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HOUSE

BILL	DATE	PAGE(S)
H.R.6163	OCT 9 '84 (132)	H11595-96 H11598-617

ACTION:

Federal District Court Organization Act: By a yea-and-nay vote of 363 yeas, Roll No. 451, the House agreed to the Senate amendment to H.R. 6163, to amend title 28, United States Code, with respect to the places where court shall be held in certain judicial districts—clearing the measure for the President.

H. Res. 606, the rule providing for agreeing to the Senate amendment, was agreed to earlier by voice vote.

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PROVIDING FOR CONSIDERATION OF SENATE AMENDMENTS TO H.R. 6163, FEDERAL DISTRICT COURT ORGANIZATION ACT OF 1984

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 606 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 606

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House, without intervention motion, a motion to take from the Speaker's table the bill (H.R. 6163) to amend title 28, United States Code, with respect to the places where court shall be held in certain judicial districts, and for other purposes, together with the Senate amendments thereto, and to concur in the Senate amendments. Said amendments shall be considered as having been read, and the previous question shall be considered as ordered on the motion to final adoption, without intervening motion.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Mississippi [Mr. LOTT], for purposes of debate only, and pending that, I yield myself such time as I may use.

(Mr. MOAKLEY asked and was given permission to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, the resolution provides for consideration in the House of a motion to take from the Speaker's table the bill (H.R. 6163), the Federal District Court Organization Act of 1984, together with the Senate amendments thereto, and to concur in the Senate amendments to the bill.

Mr. Speaker, since the motion to concur in the Senate amendments is offered in the House, it will be considered under the 1 hour rule. Under the precedents, the time is controlled by the gentleman making the motion but, by custom, half of the time is yielded for debate to the minority.

The rule provides that the amendment will be considered as read. The amendment has been available in printed form for 4 days. The previous question will be considered as ordered. As a result, at the conclusion of debate, there is an up-or-down vote on the bill, as amended by the Senate, and if passed, the bill will be cleared for the President's signature.

Mr. Speaker, the Senate amendments constitute a comprehensive package of patent, trademark, and court bills attached to a technical court bill. This measure incorporates a number of matters, almost all of which have passed the House in other forms.

Mr. Speaker, one dispute in the Rules Committee was on whether or not to permit a separate vote on title 2, the State Justice Institute. Since there has already been a 243-to-176 House vote on that matter, we did not consider that necessary or appropriate at this stage in the session. However, of course, the House will now make the final determination on our recommendation.

Although I am aware of that concern, I think there is general agreement that matters in this bill are vital and must be considered promptly.

Title 1 is very similar to H.R. 6285, which was passed by the House on a voice vote October 1. This bill, in the words of the able chairman of the subcommittee [Mr. KASTENMEIER], "clarifies the trademark law and acts to reestablish its basic principles * * *." I would commend the gentleman for his prompt action to defend our legislative prerogatives and to reassert existing law over the court decision that prompted this legislation under this rule. The House concurs with the minor change of the Senate, which is entirely consistent with the legislative intent of the House, as ably explained by the gentleman from Wisconsin here last week.

Title 2 is similar to H.R. 4145, the State Justice Institute which was considered by the House on May 22. The vote was 243 to 176. Although that was insufficient under the suspension procedure, it demonstrates the strong bipartisan support for this initiative to improve the State court systems. Most of the opposition to the bill was on fiscal grounds, and the Senate amendment addresses those concerns.

Title 3 is virtually identical to H.R. 5525, the Semiconductor Chip Protection Act, which passed the House 388 to 0. Needless to say, it is an outstanding piece of legislation. I strongly commend the committee for the manner in which this vital matter has been addressed. The gentleman from Wisconsin has exhibited real leadership in addressing this difficult technological and legal issue.

Title 4 includes three court reform measures already passed by the House, H.R. 5645 and H.R. 6163, which passed the House by voice vote, and H.R. 4222, which passed the House by unanimous consent. The second measure makes adjustments in judicial districts and places of sitting. In the Rules Committee hearing, it was the subject of an eloquent plea by the distinguished gentleman from Texas, Mr. DE LA GARZA. The committee is particularly delighted to be able to accommodate the able gentleman in his tireless efforts on behalf of this concern in his district.

Mr. Speaker, title 5 of the bill is a substantial revision of H.R. 5003, a bill reported to the House by the Committee on Science and Technology. The bill, as modified, provides a cautious approach to allow small business and nonprofit institutions to benefit from certain Government patents. I am advised that most of these are in the energy area, and that the Secretary of Energy believes the amendment provides a reasonable framework within which he can balance public interests.

The distinguished chairman of the Committee on Energy and Commerce appeared before the Rules Committee and voiced some concern about this title. After extensive consultation between the appropriate committees. The gentleman from Michigan agreed not to object to the request for a rule.

I would like to commend the gentleman for his diligence and his cooperation. We are at a point in the session which requires considerable vigilance, and the Rules Committee greatly appreciates this kind of guidance on the details of legislation rushing past us.

Mr. Speaker, the rule is not unusual. The committee considers the procedure necessary. However, I want to stress again that the bill is important and virtually every component has been developed in a very fair and open manner, and has been subject to the full legislative process in this Chamber.

Mr. Speaker, I urge adoption of the rule to permit the House to deal with these vital matters.

□ 1250

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

(Mr. LOTT asked and was given permission to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, I thank the gentleman for yielding the customary time.

Mr. Speaker, House Resolution 606 is the rule designed to speed consideration and eventually to pass this package of bills which the other body attached to H.R. 6163, the Federal District Court Organization Act.

The Committee on Rules concocted this rather unique arrangement last Friday and the House is being asked to ratify the rule and the package itself here today. Despite the fact that there are some very important items in this package, I am opposed to the rule and urge the House to defeat the rule.

Mr. Speaker, there are seven apples in this little basket brought to us by the Committee on the Judiciary. Six of them could well be described as Golden Delicious. Nobody objects and everybody just cannot wait to bite down on them.

They make very important changes in the areas of patent and trademark law, patent protections for semiconductor chips, procedural orders for the handling of civil cases, boundary changes for three U.S. district courts, the operation of the U.S. District Court of Appeals for the Federal Circuit, and patent policy toward research and development of science and technology.

All of those titles to the bill, added together by the other body, make it a very nice set of apples. However, there is one spoiled apple in the basket.

Mr. Speaker, last May this House defeated a bill creating something called the State Justice Institute. The idea was to set up a nonprofit organization that would make grants to the States in order to help them improve their State judicial systems. Now, that is at a time when we do not have adequate jail systems. It is at a time when local sheriffs and police departments cannot get assistance to do their jobs in really dealing with crime and preventing crime. And yet, we are going to set up an institute with grants to help State judicial systems. It makes no sense at all and the House spoke on that. The House defeated that bill under the suspension of the rules process and we thought we had heard the last of it; but this spoiled apple is in this basket, Mr. Speaker.

The other body added this bill to the package it has wrapped together around H.R. 6163 and the rule forces the House to take the whole process, the whole package, when it takes the other apples.

I do not believe this is proper legislative procedure, so I am asking that the rule be defeated.

Mr. Speaker, our colleagues know that this is the last day of the session. I guess since these remarks were prepared maybe there have been some changes on that. We may have many more days of this session before it is over, so there is no need to put all these things in this one package. At least some of us hope to wrap this thing up in the next day or two. But when we proceed in this manner, we are abusing the procedures and the rules of the House.

I am not going to insist on a recorded vote because I know there are some Members who are not here and still cannot get back here; but when we create this process where we take a bill that the House defeated on suspension and put it in with some very other deserving pieces of legislation, it is a bad way to do business.

Mr. KASTENMEIER. Mr. Speaker, would the gentleman from Mississippi yield?

Mr. LOTT. Mr. Speaker, I would be glad to yield to the gentleman from Wisconsin for a question or a comment.

Mr. KASTENMEIER. Mr. Speaker, insofar as it would appear that the gentleman has characterized this as brought to the Rules Committee by the Judiciary Committee, that we are imposing this package on the House, we have not. This was passed by the Senate in precisely this form. We would have preferred to deal with each piece of legislation as we did individually, but we are confronted with the present situation. It is not something we of our own volition are imposing on the House of Representatives.

Mr. LOTT. Mr. Speaker, this is one time I am willing to absolve the Judiciary Committee of being responsible for the problem that we have before us. It was created by the other body. I acknowledged that. I said it in my remarks, and I think we should put it at their doorstep. But, of course, the Rules Committee could have made in order an amendment that would have deleted that State Justice Institute. In fact, it was tried in the Rules Committee and was not made in order. But I accept the gentleman's comments.

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

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FEDERAL DISTRICT COURT ORGANIZATION ACT OF 1984

Mr. KASTENMEIER. Mr. Speaker, pursuant to the provisions of House Resolution 606, I move to take from the Speaker's table the bill (H.R. 6163) to amend title 28, United States Code, with respect to the places where court shall be held in certain judicial districts, and for other purposes, with the Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 606, the Senate amendment is considered as having been read.

The text of the Senate amendments is as follows:

Strike out all after the enacting clause and insert:

TITLE I

SHORT TITLE

SEC. 101. This title may be cited as the "Trademark Clarification Act of 1984".

AMENDMENT TO THE TRADEMARK ACT

SEC. 102. Section 14(c) of the Trademark Act of 1946, commonly known as the Lanham Trademark Act (15 U.S.C. 1064(c)) is amended by adding before the semicolon at the end of such section a period and the following: "A registered mark shall not be deemed to be the common descriptive name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the common descriptive name of goods or services in connection with which it has been used".

DEFINITIONS

SEC. 103. Section 45 of such Act (15 U.S.C. 1127) is amended as follow:

(1) Strike out "The term 'trade-mark' includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others." and insert in lieu thereof the following: "The term 'trademark' includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify and distinguish his goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.".

(2) Strike out "The term 'service mark' means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others." and insert in lieu thereof the following: "The term 'service mark' means a mark used in the sale or advertising of services to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown.".

(3) Add at the end of subparagraph (b) in the paragraph which begins "A mark shall be deemed to be 'abandoned'", the following new sentence: "Purchaser motivation shall not be a test for determining abandonment under this subparagraph.".

JUDGMENTS

SEC. 104. Nothing in this title shall be construed to provide a basis for reopening of any final judgment entered prior to the date of enactment of this title.

TITLE II

SHORT TITLE

SEC. 201. This title may be cited as the "State Justice Institute Act of 1984".

DEFINITIONS

SEC. 202. As used in this title, the term—

(1) "Board" means the Board of Directors of the Institute;

(2) "Director" means the Executive Director of the Institute;

(3) "Governor" means the Chief Executive Officer of a State;

(4) "Institute" means the State Justice Institute;

(5) "recipient" means any grantee, contractor, or recipient of financial assistance under this title;

(6) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States; and

(7) "Supreme Court" means the highest appellate court within a State unless, for the purposes of this title, a constitutionally or legislatively established judicial council acts in place of that court.

ESTABLISHMENT OF INSTITUTE; DUTIES

SEC. 203. (a) There is established a private nonprofit corporation which shall be known as the State Justice Institute. The purpose of the Institute shall be to further the development and adoption of improved judicial administration in State courts in the United States. The Institute may be incorporated in any State pursuant to section 204(a)(6) of this title. To the extent consistent with the provisions of this title, the Institute may exercise the powers conferred upon a nonprofit corporation by the laws of the State in which it is incorporated.

(b) The Institute shall—

(1) direct a national program of assistance designed to assure each person ready access to fair and effective system of justice by providing funds to—

(A) State courts;

(B) national organizations which support and are supported by State courts; and

(C) any other nonprofit organization that will support and achieve the purposes of this title;

(2) foster coordination and cooperation with the Federal judiciary in areas of mutual concern;

(3) promote recognition of the importance of the separation of powers doctrine to an independent judiciary; and

(4) encourage education for judges and support personnel of State court systems through national and State organizations, including universities.

(c) The Institute shall not duplicate functions adequately performed by existing nonprofit organizations and shall promote, on the part of agencies of State judicial administration, reponsibility for the success and effectiveness of State court improvement programs supported by Federal funding.

(d) The Institute shall maintain its principal offices in the State in which it is incorporated and shall maintain therein a designated agent to accept service of process for the Institute. Notice to or service upon the agent shall be deemed notice to or service upon the Institute.

(e) The Institute, and any program assisted by the Institute, shall be eligible to be treated as an organization described in section 170(c)(2)(B) of the Internal Revenue Code of 1954 (26 U.S.C. 170(c)(2)(B) and as an organizaton described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) which is exempt form taxation under section 501(a) of such Code (26 U.S.C. 501(a)). If such treatments are conferred in accordance with the provisions of such Code, the Institute, and programs assisted by the Institute, shall be subject to all provisions of such Code relevant to the conduct of organizations exempt from taxation.

(f) The Institute shall afford notice and reasonable opportunity for comment to interested parties prior to issuing rules, regulations, guidelines, and instructions under this title, and it shall publish in the Federal Register, at least thirty days prior to their effective date, all rules, regulations, guidelines, and instructions.

BOARD OF DIRECTORS

SEC. 204. (a)(1) The Institute shall be supervised by a Board of Directors consisting of eleven voting members to be appointed by the President, by and with the advice and consent of the Senate. The Board shall have both judicial and nonjudicial members, and shall, to the extent practicable, have a membership representing a variety of backgrounds and reflecting participation and interest in the administration of justice.

(2) The Board shall consist of—

(A) six judges, to be appointed in the manner provided in paragraph (3);

(B) one State court administrator, to be appointed in the manner provided in paragraph (3); and

(C) four members from the public sector, no more than two of whom shall be of the same political party, to be appointed in the manner provided in paragraph (4).

(3) The President shall appoint six judges and one State court administrator from a list of candidates submitted to the President by the Conference of Chief Justices. The Conference of Chief Justices shall submit a list of at least fourteen individuals, including judges and State court administrators, whom the conference considers best qualified to serve on the Board. Whenever the term of any of the members of the Board described in subparagraphs (A) and (B) terminates and that member is not to be reappointed to a new term, and whenever a vacancy otherwise occurs among those members, the President shall appoint a new member from a list of three qualified individuals submitted to the President by the Conference of Chief Justices. The President may reject any list of individuals submitted by the Conference under this paragraph and, if such a list is so rejected, the President shall request the Conference to submit to him another list of qualified individuals. Prior to consulting with or submitting a list to the President, the Conference of Chief Justices shall obtain and consider the recommendations of all interested organizations and individuals concerned with the administration of justice and the objectives of this title.

(4) In addition to those members appointed under paragraph (3), the President shall appoint four members from the public sector to serve on the Board.

