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# Public Law 104–153
# 104th Congress

## An Act

July 2, 1996
[S. 1136]

To control and prevent commercial counterfeiting, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

Anticounterfeiting Consumer Protection Act of 1996.
Law enforcement and crime.
18 USC 2311 note.

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Anticounterfeiting Consumer Protection Act of 1996".

18 USC 2311 note.

**SEC. 2. FINDINGS.**

The counterfeiting of trademarked and copyrighted merchandise—

(1) has been connected with organized crime;

(2) deprives legitimate trademark and copyright owners of substantial revenues and consumer goodwill;

(3) poses health and safety threats to United States consumers;

(4) eliminates United States jobs; and

(5) is a multibillion-dollar drain on the United States economy.

**SEC. 3. COUNTERFEITING AS RACKETEERING.**

Section 1961(1)(B) of title 18, United States Code, is amended by inserting ", section 2318 (relating to trafficking in counterfeit labels for phonorecords, computer programs or computer program documentation or packaging and copies of motion pictures or other audiovisual works), section 2319 (relating to criminal infringement of a copyright), section 2319A (relating to unauthorized fixation of and trafficking in sound recordings and music videos of live musical performances), section 2320 (relating to trafficking in goods or services bearing counterfeit marks)" after "sections 2314 and 2315 (relating to interstate transportation of stolen property)".

**SEC. 4. APPLICATION TO COMPUTER PROGRAMS, COMPUTER PROGRAM DOCUMENTATION, OR PACKAGING.**

(a) IN GENERAL.—Section 2318 of title 18, United States Code, is amended—

(1) in subsection (a), by striking "a motion picture or other audiovisual work," and inserting "a computer program or documentation or packaging for a computer program, or a copy of a motion picture or other audiovisual work, and whoever, in any of the circumstances described in subsection (c) of this section, knowingly traffics in counterfeit documentation or packaging for a computer program,";

HeinOnline -- 1 Anticounterfeiting Consumer Protection Act of 1996, P.L. 104-153, 110 Stat. 1386 1386 1996

(2) in subsection (b)(3) by inserting "'computer program'," after "'motion picture',"; and

(3) in subsection (c)—

(A) by striking "or" at the end of paragraph (2);

(B) in paragraph (3)—

(i) by inserting "a copy of a copyrighted computer program or copyrighted documentation or packaging for a computer program," after "enclose,"; and

(ii) by striking the period at the end and inserting "; or"; and

(C) by adding after paragraph (3) the following:

"(4) the counterfeited documentation or packaging for a computer program is copyrighted.".

(b) CONFORMING AMENDMENTS.—(1) The section caption for section 2318 of title 18, United States Code, is amended to read as follows:

**"§ 2318. Trafficking in counterfeit labels for phonorecords, copies of computer programs or computer program documentation or packaging, and copies of motion pictures or other audio visual works, and trafficking in counterfeit computer program documentation or packaging".**

(2) The item relating to section 2318 in the table of sections for chapter 113 of such title is amended to read as follows:

"2318. Trafficking in counterfeit labels for phonorecords, copies of computer programs or computer program documentation or packaging, and copies of motion pictures or other audio visual works, and trafficking in counterfeit computer program documentation or packaging.".

**SEC. 5. TRAFFICKING IN COUNTERFEIT GOODS OR SERVICES.**

Section 2320 of title 18, United States Code, is amended by adding at the end the following:

"(e) Beginning with the first year after the date of enactment of this subsection, the Attorney General shall include in the report of the Attorney General to Congress on the business of the Department of Justice prepared pursuant to section 522 of title 28, an accounting, on a district by district basis, of the following with respect to all actions taken by the Department of Justice that involve trafficking in counterfeit labels for phonorecords, copies of computer programs or computer program documentation or packaging, copies of motion pictures or other audiovisual works (as defined in section 2318 of title 18), criminal infringement of copyrights (as defined in section 2319 of title 18), unauthorized fixation of and trafficking in sound recordings and music videos of live musical performances (as defined in section 2319A of title 18), or trafficking in goods or services bearing counterfeit marks (as defined in section 2320 of title 18): Reports.

"(1) The number of open investigations.

"(2) The number of cases referred by the United States Customs Service.

"(3) The number of cases referred by other agencies or sources.

"(4) The number and outcome, including settlements, sentences, recoveries, and penalties, of all prosecutions brought under sections 2318, 2319, 2319A, and 2320 of title 18.".

HeinOnline -- 1 Anticounterfeiting Consumer Protection Act of 1996, P.L. 104-153, 110 Stat. 1386 1387 1996

**SEC. 6. SEIZURE OF COUNTERFEIT GOODS.**

Courts.

Section 34(d)(9) of the Act of July 5, 1946 (60 Stat. 427, chapter 540; 15 U.S.C. 1116(d)(9)), is amended by striking the first sentence and inserting the following: "The court shall order that service of a copy of the order under this subsection shall be made by a Federal law enforcement officer (such as a United States marshal or an officer or agent of the United States Customs Service, Secret Service, Federal Bureau of Investigation, or Post Office) or may be made by a State or local law enforcement officer, who, upon making service, shall carry out the seizure under the order.".

**SEC. 7. RECOVERY FOR VIOLATION OF RIGHTS.**

Section 35 of the Act of July 5, 1946 (60 Stat. 427, chapter 540; 15 U.S.C. 1117), is amended by adding at the end the following new subsection:

"(c) In a case involving the use of a counterfeit mark (as defined in section 34(d) (15 U.S.C. 1116(d)) in connection with the sale, offering for sale, or distribution of goods or services, the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits under subsection (a), an award of statutory damages for any such use in connection with the sale, offering for sale, or distribution of goods or services in the amount of—

"(1) not less than $500 or more than $100,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just; or

"(2) if the court finds that the use of the counterfeit mark was willful, not more than $1,000,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just.".

