

Client Alert

INTELLECTUAL PROPERTY GROUP | DECEMBER 2010

WIGGIN AND DANA

Counsellors at Law

Combating Online Infringement and Counterfeits Act (COICA)

Intellectual property owners have long advocated for legislation protecting against the widespread distribution of pirated content and counterfeit products on the Internet. Senators Patrick J. Leahy and Orrin G. Hatch have recently responded to these calls by introducing the Combating Online Infringement and Counterfeits Act (COICA).

COICA targets web sites that are “dedicated to infringing activities.” This includes web sites that are “primarily designed”, lack a “commercially significant purpose or use other than” or “marketed” to distribute pirated content or counterfeit products on the Internet. Under COICA, the Justice Department is authorized to commence an *in rem* action against the domain names through which such web sites operate. The court may then issue an order enjoining the domain name from further operation, which the Justice Department may enforce against the domain name registrar or, if the registrar is not located in the United States, the registry. If neither the registrar nor the registry is located in the United States, the Justice Department may serve such order on:

- a “service provider” – who must then take reasonable steps to prevent others from accessing the web site,
- “financial transaction provider” – who must then take reasonable measures to prevent others from purchasing items on the web site, or
- an entity that serves contextual or display advertisements to Internet sites – who must then take reasonable measures to prevent its network from serving advertisements to an Internet site accessed through such domain name.

The proposed bill has been criticized by some who see COICA as more akin to government censorship than consumer protection. Such complaints include how it authorizes the Justice Department:

- to bring an *in rem* action against foreign domain names – which proponents deem vital considering many of the so-called “blacklisted” web sites are based abroad but which opponents say raises concerns over COICA’s extraterritorial reach, and
- to create and publicize a “blacklist” of domain names that it believes are “dedicated to infringing activities” – without having first obtained a court order finding to that effect.

In reaction to this immediate backlash, an amendment has already been proposed, which, among other things, eliminates the creation of a “blacklist”.

In many ways this recent effort by Congress acknowledges the arbitrariness and relative impotence of the Justice Department’s current enforcement efforts that target the consumers of pirated content and counterfeit products – as opposed to the online providers that facilitate, promote and profit from these activities. Despite its current flaws, however,

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COICA marks a noble effort on the part of Congress to “combat” the proliferation of online piracy and counterfeit goods on the Internet. Intellectual property owners whose rights are threatened by these “rogue” web sites would be well-advised to monitor the status of this bill, including any future amendments that may be implemented, during the upcoming congressional session. Look for future updates as this bill progresses.

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