those who use or distribute intellectual property have an incentive to comply with the law. The inflation adjustments provided in H.R. 1761 accomplish that objective.

Secondly, at a hearing held this past May, the Subcommittee on Courts and Intellectual Property heard evidence that the current sentencing guidelines for intellectual property crimes is not sufficiently stringent to deter such crimes.

□ 1700

The subcommittee's conclusion ratified by the committee was that the current guideline with its reliance on the value of the infringing item should be replaced with a guideline based on the retail price of the infringed upon item. At the same time, as a result of quite productive discussions with the staff of the sentencing commission, we acknowledged the commission's ability to make reasonable adjustments, aggravating or mitigating, as appropriate.

Mr. Speaker, I want to thank the chairman of the subcommittee for bringing this bill to the floor and for his consistent work in bringing bills to strengthen our intellectual property laws to the floor.

Mr. Speaker, I yield back the balance of my time.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my friend from California, and I was about to do the same to him. We have worked very closely on this. This has taken a good amount of time, both on the part of gentleman from California (Mr. BERMAN) and me as well as other members of the subcommittee and staff. All have done a good job. This is an important piece of legislation.

Mr. ROGAN. Mr. Speaker, copyright violations, particularly those via the Internet, are a growing problem. H.R. 1761 the Copyright Damages Improvement Act of 1999 ensures that changes in federal law keep up with changes in technology. This bill provides an effective deterrent against copyright infringers and Internet privacy. I am pleased to join the chairman of the Courts and Intellectual Property Subcommittee, Mr. COBLE, and the gentleman from Virginia Mr. GOODLATTE, along with the ranking member of the subcommittee, the gentleman from California Mr. BERMAN, to make these significant improvements to the Copyright Act and the No Electronic Theft Act.

H.R. 1761 will increase the amount of statutory damages available for copyright infringement. Specifically, this bill, as amended, increases existing penalties for infringement by 50%. Further, the bill clarifies Congress' intent that the United States Sentencing Commission consider the retail price of a legitimate infringed-upon work and the quantity of the infringed upon works when determining sentencing guidelines for intellectual property offenses.

During the subcommittee's hearing on the "Implementation of the NET Act and Enforcement Against Internet Privacy," the concern raised about the lack of prosecutions being brought by the Justice Department and the Sentencing Commission's failure to address Congress' desire to impose strict penalties for violators. The committee heard how the price that pirated material is sold for on the black market is often the value used for prosecution, not the actual value of the copyrighted item. This is wrong. My bill clarifies that the Sentencing Commission shall use the retail price and quantity of the infringed-upon goods as bases for determining their value.

Finally, I want to recognize and thank all of the interested parties who came together to work out the compromise language that is contained in the manager's amendment today. These needed changes will give added protections to copyright owners by strengthening the deterrents for intellectual property theft, and enable the Department of Justice to better prosecute crimes against copyright owners.

Mr. Speaker, it is crucial that our country remain the leader in the protection and enforcement of intellectual property rights, H.R. 1761 increases the damages for copyright infringement, and serves as a strict deterrent for those who try to skirt the law. I urge my colleagues to support the passage of this bill in its amended form.

Mr. COBLE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE) that the House suspend the rules and pass the bill, H.R. 1761, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. COBLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1257) to amend statutory damages provisions of title 17, United States Code, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. BERMAN. Mr. Speaker, reserving the right to object, I do so simply to yield to my friend from North Carolina to indicate his intentions with respect to bringing up the Senate bill at this time.

Mr. COBLE. Mr. Speaker, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from North Carolina.

Mr. COBLE. Mr. Speaker, the purpose of this request is to amend the companion Senate bill and send it back to the Senate with the amendment that the House just passed.

Mr. BERMAN. Mr. Speaker, reclaiming my time, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1257

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Digital Theft Deterrence and Copyright Damages Improvement Act of 1999".

SEC. 2. STATUTORY DAMAGES ENHANCEMENT.

Section 504(c) of title 17, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking "$500" and inserting "$750"; and

(B) by striking "$20,000" and inserting "$30,000"; and

(2) in paragraph (2)—

(A) by inserting "(A)" after "(2)";

(B) by striking "$100,000" and inserting "$150,000";

(C) by inserting after the second sentence the following:

"(B) In a case where the copyright owner demonstrates that the infringement was part of a repeated pattern or practice of willful infringement, the court may increase the award of statutory damages to a sum of not more than $250,000 per work."; and

(D) by striking "The court shall remit statutory damages" and inserting the following:

"(C) The court shall remit statutory damages".

Passed the Senate July 1, 1999.

MOTION OFFERED BY MR. COBLE

Mr. COBLE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. COBLE moves to strike all after the enacting clause of the Senate bill, S. 1257, and to insert in lieu thereof the text of H.R. 1761 as it passed the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "to amend provisions of title 17, United States Code, relating to penalties, and for other purposes.".

A motion to reconsider was laid on the table.

A similar House bill (H.R. 1761) was laid on the table.

GENERAL LEAVE

Mr. COBLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1761, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 5:15 p.m.

Accordingly (at 5 o'clock and 3 minutes p.m.), the House stood in recess until approximately 5:15 p.m.

□ 1717

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro