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Act of 1984] (1 of 2)

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Last Updated: 12/17/2024

The President has seen

THE WHITE HOUSE
WASHINGTON

November 7, 1984

MR. PRESIDENT:

Attached for your signature is
H.R. 6286 - Patent Law Amendments
Act of 1984.

This Bill has the approval of OMB,
the Departments of Commerce, State,
and Justice, and the Offices of
Legislative Affairs, Cabinet
Affairs, Policy Development, Public
Liaison, and the Office of Science
and Technology Policy. USTR, NASA,
and Counsel's Office have no
objection.

The signing statement, which is also
attached, was submitted by the
Departments of Commerce and Justice,
and it has the approval of OMB, and
senior White House staff.



Richard G. Darman

Last Day for Action: November 9

TWO SIGNATURES REQUIRED

Bill Signed in
Santa Barbara, Calif.
11/9/84
Issued:
STATEMENT



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

1984 OCT 30

5:27

001

APPROVED
NOV - 8 1984

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 6286 - Patent Law Amendments Act of 1984
Sponsors - Rep. Kastenmeier (D) Wisconsin and 10 others

Last Day for Action

November 9, 1984 - Friday

Purpose

To (1) increase the effectiveness of patent laws and (2)
establish a National Commission on Innovation and Productivity.

Agency Recommendations

Office of Management and Budget	Approval
Department of Commerce	Approval (Signing statement attached)
Department of State	Approval
Office of Science and Technology Policy	Approval
Department of Justice	Approval
United States Trade Representative	No objection
National Aeronautics and Space Administration	No objection

Discussion

The provisions in H.R. 6286 concern patent law and are generally of a technical nature. As the Department of Commerce advises in its views letter, however, the provisions are important ones which either improve the degree of protection accorded patent owners or substantially simplify procedures at the Patent and Trademark Office. As such, Commerce advises that approval of H.R. 6286 should "greatly help the Administration achieve its goal of reducing patent processing time and should reduce certain Federal expenditures."

The enrolled bill also will establish a National Commission on Productivity and Innovation, which was not supported by the Administration, but which is not sufficiently objectionable in the view of concerned agencies to warrant disapproval of H.R. 6286.

H.R. 6286 consists of four Titles, which are described below.

Title I - Patent Improvement Provisions

This Title contains a number of amendments to improve the patent process. The more significant of these are described below:

-- Use of Patented Inventions Outside the United States

This provision, designed to close a loophole in patent law, provides that infringement of a patent cannot be avoided by assembling U.S. built components outside the United States. A patent infringement would occur if a party supplied "all or a substantial portion" of the components of a patented invention in a way that would infringe the patent if the product were assembled in the United States. As the Department of Justice advises in its views letter, this provision would reverse a Supreme Court decision that has reduced the return on export sales that some patent holders were able to realize on their inventions.

-- Statutory Invention Registration

Under current law, the only means by which an inventor can protect his invention is by obtaining a patent. Without a patent, an inventor runs the risk that he or she may be prevented from working the invention or forced to pay damages if another party subsequently acquires a patent. The enrolled bill establishes an optional, less complex, and less costly procedure by which an inventor may secure protection short of actually obtaining a patent. This optional procedure -- to be known as a Statutory Invention Registration (SIR) -- will still prevent another party from patenting the same invention as the registration holder, but will not permit the holder to exclude others from making, using, or selling the invention. Since the SIR does not grant an exclusive right to an invention, the lengthy examination process required for granting of a patent would not be necessary. This new procedure should be economical and efficient for inventors to use when it is unclear if an invention's commercial possibilities justify the considerable time and expense involved in obtaining a patent. Noting the importance of this provision in its views letter, the Department of Commerce points out that this new procedure could provide substantial savings to Federal agencies, which constitute the single largest filer of U.S. patents. H.R. 6286 will require the Secretary of Commerce to report annually to the Congress on the use of SIR's.

-- Housekeeping Amendments

Other amendments in this Title of a housekeeping nature provide that: (1) unpublished information owned by a company that is known to an inventor does not constitute "prior art" in the field of the invention, and therefore cannot serve to defeat the patentability of that invention; (2) two or more inventors may obtain a patent jointly even though each inventor has not contributed to each and every claim found in the patent application; and (3) arbitration is authorized between parties involved in disputes over who was the first inventor.

Title II - Patent and Trademark Office Procedures

This Title combines the Board of Appeals and the Board of Patent Interferences, which are two appellate administrative tribunals within the Patent and Trademark Office (PTO) of the Department of Commerce, into a single Board (the Board of Patent Appeals and Interferences). It is designed to improve administrative proceedings (known as interference proceedings) for determining who is the first inventor of a given patentable invention. Under existing law, the Board of Patent Interferences is responsible for determining who is the first inventor, but the board is not authorized to address whether a product or process is patentable. The Board of Appeals has this authority. Combining these two Boards will simplify and expedite the procedures for patent applicants and patentees involved in interferences.

Title III - National Commission on Innovation and Productivity

This Commission is established to review and study the level of innovation and productivity of employed inventors. The study is to include an analysis of methods available to inspire or stimulate individual and corporate innovation and productivity. The Commission is also required to make recommendations for revisions of U.S. laws to better foster innovation and productivity. Federal agencies will be required, to the extent permitted by law, to provide information and assistance to the Commission as necessary for it to carry out its functions. A report on the Commission's activities to the President and the Congress is required within one year of enactment. The Commission will cease to exist 60 days after its final report, which is due two years after this bill's enactment.