(5) The President shall make the intitial appointments of members of the Board under this subsection within ninety days after the effective date of this title. In the case of any other appointment of a member, the President shall make the appointment not later than ninety days after the previous term expires or the vacancy occurs, as the case may be. The Conference of Chief Justices shall submit lists of candidates under paragraph (3) in a timely manner so that the appointments can be made within the time periods specified in this paragraph.

(6) The intitial members of the Board of Directors shall be the incorporators of the Institute and shall determine the State in which the Institute is to be incorporated.

(b)(1) Except as provided in paragraph (2), the term of each voting member of the Board shall be three years. Each member of the Board shall continue to serve until the successor to such member has been appointed and qualified.

(2) Five of the members first appointed by the President shall serve for a term of two years. Any member appointed to serve an unexpired term which has arisen by virtue of the death, disability, retirement, or resignation of a member shall be appointed only for such unexpired term, but shall be eligible for reappointment.

(3) The term of initial members shall commence from the date of the first meeting of the Board, and the term of each member other than an initial member shall commence from the date of termination of the preceding term.

(c) No member shall be reappointed to more than two consecutive terms immediately following such member's initial term.

(d) Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses incurred in the performance of their official duties.

(e) The members of the Board shall not, by reason of such membership, be considered officers or employees of the United States.

(f) Each member of the Board shall be entitled to one vote. A simple majority of the membership shall constitute a quorum for the conduct of business. The Board shall act upon the concurrence of a simple majority of the membership present and voting.

(g) The Board shall select from among the voting members of the Board a chairman, the first of whom shall serve for a term of three years. Thereafter, the Board shall annually elect a chairman from among its voting members.

(h) A member of the Board may be removed by a vote of seven members for malfeasance in office, persistent neglect of, or inability to discharge duties, or for any offense involving moral turpitude, but for no other cause.

(i) Regular meetings of the Board shall be held quarterly. Special meetings shall be held from time to time upon the call of the chairman, acting at his own discretion or pursuant to the petition of any seven members.

(j) All meetings of the Board, any executive committee of the Board, and any council established in connection with this title, shall be open and subject to the requirements and provisions of section 552b of title 5, United States Code, relating to open meetings.

(k) In its direction and supervision of the activities of the Institute, the Board shall—

(1) establish policies and develop such programs for the Institute that will further the achievement of its purpose and performance of its functions;

(2) establish policy and funding priorities and issue rules, regulations, guidelines, and instructions pursuant to such priorities;

(3) appoint and fix the duties of the Executive Director of the Institute, who shall serve at the pleasure of the Board and shall be a nonvoting ex officio member of the Board;

(4) present to other Government departments, agencies, and instrumentalities whose programs or activities relate to the administration of justice in the State judiciaries of the United States, the recommendations of the Institute for the improvement of such programs or activities;

(5) consider and recommend to both public and private agencies aspects of the operation of the State courts of the United States considered worthy of special study; and

(6) award grants and enter into cooperative agreements or contracts pursuant to section 206(a).

OFFICERS AND EMPLOYEES

SEC. 205. (a)(1) The Director, subject to general policies established by the Board, shall supervise the activities of persons employed by the Institute and may appoint and remove such employees as he determines necessary to carry out the purposes of the institute. The Director shall be responsible for the executive and administrative operations of the Institute, and shall perform such duties as are delegated to such Director by the Board and the Institute.

(2) No political test or political qualification shall be used in selecting, appointing, promoting, or taking any other personnel action with respect to any officer, agent, or employee of the Institute, or in selecting or monitoring any grantee, contractor, person, or entity receiving financial assistance under this title.

(b) Officers and employees of the Institute shall be compensated at rates determined by the Board, but not in excess of the rate of level V of the Executive Schedule specified in section 5316 of title 5, United States Code.

(c)(1) Except as otherwise specifically provided in this title, the Institute shall not be considered a department, agency, or instrumentality of the Federal Government.

(2) This title does not limit the authority of the Office of Management and Budget to review and submit comments upon the Institute's annual budget request at the time it is transmitted to the Congress.

(d)(1) Except as provided in paragraph (2), officers and employees of the Institute shall not be considered officers or employees of the United States.

(2) Officers and employees of the Institute shall be considered officers and employees of the United States solely for the purposes of the following provisions of title 5, United States Code: Subchapter I of chapter 81 (relating to compensation for work injuries); chapter 83 (relating to civil service retirement); chapter 87 (relating to life insurance; and chapter 89 (relating to health insurance). The Institute shall make contributions under the provisions referred to in this subsection at the same rates applicable to agencies of the Federal Government.

(e) The Institute and its officers and employees shall be subject to the provisions of section 552 of title 5, United States Code, relating to freedom of information.

GRANTS AND CONTRACTS

SEC. 206. (a) The Institute is authorized to award grants and enter into cooperative agreements or contracts, in a manner consistent with subsection (b), in order to—

(1) conduct research, demonstrations, or special projects pertaining to the purposes described in this title, and provide technical assistance and training in support of tests, demonstrations, and special projects;

(2) serve as a clearinghouse and information center, where not otherwise adequately provided, for the preparation, publication, and dissemination of information regarding State judicial systems;

(3) participate in joint projects with other agencies, including the Federal Judicial Center, with respect to the purposes of this title;

(4) evaluate, when appropriate, the programs and projects carried out under this title to determine their impact upon the quality of criminal, civil, and juvenile justice and the extent to which they have met or failed to meet the purposes and policies of this title;

(5) encourage and assist in the furtherance of judicial education;

(6) encourage, assist, and serve in a consulting capacity to State and local justice system agencies in the development, maintenance, and coordination of criminal, civil, and juvenile justice programs and services; and

(7) be responsible for the certification of national programs that are intended to aid and improve State judicial systems.

(b) The Institute is empowered to award grants and enter into cooperative agreements or contracts as follows:

(1) The Institute shall give priority to grants, cooperative agreements, or contracts with—

(A) State and local courts and their agencies,

(B) national nonprofit organizations controlled by, operating in conjunction with, and serving the judicial branches of State governments; and

(C) national nonprofit organizations for the education and training of judges and support personnel of the judicial branch of State governments.

(2) The Institute may, if the objective can better be served thereby, award grants or enter into cooperative agreements or contracts with—

(A) other nonprofit organizations with expertise in judicial administration;

(B) institutions of higher education;

(C) individuals, partnerships, firms, or corporations; and

(D) private agencies with expertise in judicial administration.

(3) Upon application by an appropriate Federal, State, or local agency or institution and if the arrangements to be made by such agency or institution will provide services which could not be provided adequately through nongovernmental arrangements, the Institute may award a grant or enter into a cooperative agreement or contract with a unit of Federal, State, or local government other than a court.

(4) Each application for funding by a State or local court shall be approved, consistent with State law, by the State's supreme court, or its designated agency or council, which shall receive, administer, and be accountable for all funds awarded by the Institute to such courts.

(c) Funds available pursuant to grants, cooperative agreements, or contracts awarded under this section may be used—

(1) to assist State and local court systems in establishing appropriate procedures for the selection and removal of judges and other court personnel and in determining appropriate levels of compensation;

(2) to support education and training programs for judges and other court personnel, for the performance of their general duties and for specialized functions, and to support national and regional conferences and seminars for the dissemination of information on new developments and innovative techniques;

(3) to conduct research on alternative means for using nonjudicial personnel in court decisionmaking activities, to implement demonstration programs to test innovative approaches, and to conduct evaluations of their effectiveness;

(4) to assist State and local courts in meeting requirements of Federal law applicable to recipients of Federal funds;

(5) to support studies of the appropriateness and efficacy of court organizations and financing structures in particular States, and to enable States to implement plans for improved court organization and finance;

(6) to support State court planning and budgeting staffs and to provide technical assistance in resource allocation and service forecasting techniques;

(7) to support studies of the adequacy of court management systems in State and local courts and to implement and evaluate innovative responses to problems of record management, data processing, court personnel management, reporting and transcription of court proceedings, and juror utilization and management;

(8) to collect and compile statistical data and other information on the work of the courts and on the work of other agencies which relate to and effect the work of courts;

(9) to conduct studies of the causes of trial and appellate court delay in resolving cases, and to establish and evaluate experimental programs for reducing case processing time;

(10) to develop and test methods for measuring the performance of judges and courts and to conduct experiments in the use of such measures to improve the functioning of such judges and courts;

(11) to support studies of court rules and procedures, discovery devices, and evidentiary standards, to identify problems with the operation of such rules, procedures, devices, and standards, to devise alternative approaches to better reconcile the requirements of due process with the need for swift and certain justice, and to test the utility of those alternative approaches;

(12) to support studies of the outcomes of cases in selected subject matter areas to identify instances in which the substance of justice meted out by the courts diverges from public expectations of fairness, consistency, or equity, to propose alternative approaches to the resolving of cases in problem areas, and to test and evaluate those alternatives;

(13) to support programs to increase court responsiveness to the needs of citizens through citizen education, improvement of court treatment of witnesses, victims, and jurors, and development of procedures for obtaining and using measures of public satisfaction with court processes to improve court performance;

(14) to test and evaluate experimental approaches to providing increased citizen access to justice, including processes which reduce the cost of litigating common grievances and alternative techniques and mechanisms for resolving disputes between citizens; and

(15) to carry out such other programs, consistent with the purposes of this title, as may be deemed appropriate by the Institute.

(d) The Institute shall incorporate in any grant, cooperative agreement, or contract awarded under this section in which a State or local judicial system is the recipient, the requirement that the recipient provide a match, from private or public sources, not less than 50 per centum of the total cost of such grant, cooperative agreement, or contract, except that such requirement may be waived in exceptionally rare circumstances upon the approval of the chief justice of the highest court of the State and a majority of the Board of Directors.

(e) The Institute shall monitor and evaluate, or provide for independent evaluations of, programs supported in whole or in part under this title to ensure that the provisions of this title, the bylaws of the Institute, and the applicable rules, regulations, and guidelines promulgated pursuant to this title, are carried out.

(f) The Institute shall provide for an independent study of the financial and technical assistance programs under this title.

LIMITATIONS ON GRANTS AND CONTRACTS

SEC. 207. (a) With respect to grants made and contracts or cooperative agreements entered into under this title, the Institute shall—

(1) ensure that no funds made available to recipients by the Institute shall be used at any time, directly or indirectly, to influence the issuance, amendment, or revocation of any Executive order or similar promulgation by any Federal, State, or local agency, or to undertake to influence the passage or defeat of any legislation or constitutional amendment by the Congress of the United States, or by any State or local legislative body, or any State proposal by initiative petition, or of any referendum, unless a governmental agency, legislative body, a committee, or a member thereof—

(A) requests personnel of the recipients to testify, draft, or review measures or to make representations to such agency, body, committee, or member; or

(B) is considering a measure directly affecting the activities under this title of the recipient or the Institute;

(2) ensure all personnel engaged in grant, cooperative agreement or contract assistance activities supported in whole or part by the Institute refrain, while so engaged, from any partisan political activity; and

(3) ensure that such recipient that files with the Institute a timely application for refunding is provided interim funding necessary to maintain its current level of activities until—

(A) the application for refunding has been approved and funds pursuant thereto received; or

(B) the application for refunding has been finally denied in accordance with section 9 of this title.

(b) No funds made available by the Institute under this title, either by grant, cooperative agreement, or contract, may be used to support or conduct training programs for the purpose of advocating particular training programs for the purpose of advocating particular nonjudicial public policies or encouraging nonjudicial political activities.

(c) The authorization to enter into cooperative agreements, contracts or any other obligation under this title shall be effective only to the extent, and in such amounts, as are provided in advance in appropriation Acts.

(d) To ensure that funds made available under this Act are used to supplement and improve the operation of State courts, rather than to support basic court services, funds shall not be used—

(1) to supplant State or local funds currently supporting a program or activity; or

(2) to construct court facilities or structures, except to remodel existing facilities to demonstrate new architectural or technological techniques, or to provide temporary facilities for new personnel or for personnel involved in a demonstration or experimental program.

RESTRICTIONS ON ACTIVITIES OF THE INSTITUTE

SEC. 208. (a) The Institute shall not—

(1) participate in litigation unless the Institute or a recipient of the Institute is a party, and shall not participate on behalf of any client other than itself;

(2) interfere with the independent nature of any State judicial system or allow financial assistance to be used for the funding of regular judicial and administrative activities of any State judicial system other than pursuant to the terms of any grant, cooperative agreement, or contract with the Institute, consistent with the requirements of this title; or

(3) undertake to influence the passage or defeat of any legislation by the Congress of the United States or by any State or local legislative body, except that personnel of the Institute may testify or make other appropriate communication—

(A) when formally requested to do so by a legislative body, committee, or a member thereof;

(B) in connection with legislation or appropriations directly affecting the activities of the Institute; or

(C) in connection with legislation or appropriations dealing with improvements in the State judiciary, consistent with the provisions of this title.

(b)(1) The Institute shall have no power to issue any shares of stock, or to declare or pay any dividends.

(2) No part of the income or assets of the Institute shall enure to the benefit of any director, officer, or employee, except as reasonable compensation for services or reimbursement for expenses.

(3) Neither the Institute nor any recipient shall contribute or make available Institute funds or program personnel or equipment to any political party or association, or the campaign of any candidate for public or party office.

(4) The Institute shall not contribute or make available Institute funds or program personnel or equipment for use in advocating or opposing any ballot measure, initiative, or referendum.

(c) Officers and employees of the Institute or of recipients shall not at any time intentionally identify the Institute or the recipient with any partisan or nonpartisan political activity associated with a political party or association, or the campaign of any candidate for public or party office.

SPECIAL PROCEDURES

SEC. 209. The Institute shall prescribe procedures to ensure that—

(1) financial assistance under this title shall not be suspended unless the grantee, contractor, person, or entity receiving financial assistance under this title has been given reasonable notice and opportunity to show cause why such actions should not be taken; and

(2) financial assistance under this title shall not be terminated, an application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the recipient has been afforded reasonable notice and opportunity for a timely, full, and fair hearing, and, when requested, such hearing shall be conducted by an independent hearing examiner. Such hearing shall be held prior to any final decision by the Institute to terminate financial assistance or suspend or deny funding. Hearing examiners shall be appointed by the Institute in accordance with procedures established in regulations promulgated by the Institute.

PRESIDENTIAL COORDINATION

SEC. 210. The President may, to the extent not inconsistant with any other applicable law, direct that appropriate support functions of the Federal Government may be made available to the Institute in carrying out its functions under this title.

RECORDS AND REPORTS

SEC. 211. (a) The Institute is authorized to require such reports as it deems necessary from any recipient with respect to activities carried out pursuant to this title.

