THE WHITE HOUSE

Office of the Press Secretary
(Santa Barbara, California)

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STATEMENT BY THE PRESIDENT

I am pleased to sign today H.R. 6163, the "Federal District Court Organization Act of 1984." This legislation accomplishes a number of key reforms that significantly improve the environment for technological innovation. By strengthening the rights of people who are willing to risk commercializing new ideas to reap their just rewards, this legislation encourages individuals to create and develop new technologies.

The most important provision in this Act is the creation of a new form of intellectual property protection for semiconductor chip products. It is easy to copy chip designs. Innovators can invest tens of millions of dollars to create and market these semiconductors, while others can copy these designs at a tiny fraction of the cost. By creating penalties against copying, this legislation significantly enhances the incentives for firms to invest in new designs. Furthermore, the legislation includes a provision encouraging other countries to provide comparable protection for U.S. semiconductors sold abroad.

The stakes in this area are tremendous. Not only does the semiconductor industry annually ship about $14 billion of semiconductors, it also employs about 200,000 people. Perhaps most important, increasingly more powerful and cheaper semiconductors are at the heart of a wide range of technologies that have increased American productivity, competitiveness, and our standard of living.

The legislation also reaffirms certain basic principles of trademark law upon which all American businesses have traditionally relied to protect the marks enabling them to distinguish their products from those of others. Moreover, it extends the principle of contractor ownership of Federally funded inventions to those made in government-owned, contractor-operated laboratories, which takes advantage of the private sector's ability to commercialize these inventions more effectively than the government.

The Congress passed this legislation with strong bipartisan support. My Administration strongly supported these provisions that strengthen intellectual property rights. This legislation takes a major step in spurring the creative genius of America's entrepreneurs.

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