The Commission will be composed of 9 members, 3 each appointed by the President, the Speaker of the House and the President Pro Tempore of the Senate. Of the members appointed by the President, one is to be an appropriate U.S. officer or employee, one is to be an employer of inventors, and one is to be an employed inventor. The President is to designate the Chairman from among the members he appoints.

Although the Department of Justice recommends approval of H.R. 6286, it does object to the establishment of a Commission which consists of representatives from both the Executive and Legislative branches. As Justice states in its enrolled bill views letter, "...we believe that creation of such commissions...tends...to blur the functional distinction between the Branches that is fundamental to the separation of powers." Accordingly, the Department has prepared appropriate language, which is attached to its views letter, for inclusion in a signing statement.

Title IV - Miscellaneous Provisions

Title IV contains, in addition to technical amendments, miscellaneous provisions designed to bring U.S. law into conformity with international patent and treaty obligations. In addition to providing for conformity, these provisions will clarify and simplify procedures for filing and processing international applications. Additionally, it provides that members of the Trademark Trial and Appeal Board of the Patent and Trademark Office will be paid at a rate not to exceed that of GS-16 under the General Schedule.

Conclusion

H.R. 6286 will improve the degree of protection accorded patent owners, substantially simplify various procedures of the Patent and Trademark Office, and establish a National Commission on Innovation and Productivity. While the Administration opposed establishment of the Commission, as Commerce points out in its views letter, its "charter, composition, size, funding, and duration are very limited and should prevent it from expanding into broader, less appropriate subject areas." On balance, the patent provisions of H.R. 6286 are of sufficient importance to warrant your approval.

The Department of Commerce has prepared a signing statement, for your consideration, which extolls the patent provisions in this enrolled bill, as well as patent provisions in another enrolled bill, H.R. 6163, whose last date for action is also November 9.

* * * * *

H.R. 6286 passed both Houses by voice vote.

James M. Frey
Assistant Director for
Legislative Reference

Enclosures

STATEMENT BY THE PRESIDENT

Today I have approved H.R. 6286, the "Patent Law Amendments Act of 1984." The stimulation of American inventive genius requires a patent system that offers our inventors prompt and effective protection for their inventions. The Patent Law Amendments Act of 1984 effects a number of improvements in the patent system to achieve this goal.

The bill provides inventors with a new, efficient mechanism to protect their right to use their inventions without the need to expend scarce resources to obtain a patent. This procedure offers great cost savings potential to Federal agencies, which are the single largest filers of U.S. patents. It also closes a loophole in existing law which permitted copiers to export jobs and avoid liability by arranging for final assembly of patented machines to occur off-shore. The Act eliminates unwarranted technicalities in the patent law that threaten the validity of patents for inventions arising from corporate research teams.

Together with other provisions that enable the Patent and Trademark Office to streamline its operations, these provisions make our patent system more responsive to the needs of our inventors and industry. America must remain at the cutting edge of technology, and a strong and effective patent system is fundamental to this goal.

I am disappointed that the Congress chose to include in this bill a new National Commission on Innovation and Productivity. This Commission would be established to study the productivity of inventors employed by private companies and, more generally, to make recommendations for changes in U.S. laws to better foster innovation and productivity. I strongly believe that increased innovation is essential to our continued technological leadership. The White House

impact of Federal policy on innovation and productivity. Many of their recommendations have already been implemented. A new National Commission to address this issue would simply duplicate the work of these groups.

Employed inventors have contributed greatly to our country's competitiveness in high technology areas. Nevertheless, I believe that the private sector, rather than the Federal government, is best able to decide on methods to stimulate increased productivity on the part of employed inventors. My Administration will oppose any appropriation for the National Commission on Innovation and Productivity authorized by H.R. 6286.

I must also note my objection to the structure and composition of the National Commission on Innovation and Productivity. The Commission would be composed of three Senators appointed by the President of the Senate; three Members of the House of Representatives appointed by the Speaker; and three members appointed by the President, of whom one shall be an "appropriate" officer or employee of the United States, one shall be an employer who employs inventors, and one shall be an employed inventor. Such entities are severely destructive of the tripartite system of government established by the Constitution.

Although the Commission would appear to serve primarily legislative functions, this bill would place the Commission partly within the Executive branch. I believe that creation of such a commission, which is neither clearly within the Executive branch, nor clearly within the Legislative branch, tends to blur the functional distinction between the governmental branches that is fundamental to the concept of separation of powers. It would be more appropriate for the Commission to be composed either entirely of members selected by the Legislative branch, if it is to serve primarily legislative functions, or entirely of members appointed by the President, if it is to serve the Executive branch.

11/9

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/30/84 ACTION/CONCURRENCE/COMMENT DUE BY: NOON TOMORROW 10/31

SUBJECT: H.R. 6286 - PATENT LAW AMENDMENTS ACT OF 1984

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☐	MURPHY	☐	☒
MEESE	☐	☒	OGLESBY	☒	☐
BAKER	☐	☒	ROGERS	☐	☐
DEAVER	☐	☒	SPEAKES	☐	☒
STOCKMAN	☐	☐	SVAHN OK per A	☒	☐
DARMAN	☐	☒	VERSTANDIG	☒	☐
FIELDING	☒	☐	WHITTLESEY	☒	☐
FULLER	☒	☐		☐	☐
HERRINGTON	☐	☐		☐	☐
HICKEY	☐	☐		☐	☐
McFARLANE	☐	☒		☐	☐
McMANUS	☐	☒		☐	☐

REMARKS:

Please provide any comments/recommendations on the attached bill and the Commerce's draft signing statement by noon tomorrow, 10/31.

