

FOR BACKGROUND PURPOSES

THE PROTECT IP ACT: COMBATING ONLINE INFRINGEMENT

CREATING AMERICAN JOBS, PROMOTING AMERICA'S ECONOMY, PROTECTING AMERICAN CONSUMERS

FACT: Nothing in the PROTECT IP Act criminalizes linking to any other site, or imposes any liability on anyone or any party.

No-Fault, No-Liability System for Third-Parties

The PROTECT IP Act establishes more effective mechanisms to combat online infringement and the sale of counterfeit products by authorizing courts to issue injunctions addressing rogue websites that are dedicated to infringing activities. The Act creates a **no-fault, no-liability system that partners with the most important third-party sectors of the Internet to make it more difficult for these rogue websites to profit from stolen American intellectual property.** The Act also encourages voluntary action by payment processors and Internet advertising networks to combat online theft in cases where credible evidence exists to show that a rogue site is dedicated to infringing activities.

The PROTECT IP Act encourages such voluntary action by providing a safe harbor from liability for payment processors and Internet advertising networks **if they act in good faith based on credible evidence that a site is dedicated to infringing activities.** The voluntary actions protected under the PROTECT IP Act are the **same actions that each respective third-party would be asked to take by a court** if an action was brought against a rogue site by either law enforcement or a rights holder.

Protections for Voluntary Actions Against Websites Dedicated to Selling Counterfeit Drugs

The PROTECT IP Act also provides protections for a wider set of third-parties that **take action against rogue websites dedicated to the sale of counterfeit or adulterated drugs,** or the sale of controlled substances without a valid prescription. Domain name registrars and registries, payment processors, search engines, and Internet advertising networks that voluntarily stop or refuse to provide service to these sites are protected from liability if they act in good faith based on credible evidence.

Support for the PROTECT IP Act

“Digital theft threatens the jobs of all who work in our business. Such theft destroys the ability of those who finance and produce filmed entertainment to recoup their investment, and in turn, results in a diminished number of films made and American jobs disappearing. **Ensuring the availability of meaningful enforcement tools to combat such theft is critical to safeguard and promote the continued investment in the creativity and innovation that is the foundation of this uniquely American industry. The PROTECT IP Act does just that.**” – *The Independent Film & Television Alliance; the Motion Picture Association of America; the National Association of Theatre Owners; Paramount Pictures Corporation; Sony Pictures Entertainment, Inc.; Twentieth Century Fox Film Corporation; Universal City Studios LLC; Walt Disney Studios Motion Pictures; Warner Bros. Entertainment Inc.; Deluxe Entertainment Services Group, May 23, 2011*

“Society expects law enforcement to have the tools it needs to fight crime in the streets. The same should be true of crime fighting online. The Internet is the most profound commercial, educational and connective tool of our time, but that value is jeopardized if criminal activity is allowed to flourish. **Sites that are operating solely to profit from unlicensed or counterfeit products endanger consumers, erode confidence in the system and undermine jobs and legitimate economic activity.** [The PROTECT IP Act] is a step in the right direction...” – *National Music Publishers' Association, May 12, 2011*

“As the Unions and Guilds representing more than 400,000 entertainment industry workers including craftspeople, actors, technicians, directors, musicians, recording artists and others whose creativity is at the heart of the American entertainment industry, **we believe the PROTECT IP Act is critical to efforts to aggressively combat the proliferation of foreign ‘rogue websites’ that steal US produced content and profit from it by illegally selling it to the American public.** Let us be very clear: online theft is stealing. It results in thousands of lost jobs and millions of dollars in lost wages for our members.” – *American Federation of Musicians; American Federation of Television and Radio Artists; Directors Guild of America; International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States, Its Territories and Canada; International Brotherhood of Teamsters; Screen Actors Guild, May 26, 2011*

Background on The PROTECT IP Act (S. 968)

The bipartisan PROTECT IP Act was approved by the Senate Judiciary Committee by a unanimous voice vote on May 26, 2011. The legislation will protect American businesses and American workers by making it more difficult for operators of rogue websites, often based overseas, to steal American intellectual property. More than 40 Senators are cosponsors of the legislation, which is supported by hundreds of businesses, consumer advocacy groups, labor organizations and intellectual property coalitions. Related, bipartisan legislation has been introduced in the House of Representatives.