(b) The Institute is authorized to prescribe the keeping of records with respect to funds provided by any grant, cooperative agreement, or contract under this title and shall have access to such records at all reasonable times for the purpose of ensuring compliance with such grant, cooperative agreement, or contract or the terms and conditions upon which financial assistance was provided.

(c) Copies of all records pertinent to the evaluation, inspection, or monitoring of any recipient shall be submitted on a timely basis to such recipient, and shall be maintained in the principal office of the Institute for a period of at least five years after such evaluation, inspection, or monitoring. Such reports shall be available for public inspection during regular business hours, and copies shall be furnished, upon request, to interested parties upon payment of such reasonable fees as the Institute may establish.

(d) Non-Federal funds received by the Institute, and funds received for projects funded in part by the Institute or by any recipient from a source other than the Institute, shall be accounted for and reported as receipts and disbursements separate and distinct from Federal funds.

AUDITS

SEC. 212. (a)(1) The accounts of the Institute shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants who are certified by a regulatory authority of the jurisdiction in which the audit is undertaken.

(2) The audits shall be conducted at the place or places where the accounts of the Institute are normally kept. All books, ac-

counts, financial records, reports, files, and other papers or property belonging to or in use by the Institute and necessary to facilitate the audits shall be made available to the person or persons conducting the audits. The full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to any such person.

(3) The report of the annual audit shall be filed with the General Accounting Office and shall be available for public inspection during business hours at the principal office of the Institute.

(b)(1) In addition to the annual audit, the financial transactions of the Institute for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the General Accounting Office in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States.

(2) Any such audit shall be conducted at the place or places where accounts of the Institute are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Institute and necessary to facilitate the audit. The full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to such representatives. All such books, accounts, financial records, reports, files, and other papers or property of the Institute shall remain in the possession and custody of the Institute throughout the period beginning on the date such possession or custody commences and ending three years after such date, but the General Accounting Office may require the retention of such books, accounts, financial records, reports, files, and other papers or property for a longer period under section 3523(c) of title 31, United States Code.

(3) A report of such audit shall be made by the Comptroller General to the Congress and to the Attorney General, together with such recommendations with respect thereto as the Comptroller General deems advisable.

(c)(1) The Institute shall conduct, or require each recipient to provide for, an annual fiscal audit. The report of each such audit shall be maintained for a period of at least five years at the principal office of the Institute.

(2) The Institute shall submit to the Comptroller General of the United States copies of such reports, and the Comptroller General may, in addition, inspect the books, accounts, financial records, files, and other papers or property belonging to or in use by such grantee, contractor, person, or entity, which relate to the disposition or use of funds received from the Institute. Such audit reports shall be available for public inspection during regular business hours, at the principal office of the Institute.

REPORT BY ATTORNEY GENERAL

SEC. 213. On October 1, 1987, the Attorney General, in consultation with the Federal Judicial Center, shall transmit to the Committees on the Judiciary of the Senate and the Houe of Representatives a report on the effectiveness of the Institute in carrying out the duties specified in section 203(b). Such report shall include an assessment of the cost effectiveness of the program as a whole and, to the extent practicable, of individual grants, an assessment of whether the restrictions and limitations specified in sections 207 and 208 have been respected, and such recommendations as the Attorney General, in consultation with the Federal Judicial Center, deems appropriate.

AMENDMENTS TO OTHER LAWS

SEC. 214. Section 620(b) of title 28, United States Code, is amended by—

(1) striking out "and" at the end of paragraph (3);

(2) striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(3) inserting the following new paragraph (5) at the end thereof:

"(5) Insofar as may be consistent with the performance of the other functions set forth in this section, to cooperate with the State Justice Institute in the establishment and coordination of research and programs concerning the administration of justice.".

AUTHORIZATIONS

SEC. 215. There are authorized to be appropriated to carry out the purposes of this title, $13,000,000 for fiscal year 1986, $15,000,000 for fiscal year 1987, and $15,000,000 for fiscal year 1988.

EFFECTIVE DATE

SEC. 216. The provisions of this title shall take effect on October 1, 1985.

TITLE III

SHORT TITLE

SEC. 301. This title may be cites as the "Semiconductor Chip Protection Act of 1984".

PROTECTION OF SEMICONDUCTOR CHIP PRODUCTS

SEC. 302. Title 17, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 9—PROTECTION OF SEMICONDUCTOR CHIP PRODUCTS

"Sec.
"901. Definitions.
"902. Subject matter of protection.
"903. Ownership and transfer.
"904. Duration of protection.
"905. Exclusion rights in mask works.
"906. Limitation on exclusive rights: reverse engineering; first sale.
"907. Limitation on exclusive rights: innocent infringement.
"908. Registration of claims of protection.
"909. Mask work notice.
"910. Enforcement of exclusive rights.
"911. Civil actions.
"912. Relation to other laws.
"913. Transitional provisions.
"914. International transitional provisions.

"§ 901. Definitions

"(a) As used in this chapter—

"(1) a 'semiconductor chip product' is the final or intermediate form of any product—

"(A) having two or more layers of metallic, insulating, or semiconductor material, deposited or otherwise placed on, or etched away or otherwise removed from, a piece of semiconductor material in accordance with a predetermined pattern; and

"(B) intended to perform electronic circuitry functions;

"(2) a 'mask work' is a series of related images, however fixed or encoded—

"(A) having or representing the predetermined, three-dimensional pattern of metallic, insulating, or semiconductor material present or removed from the layers of a semiconductor chip product; and

"(B) in which series the relation of the images to one another is that each image has the pattern of the surface of one form of the semiconductor chip product;

"(3) a mask work is 'fixed' in a semiconductor chip product when its embodiment in the product is sufficiently permanent or stable to permit the mask work to be perceived or reproduced from the product for a period of more than transitory duration;

"(4) 'distribute' means to sell, or to lease, bail, or otherwise transfer, or to offer to sell, lease, bail, or otherwise transfer;

"(5) to 'commercially exploit' a mask work is to distribute to the public for commercial purposes a semiconductor chip product embodying the mask work; except that such term includes an offer to sell or transfer a semiconductor chip product only when the offer is in writing and occurs after the mask work is fixed in the semiconductor chip product;

"(6) the 'owner' of a mask work is the person who created the mask work, the legal representative of that person if that person is deceased or under a legal incapacity, or a party to whom all the rights under this chapter of such person or representative are transferred in accordance with section 903 (b); except that, in the case of a work made within the scope of a person's employment, the owner is the employer for whom the person created the mask work or a party to whom all the rights under this chapter of the employer are transferred in accordance with section 903(b);

"(7) an 'innocent purchaser' is a person who purchases a semiconductor chip product in good faith and without having notice of protection with respect to the semiconductor chip product;

"(8) having 'notice of protection' means having actual knowledge that, or reasonable grounds to believe that, a mask work is protected under this chapter; and

"(9) an 'infringing semiconductor chip product' is a semiconductor chip product which is made, imported, or distributed in violation of the exclusive rights of the owner of a mask work under this chapter.

"(b) For purposes of this chapter, the distribution or importation of a product incorporating a semiconductor chip product as a part thereof is a distribution or importation of that semiconductor chip product.

§ 902. Subject matter of protection

"(a)(1) Subject to the provisions of subsection (b), a mask work fixed in a semiconductor chip product, by or under the authority of the owner of the mask work, is eligible for protection under this chapter if—

"(A) on the date on which the mask work is registered under section 908, or is first commercially exploited anywhere in the world, whichever occurs first, the owner of the mask work is (i) a national or domiciliary of the United States, (ii) a national, domiciliary, or sovereign authority of a foreign nation that is a party to a treaty affording protection to mask works to which the United States is also a party, or (iii) a stateless person, wherever that person may be domiciled;

"(B) the mask work is first commercially exploited in the United States; or

"(C) the mask work comes within the scope of a Presidential proclamation issued under paragraph (2).

"(2) Whenever the President finds that a foreign nation extends, to mask works of owners who are nationals or domiciliaries of the United States protection (A) on substantially the same basis as that on which the foreign nation extends protection to mask works of its own nationals and domiciliaries and mask works first commercially exploited in that nation, or (B) on substantially the same basis as proyided in this chapter, the President may by proclamation extend protection under this chapter to mask works (i) of owners who are, on the date on which the mask works are registered under section 908, or the date on which the mask works are first commercially exploited anywhere in the world, whichever occurs first, nationals, domiciliaries, or sovereign authorities of

that nation, or (ii) which are first commercially exploited in that nation.

"(b) Protection under this chapter shall not be available for a mask work that—

"(1) is not original; or

"(2) consists of designs that are staple, commonplace, or familiar in the semiconductor industry, or variations of such designs, combined in a way that, considered as a whole, is not original.

"(c) In no case does protection under this chapter for a mask work extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

"§ 903. Ownership, transfer, licensing, and recordation

"(a) The exclusive rights in a mask work subject to protection under this chapter belong to the owner of the mask work.

"(b) The owner of the exclusive rights in a mask work may transfer all of those rights, or license all or less than all of those rights, by any written instrument signed by such owner or a duly authorized agent of the owner. Such rights may be transferred or licensed by operation of law, may be bequeathed by will, and may pass as personal property by the applicable laws of intestate succession.

"(c)(1) Any document pertaining to a mask work may be recorded in the Copyright Office if the document filed for recordation bears the actual signature of the person who executed it, or if it is accompanied by a sworn or official certification that it is a true copy of the original, signed document. The Register of Copyrights shall, upon receipt of the document and the fee specified pursuant to section 908(d), record the document and return it with a certificate of recordation. The recordation of any transfer or license under this paragraph gives all persons constructive notice of the facts stated in the recorded document concerning the transfer or license.

"(2) In any case in which conflicting transfers of the exclusive rights in a mask work are made, the transfer first executed shall be void as against a subsequent transfer which is made for a valuable consideration and without notice of the first transfer, unless the first transfer is recorded in accordance with paragraph (1) within three months after the date on which it is executed, but in no case later than the day before the date of such subsequent transfer.

"(d) Mask works prepared by an officer or employee of the United States Government as part of that person's official duties are not protected under this chapter, but the United States Government is not precluded from receiving and holding exclusive rights in mask works transferred to the Government under subsection (b).

"§ 904. Duration of protection

"(a) The protection provided for a mask work under this chapter shall commence on the date on which the mask work is registered under section 908, or the date on which the mask work is first commercially exploited anywhere in the world, whichever comes first.

"(b) Subject to subsection (c) and the provisions of this chapter, the protection provided under this chapter to a mask work shall end ten years after the date on which such protection commences under subsection (a).

"(C) All terms of protection provided in this section shall run to the end of the calendar year in which they would otherwise expire.

"§ 905. Exclusive rights in mask works.

"The owner of a mask work provided protection under this chapter has the exclusive rights to do and to authorize any of the following:

"(1) to reproduce the mask work by optical, electronic, or any other means;

"(2) to import or distribute a semiconductor chip product in which the mask work is embodied; and

"(3) to induce or knowingly to cause another person to do any of the acts described in paragraphs (1) and (2).

"§ 906. Limitation on exclusive rights: reverse engineering; first sale

"(a) Notwithstanding the provisions of section 905, it is not an infringement of the exclusive rights of the owner of a mask work for—

"(1) a person to reproduce the mask work solely for the purpose of teaching, analyzing, or evaluating the concepts or techniques embodied in the mask work or the circuitry, logic flow, or organization of components used in the mask work; or

"(2) a person who performs the analysis or evaluation described in paragraph (1) to incorporate the results of such conduct in an original mask work which is made to be distributed.

"(b) Notwithstanding the provisions of section 905(2), the owner of a particular semiconductor chip product made by the owner of the mask work, or by any person authorized by the owner of the mask work, may import, distribute, or otherwise dispose of or use, but not reproduce, that particular semiconductor chip product without the authority of the owner of the mask work.

"§ 907. Limitation on exclusive rights: innocent infringement

"(a) Notwithstanding any other provision of this chapter, an innocent purchaser of an infringing semiconductor chip product—

"(1) shall incur no liability under this chapter with respect to the importation or distribution of units of the infringing semiconductor chip product that occurs before the innocent purchaser has notice of protection with respect to the mask work embodied in the semiconductor chip product; and

"(2) shall be liable only for a reasonable royalty on each unit of the infringing semiconductor chip product that the innocent purchaser imports or distributes after having notice of protection with respect to the mask work embodied in the semiconductor chip product.

"(b) The amount of the royalty referred to in subsection (a)(2) shall be determined by the court in a civil action for infringement unless the parties resolve the issue by voluntary negotiation, mediation, or binding arbitration.

"(c) The immunity of an innocent purchaser from liability referred to in subsection (a)(1) and the limitation of remedies with respect to an innocent purchaser referred to in subsection (a)(2) shall extend to any person who directly or indirectly purchasers an infringing semiconductor chip product from an innocent purchaser.

"(d) The provisions of subsections (a), (b), and (c) apply only with respect to those units of an infringing semiconductor chip product that an innocent purchaser purchased before having notice of protection with respect to the mask work embodied in the semiconductor chip product.

"§ 908. Registration of claims of protection

"(a) The owner of a mask work may apply to the Register of Copyrights for registration of a claim of protection in a mask work. Protection of a mask work under this chapter shall terminate if application for registration of a claim of protection in the mask work is not made as provided in this chapter within two years after the date on which the mask work is first commercially exploited anywhere in the world.

"(b) The Register of Copyrights shall be responsible for all administrative functions and duties under this chapter. Except for section 708, the provisions of chapter 7 of this title relating to the general responsibilities, organization, regulatory authority, actions, records, and publications of the Copyright Office shall apply to this chapter, except that the Register of Copyrights may make such changes as may be necessary in applying those provisions to this chapter.

"(c) The application for registration of a mask work shall be made on a form prescribed by the Register of Copyrights. Such form may require any information regarded by the Register as bearing upon the preparation or identification of the mask work, the existence or duration of protection of the mask work under this chapter, or ownership of the mask work. The application shall be accompanied by the fee set pursuant to subsection (d) and the identifying material specified pursuant to such subsection.

"(d) The Register of Copyrights shall by regulation set reasonable fees for the filing of applications to register claims of protection in mask works under this chapter, and for other services relating to the administration of this chapter or the rights under this chapter, taking into consideration the cost of providing those services, the benefits of a public record, and statutory fee schedules under this title. The Register shall also specify the identifying material to be deposited in connection with the claim for registration.

"(e) If the Register of Copyrights, after examining an application for registration, determines, in accordance with the provisions of this chapter, that the application relates to a mask work which is entitled to protection under this chapter, then the Register shall register the claim of protection and issue to the applicant a certicate of registration of the claim of protection under the seal of the Copyright Office. the effective date of registration of a claim of protection shall be the date on which an application, deposit of identifying material, and fee, which are determined by the Register of Copyrights or by a court of competent jurisdiction to be acceptable for registration of the claim, have all been received in the Copyright Office.