Thank you.

RESPONSE:

Richard G. Darman
Assistant to the President
Ext. 2702

SUGGESTED SIGNING STATEMENT

I have this day approved H.R. 6163, the "Federal District Court Organization Act of 1984," and H.R. 6286, the "Patent Law Amendments Act of 1984."

These bills are concerned with promoting America's technological advancement and its ability to compete in a global market. They recognize my Administration's continuing commitment to protecting intellectual property as a means of spurring the creative genius of the American people. The creation of new jobs, new investment opportunities, new products, and indeed of new industries, all depend largely on the extent to which we preserve the right of people who come up with bold new ideas or who are willing to take the risks of commercializing them to reap their just rewards. We must not become a nation that cares more about rewarding those who copy rather than those who create. These bills convince me that we have not.

H.R. 6163 does this in three ways. First, it creates a new form of intellectual property protection for semiconductor chip products. These chips have fueled what has been rightly called the microcomputer revolution. Yet they are easily copied and an investment of millions of dollars to design a new chip can be jeopardized by an outlay of mere thousands to copy it. Second, it reaffirms certain basic principles of trademark law which all American businesses have traditionally relied upon to protect the marks that have enabled them to distinguish their goods and services from those of others. Finally, it extends the principle of contractor ownership of Federally-funded inventions to those made in Government-owned, contractor-operated laboratories. I am firmly committed to this principle for the private sector is far more able than the Federal government to commercialize these inventions.

H.R. 6286 effects a number of improvements in the patent system to ensure that its incentives will continue to stimulate American inventive genius. It provides inventors with a new, efficient mechanism to protect their right to use their inventions without the need to expend scarce resources to obtain a patent. This procedure offers great cost savings potential to Federal agencies, which are the single largest filers of U.S. patents. It also closes a loophole in existing law which permitted copiers to export jobs and avoid liability by arranging for final assembly of patented machines to occur off-shore. The bill eliminates unwarranted technicalities in the patent law which threaten the validity of patents for inventions arising from corporate research teams. These provisions, together with other provisions which enable the Patent and Trademark Office to streamline its operations, make our patent system more responsive to the needs of our inventors and industry. America must remain at the cutting edge of technology and a strong and effective patent system is fundamental to this goal.

I am pleased to approve this legislation.

OFFICE OF THE EXECUTIVE CLERK
TRACKING SHEET FOR PRESIDENTIAL DOCUMENTS

TITLE: H. R. 5286

TYPE DOCUMENT:

PROCLAMATION

MESSAGE TO THE CONGRESS/SENATE

EXECUTIVE ORDER

STATEMENT BY THE PRESIDENT

MEMORANDUM

SIGNING STATEMENT

LETTER (S)

OTHER: _____

RECEIVED: 11/2/84 Time: 1:15 a.m./p.m.

SENT TO CORRESPONDENCE FOR TYPING IN FINAL:

Date: 11/2/84 Time: 1:30 a.m./p.m. ~~Hold 'til requested~~
Charges 11/5 4 p

TO RICHARD DARMAN'S OFFICE:

Date: 11/5/84 Time: 5:15 a.m./p.m.
Note: 11/6 10:45 a - Stencil to SE to go given to CF

INFO, INCLUDING STENCIL, TO PRESS OFFICE:

Date: / /84 Time: _____ a.m./p.m.

NOTIFICATIONS:

(initial) On any major transmittals to the Congress, and in every instance when draft legislation is sent, notify Linda Bennett (ext. 2230).

(initial) N.S.C., when appropriate (Brian Merchant, ext. 2585)

OTHER INFORMATION:

Note: Earlier (10/31) a single statement for 2 bills was prepared. Today action suspended the earlier.

WHITE HOUSE STAFFING MEMORANDUMDATE: 11/2/84 ACTION/CONCURRENCE/COMMENT DUE BY: 11/5 - 12:00 NOONSUBJECT: H.R. 6163 and H.R. 6286 - SIGNING STATEMENT

ACTION FYI		ACTION FYI	
VICE PRESIDENT	☐ ☐	MURPHY	☐ ☒
MEESE	☐ ☒	OGLESBY	☒ ☐
BAKER	☐ ☒	ROGERS	☐ ☐
DEAVER	☐ ☒	SPEAKES	☐ ☒
STOCKMAN	☒ ☐	SVAHN	☒ ☐
DARMAN	☐ P ☒ SS	VERSTANDIG	☒ ☐
FIELDING	☒ ☐	WHITTLESEY	☒ ☐
FULLER <i>approve 11-5</i>	☒ ☐	CLERKS OFFICE	☒ ☐
HERRINGTON	☐ ☐	_____	☐ ☐
HICKEY	☐ ☐	_____	☐ ☐
McFARLANE <i>no obj 11-5</i>	☒ ☐	_____	☐ ☐
McMANUS	☐ ☒	_____	☐ ☐

REMARKS:

OPD recommends that two separate signing statements be issued for H.R. 6163 and H.R. 6286

May we have your recommendation re OPD's suggestion. If you agree, please edit the attached statements. (A copy of the Department of Commerce's statement, which was previously staffed to you is attached for your information.)

NOTE: The Bill Report for H.R. 6163 is expected to be circulated later today.

RESPONSE:

Richard G. Darman
Assistant to the President
Ext. 2702

THE WHITE HOUSE

WASHINGTON

November 1, 1984

MEMORANDUM FOR RICHARD G. DARMAN

FROM: ROGER B. PORTER *RBP*
SUBJECT: H.R. 6286 - Patent Law Amendments Act of 1984

The Office of Policy Development recommends approval of H.R. 6286, the "Patent Law Amendments Act of 1984."