**SEC. 8. DISPOSITION OF EXCLUDED ARTICLES.**

Section 603(c) of title 17, United States Code, is amended in the second sentence by striking "as the case may be;" and all that follows through the end and inserting "as the case may be.".

**SEC. 9. DISPOSITION OF MERCHANDISE BEARING AMERICAN TRADEMARK.**

Section 526(e) of the Tariff Act of 1930 (19 U.S.C. 1526(e)) is amended—

(1) in the second sentence, by inserting "destroy the merchandise. Alternatively, if the merchandise is not unsafe or a hazard to health, and the Secretary has the consent of the trademark owner, the Secretary may" after "shall, after forfeiture,";

(2) by inserting "or" at the end of paragraph (2);

(3) by striking ", or" at the end of paragraph (3) and inserting a period; and

(4) by striking paragraph (4).

**SEC. 10. CIVIL PENALTIES.**

Section 526 of the Tariff Act of 1930 (19 U.S.C. 1526) is amended by adding at the end the following new subsection:

"(f) CIVIL PENALTIES.—(1) Any person who directs, assists financially or otherwise, or aids and abets the importation of merchandise for sale or public distribution that is seized under subsection (e) shall be subject to a civil fine.

HeinOnline -- 1 Anticounterfeiting Consumer Protection Act of 1996, P.L. 104-153, 110 Stat. 1386 1388 1996

"(2) For the first such seizure, the fine shall be not more than the value that the merchandise would have had if it were genuine, according to the manufacturer's suggested retail price, determined under regulations promulgated by the Secretary.

"(3) For the second seizure and thereafter, the fine shall be not more than twice the value that the merchandise would have had if it were genuine, as determined under regulations promulgated by the Secretary.

"(4) The imposition of a fine under this subsection shall be within the discretion of the Customs Service, and shall be in addition to any other civil or criminal penalty or other remedy authorized by law.".

**SEC. 11. PUBLIC DISCLOSURE OF AIRCRAFT MANIFESTS.**

Section 431(c)(1) of the Tariff Act of 1930 (19 U.S.C. 1431(c)(1)) is amended—

(1) in the matter preceding subparagraph (A), by inserting "vessel or aircraft" before "manifest";

(2) by amending subparagraph (D) to read as follows:

"(D) The name of the vessel, aircraft, or carrier.";

(3) by amending subparagraph (E) to read as follows:

"(E) The seaport or airport of loading.";

(4) by amending subparagraph (F) to read as follows:

"(F) The seaport or airport of discharge."; and

(5) by adding after subparagraph (G) the following new subparagraph:

"(H) The trademarks appearing on the goods or packages.".

**SEC. 12. CUSTOMS ENTRY DOCUMENTATION.**

Section 484(d) of the Tariff Act of 1930 (19 U.S.C. 1484(d)) is amended—

(1) by striking "Entries" and inserting "(1) Entries"; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary, in prescribing regulations governing the content of entry documentation, shall require that entry documentation contain such information as may be necessary to determine whether the imported merchandise bears an infringing trademark in violation of section 42 of the Act of July 5, 1946 (commonly referred to as the 'Trademark Act of 1946'; 15 U.S.C. 1124), or any other applicable law, including a trademark appearing on the goods or packaging.".

**SEC. 13. UNLAWFUL USE OF VESSELS, VEHICLES, AND AIRCRAFT IN AID OF COMMERCIAL COUNTERFEITING.**

Section 80302(a) of title 49, United States Code, is amended—

(1) by striking "or" at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(6)(A) a counterfeit label for a phonorecord, copy of a computer program or computer program documentation or packaging, or copy of a motion picture or other audiovisual work (as defined in section 2318 of title 18);

"(B) a phonorecord or copy in violation of section 2319 of title 18;

"(C) a fixation of a sound recording or music video of a live musical performance in violation of section 2319A of title 18; or

HeinOnline -- 1 Anticounterfeiting Consumer Protection Act of 1996, P.L. 104-153, 110 Stat. 1386 1389 1996

"(D) any good bearing a counterfeit mark (as defined in section 2320 of title 18).".

19 USC 1431 note.

**SEC. 14. REGULATIONS.**

Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe such regulations or amendments to existing regulations that may be necessary to carry out the amendments made by sections 9, 10, 11, 12, and 13 of this Act.

Approved July 2, 1996.

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LEGISLATIVE HISTORY—S. 1136 (H.R. 2511):

HOUSE REPORTS: No. 104–556 accompanying H.R. 2511 (Comm. on the Judiciary).
SENATE REPORTS: No. 104–177 (Comm. on the Judiciary).
CONGRESSIONAL RECORD:
Vol. 141 (1995): Dec. 13, considered and passed Senate.
Vol. 142 (1996): June 4, H.R. 2511 considered and passed House; S. 1136, amended, passed in lieu.
June 14, Senate concurred in House amendment.

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HeinOnline -- 1 Anticounterfeiting Consumer Protection Act of 1996, P.L. 104-153, 110 Stat. 1386 1390 1996

HeinOnline -- 1 Anticounterfeiting Consumer Protection Act of 1996, P.L. 104-153, 110 Stat. 1386 [i] 1996

HeinOnline -- 1 Anticounterfeiting Consumer Protection Act of 1996, P.L. 104-153, 110 Stat. 1386 [ii] 1996

2)

HeinOnline -- 1 Anticounterfeiting Consumer Protection Act of 1996, P.L. 104-153, 110 Stat. 1386 [iii] 1996

HeinOnline -- 1 Anticounterfeiting Consumer Protection Act of 1996, P.L. 104-153, 110 Stat. 1386 [iv] 1996