"(f) In any action for infringement under this chapter, the certificate of registration of a mask work shall constitute prima facie evidence (1) of the facts states in the certificate, and (2) that the applicant issued the certificate has met, the requirements of this chapter, and the regulations issued under this chapter, with respect to the registration of claims.

"(g) Any applicant for registration under this section who is dissatisfied with the refusal of the Register of Copyrights to issue a certificate of registration under this section may seek judicial review of that refusal by bringing an action for such review in an appropriate United States district court not later than sixty days after the refusal. The provisions of chapter 7 of title 5 shall apply to such judicial review. The failure of the Register of Copyrights to issue a certificate of registration within four months after an application for registration is filed shall be deemed to be a refusal to issue a certificate of registration for purposes of this subsection and section 910(b)(2), except that, upon a showing of good cause, the district court may shorten such four-month period.

"§ 909. Mask work notice

"(a) The owner of a mask work provided protection under this chapter may affix notice to the mask work, and to masks and semiconductor chip products embodying the mask work, in such manner and location as to give reasonable notice of such protection. The Register of Copyrights shall prescribe by regulation, as examples, specific methods of affixation and positions of notice for purposes of this section, but these specifications shall not be considered exhaustive. The affixation of such notice is not a condition of protection under this chapter, but shall constitute prima facie evidence of notice of protection.

"(b) The notice referred to in subsection (a) shall consist of—

"(1) the words 'mask work', the symbol *M*, or the symbol Ⓜ (the letter M in a circle); and

"(2) the name of the owner or owners of the mask work or an abbreviation by which the name is recognized or is generally known.

"§ 910. Enforcement of exclusive rights

"(a) Except as otherwise provided in this chapter, any person who violates any of the exclusive rights of the owner of a mask work under this chapter, by conduct in or affecting commerce, shall be liable as an infringer of such rights.

"(b)(1) The owner of a mask work protected under this chapter, or the exclusive licensee of all rights under this chapter with respect to the mask work, shall, after a certificate of registration of a claim of protection in that mask work has been issued under section 908, be entitled to institute a civil action for any infringement with respect to the mask work which is committed after the commencement of protection of the mask work under section 904(a).

"(2) In any case in which an application for registration of a claim of protection in a mask work and the required deposit of identifying material and fee have been received in the Copyright Office in proper form and registration of the mask work has been refused, the applicant is entitled to institute a civil action for infringement under this chapter with respect to the mask work if notice of the action, together with a copy of the complaint, is served on the Register of Copyrights, in accordance with the Federal Rules of Civil Procedure. The Register may, at his or her option, become a party to the action with respect to the issue of whether the claim of protection is eligible for registration by entering an appearance within sixty days after such service, but the failure of the Register to become a party to the action shall not deprive the court of jurisdiction to determine that issue.

"(c)(1) The Secretary of the Treasury and the United States Postal Service shall separately or jointly issue regulations for the enforcement of the rights set forth in section 905 with respect to importation. These regulations may require, as a condition for the exclusion of articles from the United States, that the person seeking exclusion take any one or more of the following actions:

"(A) Obtain a court order enjoining, or an order of the International Trade Commission under section 337 of the Tariff Act of 1930 excluding, importation of the articles.

"(B) Furnish proof that the mask work involved is protected under this chapter and that the importation of the articles would infringe the rights in the mask work under this chapter.

"(C) Post a surety bond for any injury that may result if the detention or exclusion of the articles proves to be unjustified.

"(2) Articles imported the violation of the rights set forth in section 905 are subject to seizure and forfeiture in the same manner as property imported in violation of the customs laws. Any such forfeited articles shall be destroyed as directed by the Secretary of the Treasury or the court, as the case may be, except that the articles may be returned to the country of export whenever it is shown to the satisfaction of the Secretary of the Treasury that the importer had no reasonable grounds for believing that his or her acts constituted a violation of the law.

"§ 911. Civil actions

"(a) Any court having jurisdiction of a civil action arising under this chapter may grant temporary restraining orders, preliminary injunctions, and permanent injunctions on such terms as the court may deem reasonable to prevent or restrain infringement of the exclusive rights in a mask work under this chapter.

"(b) Upon finding an infringer liable, to a person entitled under section 910(b)(1) to institute a civil action, for an infringement of any exclusive right under this chapter, the court shall award such person actual damages suffered by the person as a result of the infringement. The court shall also award such person the infringer's profits that are attributable to the infringement and are not taken into account in computing the award of actual damages. In establishing the infringer's profits, such person is required to present proof only of the infringer's gross revenue, and the infringer is required to prove his or her deductible expenses and the elements of profit attributable to factors other than the mask work.

"(c) At any time before final judgment is rendered, a person entitled to institute a civil action for infringement may elect, instead of actual damages and profits as provided by subsection (b), an award of statutory damages for all infringements involved in the action, with respect to any one mask work for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in an amount not more than $250,000 as the court considers just.

"(d) An action for infringement under this chapter shall be barred unless the action is commenced within three years after the claim accrues.

"(e)(1) At any time while an action for infringement of the exclusive rights in a mask work under this chapter is pending, the court may order the impounding, on such terms as it may deem reasonable, of all semiconductor chip products, and any drawings, tapes, masks, or other products by means of which such products may be reproduced, that are claimed to have been made, imported, or used in violation of those exclusive rights. Insofar as practicable, applications for orders under this paragraph shall be heard and determined in the same manner as an application for a temporary restraining order or preliminary injunction.

"(2) As part of a final judgment or decree, the court may order the destruction or other disposition of any infringing semiconductor chips products, and any masks, tapes, or other articles by means of which such products may be reproduced.

"(f) In any civil action arising under this chapter, the court in its discretion may allow the recovery of full costs, including reasonable attorneys' fees, to the prevailing party.

"§ 912. Relation to other laws

"(a) Nothing in this chapter shall affect any right or remedy held by any person under chapters 1 through 8 of this title, or under title 35.

"(b) Except as provided in section 908(b) of this title, references to 'this title' or 'title 17' in chapters 1 through 8 of this title shall be deemed not to apply to this chapter.

"(c) The provisions of this chapter shall preempt the laws of any State to the extent those laws provide any rights or remedies with respect to a mask work which are equivalent to those rights or remedies provided by this chapter, except that such preemption shall be effective only with respect to actions filed on or after January 1, 1986.

"(d) The provisions of sections 1338, 1400(a) and 1498 (b) and (c) of title 28 shall apply with respect to exclusive rights in mask works under this chapter.

"(e) Notwithstanding subsection (c), nothing in this chapter shall detract from any rights of a mask work owner, whether under Federal law (exclusive of this chapter) or under the common law or the statutes of a State, heretofore or hereafter declared or enacted, with respect to any mask work first commercially exploited before July 1, 1983.

"§ 913. Transitional provisions

"(a) No application for registration under section 908 may be filed, and no civil action under section 910 or other enforcement proceeding under this chapter may be instituted, until sixty days after the date of the enactment of this chapter.

"(b) No monetary relief under section 911 may be granted with respect to any conduct that occurred before the date of the enactment of this chapter, except as provided in subsection (d).

"(c) Subject to subsection (a), the provisions of this chapter apply to all mask works that are first commercially exploited or are registered under this chapter, or both, on or after the date of the enactment of this chapter.

"(d)(1) Subject to subsection (a), protection is available under this chapter to any mask work that was first commercially exploited on or after July 1, 1983, and before the date of the enactment of this chapter, if a claim of protection in the mask work is registered in the Copyright Office before July 1, 1985, under section 908.

"(2) In the case of any mask work described in paragraph (1) that is provided protection under this chapter, infringing semiconductor chip product units manufactured before the date of the enactment of this chapter may, without liability under sections 910 and 911, be imported into or distributed in the United States, or both, until two years after the date of registration of the mask work under section 908, but only if the importer or distributor, as the case may be, first pays or offers to pay the reasonable royalty referred to in section 907(a)(2) to the mask work owner, on all such units imported or distributed, or both, after the date of the enactment of this chapter.

"(3) In the event that a person imports or distributes infringing semiconductor chip product units described in paragraph (2) of this subsection without first paying or offering to pay the reasonable royalty specified in such paragraph, or if the person refuses or fails to make such payment, the mask work owner shall be entitled to the relief provided in sectons 910 and 911.

"§ 914. International transitional provisions

"(a) Notwithstanding the conditions set forth in subparagraphs (A) and (C) of section 902(a)(1) with respect to the availability of protection under this chapter to nationals, domiciliaries, and sovereign authorities of a foreign nation, the Secretary of Commerce may, upon the petition of any person, or upon the Secretary's own motion, issue an order extending protection under this chapter to such foreign nationals, domi-

ciliaries, and sovereign authorities if the Secretary finds—

"(1) that the foreign nation is making good faith efforts and reasonable progress toward—

"(A) entering into a treaty described in section 902(a)(1)(A); or

"(B) enacting legislation that would be in compliance with subparagraphs (A) or (B) of section 902(a)(2); and

"(2) that the nationals, domiciliaries, and sovereign authorities of the foreign nation, and persons controlled by them, are not engaged in the misappropriation, or unauthorized distribution or commercial exploitation, of mask works; and

"(3) that issuing the order would promote the purposes of this chapter and international comity with respect to the protection of mask works.

"(b) While an order under subsection (a) is in effect with respect to a foreign nation, no application for registration of a claim for protection in a mask work under this chapter may be denied solely because the owner of the mask work is a national, domiciliary, or sovereign authority of that foreign nation, or solely because the mask work was first commercially exploited in that foreign nation.

"(c) Any order issued by the Secretary of Commerce under subsection (a) shall be effective for such period as the Secretary designates in the order, except that no such order may be effective after the date on which the authority of the Secretary of Commerce terminates under subsection (e). The effective date of any such order shall also be designated in the order. In the case of an order issued upon the petition of a person, such effective date may be no earlier than the date on which the Secretary receives such petition.

"(d)(1) Any order issued under this section shall terminate if—

"(A) the Secretary of Commerce finds that any of the conditions set forth in paragraphs (1), (2), and (3) of subsection (a) no longer exist; or

"(B) mask works of nationals, domiciliaries, and sovereign authorities of that foreign nation or mask works first commercially exploited in that foreign nation become eligible for protection under subparagraphs (A) or (C) of section 902(a)(1).

"(2) Upon the termination or expiration of an order issued under this section, registrations of claims of protection in mask works made pursuant to that order shall remain valid for the period specified in section 904.

"(e) The authority of the Secretary of Commerce under this section shall commence on the date of the enactment of this chapter, and shall terminate three years after such date of enactment.

"(f)(1) The Secretary of Commerce shall promptly notify the Register of Copyrights and the Committees on the Judiciary of the Senate and the House of Representatives of the issuance or termination of any order under this section, together with a statement of the reasons for such action. The Secretary shall also publish such notification and statement of reasons in the Federal Register.

"(2) Two years after the date of the enactment of this chapter, the Secretary of Commerce, in consultation with the Register of Copyrights, shall transmit to the Committees on the Judiciary of the Senate and the House of Representatives a report on the actions taken under this section and on the current status of international recognition of mask work protection. The report shall include such recommendations for modifications of the protection accorded under this chapter to mask works owned by nationals, domiciliaries, or sovereign authorities of foreign nations as the Secretary, in consultation with the Register of Copyrights, considers would promote the purposes of this chapter and international comity with respect to mask work protection.".

TECHNICAL AMENDMENT

SEC. 303. The table of chapters at the beginning of title 17, United States Code, is amended by adding at the end thereof the following new item:

"9. Protection of Semiconductor Chip Products..... 901".

AUTHORIZATION OF APPROPRIATIONS

SEC. 304. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this title and the amendments made by this title.

TITLE IV—FEDERAL COURTS IMPROVEMENTS

Subtitle A—Civil Priorities

ESTABLISHMENT OF PRIORITY OF CIVIL ACTIONS

SEC. 401. (a) Chapter 111 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1657. Priority of civil actions

"(a) Notwithstanding any other provision of law, each court of the United States shall determine the order in which civil actions are heard and determined, except that the court shall expedite the consideration of any action brought under chapter 153 or section 1826 of this title, any action for temporary or preliminary injunctive relief, or any other action if good cause therefor is shown. For purposes of this subsection, 'good cause' is shown if a right under the Constitution of the United States or a Federal Statute (including rights under section 552 of title 5) would be maintained in a factual context that indicates that a request for expedited consideration has merit.

"(b) The Judicial Conference of the United States may modify the rules adopted by the courts to determine the order in which civil actions are heard and determined, in order to establish consistency among the judicial circuits.".

(b) The section analysis of chapter 111 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"1657. Priority of civil actions.".

AMENDMENTS TO OTHER LAWS

SEC. 402. The following provisions of law are amended—

(1)(A) Section 309(a)(10) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(10)) is repealed.

(B) Section 310(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437h(c)), is repealed.

(2) Section 552(a)(4)(D) of title 5, United States Code, is repealed.

(3) Section 6(a) of the Commodity Exchange Act (7 U.S.C. 8(a)) is amended by striking out "The proceedings in such cases in the court of appeals shall be made a preferred cause and shall be expedited in every way.".

(4)(A) Section 6(c)(4) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136d(c)(4)) is amended by striking out the second sentence.

(B) Section 10(d)(3) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136h(d)(3)) is amended by striking out "The court shall give expedited consideration to any such action.".

(C) Section 16(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136n(b)) is amended by striking out the last sentence.

(D) Section 25(a)(4)(E)(iii) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w(a)(4)(E)(iii)) is repealed.

(5) Section 204(d) of the Packers and Stockyards Act, 1921 (7 U.S.C. 194(d)), is amended by striking out the second sentence.

(6) Section 366 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1366) is amended in the fourth sentence by striking out "At the earliest convenient time, the court, in term time or vacation," and inserting in lieu thereof "The court".

(7)(A) Section 410 of the Federal Seed Act (7 U.S.C. 1600) is amended by striking out "The proceedings in such cases in the court of appeals shall be made a preferred cause and shall be expedited in every way.".

(B) Section 411 of the Federal Seed Act (7 U.S.C. 1601) is amended by striking out "The proceedings in such cases shall be made a preferred cause and shall be expedited in every way.".

(8) Section 816(c)(4) of the Act of October 7, 1975, commonly known as the Department of Defense Appropriation Authorization Act of 1976 (10 U.S.C. 2304 note) is amended by striking out the last sentence.

(9) Section 5(d)(6)(A) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)(6)(A)) is amended by striking out "Such proceedings shall be given precedence over other cases pending in such courts, and shall be in every way expedited.".