We recommend that the attached signing statement submitted by the Department of Commerce be revised substantially. Combining a discussion of both H.R. 6286 and H.R. 6163, the "Federal District Court Organization Act of 1984," dilutes the attention that can be given to the semiconductor chip design protection provision in H.R. 6163. Both Commerce and Justice (the lead agencies for these two bills) agree that from both substantive and political perspectives, chip protection is by far the most important provision in either bill.

We recommend that the President issue two separate signing statements for H.R. 6286 and H.R. 6163. We have prepared a draft statement for H.R. 6286, which we reviewed with the Patent and Trademark Office at Commerce. It basically takes the language in the Commerce draft that is relevant to H.R. 6286, but deletes discussion of H.R. 6163.

We have also prepared the attached draft statement for H.R. 6163, which we reviewed with the Patent and Trademark Office. The draft focuses attention on the semiconductor provision that is commensurate with its importance. OMB and the lead agencies are expected to recommend approval of H.R. 6163.

Attachments

SUGGESTED SIGNING STATEMENT

I have this day approved H.R. 6163, the "Federal District Court Organization Act of 1984," and H.R. 6286, the "Patent Law Amendments Act of 1984."

These bills are concerned with promoting America's technological advancement and its ability to compete in a global market. They recognize my Administration's continuing commitment to protecting intellectual property as a means of spurring the creative genius of the American people. The creation of new jobs, new investment opportunities, new products, and indeed of new industries, all depend largely on the extent to which we preserve the right of people who come up with bold new ideas or who are willing to take the risks of commercializing them to reap their just rewards. We must not become a nation that cares more about rewarding those who copy rather than those who create. These bills convince me that we have not.

H.R. 6163 does this in three ways. First, it creates a new form of intellectual property protection for semiconductor chip products. These chips have fueled what has been rightly called the microcomputer revolution. Yet they are easily copied and an investment of millions of dollars to design a new chip can be jeopardized by an outlay of mere thousands to copy it. Second, it reaffirms certain basic principles of trademark law which all American businesses have traditionally relied upon to protect the marks that have enabled them to distinguish their goods and services from those of others. Finally, it extends the principle of contractor ownership of Federally-funded inventions to those made in Government-owned, contractor-operated laboratories. I am firmly committed to this principle for the private sector is far more able than the Federal government to commercialize these inventions.

H.R. 6286 effects a number of improvements in the patent system to ensure that its incentives will continue to stimulate American inventive genius. It provides inventors with a new, efficient mechanism to protect their right to use their inventions without the need to expend scarce resources to obtain a patent. This procedure offers great cost savings potential to Federal agencies, which are the single largest filers of U.S. patents. It also closes a loophole in existing law which permitted copiers to export jobs and avoid liability by arranging for final assembly of patented machines to occur off-shore. The bill eliminates unwarranted technicalities in the patent law which threaten the validity of patents for inventions arising from corporate research teams. These provisions, together with other provisions which enable the Patent and Trademark Office to streamline its operations, make our patent system more responsive to the needs of our inventors and industry. America must remain at the cutting edge of technology and a strong and effective patent system is fundamental to this goal.

I am pleased to approve this legislation.

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 legislation 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.

STATEMENT BY THE PRESIDENT

I am pleased to sign today H.R. 6286, the "Patent Law Amendments Act of 1984." The stimulation of American inventive genius requires a patent system which offers our inventors prompt and effective protection for their inventions. Not only should our patent laws reflect changes in the nature of research, for example, the increased role of the employed inventor, the trend toward team research, and the increased Federal funding of basic research, these laws should also provide adequate protection from duplication abroad.

The Patent Law Amendments of 1984 effects a number of improvements in the patent system to achieve these goals. It provides inventors with a new, efficient mechanism to protect their right to use their inventions without the need to expend scarce resources to obtain a patent. This procedure offers great cost savings potential to Federal agencies, which are the single largest filers of U.S. patents. It also closes a loophole in existing law which permitted copiers to export jobs and avoid liability by arranging for final assembly of patented machines to occur off-shore. The bill eliminates unwarranted technicalities in the patent law which threaten the validity of patents for inventions arising from corporate research teams.

Together with other provisions which enable the Patent and Trademark Office to streamline its operations, these provisions make our patent system more responsive to the needs

of our inventors and industry. America must remain at the cutting edge of technology and a strong and effective patent system is fundamental to this goal.

THE WHITE HOUSE

WASHINGTON

October 31, 1984

MEMORANDUM FOR RICHARD G. DARMAN
ASSISTANT TO THE PRESIDENT

FROM: JOHN G. ROBERTS *Jgr*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: H.R. 6286 -- Patent Law Amendments
Act of 1984

Counsel's Office has reviewed the above-referenced enrolled bill, and finds no objection to it from a legal perspective. We also have no objection to the signing statement proposed by the Department of Commerce, although the language suggested by the Department of Justice should be added to that statement.

THE WHITE HOUSE
WASHINGTON

INTERGOVERNMENTAL AFFAIRS
STAFFING MEMORANDUM RESPONSE

October 31, 1984

MEMORANDUM FOR RICHARD G. DARMAN

FROM: LEE L. VERSTANDIG *lee*
ASSISTANT TO THE PRESIDENT
FOR INTERGOVERNMENTAL AFFAIRS

SUBJECT: H.R.6286 Patent Law Amendments Act of 1984

I have reviewed the subject resolution and have no comments on it.

