the CCB rather than federal court, although the “opt-out” provision may undercut that benefit or deter recourse to the CCB. Critics, including certain consumer groups, argue that the respondents in cases brought before the CCB are denied certain due process rights, such as the right to a jury trial.

**Effective Date**: The Copyright Office is given one year (with a possible extension of six months for “good cause”) to implement the CASE Act and for the CCB to begin operations.

Mintz - Seth A. Davidson

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