(10)(A) Section 7A(f)(2) of the Clayton Act (15 U.S.C. 18a(f)(2)) is amended to read as follows: "(2) certifies to the United States district court for the judicial district within which the respondent resides or carries on business, or in which the action is brought, that it or he believes that the public interest requires relief pendente lite pursuant to this subsection, then upon the filing of such motion and certification, the chief judge of such district court shall immediately notify the chief judge of the United States court of appeals for the circuit in which such district court is located, who shall designate a United States district judge to whom such action shall be assigned for all purposes.".

(B) Section 11(e) of Clayton Act (15 U.S.C. 21(e)) is amended by striking out the first sentence.

(11) Section 1 of the Act of February 11, 1903, commonly known as the Expediting Act (15 U.S.C. 28) is repealed.

(12) Section 5(e) of the Federal Trade Commission Act (15 U.S.C. 45(3)) is amended by striking out the first sentence.

(13) Section 21(f)(3) of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1(f)(3)) is repealed.

(14) Section 11A(c)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78k-1(c)(4)) is amended—

(A) by striking out "(A)" after "(4)"; and

(B) by striking out subparagraph (B).

(15)(A) Section 309(e) of the Small Business Investment Act of 1958 (15 U.S.C. 687a(e)) is amended by striking out the sixth sentence.

(B) Section 309(f) of the Small Business Investment Act of 1958 (15 U.S.C. 687a(f)) is amended by striking out the last sentence.

(C) Section 311(a) of the Small Business Investment Act of 1958 (15 U.S.C. 687c(a)) is amended by striking out the last sentence.

(16) Section 10(c)(2) of the Alaska Natural Gas Transportation Act (15 U.S.C. 719h(c)(2)) is repealed.

(17) Section 155(a) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1415(a)) is amended be striking out "(1)" and by striking out paragraph (2).

(18) Section 503(b)(3)(E) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2003(b)(3)(E)) is amended by striking

out clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(19) Section 23(d) of the Toxic Substances Control Act (15 U.S.C. 2622(d)) is amended by striking out the last sentence.

(20) Section 12(e)(3) of the Coastal Zone Management Improvement Act of 1980 (16 U.S.C. 1463a(e)(3)) is repealed.

(21) Section 11 of the Act of September 28, 1975 (16 U.S.C. 1910), is amended by striking out the last sentence.

(22)(A) Section 807(b) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3117(b)) is repealed.

(B) Section 1108 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3168) is amended to read as follows:

"INJUNCTIVE RELIEF

SEC. 1108. No court shall have jurisdiction to grant any injunctive relief lasting longer than ninety days against any action pursuant to this title except in conjunction with a final judgment entered in a case involving an action pursuant to this title.".

(23)(A) Section 10(b)(3) of the Central Idaho Wilderness Act of 1980 (Public Law 96-312; 94 Stat. 948) is repealed.

(B) Section 10(c) of the Central Idaho Wilderness Act of 1980 is amended to read as follows:

"(c) Any review of any decision of the United states District Court for the District of Idaho shall be made by the Ninth Circuit Court of Appeals of the United States.".

(24)(A) Section 1964(b) of title 18, United States Code, is amended by striking out the second sentence.

(B) Section 1966 of title 18, United States Code, is amended by striking out the last sentence.

(25)(A) Section 408(i)(5) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a(i)(5)) is amended by striking out the last sentence.

(B) Section 409(g)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348(g)(2)) is amended by striking out the last sentence.

(26) Section 8(f) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 618(f)) is amended by striking out the last sentence.

(27) Section 4 of the Act of December 22, 1974 (25 U.S.C. 640d-3), is amended by striking out "(a)" and by striking out subsection (b).

(28)(A) Section 3310(e) of the Internal Revenue Code of 1954 (26 U.S.C. 3310(e)) is repealed.

(B) Section 6110(f)(5) of the Internal Revenue Code of 1954 (26 U.S.C. 6110(f)(5)) is amended by striking out "and the Court of Appeals shall expedite any review of such decision in every way possible".

(C) Section 6363(d)(4) of the Internal Revenue Code of 1954 (2 U.S.C. 6363(d)(4)) is repealed.

(D) Section 7609(h)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 7609(h)(3)) is repealed.

(E) Section 9010(c) of the Internal Revenue Code of the 1954 (26 U.S.C. 9010(c)) is amended by striking out the last sentence.

(F) Section 9011(b)(2) of the Internal Revenue Code of 1954 (26 U.S.C. 9011(b)(2)) is amended by striking out the last sentence.

(29)(A) Section 596(a)(3) of title 28, United States Code, is amended by striking out the last sentence.

(B) Section 636(c)(4) of title 28, United States Code, is amended in the second sentence by striking out "expeditious and".

(C) Section 1296 of title 28, United States Code, and the item relating to that section in the section analysis of chapter 83 of that title, are repealed.

(D) Subsection (C) of section 1364 of title 28, United States Code, the section heading of which reads "Senate actions", is repealed.

(E) Section 2284(b)(2) of title 28, United States Code, is amended by striking out the last sentence.

(F) Section 2349(b) of title 28, United States Code, is amended by striking out the last two sentences.

(G) Section 2647 of title 28, United States Code, and the item relating to that section in the section analysis of chapter 169 of that title, are repealed.

(30) Section 10 of the Act of March 23, 1932, commonly known as the Norris-LaGuardia Act (29 U.S.C. 110), is amended by striking out "with the greatest possible expedition" and all that follows through the end of the sentence and inserting in lieu thereof "expeditiously".

(31) Section 10(i) of the National Labor Relations Act (29 U.S.C. 160(l)) is repealed.

(32) Section 11(a) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 660(a)) is amended by striking out the last sentence.

(33) Section 4003(e)(4) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1303(e)(4)) is repealed.

(34) Section 106(a)(1) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 816(a)(1)) is amended by striking out the last sentence.

(35) Section 1016 of the Impoundment Control Act of 1974 (31 U.S.C. 1406) is amended by striking out the second sentence.

(36) Section 2022 of title 38, United States Code, is amended by striking out "The court shall order speedy hearing in any such case and shall advance it on the calendar.".

(37) Section 3628 of title 39, United States Code, is amended by striking out the fourth sentence.

(38) Section 1450(1)(4) of the Public Health Service Act (42 U.S.C. 300j-9(i)(4)) is amended by striking out the last sentence.

(39) Section 304(e) of the Social Security Act (42 U.S.C. 504(e)) is repealed.

(40) Section 814 of the Act of April 11, 1968, (42 U.S.C. 3614), is repealed.

(41) The matter under the subheading "Exploration of National Petroleum Reserve in Alaska" under the headings "ENERGY AND MINERALS" and "GEOLOGICAL SURVEY" in title I of the Act of December 12, 1980 (94 Stat. 2964; 42 U.S.C. 6508), is amended in the third paragraph by striking out the last sentence.

(42) Section 214(b) of the Emergency Energy Conservation Act of 1979 (42 U.S.C. 8514(b)) is repealed.

(43) Section 2 of the Act of February 25, 1885 (43 U.S.C. 1062), is amended by striking out "; and any suit brought under the provisions of this section shall have precedence for hearing and trial over other cases on the civil docket of the court, and shall be tried and determined at the earliest practicable day".

(44) Section 23(d) of the Outer Continental Shelf Lands Act (43 U.S.C. 1349(d)) is repealed.

(45) Section 511(c) of the Public Utilities Regulatory Policies Act of 1978 (43 U.S.C. 2011(c)) is amended by striking out "Any such proceeding shall be assigned for hearing at the earliest possible date and shall be expedited by such court.".

(46) Section 203(d) of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1652(d)) is amended by striking out the fourth sentence.

(47) Section 5(f) of the Railroad Unemployment Insurance Act (45 U.S.C. 355(f)) is amended by striking out ", and shall be given precedence in the adjudication thereof over all other civil cases not otherwise entitled by law to precedence".

(48) Section 305(d)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 745(d)(2)) is amended—

(A) in the first sentence by striking out "Within 180 days after" and inserting in lieu thereof "After"; and

(B) in the last sentence by striking out "Within 90 days after" and inserting in lieu thereof "After".

(49) Section 124(b) of the Rock Island Transition and Employee Assistance Act (45 U.S.C. 1018(b)) is amended by striking out ", and shall render a final decision no later than 60 days after the date the last such appeal is filed".

(50) Section 402(g) of the Communications Act of 1934 (47 U.S.C. 402(g)) is amended—

(A) by striking out "At the earliest convenient time the" and inserting in lieu thereof "The"; and

(B) by striking out "10(e) of the Administrative Procedure Act" and inserting in lieu thereof "706" of title 5, United States Code".

(51) Section 405(e) of the Surface Transportation Assistance Act of 1982 (Public Law 97-424; 49 U.S.C. 2305(e)) is amended by striking out the last sentence.

(52) Section 606(c)(1) of the Rail Safety and Service Improvement Act of 1982 (Public Law 97-468; 49 U.S.C. 1205(c)(1)) is amended by striking out the second sentence.

(53) Section 13A(a) of the Subversive Activities Control Act of 1950 (50 U.S.C. 792a note) is amended in the third sentence by striking out "or any court".

(54) Section 12(a) of the Military Selective Service Act of 1967 (50 U.S.C. App. 462(a)) is amended by striking out the last sentence.

(55) Section 4(b) of the Act of July 2, 1948 (50 U.S.C. App. 1984(b)), is amended by striking out the last sentence.

EFFECTIVE DATE

SEC. 403. The amendments made by this subtitle shall not apply to cases pending on the date of the enactment of this subtitle.

Subtitle B—District Court Organization

SEC. 404. This subtitle may be cited as the Federal District Court Organization Act of 1984".

SEC. 405. The second sentence of subsection (c) of section 112 of title 28, United States Code, is amended to read as follows:

"Court for the Eastern District shall be held at Brooklyn, Hauppauge, and Hempstead (including the village of Uniondale).".

SEC. 406. (a) Subsection (a) of section 93 of title 28, United States Code, is amended—

(1) in paragraph (1) by striking out "De Kalb," and "McHenry,"; and

(2) in paragraph (2)—

(A) by inserting "De Kalb," immediately after "Carroll,"; and

(B) by inserting "McHenry," immediately after "Lee,".

(b) The amendments made by subsection (a) of this section shall apply to any action commenced in the United States District Court for the Northern District of Illinois on or after the effective date of this subtitle, and shall not affect any action pending in such court on such effective date.

"(c) The second sentence of subsection (b) of section 93 of title 28, United States Code, is amended by inserting 'Champaign/Urbana,' before 'Danville'."

SEC. 407. (a) Subsection (b) of section 124 of title 26, United States Code, is amended—

(1) by striking out "six divisions" and inserting in lieu thereof "seven divisions";

(2) In paragraph (4) by striking out ", Hidalgo, Starr ,"; and

(3) by adding at the end thereof the following:

"(7) The McAllen Division comprises the counties of Hidalgo and Starr.

"Court for the McAllen Division shall be held at McAllen.".

(b) The amendments made by subsection (a) of this section shall apply to any action commenced in the United States District Court for the Southern District of Texas on or after the effective date of this subtitle, and shall not affect any action pending in such court on such effective date.

SEC. 408. (a) Paragraph (1) of section 90 (a) of title 28, United States Code, is amended—

(1) by inserting "Fannin," after "Dawson,";

(2) by inserting "Gilmer," after "Forsyth,"; and

(3) by inserting "Pickens," after "Lumpkin,".

(b) Paragraph (2) of section 90(a) of title 28, United States Code, is amended by striking out "Fannin,", "Gilmer,", and "Pickens,".

(c) Paragraph (6) of section 90(c) of title 28, United States Code, is amended by striking out "Swainsboro" each place it appears and inserting in lieu thereof "Statesboro".

(d) The amendments made by this section shall apply to any action commenced in the United States District Court for the Northern District of Georgia on or after the effective date of this subtitle, and shall not affect any action pending in such court on such effective date.

SEC. 409. Section 85 of title 28, United States Code, is amended by inserting "Boulder," before "Denver".

SEC. 410. The second sentence of section 126 of title 28, United States Code, is amended by inserting "Bennington," before "Brattleboro".

SEC. 411. (a) The amendments made by this subtitle shall take effect on January 1, 1985.

(b) The amendments made by this subtitle shall not affect the composition, or preclude the service, of any grand or petit jury summoned, impaneled, or actually serving on the effective date of this subtitle.

"SUBTITLE C—AMENDMENTS TO THE FEDERAL COURTS IMPROVEMENTS ACT OF 1982"

This subtitle may be cited as the "Technical Amendments to the Federal Courts Improvement Act of 1982".

SEC. 412. (a) Section 1292(b) of title 28, United States Code, is amended by inserting "which would have jurisdiction of an appeal of such action" after "The Court of Appeals".

(b) Section 1292(c)(1) of title 28, United States Code, is amended by inserting "or (b)" after "(a)".

SEC. 413. Section 337(c) of the Tariff Act of 1930 (19 U.S.C. 1337(c)) is amended in the fourth sentence by inserting ", within 60 days after the determination becomes final," after "appeal such determination".

SEC. 414. (a) Sections 142, 143, and 144 of title 35, United States Code, are amended to read as follows:

"§ 142. Notice of appeal

"When an appeal is taken to the United States Court of Appeals for the Federal Circuit, the appellant shall file in the Patent and Trademark Office a written notice of appeal directed to the Commissioner, within such time after the date of the decision from which the appeal is taken as the Commissioner prescribes, but in no case less than 60 days after that date.

"§ 143. Proceedings on appeal

"With respect to an appeal described in section 142 of this title, the Commissioner shall transmit to the United States Court of Appeals for the Federal Circuit a certified list of the documents comprising the record in the Patent and Trademark Office. The court may request that the Commissioner forward the original or certified copies of such documents during pendency of the appeal. In an ex parte case, the Commissioner shall submit to the court in writing the grounds for the decision of the Patent and Trademark Office, addressing all the issues involved in the appeal. The court shall, before hearing an appeal, give notice of the time and place of the hearing to the Commissioner and the parties in the appeal.

"§ 144. Decision on appeal

"The United States Court of Appeals for the Federal Circuit shall review the decision from which an appeal is taken on the record before the Patent and Trademark Office. Upon its determination the court shall issue to the Commissioner its mandate and opinion, which shall be entered of record in the Patent and Trademark Office and shall govern the further proceedings in the case.".