Thank you.

1984 NOV -5 PM 5:56

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/30/84 ACTION/CONCURRENCE/COMMENT DUE BY: NOON TOMORROW 10/31SUBJECT: H.R. 6286 - PATENT LAW AMENDMENTS ACT OF 1984

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☐	MURPHY	☐	☒
MEESE	☐	☒	OGLESBY	☒	☐
BAKER	☐	☒	ROGERS	☐	☐
DEAVER	☐	☒	SPEAKES	☐	☒
STOCKMAN	☐	☐	SVAHN	☒	☐
DARMAN	☐	☒	VERSTANDIG	☒	☐
FIELDING	☒	☐	WHITTLESEY	☒	☐
FULLER	☒	☐		☐	☐
HERRINGTON	☐	☐		☐	☐
HICKEY	☐	☐		☐	☐
McFARLANE	☐	☒		☐	☐
McMANUS	☐	☒		☐	☐

REMARKS:

Please provide any comments/recommendations on the attached bill and the Commerce's draft signing statement by noon tomorrow, 10/31.

Thank you.

RESPONSE:

Approved

Richard G. Darman
Assistant to the President
Ext. 2702

SUGGESTED SIGNING STATEMENT

I have this day approved H.R. 6163, the "Federal District Court Organization Act of 1984," and H.R. 6286, the "Patent Law Amendments Act of 1984."

These bills are concerned with promoting America's technological advancement and its ability to compete in a global market. They recognize my Administration's continuing commitment to protecting intellectual property as a means of spurring the creative genius of the American people. The creation of new jobs, new investment opportunities, new products, and indeed of new industries, all depend largely on the extent to which we preserve the right of people who come up with bold new ideas or who are willing to take the risks of commercializing them to reap their just rewards. We must not become a nation that cares more about rewarding those who copy rather than those who create. These bills convince me that we have not.

H.R. 6163 does this in three ways. First, it creates a new form of intellectual property protection for semiconductor chip products. These chips have fueled what has been rightly called the microcomputer revolution. Yet they are easily copied and an investment of millions of dollars to design a new chip can be jeopardized by an outlay of mere thousands to copy it. Second, it reaffirms certain basic principles of trademark law which all American businesses have traditionally relied upon to protect the marks that have enabled them to distinguish their goods and services from those of others. Finally, it extends the principle of contractor ownership of Federally-funded inventions to those made in Government-owned, contractor-operated laboratories. I am firmly committed to this principle for the private sector is far more able than the Federal government to commercialize these inventions.

H.R. 6286 effects a number of improvements in the patent system to ensure that its incentives will continue to stimulate American inventive genius. It provides inventors with a new, efficient mechanism to protect their right to use their inventions without the need to expend scarce resources to obtain a patent. This procedure offers great cost savings potential to Federal agencies, which are the single largest filers of U.S. patents. It also closes a loophole in existing law which permitted copiers to export jobs and avoid liability by arranging for final assembly of patented machines to occur off-shore. The bill eliminates unwarranted technicalities in the patent law which threaten the validity of patents for inventions arising from corporate research teams. These provisions, together with other provisions which enable the Patent and Trademark Office to streamline its operations, make our patent system more responsive to the needs of our inventors and industry. America must remain at the cutting edge of technology and a strong and effective patent system is fundamental to this goal.

I am pleased to approve this legislation.

THE WHITE HOUSE
WASHINGTON

INTERGOVERNMENTAL AFFAIRS
STAFFING MEMORANDUM RESPONSE

November 5, 1984

MEMORANDUM FOR RICHARD G. DARMAN

FROM: LEE L. VERSTANDIG *lee*
ASSISTANT TO THE PRESIDENT
FOR INTERGOVERNMENTAL AFFAIRS

SUBJECT: H.R.6163 and H.R.6286 Signing Statement

I have reviewed the subject statements and agree with OPD that two separate signing statements be issued. Also, I have no comments/edits on the drafts.

Thank you.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

1984 NOV -5 11:03

November 5, 1984

MEMORANDUM FOR RICHARD G. DARMAN

FROM: CONSTANCE HORNER

CX

SUBJECT: OPD Draft Signing Statements for H.R. 6163, the
"Federal District Court Organization Act of 1984"
and H.R. 6286, "Patent Law Amendments Act of 1984"

We agree with OPD that the semiconductor chip design protection is the most important provision in these two bills. We, therefore, strongly support the suggestion to separate the signing statements in order to highlight that provision of H.R. 6163. The OPD revised signing statement emphasizes the importance of intellectual property protection for the semiconductor industry.

We believe that the signing statement for H.R. 6286 needs to be revised to make clear the Administration's opposition to Title III of that bill. Title III establishes the National Commission on Innovation and Productivity to review the level of innovation and productivity of employed inventors and analyze the methods available to stimulate greater individual and corporate innovation. The Commission is required to make recommendations for revisions in U.S. laws to better foster innovation and productivity. H.R. 6286 also authorizes new appropriations of \$250,000 for the Commission. (See attached pages from the enrolled bill memo for full description of the Commission's composition and functions.)

There are several government and private sector groups already established to address the impact of Federal policy on innovation and productivity, including the President's Commission on Industrial Competitiveness and the Business Round Table. Furthermore, any study of the productivity of employed inventors should be conducted by the private sector, not by the Federal government.

The reference to employed inventors in the first paragraph of the OPD draft should be deleted. We would suggest that two paragraphs be inserted at the end of the statement to directly address Title III. Attached is a marked up version of the OPD draft signing statement for H.R. 6286.