(b) Paragraphs (2), (3), and (4) of subsection (a) of section 21 of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946 (15 U.S.C. 1071(a) (2), (3), and (4)), are amended to read as follows:

"(2) When an appeal is taken to the United States Court of Appeals for the Federal Circuit, the appellant shall file in the Patent and Trademark Office a written notice of appeal directed to the Commissioner, within such time after the date of the decision from which the appeal is taken as the Commissioner prescribes, but in no case less than 60 days after that date.

"(3) The Commissioner shall transmit to the United States Court of Appeals for the Federal Circuit a certified list of the documents comprising the record in the Patent and Trademark Office. The court may request that the Commissioner forward the original or certified copies of such documents during pendency of the appeal. In an ex parte case, the Commissioner shall submit to that court a brief explaining the grounds for the decision of the Patent and Trademark Office, addressing all the issues involved in the appeal. The court shall, before hearing an appeal, give notice of the time and place of the hearing to the Commissioner and the parties in the appeal.

"(4) The United States Court of Appeals for the Federal Circuit shall review the decision from which the appeal is taken on the record before the Patent and Trademark Office. Upon its determination the court shall issue its mandate and opinion to the Commissioner, which shall be entered of record in the Patent and Trademark Office and shall govern the further proceedings in the case.".

(c) The amendments made by this section shall apply to proceedings pending in the Patent and Trademark Office on the date of the enactment of this Act and to appeals pending in the United States Court of Appeals for the Federal Circuit on such date.

SEC. 415. Any individual who, on the date of the enactment of the Federal Courts Improvement Act of 1982, was serving as marshal for the Court of Appeals for the District of Columbia under section 713(c) of title 28, United States Code, may, after the date of the enactment of this Act, so serve under that section as in effect on the date of the enactment of the Federal Courts Improvement Act of 1982. While such individual so serves, the provisions of section 714(a) of title 28, United States Code, shall not apply to the Court of Appeals for the District of Columbia.

SEC. 416. Title 28, United States Code, is amended in the following respects:

(a) There shall be inserted, after section 797 thereof, in chapter 51 thereof, the following new section 798, which shall read as follows:

"798. PLACES OF HOLDING COURT; APPOINTMENT OF SPECIAL MASTERS.

"a. The United States Claims Court is hereby authorized to utilize facilities and hold court in Washington, D.C., and in four locations outside of the Washington, D.C., metropolitan area, for the purpose of conducting trials and such other proceedings as may be appropriate to executing the court's functions. The Director of the Administrative Office of the United States Courts shall designate such locations and provide for such facilities.

"b. The Chief Judge of the Claims Court may appoint special masters to assist the count in carrying out its functions. Any special masters so appointed shall carry out their responsibilities and be compensated in accordance with procedures set forth in the rules of the court."

(b) The caption of chapter 51, title 28 shall be amended to include the following item:

"798. PLACES OF HOLDING COURT; APPOINTMENT OF SPECIAL MASTERS.".

TITLE V—GOVERNMENT RESEARCH AND DEVELOPMENT PATENT POLICY

SEC. 501. Chapter 18 of title 35, United States Code, is amended—

(1) by adding "or any novel variety of plant which is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.)" immediately after "title" in section 201(d);

(2) by adding ": *Provided*, That in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act (7 U.S.C. 2401(d))) must also occur during the period of contract performance" immediately after "agreement" in section 201(e);

(3) in section 202(a), by amending clause (i) to read as follows: "(i) when the contractor is not located in the United States or does not have a place of business located in the United States or is subject to the control of a foreign government,"; by striking the word "or" before "iii", and by adding, after the words " security of such activities" in the first sentence of such paragraph, the following: "or, iv) when the funding agreement includes the operation of a Government-owned, contractor-operated facility of the Department of Energy primarily dedicated to that Department's naval nuclear propulsion or weapons related programs and all funding agreement limitations under this subparagraph on the contractor's right to elect title to a subject invention are limited to inventions occurring under the above two programs of the Department of Energy.";

(4) by amending paragraphs (1) and (2) of section 202(b) to read as follows:

"(b) The rights of the Government under subsection (a) shall not be exercised by a Federal agency unless it first determines that at least one of the conditions identified in clauses (i) through (iii) of subsection (a) exists. Except in the case of subsection (a)(iii), the agency shall file with the Secretary of Commerce, within thirty days after the award of the applicable funding agreement, a copy of such determination. In the case of a determination under subsection (a)(ii), the statement shall include an analysis justifying the determination. In the case of determinations applicable to funding agreements with small business firms, copies shall also be sent to the Chief Counsel for Advocacy of the Small Business Administration. If the Secretary of Commerce believes that any individual determination

or pattern of determinations is contrary to the policies and objectives of this chapter or otherwise not in conformance with this chapter, the Secretary shall so advise the head of the agency concerned and the Administrator of the Office of Federal Procurement Policy, and recommend corrective actions.

"(2) Whenever the Administrator of the Office of Federal Procurement Policy has determined that one or more Federal agencies are utilizing the authority of clause (i) or (ii) of subsection (a) of this section in a manner that is contrary to the policies and objectives of this chapter, the Administrator is authorized to issue regulations describing classes of situations in which agencies may not exercise the authorities of those clauses.";

(4A) By adding at the end of section 202(b) the following new paragraph:

"(4) If the contractor believes that a determination is contrary to the policies and objectives of this chapter or constitutes an abuse of discretion by the agency, the determination shall be subject to the last paragraph of section 203(2)."

(5) by amending paragraphs (1), (2), (3), and (4) of section 202(c) to read as follows:

"(1) That the contractor disclose each subject invention to the Federal agency within a reasonable time after it becomes known to contractor personnel responsible for the administration of patent matters, and that the Federal Government may receive title to any subject invention not disclosed to it within such time.

"(2) That the contractor make a written election within two years after disclosure to the Federal agency (or such additional time as may be approved by the Federal agency) whether the contractor will retain title to a subject invention: *Provided*, That in any case where publication, on sale, or public use, has initiated the one year statutory period in which valid patent protection can still be obtained in the United States, the period for election may be shortened by the Federal agency to a date that is not more than sixty days prior to the end of the statutory period: *And provided further*, That the Federal Government may receive title to any subject invention in which the contractor does not elect to retain rights or fails to elect rights within such times.

"(3) That a contractor electing rights in a subject invention agrees to file a patent application prior to any statutory bar date that may occur under this title due to publication, on sale, or public use, and shall thereafter file corresponding patent applications in other countries in which it wishes to retain title within reasonable times, and that the Federal Government may receive title to any subject inventions in the United States or other countries in which the contractor has not filed patent applications on the subject invention within such times.

"(4) With respect to any invention in which the contractor elects rights, the Federal agency shall have a nonexclusive, nontransferrable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States any subject invention throughout the world: *Provided*, That the funding agreement may provide for such additional rights; including the right to assign or have assigned foreign patent rights in the subject invention, as are determined by the agency as necessary for meeting the obligations of the United States under any treaty, international agreement, arrangement of cooperation, memorandum of understanding, or similar arrangement, including military agreements relating to weapons development and production.".

(6) by striking out "may" in section 202(c)(5) and inserting in lieu thereof "as well as any information on utilization or efforts at obtaining utilization obtained as part of a proceeding under section 203 of this chapter shall";

(7) by striking out "and which is not, itself, engaged in or does not hold a substantial interest in other organizations engaged in the manufacture or sales of products or the use of processes that might utilize the invention or be in competition with embodiments of the invention" in clause (A) of section 202(c)(7);

(8) by amending clause (B)-(D) of section 202(c)(7) to read as follows: "(B) a requirement that the contractor share royalties with the inventor; "(C) except with respect to a funding agreement for the operation of a Government-owned-contractor-operated facility, a requirement that the balance of any royalties or income earned by the contractor with respect to subject inventions, after payment of expenses; (including payments to inventors) incidental to the administration of subject inventions", be utilized for the support of scientific research; or education; (D) a requirement that, except where it proves infeasible after a reasonable inquiry, in the licensing of subject inventions shall be given to small business firms; and (E) with respect to a funding agreement for the operation of a Government-owned-contractor-operated facility, requirements (i) that after payment of patenting costs, licensing costs, payments to inventors, and other expenses incidental to the administration of subject inventions, 100 percent of the balance of any royalties or income earned and retained by the contractor during any fiscal year, up to an amount equal to five percent of the annual budget of the facility, shall be used by the contractor for scientific research, development, and education consistent with the research and development mission and objectives of the facility, including activities that increase the licensing potential of other inventions of the facility; provided that if said balance exceeds five percent of the annual budget of the facility, that 75 percent of such excess shall be payed to the Treasury of the United States and the remaining 25 percent shall be used for the same purposes as described above in this clause (D) and (ii) that, to the extent it provides the most effective technology transfer, the licensing of subject inventions shall be administered by contractor employees on location at the facility."

(9) By adding "(1.) before the word "With" in the first line of section 203, and by adding at the end of section 203 the following: "(2) A determination pursuant to this section or section 202(b)(4) shall not be subject to the Contract Disputes Act (41 U.S.C. s. 601 et seq.). An administrative appeals procedure shall be established by regulations promulgated in accordance with section 206. Additionally, any contractor, inventor, assignee, or exclusive licensee adversely affected by a determination under this section may, at any time within sixty days after the determination is issued, file a petition in the United States Claims Court, which shall have jurisdiction to determine the "appeal on the record and to affirm, reverse, remand or modify, ", as appropriate, the determination of the Federal agency. In cases described in paragraphs (a) and (c), the agency's determination shall be held in abeyance pending the exhaustion of appeals or petitions filed under the preceding sentence.";

(10) by amending section 206 to read as follows:

"§ 206. Uniform clauses and regulations

"The Secretary of Commerce may issue regulations which may be made applicable to Federal agencies implementing the provisions of sections 202 through 204 of this chapter and shall establish standard funding agreement provisions required under this chapter. The regulations and the standard funding agreement shall be subject to public comment before their issuance.";

(11) in section 207 by inserting "(a)" before "Each Federal" and by adding the following new subsection at the end thereof:

"(b) For the purpose of assuring the effective management of Government-owned inventions, the Secretary of Commerce authorized to—"

"(1) assist Federal agency efforts to promote the licensing and utilization of Government-owned inventions;

"(2) assist Federal agencies in seeking protection and maintaining inventions in foreign countries, including the payment of fees and costs connected therewith; and

"(3) consult with and advise Federal agencies as to areas of science and technology research and development with potential for commercial utilization."; and

(12) in section 208 by striking out "Administrator of General Services" and inserting in lieu thereof "Secretary of Commerce".

(13) By deleting from the first sentence of section 210(c), "August 23, 1971 (36 Fed. Reg. 16887)" and inserting in lieu there of "February 18, 1983", and by inserting the following before the period at the end of the first sentence of section 210(c) "except that all funding agreements, including those with other than small business firms and nonprofit organizations, shall include the requirements established in paragraph 202(c)(4) and section 203 of this title."

(14) by adding at the end thereof the following new section:

"Sec. 212. Disposition of rights in educational awards

"No scholarship, fellowship, training grant, or other funding agreement made by a Federal agency primarily to an awardee for educational purposes will contain any provision giving the Federal agency any right to inventions made by the awardee." and

(15) by adding at the end of the table of sections for the chapter the following new items:

"212. Disposition of rights in education awards.".

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. KASTENMEIER] is recognized for 1 hour.

□ 1310

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

(Mr. KASTENMEIER asked and was given permission to revise and extend his remarks.)

Mr. KASTENMEIER. Mr. Speaker, let me state at the outset that I will yield for purposes of debate only.

Mr. Speaker, I rise in not only strong support of H.R. 6163, as amended by the Senate, but in urgent support of it.

H.R. 6163 is entitled a bill to amend title 28, United States Code, "with respect to the places where court shall be held in certain judicial districts." Looking at the length and complexity of the Senate amendment, however, the amended bill bears little resemblance to the bill that we passed unanimously under suspension of the rules of September 24, 1984. A clear and concise four-page bill has become a 65-page bill with five titles.

What has the Senate wrought? Is it trying to jam down the House's throat a long list of special interest projects? Is the Senate sending us the residue of certain ill-fated legislative projects? Or has the Senate simply used its finite time in the waning days of the 98th Congress to refashion into an omnibus package a number of House-passed initiatives that have broad-based support in the House and Senate or have become high priorities with the administration?

In all candor, there may have been a little bargaining in the other body; it nonetheless is my contention that the Senate has sent us a responsible package: a package that we should pass. In my capacity as chairman of the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice, I feel qualified to make this statement. An examinaition of the Senate amendment shows that every section in it falls within my subcommittee's jurisdiction, either in the court reform area or as relates to copyright, patents and trademarks. I and my staff have reviewed the bill in its entirety. As to substance, the amendment's provisions satisfy the high standards necessary for enactment of a public law. There are no special interest provisions, no private patent or trademark bills, no water projects. There is not a single section in the bill that has not received the attention of my subcommittee.

The Federal budgetary implications for the package are minimal. It is estimated that the increased tax revenues, both corporate and employee, resulting from title III of the bill (semiconductor chip protection), standing alone, will more than offset the cost impact of title II (State Justice Institute).

With two exceptions, the Senate amendment to H.R. 6163 is a collection of bills passed unanimously by the House either under suspension of the rules or by consent. The two exceptions were both reported by House Committees: One of these—the State Justice bill—was given a strong majority vote on the House floor but failed on suspension. The other was reported by voice vote by the House Science and Technology Committee.

I should state at the outset that the package was not my idea. I did confer with several Senators, however, and made it abundantly clear that certain items—that previously had received no treatment or had substantial opposition in the House—should not be added to the bill. In addition, I worked very closly with my counterpart Senate subcommittee chairman, the senior Senator from Maryland [CHARLES MCC. MATHIAS, JR.] to reach agreement of the semiconductor chip and trademark improvement bills. I would like to single him out for his efforts.

I would also like to thank Senators THURMOND, DOLE, HATCH, LEAHY, and METZENBAUM for their cooperation and assistance. Senate staff is also recognized for its efforts. I additionally would like to express appreciation to the members of my subcommittee. [Mr. BROOKS, Mr. MAZZOLI, Mr. SYNAR, Mrs. SCHROEDER, Mr. GLICKMAN, Mr. FRANK, Mr. MORRISON of Connecticut, Mr. BERMAN, Mr. MOORHEAD, Mr. HYDE, Mr. DEWINE, Mr. KINDNESS, and Mr. SAWYER] for their unwavering support on this package. I have to admit that being chairman of a 14-member subcommittee is a bit of a burden. However, having 13 highly qualified and experienced lawyers as members certainly provides me the necessary ingredients for a great team effort.

Now, Mr. Speaker, I would like to inform the Members about the Senate amendment in some detail. Under my discussion of each title, I will highlight previous House action on the proposed legislation. At the end of my remarks, I will submit into the record further analysis of several changes to House bills made by the Senate amendment in order to supplement the legislative history. This latter analysis will primarily focus on the semiconductor chip legislation, the most important provision in the package, but may touch briefly on other elements in the package.