Attachments

procedures for patent applicants and patentees involved in interferences.

Title III - National Commission on Innovation and Productivity

This Commission is established to review and study the level of innovation and productivity of employed inventors. The study is to include an analysis of methods available to inspire or stimulate individual and corporate innovation and productivity. The Commission is also required to make recommendations for revisions of U.S. laws to better foster innovation and productivity. Federal agencies will be required to provide information and assistance to the Commission as necessary for it to carry out its functions. A report on the Commission's activities to the President and the Congress is required within one year of enactment. The Commission would cease to exist 60 days after its final report, which is due two years after enactment.

-- Commission Membership and Staffing

The Commission will be composed of 9 members, 3 each appointed by the President, the Speaker of the House and the President Pro Tempore of the Senate. Of the members appointed by the President, one is to be an appropriate U.S. officer or employee, one is to be an employer of inventors, and one is to be an employed inventor. The

President is to designate the Chairman from among the members he appoints. Private citizen members will receive per diem at level III of the Executive Schedule, and travel expenses. Members of Congress or full-time Federal officers or employees will serve on the Commission without compensation.

The Commission will be required to appoint a staff director who will be paid a rate not to exceed level IV of the Executive Schedule, and the Commission may appoint and fix the pay of such additional personnel as the Commission considers appropriate. Pay for staff, however, may not exceed the rate of basic pay for GS-16 of the General Schedule. In addition, the Chairman may procure temporary and intermittent services, and the General Services Administration will provide administrative services on a reimbursable basis.

-- Financing of the Commission

Title III authorizes appropriations of \$250,000 for the operation of the Commission.

Title IV - Miscellaneous Provisions

Title IV contains, in addition to technical amendments, miscellaneous provisions designed to bring U.S. law into

11/6
Justice addition

PROPOSED LANGUAGE
TO ACCOMPANY EXECUTIVE ACTION
ON H.R. 6286

~~In signing this legislation,~~ ^{also} I must^a note my objection to the structure and composition of the National Commission on Innovation and Productivity. The Commission would be composed of three ~~Members of the Senate~~^s appointed by the President of the Senate; three ~~Members~~^{or} of the House of Representatives appointed by the Speaker, and three members appointed by the President, of whom one shall be an "appropriate" officer or employee of the United States, one shall be an employer who employs inventors, and one shall be an employed inventor. Such entites are severely destructive of the tripartite system of Government established by the Constitution.

Although the Commission would appear to serve primarily legislative functions, this bill would place the Commission partly within the executive branch. I believe that creation of such a commission, which is neither clearly within the executive branch, nor clearly within the legislative branch, tends to blur the functional distinction between the governmental branches that is fundamental to the concept of separation of powers. It would be more appropriate for the Commission to be composed either entirely of members selected by the legislative branch, if it is to serve primarily legislative functions, or entirely of members appointed by the President, if it is to serve the executive branch.

STATEMENT BY THE PRESIDENT

I have approved
~~I am pleased to sign Today~~ H.R. 6286, the "Patent Law Amendments Act of 1984." The stimulation of American inventive genius requires a patent system which offers our inventors prompt and effective protection for their inventions. *Not* ~~only should our patent laws reflect changes in the nature of research, for example, the increased role of the employed inventor, the trend toward team research, and the increased Federal funding of basic research, these laws should also provide adequate protection from duplication abroad.~~

The Patent Law Amendments of 1984 effects a number of improvements in the patent system to achieve ~~these~~ *this* goals. *of The bill* ~~It~~ provides inventors with a new, efficient mechanism to protect their right to use their inventions without the need to expend scarce resources to obtain a patent. This procedure offers great cost savings potential to Federal agencies, which are the single largest filers of U.S. patents. It also closes a loophole in existing law which permitted copiers to export jobs and avoid liability by arranging for final assembly of patented machines to occur off-shore. The bill eliminates unwarranted technicalities in the patent law which threaten the validity of patents for inventions arising from corporate research teams.

Together with other provisions which enable the Patent and Trademark Office to streamline its operations, these provisions make our patent system more responsive to the needs

11/5 4P
[Signature]

of our inventors and industry. America must remain at the cutting edge of technology and a strong and effective patent system is fundamental to this goal.

INSERT

I am disappointed that the Congress chose to include in this bill a new National Commission on Innovation and Productivity. This Commission would be established to study the productivity of inventors employed by private companies and, more generally, to make recommendations for changes in U.S. laws to better foster innovation and productivity. I strongly believe that increased innovation is essential to our continued technological leadership. The White House Conference on Productivity and the President's Commission on Industrial Competitiveness have brought together experts from government, academia, and the private sector to evaluate the impact of Federal policy on innovation and productivity. Many of their recommendations have already been implemented. A new National Commission to address this issue would simply duplicate the work of these groups.

Employed inventors have contributed greatly to our country's competitiveness in high technology areas. Nevertheless, I believe that the private sector, rather than the Federal government, is best able to decide on methods to stimulate increased productivity on the part of employed inventors. My Administration will oppose any appropriation for the National Commission on Innovation and Productivity authorized by H.R. 6286.

11/6

Plus, add Justice remarks as supported by PFF.

STATEMENT BY THE PRESIDENT

I have approved

~~I am pleased to sign~~ today H.R. 6286, the "Patent Law Amendments Act of 1984." The stimulation of American inventive genius requires a patent system ^{that} ~~which~~ offers our inventors prompt and effective protection for their inventions. ~~Not~~

~~only should our patent laws reflect changes in the nature of research, for example, the increased role of the employed inventor, the trend toward team research, and the increased Federal funding of basic research, these laws should also provide adequate protection from duplication abroad.~~

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\$ The bill
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Together with other provisions ~~which~~ ^{that} enable the Patent and Trademark Office to streamline its operations, these provisions make our patent system more responsive to the needs

11/30/84
11/2/84
JMM

of our inventors and industry. America must remain at the cutting edge of technology, and a strong and effective patent system is fundamental to this goal.

^ insert from pg. 2

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/30/84 ACTION/CONCURRENCE/COMMENT DUE BY: NOON TOMORROW 10/31

SUBJECT: H.R. 6286 - PATENT LAW AMENDMENTS ACT OF 1984

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☐	MURPHY	☐	☒
MEESE	☐	☒	OGLESBY	☒	☐
BAKER	☐	☒	ROGERS	☐	☐
DEAVER	☐	☒	SPEAKES	☐	☒
STOCKMAN	☐	☐	SVAHN	☒	☐
DARMAN	☐	☒	VERSTANDIG	☒	☐
FIELDING	☒	☐	WHITTLESEY	☒	☐
FULLER	☒	☐	Clerk's Office	☐	☐
HERRINGTON	☐	☐		☐	☐
HICKEY	☐	☐		☐	☐
McFARLANE	☐	☒		☐	☐
McMANUS	☐	☒		☐	☐

REMARKS:

Please provide any comments/recommendations on the attached bill and the Commerce's draft signing statement by noon tomorrow, 10/31.

Thank you.

RESPONSE:

Richard G. Darman
Assistant to the President
Ext. 2702

~~SUGGESTED~~ SIGNING STATEMENT

I have ~~this day~~ ^{today} approved H.R. 6163, the "Federal District Court Organization Act of 1984," and H.R. 6286, the "Patent Law Amendments Act of 1984."

These ~~bills~~ ^{Acts} are concerned with promoting America's technological advancement and its ability to compete in a global market. They recognize my Administration's continuing commitment to protecting intellectual property as a means of spurring the creative genius of the American people. The creation of new jobs, new investment opportunities, new products, and indeed of new industries, all depend largely on the extent to which we preserve the right of people who come up with bold new ideas or who are willing to take the risks of commercializing them to reap their just rewards. We must not become a nation that cares more about rewarding those who copy rather than those who create. These ~~bills~~ ^{Acts} convince me that we have not.

H.R. 6163 does this in three ways. First, it creates a new form of intellectual property protection for semiconductor chip products. These chips have fueled what has been rightly called the microcomputer revolution. Yet they are easily copied and an investment of millions of dollars to design a new chip can be jeopardized by an outlay of mere thousands to copy it. Second, it reaffirms certain basic principles of trademark law ~~which~~ ^{that} all American businesses have traditionally relied upon to protect the marks that have enabled them to distinguish their goods and services from those of others. Finally, it extends the principle of contractor ownership of ~~Federally-funded~~ ^{Government-owned} inventions to those made in ~~Government-owned~~ ^{Government-owned}, contractor-operated laboratories. I am firmly committed to this principle for the private sector is far more able than the Federal government to commercialize these inventions.

10/31/84 8:25
SfM

H.R. 6286 effects a number of improvements in the patent system to ensure that its incentives will continue to stimulate American inventive genius. It provides inventors with a new, efficient mechanism to protect their right to use their inventions without the need to expend scarce resources to obtain a patent. This procedure offers great cost savings potential to Federal agencies, which are the single largest filers of U.S. patents. It also closes a loophole in existing law ^{that} ~~which~~ permitted copiers to export jobs and avoid liability by arranging for final assembly of patented machines to occur off-shore. The bill eliminates unwarranted technicalities in the patent law ^{that} ~~which~~ threaten the validity of patents for inventions arising from corporate research teams. These provisions, together with other provisions which enable the Patent and Trademark Office to streamline its operations, make our patent system more responsive to the needs of our inventors and industry. America must remain at the cutting edge of technology and a strong and effective patent system is fundamental to this goal.

I am pleased to approve this legislation.

1984 NOV -5 PM 7:54

WHITE HOUSE STAFFING MEMORANDUM

URGENT

DATE:

84 OCT 2
11/2/84

ACTION/CONCURRENCE/COMMENT DUE BY:

11/5 - c.o.b.

SUBJECT:

ENROLLED BILL H.R. 6163 - MISCELLANEOUS PATENT, TRADEMARK, JUDICIAL
AND OTHER AMENDMENTS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☐	MURPHY	☐	☒
MEESE	☐	☒	OGLESBY	☒	☐
BAKER	☐	☒	ROGERS	☐	☐
DEAVER	☐	☒	SPEAKES	☐	☒
STOCKMAN	☐	☐	SVAHN	☒	☐
DARMAN	☐	☒	VERSTANDIG	☒	☐
FIELDING	☒	☐	WHITTLESEY	☒	☐
FULLER	☒	☐		☐	☐
HERRINGTON	☐	☐		☐	☐
HICKEY	☐	☐		☐	☐
McFARLANE	☒	☐		☐	☐
McMANUS	☐	☒		☐	☐

REMARKS:

May we have your comments by close of business Monday. Thank you.

RESPONSE:

NSC has no objection to Enrolled Bill H.R. 6163--Miscellaneous Patent, Trademark, Judicial and Other Amendments.