TITLE I: TRADEMARK IMPROVEMENTS

Title I of the Senate amendment clarifies the circumstances under which a trademark may be canceled or considered abandoned. Originally presented to the House as H.R. 6285, this title passed on October 1, 1984, unanimously by voice vote.

Title I of this bill includes provisions which clarify the circumstances under which a trademark can be found to have become generic. The language in the bill before us is derived from the version reported by the Senate Judiciary Committee in S. 1990, with an amendment. The House passed a bill with the identical purpose on October 1, 1984, as H.R. 6285. The substance of the two bills is identical. The only difference between the two bills related to the effective date section. The measure before us includes an effective date section which uses the language not found in the House-passed bill. The informal negotiations on this measure produced both the effective date amendment and the following statement of explanation.

This act does not overrule the Anti-Monopoly decision as to the parties in that case. *Anti-Monopoly, Inc.* v. *General Mills Fun Group, Inc.*, 684 F.2d 1316 (9th Cir. 1982), cert. denied, 103 S.Ct. 1234 (1983). The bill merely overturns certain elements in the reasoning in that case. In addition, this act also does not say whether or not monopoly is a valid trademark. This Congress is not in a position to make a decision on the validity of that mark.

Section 104 does not forbid the reopening of judgments on grounds other than the passage of this legislation, such as on the basis of newly discovered evidence. It does, however, clearly forbid the reopening of any judgment entered prior to the date of enactment of this act based on the provisions of this legislation.

By virtue of this act, Congress does not intend to alter accepted principles of collateral estoppel and res judicata. These are judicial doctrines of continuing validity, and should be applied by the courts in accordance with all appropriate equitable considerations.

In section 104, the phrase "final judgment" is used in the same sense as "judgment" is used in the Federal Rules of Civil and Appellate Procedure to include a decree and any order from which an appeal lies. (See rule 54, Fed. R. Civ.P.)

Any student interested in the legislative history of section 104 will note that my explanatory language is virtually identical to that presented on the Senate floor by my counterpart subcommittee chair Senator CHARLES MCC. MATHIAS, JR. Our joint language, in the absence of a conference report, represents the official legislative history of section 104.

In construing the meaning of this provision the courts should, of course, be guided by the plain language of the statute. To the extent that there is any ambiguity, the courts will primarily look to the floor statements of the bill's sponsors. Any other remarks by other members should be viewed with suspicion. See *Turpin* v. *Burgess*, 117 U.S. 504, 505-506 (1886); *National Small Shipments Conference* v. *Civil Aeronautics Board*, 618 F.2d 819, 828 (D.C. Cir. 1980).

I insert in the RECORD a letter to me from Senator MATHIAS that clarifies our understanding:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, October 9, 1984.

Hon. ROBERT W. KASTENMEIER,
Chairman, Subcommittee on Courts, Civil Liberties, and the Administration of Justice, Committee on the Judiciary, House of Representatives, Washington, DC.

DEAR CHAIRMAN KASTENMEIER: I am writing in my capacity as Chairman of the Senate Subcommittee on Patents, Copyrights, and Trademarks, to clarify the legislative intent of the Trademark Clarification Act of 1984, which passed the Senate on October 3, 1984 as Title I of H.R. 6163. As you know, this bill is a compromise between S. 1990, a bill reported out of the Subcommittee on Patents, Copyrights, and Trademarks, and H.R. 6285, a bill reported out of the House Subcommittee on Courts, Civil Liberties, and the Administration of Justice.

I want to confirm at this time our mutual understanding about section 4 of this Act, which is adapted from section 4 of H.R. 6285. As you know, it is possible that there might be future litigation about trademarks whose validity has previously been adjudicated under the test of the *Anti-Monopoly* case. Should such litigation arise, the courts should apply accepted principles of *res judicata* and collateral estoppel. These are complex, multi-factor doctrines developed by the courts, and there is a large body of decisions applying these doctrines. The citation of any particular court decisions in any of the legislative history of this measure should not be construed as an indication

that such cases are to be given any greater weight than other cases applying these complex doctrines.

With best wishes,

Sincerely,

CHARLES McC. MATHIAS, Jr.,
U.S. Senator.

TITLE II: STATE JUSTICE INSTITUTE

Title II of the Senate amendment is designed to aid State and local governments in strengthening their judicial systems and improving the fight against crime through the creation of a State Justice Institute. This title was brought to the House in the form of H.R. 4145 on May 22, 1984. It had over 40 cosponsors from both sides of the aisle. Although H.R. 4145 received a strong majority vote of 243 to 176, it failed to achieve the necessary two-thirds for passage on the suspension calendar. Parenthetically, I should note that the Senate amendment changed the funding of the Institute from $20,000,000 (fiscal year 1985), $25,000,000 (fiscal year 1986), and $25,000,000 (fiscal year 1987) to $13,000,000 (fiscal 1986), $15,000,000 (fiscal 1987), and $15,000,000 (fiscal 1988). This reduction represents a total saving to the Federal Government of $28,000,000. In addition, the Senate amendment increases the State matching grant requirement from 25 to 50 percent. Last, the amendment gives the Attorney General of the United States responsibility to report to Congress on whether the Institute is being cost effective, is meeting its statutory purposes, and is respecting the limitations and restrictions placed on it by the Congress. Thus, from an opponent's perspective, the bill before us today is a better bill than we voted on several months ago.

In all other respects, the Senate passed bill is the same as H.R. 4145.

Mr. Speaker, since we last considered the issue of a State Justice Institute, one issue has arisen that I want to clarify for the legislative history. Fear has been expressed that the statutory provision relating to "grants and contracts" may be construed to exclude, on a noncompetitive basis, entities other than those listed in section 206(b)(1) of the Senate amendment to H.R. 6163.

I would like to emphasize that what is contemplated is that research and experimentation will be conducted by a diversity of institutions. The proposed institute is specifically designed to be administered in keeping with the doctrines of federalism and separation of powers. This means that the State Chief Justices and the State courts themselves will play a key role in determining the nature and recipient of the institute's funds. Further, the institute is designed to be a small developmental and coordinating agency rather than a large operating agency with a centralized bureaucracy. This is to ensure that different kinds of research could be carried out by those institutions best equipped to do research, without wasteful duplication of facilities. The same holds true for judicial education.

In order to achieve the legislation's research mandate, which admittedly is only one aspect of the instutute's overall charge, it will be necessary to call upon the strengths of our academic centers as well as the research operations of our judicial institutions.

I, therefore, contemplate a mix of research by institutions connected to the judiciary and by independent academic centers with a proven capacity for high quality research of this Nation's justice system. I also envision the possibility of major law schools working together with their State supreme court on an experiment designed to improve the judiciary of their respective State.

My own State of Wisconsin has a highly respected law school; members of the faculty has commented on and assisted in the drafting of this legislation. The University of Wisconsin Law School, through its legal assistance to inmates program and its disputes processing research program, has established itself as a center for high quality work in both the civil and criminal justice areas. Other law schools have similar fine programs. There certainly is every intention of utilizing in the public interest the resources of law schools such as my own.

In short, the priority treatment accorded State courts in section 206 of the Senate amendment will not serve to preclude law schools from engaging in any endeavor designed to improve the functioning of our State judicial systems. On the contrary, this Nation's legal institutions are encouraged to come forward and to engage in a mutually stimulating exchange between academic centers, research institutions attached to the judiciary, and State judges and court administrators.

TYPE III: SEMICONDUCTOR CHIP PROTECTION

Without question, title III of the Senate amendment is the most important section in the bill. It amends the Copyright Act to protect semiconductor chip products in such a manner as to reward creativity, encourage innovation, research, and investment in the semiconductor industry, and prevent piracy. The Senate amendment is a 95 percent recession to the measure that was brought before the House on June 11, 1984 (see H.R. 5525) and that passed by a recorded vote of 388 to 0. Title III is an opportunity to create the first new form of intellectual property since passage of the Lanham Act in the 1870's. I know that the administration places a great deal of emphasis on passage of the semiconductor chip legislation.

Before discussing the next title, I would like to pause and note the efforts of two respected colleagues from California, Mr. EDWARDS and Mr. MINETA, who as chief sponsors of the semiconductor chip legislation, have worked without fatigue over the past 6 years to achieve what we are voting on today: intellectual property protection for semiconductor chip products.

Title III of H.R. 6163 is the culmination of extensive negotiations between my subcommittee, the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, and the Senate Judiciary Subcommittee on Patents, Trademarks, and Copyrights. Lengthy negotiations were necessary for several reasons. First, there was a fundamental difference in the drafting of the House and Senate bills: the Senate accorded protection for chip products under copyright law and the House established a new sui generis form of protection. In addition, the truly technical characteristics of the property deserving of protection—mask works to semiconductor chip products; the chip, of course, being smaller than a thumbnail—made statutory drafting almost as difficult as understanding the property itself. Last, the House and Senate had different positions on the initial date for commercial exploitation of chip products to be set legislatively in order to qualify for protection under the act. The Senate used January 1, 1980 as the qualifying date and the House set January 1, 1984 as the date.

In any event, we have resolved these and other issues.

In addition to recognizing the efforts of Mr. EDWARDS and Mr. MINETA I again thank my Senate counterparts, the Senator from Maryland, CHARLES McC. MATHIAS, Jr., and the the Senator from Vermont, PAT LEAHY, ranking minority member, and their staffs for their hard work. I would be remiss if I did not mention the unwavering cooperation and support that I have received from my own subcommittee members and especially my ranking minority member [Mr. MOORHEAD] on title III.

The measure that I bring before the House today is good legislation. It is a better measure than the one we passed in June by a unanimous vote, and that was a well drafted bill.

The measure before us today is essentially the House-passed version. The Senate amendment contains clarifying and drafting changes which are discussed at length in an "Explanatory Memorandum of the Senate Amendment to S. 1201 (as Considered by the House of Representatives)" which I will insert in the hearing record at the end of my statement, thereby making it part of the legislative history of the act.

Mr. Speaker, this legislation is the first new intellectual property law—as opposed to recodifications—passed by Congress in nearly 100 years. The fundamental import of title III is that it recognizes industrial property as a right.

I am very pleased to report that the House prevailed on the sui generis approach, as opposed to copyright, for protection of semiconductor chip products. The approach that was incorpo-

rated in H.R. 5525, and that now has been accepted by the Senate, is that a free-standing form of protection is uniquely suited to the protection of mask works, which represent a unique form of industrial intellectual property.

This new form of industrial property should be contrasted with so-called author's copyright in literary and artistic works protected under traditional copyright principles.

Quite clearly, a mask work is not a book. The measure before us today, therefore, does not engage in the fatal flaw of treating books and mask works similarly.

By not suffering from a "fallacy of analogy"—the words of Judge Stephen Breyer—the act will do no harm to the integrity and substance of copyright law. To the contrary, it may even strengthen traditional copyright principles.

Establishment of general principles of law and consistent application of the law are matters of great import. As observed by Prof. Lyman Patterson, Emory University Law School, before my subcommittee,

While consistency for its own sake is a virtue of small consequence, consistent principles for a body of law are essential for integrity in the interpretation and administration of that law.

The House therefore prevailed on what I considered to be the most important difference between the House and Senate bills.

I have to admit, however, that the compromise before us incorporates several changes that probably led the Senate at the outset to choose a copyright solution to the problem of chip piracy. Senators MATHIAS and LEAHY have so stated in their floor statements, and I can summarize their thoughts by observing that the compromise before us today is stronger in three regards. First, the House report and the explanatory memoranda introduced during this and Senate floor debate assuage fears of uncertainty in the law, leading possibly to years of litigation while a new body of judicial precedent is established. Without question, litigation will result; but no more or less than arises from any legislative enactment.

Second, the effective date provisions of the act have been strengthened. The Senate amendment provides that the act become effective on the date of enactment, thereby allowing and encouraging commercial exploitation of several chips that have been held off the market awaiting passage of this act. The Copyright Office will have 60 days to prepare for administration. Last, chips commercially exploited on or after July 1, 1983, will receive protection under the act, subject to a 2-year compulsory license that allows infringers to continue to sell and distribute their inventory of chip products in existence on the date of enactment if they agree to pay reasonable royalties. I am not aware of any infringing chips that presently fall within the category—July 1, 1983 to the present—covered by the act.

Third, I have agreed to clarify that the House-Senate amendment is based on an understanding that Congress does not take a position on the legality, under current law, of chip copying prior to the effective date of this act. There is some language to this effect in the House report. Whether under Federal law—including copyright law—State law, or common law, this act is not intended to affect any legal rights available to chip products commercially exploited prior to July 1, 1983.

An element in the Senate amendment that the House can take some credit for is an international transition provision. Under H.R. 5525 it was possible for foreign concerns to obtain mask work protection in the United States by transferring all rights under the proposed legislation to a U.S. national or domiciliary before the mask work is commercially exploited, or alternatively by first commercially exploiting the mask work in the United States. The Senate bill (S. 1201)—based of course on copyright—was somewhat ambiguous on what protection was to be accorded foreign chips.

The Senate amendment is a dramatic improvement over both bills. It preserves the option contained in the House bill, but also creates a transition period during which multilateral and bilateral cooperation directed toward creation an international order of chip protection is encouraged. The Secretary of Commerce is authorized to extend the right to obtain chip protection under the act to nationals of foreign countries if three conditions are met: That country is making progress in the direction of mask work protection; nationals of that country or persons controlled by them are not pirating or have not in the recent past been engaged in the piracy of semiconductor chip products or the sale of pirated chips; and the entry of an interim order would promote the purposes of the act and achieve international comity with respect to the protection of mask works.

The Secretary's authority is sunset after 3 years. Two years after the date of enactment of this act he will report, after having consulted with the Register of Copyrights, to the House and Senate Judiciary Committees.

Among the stimuli that led to creation of an international transition period was a letter that I, along with Senator MATHIAS, received from the Honorable Akio Morita, president of the Electronics Industries Association of Japan [EIAJ] and chairman and chief executive officer of the Sony Corp. Mr. Morita referred to the joint recommendations of the United States-Japan Work Group on High Technology Industries, made in November 1983:

Both governments should recognize that some form of protection to semiconductor producers for their intellectual property is desirable to provide the necessary incentives for them to develop new semiconductor products. And both governments should take their own appropriate steps to discourage the unfair copying of semiconductor products and the manufacturing and distribution of the unfairly copied semiconductor products.