Paul B. Thompson
Robert M. Kimmitt
Executive Secretary

Richard G. Darman
Assistant to the President
Ext. 2702

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/30/84 ACTION/CONCURRENCE/COMMENT DUE BY: NOON TOMORROW 10/31

SUBJECT: H.R. 6286 - PATENT LAW AMENDMENTS ACT OF 1984

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☐	MURPHY	☐	☒
MEESE	☐	☒	OGLESBY	☒	☐
BAKER	☐	☒	ROGERS	☐	☐
DEAVER	☐	☒	SPEAKES	☐	☒
STOCKMAN	☐	☐	SVAHN	☒	☐
DARMAN	☐ P	☒ SS	VERSTANDIG	☒	☐
FIELDING	☒	☐	WHITTLESEY	☒	☐
FULLER	☒	☐	_____	☐	☐
HERRINGTON	☐	☐	_____	☐	☐
HICKEY	☐	☐	_____	☐	☐
McFARLANE	☐	☒	_____	☐	☐
McMANUS	☐	☒	_____	☐	☐

REMARKS:

Please provide any comments/recommendations on the attached bill and the Commerce's draft signing statement by noon tomorrow, 10/31.

Thank you.

RESPONSE:

*Recommend approval of H.R. 6286.
Will HR 6163 be circulated before
final sign off on statement? No objection
to statement covering both bills.
U. Resner*

Richard G. Darman
Assistant to the President
Ext. 2702

Although the Department of Justice recommends approval of H.R. 6286, it does object to the establishment of a Commission which consists of representatives from both the Executive and Legislative branches. As Justice states in its enrolled bill views letter, "...we believe that creation of such commissions...tends...to blur the functional distinction between the Branches that is fundamental to the separation of powers." Accordingly, the Department has prepared appropriate language, which is attached to its views letter, for inclusion in a signing statement.

Title IV - Miscellaneous Provisions

Title IV contains, in addition to technical amendments, miscellaneous provisions designed to bring U.S. law into conformity with international patent and treaty obligations. In addition to providing for conformity, these provisions will clarify and simplify procedures for filing and processing international applications. Additionally, it provides that members of the Trademark Trial and Appeal Board of the Patent and Trademark Office will be paid at a rate not to exceed that of GS-16 under the General Schedule.

Conclusion

H.R. 6286 will improve the degree of protection accorded patent owners, substantially simplify various procedures of the Patent and Trademark Office, and establish a National Commission on Innovation and Productivity. While the Administration opposed establishment of the Commission, as Commerce points out in its views letter, its "charter, composition, size, funding, and duration are very limited and should prevent it from expanding into broader, less appropriate subject areas." On balance, the patent provisions of H.R. 6286 are of sufficient importance to warrant your approval.

✓ The Department of Commerce has prepared a signing statement, for your consideration, which extolls the patent provisions in this enrolled bill, as well as patent provisions in another enrolled bill, H.R. 6163, whose last date for action is also November 9.

* * * * *

H.R. 6286 passed both Houses by voice vote.

James M. Frey
Assistant Director for
Legislative Reference

Enclosures

1034 OCT 31 3:21

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/30/84 ACTION/CONCURRENCE/COMMENT DUE BY: NOON TOMORROW 10/31SUBJECT: H.R. 6286 - PATENT LAW AMENDMENTS ACT OF 1984

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☐	MURPHY	☐	☒
MEESE	☐	☒	OGLESBY	☒	☐
BAKER	☐	☒	ROGERS	☐	☐
DEAVER	☐	☒	SPEAKES	☐	☒
STOCKMAN	☐	☐	SVAHN	☒	☐
DARMAN	☐	☒	VERSTANDIG	☒	☐
FIELDING	☒	☐	WHITTLESEY	☒	☐
FULLER	☒	☐		☐	☐
HERRINGTON	☐	☐		☐	☐
HICKEY	☐	☐		☐	☐
McFARLANE	☐	☒		☐	☐
McMANUS	☐	☒		☐	☐

REMARKS:

Please provide any comments/recommendations on the attached bill and the Commerce's draft signing statement by noon tomorrow, 10/31.

Thank you.

RESPONSE:

OK
FRW
10/31/84

Richard G. Darman
Assistant to the President
Ext. 2702

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84-22

WHITE HOUSE STAFFING MEMORANDUM

URGENT

DATE: 10/30/84 ACTION/CONCURRENCE/COMMENT DUE BY: NOON TOMORROW 10/31

SUBJECT: H.R. 6286 - PATENT LAW AMENDMENTS ACT OF 1984

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☐	MURPHY	☐	☒
MEESE	☐	☒	OGLESBY	☒	☐
BAKER	☐	☒	ROGERS	☐	☐
DEAVER	☐	☒	SPEAKES	☐	☒
STOCKMAN	☐	☐	SVAHN	☒	☐
DARMAN	☐	☒	VERSTANDIG	☒	☐
FIELDING	☒	☐	WHITTLESEY	☒	☐
FULLER	☒	☐		☐	☐
HERRINGTON	☐	☐		☐	☐
HICKEY	☐	☐		☐	☐
McFARLANE	☐	☒		☐	☐
McMANUS	☐	☒		☐	☐

REMARKS:

Please provide any comments/recommendations on the attached bill and the Commerce's draft signing statement by noon tomorrow, 10/31.

Thank you.

RESPONSE:

NSC has no objection to Enrolled Bill H.R. 6286, Patent Law Amendments Act of 1984, and the proposed Presidential signing statement.

Robert M. Kimmitt
Robert M. Kimmitt
Executive Secretary

Richard G. Darman
Assistant to the President
Ext. 2702

OCT 31 1984