Mr. Morita further observed that passage of legislation is "* * * highly desirable, both of itself and as an indication of the proper direction for the international protection of such intellectual property." He concluded by stating that EIAJ will ask the Government of Japan to provide a form of semiconductor protection, as expeditiously as possible, through a legislative framework.

Other countries have also expressed interest in the legislation before us today.

So, in the spirit of international comity and mutual respect among nations, the Senate amendment allows foreign countries with domiciliaries that produce semiconductor chips to benefit from the protection of our laws during a 3-year window and only if they respect the rights of American chip companies.

I am excited about this innovative provision of law; I hope it works, because it may serve as a useful precedent in other areas of law; and I look forward to working with the Secretary of Commerce, and the Register of Copyrights, on the international aspects of the act.

The Senate receded to the House approach of not having criminal penalties in the act. It seems that every day we are creating a new panel statute of some sort with little thought given to investigative and evidentiary problems, to the burdens on judges and juries, and to the goals of and pressures on the correctional system. I am pleased to state that we have not so erred in this act. I am confident that the strong civil penalty section in the act will serve as adequate deterrence to theft of industrial property.

With these thoughts in mind, I commend title III of the Senate amendment to H.R. 6163 to the House of Representatives.

TITLE IV: FEDERAL COURTS IMPROVEMENTS

Title IV of the Senate amendment is composed of three subtitles, each improves the functioning of the Federal judicial branch of Government. Title IV is supported by the administration and the Judicial Conference.

SUBTITLE A: CIVIL PRIORITIES

Subtitle A permits the courts of the United States to establish the order of hearing for certain civil matters. It attains this objective by repealing the 80 or so calendar priorities and by creating a general rule that expedited treatment can be obtained for good cause shown or cases involving temporary or preliminary injunctions. A virtually identical measure passed the House unanimously by voice vote on September 11, 1984, as H.R. 5645.

Title IV (subtitle A) of the bill, relating to civil priorities, was amended by the Senate to strike out the repeal of certain expediting provisions relating to civil rights cases. In my view this change was unnecessary. In all cases involving applications for temporary or preliminary injunctions, such cases would receive a priority status anyway under the provisions of proposed section 1657 of title 28, United States Code. Moreover, any other civil rights cases involving money damages alone can, in appropriate cases, be granted expedited treatment under the good cause provisions.

It should also be noted that the amendment adopted by the Senate and before us today technically does not accomplish its alleged purpose. Proposed section 1657 provides that notwithstanding any other provision of law there are no civil priorities except the general rules set forth in section 1657 of title 28.

SUBTITLE B: PLACES OF HOLDING COURT

Subtitle B amends the judicial code to create four new places of holding court, to realign the boundaries of divisions in three judicial districts, and to change the place of holding court in one judicial district. This subtitle passed the House unanimously by voice vote on September 24, 1984 (see H.R. 6163).

The Senate amendment in this regard is identical to H.R. 6163.

For pertinent legislative history, see House Report 98-1062 and the House debate that occurs at 129 CONGRESSIONAL RECORD (daily edition September 24, 1984).

SUBTITLE C: TECHNICAL AMENDMENTS TO PUBLIC LAW 97-164

Subtitle C makes technical amendments with respect to the Federal Courts Improvement Act of 1982 (see Public Law 97-164). These technical amendments passed the House on the Consent Calendar on August 6, 1984.

Subtitle C of title IV contains identical language to that found in H.R. 4222, the House-passed bill.

The Senate amendment, however, adds two further technical amendments, both relating to the U.S. Claims Court. The first change authorizes the Claims Court to utilize facilities and hold court not only in Washington, DC, but also in four locations outside of the Washington, DC, metropolitan area. The Claims Court must use these facilities for the purpose of holding trials and for such other proceedings as are appropriate to execute the court's functions. The Director of the Administrative Office of the U.S. Courts, with direction from the Judicial Conference of the United States, shall designate such locations and provide for such facilities. The second change allows the chief judge of the Claims Court to appoint special masters to assist the court in carrying out its functions. Special masters shall carry out such duties as are assigned; they are to be compensated in accordance with procedures set forth by the rules of the Claims Court. It was not necessary to state in statutory language that the Federal Rules of Civil Procedure apply to special masters serving the Claims Courts.

Both additions made by the Senate qualify as technical amendments to Public Law 97-164. Furthermore, the need for both changes is found in Senate hearings relating to oversight of the Claims Court.

TITLE V: GOVERNMENT RESEARCH AND DEVELOPMENT PATENT POLICY

Title V of the Senate amendment relates to Government research and development policy. This provision had its origin in an executive communication from the U.S. Department of Commerce that took the form of H.R. 5003 and S. 2171. Hearings were held in the House Committee on Science and Technology and the Senate Judiciary Committee. The House committee reported H.R. 5003; the Senate Judiciary Committee reported an extremely diluted version of the original bill—a version that only amended Public Law 96-517, thereby only affecting universities and small businesses. As chief sponsor of the legislation that led to enactment of Public Law 96-517, I greatly appreciate the efforts of the Science and Technology Committee not only in the oversight area but also as relates to processing legislation necessary to effectuate the act's original purposes. In this regard, I shortly will yield time to Chairman FUQUA and Subcommittee Chairman WALGREN to discuss in further detail title V of the Senate amendment. These two Members will generally speak to their ongoing attempts to achieve a more uniform Government patent policy. They, I am sure, will indicate that title V of the Senate amendment is a watered down version of what started out as an administration effort to assist big business. Title V, which now only applies to universities and small businesses, still has substantial merit.

Mr. Speaker, I would like my colleagues to be aware of three points which relate to title V. First, my subcommittee held no hearings this Congess on its contents. Second, I have agreed to hold hearings next Congress on not only title V, but also on the broader issue of Government patent policy. I therefore have assured Members that the Judiciary Committee will review the bill that we are voting on today and reopen it for amendment if it is defective in policy implications or drafting. I do note that there are several drafting problems in the bill. For example, in section 501(4) the reference to "clause (i) through (iii)" should read "clause (i) through (iv)." Today we are only in a position of deferring to Senate judgment. Early next year we will assess the merits of the Senate's decisions and reverse or modify them, as is necessary. I have received assurances from Senator DOLE, author of title V, that he will assist in this process. Third, and last, I would like to make it clear that nothing in title V extends the authority of the Secretary of Commerce beyond the provisions of Public Law 96-517, as we are amending it today. We are not extending the authority of the Secretary of Commerce to make systemwide pronouncements and decisions, binding on other agencies, that relate to Government patent policy.

This concludes my discussion of the five titles of H.R. 6163, as amended by the Senate.

I can confidently state that on balance the package is a very dood deal for the House. Five unanimously approved House bills are in the Senate amendment. A title of the bill received a 70-vote majority in the House. The final title was approved in part by the House Science and Technology Committee.

More importantly, the contents of H.R. 6163 are sound public policy; they are legislative ideas whose time has come to the fore; we should vote for them and send them on to the President for his signature. Not only will the semiconductor industry, trademark owners, the Federal and State courts, all benefit form this legislation, but citizens across this country will be better off as a result of its enactment.

In conclusion, I ask for an aye vote on H.R. 6163, as amended by the U.S. Senate.

□ 1320

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

Mr. Speaker, I rise in support of H.R. 6163, and the Senate amendments thereto. H.R. 6163 represents a compromise package of Judiciary Committee initiatives dealing with copyright, patent, trademark, and court reform measures.

Title I of H.R. 6163 embodies the Trademark Amendments Act of 1981 which passed the House unanimously by voice vote on October 1, 1984, as H.R. 6285. This proposal would clarify the standard courts use to determine when a trademark may be canceled or considered abandoned because the term has become generic. It does to propose a new standard for genericness, but reiterates the basic test for maintaining a trademark, which is whether the public recognizes the name as a trademark.

Title II of H.R. 6163 contains the State Justice Institute Act of 1983 which, although rejected by the House on the Suspension Calendar on May 22, 1984, did receive a strong majority vote of 243 to 176. Members who have had reservations about this proposal in the past should note that the current version of State Justice Institute, incorporated in the package, contains authorized funding levels that are substantially reduced from earlier versions of the bill acted upon by the House. In addition, the Department of

Justice is given a stronger oversight role, and the State matching fund requirement has been increased from 25 to 50 percent.

The Semiconductor Chip Protection Act of 1984 which passed the House by a recorded vote of 388 to 0 on June 11, 1984, As H.R. 5525 comprises title III of H.R. 6163. Recently, the Cabinet Council on Commerce and Trade directed its Working Group on Intellectual Property which is chaired by the Commissioner of Patents and Trademarks, Jerry Mossinghoff, to consider the need to protect semiconductor chip designs. It found that while the United States dominates this important market, it faces a serious challenge from foreign competition. It also found that the R&D costs for a single complex chip could reach $4 million, while the costs of copying such a chip could be less than $100,000. The Semiconductor Chip Protection Act addresses this situation by providing significant and needed protection for the semiconductor industry in a manner that will allow it to retain its competitive edge in this important field of high technology.

Title IV of H.R. 6163, is comprised of three parts, all dealing with the Federal courts system. The first part of title IV is the Civil Priorities Act of 1984 which passed the House unanimously by voice vote on September 11, 1984, as H.R. 5645. This important court reform initiative eliminates most of the existing civil priorities with certain narrow exceptions, thereby allowing the courts to establish the order of hearing for certain civil matters. While I am happy that the other body saw fit to include this proposal as part of H.R. 6163, I am disappointed at their lack of action on the Supreme Court Mandatory Appellate Jurisdiction Act of 1984, which passed the House unanimously by voice vote on September 11, 1984. I hope that the other body will see fit to consider this important legislation in a timely manner next Congress.

Part 2 of title IV is the Federal District Court Organization Act of 1984 which passed the House unanimously by voice vote as H.R. 6163 on September 24, 1984. This proposal creates three new places of holding court, realigns the boundaries of divisions of three districts and changes the place of holding court in one district. All of these changes, which will help keep the Federal judicial system up to date with demographic, economic, and societal changes in several of its districts, have been approved by the Judicial Conference of the United States and U.S. Department of Justice.

The third part of title IV is the Technical Amendments to the Federal Courts Improvements Act which passed the House on the consent calendar on August 6, 1984, as H.R. 4222. This amendment makes technical amendments with respect to the Court of Appeals for the Federal circuit.

Finally, title V of H.R. 6163 is comprised of the Uniform Science and Technology Research Development Utilization Act which was reported by the House Science and Technology Committee by voice vote as H.R. 5003. This amendment improves upon the principles of the law passed in 1980, which allowed universities and small businesses to retain ownership of inventions made under Government grants and contracts. The bill before us creates even greater flexibility in university licensing practices by improving the ability of the university to license its technology. In addition these improvements assure university ownership of inventions made while functioning as the contractor for a Government-owned laboratory subject to certain exceptions. This provision is strongly supported by the administration.

On balance this package contains major and for the most part noncontroversial legislation. I would like to commend Mr. KASTENMEIER, the chairman of the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, as well as my colleagues on the subcommittee, Messrs. BROOKS, MAZZOLI, SYNAR, Mrs. SCHROEDER, Messrs. GLICKMAN, FRANK, MORRISON of Connecticut, BERMAN, HYDE, DEWINE, KINDNESS, and SAWYER, who were responsible for processing six of the seven proposals contained in this package, five of which the House has overwhelmingly endorsed on previous occasions. Accordingly, I urge my colleagues' strong support for the passage of H.R. 6163.

□ 1330

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

Mr. MOORHEAD. I yield to the gentleman from New York.

Mr. FISH. Mr. Speaker, I rise in support of the package, as has my colleague, the gentleman from California.

Most of these matters have been overwhelmingly adoted by this body before this. I appreciate my colleague stressing the importance of the semiconductor chip title to this package, and also I underscore his remarks with respect to the State Justice Institute.

Whatever reservations Members on our side might have had previously, this is a scaled-down version that is before us today that I think everybody in this House can accept.

Mr. KASTENMEIER. Mr. Speaker, I yield 2 minutes, for the purpose of debate only, to the author of the bill on semiconductor chips, the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. Mr. Speaker, I rise in strong support of H.R. 6163 and I heartily commend the chairman, Congressman KASTENMEIER, Mr. MOORHEAD, the distinguished members of the Judiciary Committee's Subcommittee on Courts, Civil Liberties, and the Administration of Justice, and the staff, for bringing this package to us today. They have worked long and hard to bring these important measures to fruition and I congratulate them on their successful endeavors to date.

While I support passage of the entire package, in the interest of time I will limit my remarks to a few particularly addressed to title III of the bill, which is the Semiconductor Chip Protection Act of 1984. Back in 1978, I and my colleague from the South Bay, Congressman NORMAN MINETA, introduced our first bill on this issue. It's been a long haul and much work that brings us here today for this final vote; and this vote occurs not a moment too soon. The piracy of the creative work of innovating semiconductor chip firms threatens the economic health of our semiconductor industry and it has only worsened over time. With this measure, innovating firms finally will be able to combat the unfair chip piracy that is sapping their strength and destroying their incentive to continue to invest in the crucial, but very expensive, creative endeavors necessary to maintain American leadership in this field.

I urge my colleagues to support this final report on the Semiconductor Chip Protection Act of 1984 today, as they did on June 11, 1984, when the House passed the bill 388 to 0. I urge my colleagues to support the entire package contained in H.R. 6163 which is before us today.

Mr. KASTENMEIER. Mr. Speaker, before I yield to the gentleman from California [Mr. MINETA] I will say that the semiconductor chip intellectual property protection is the most important part of the bill. Over the past 6 years there has been no industry that has had a greater champion than the gentleman from California [Mr. EDWARDS] and the gentleman from California [Mr. MINETA] in support of what we are able ultimately to pass here today, and I compliment them both.

Mr. Speaker, I now yield 2 minutes, for purposes of debate only to the gentleman from California [Mr. MINETA].

(Mr. MINETA asked and was given permission to revise and extend his remarks.)

Mr. MINETA. I thank the gentleman for yielding time.

Mr. Speaker, I rise to express my support for the Federal District Court Organization Act. It is my firm belief that all aspects of this legislation are worthy of favorable consideration by my colleagues. I do, however, wish to speak in particular about the Semiconductor Chip Protection Act which is embodied in this package.

The Semiconductor Protection Act is a bill that my outstanding colleague, Mr. EDWARDS, and I have been working on since 1978. I am very gratified that our efforts have come to fruition and I wish to thank my colleagues, Mr. KASTENMEIER, Mr. EDWARDS, and Mr. MOORHEAD and the many fine mem-

bers of the Judiciary Committee for producing such an outstanding bill.

This legislation is indeed a solution to a problem—how best to make copyright protection responsive to technological change. After wrestling for some time about the best way to approach this problem, we have ultimately come up with a means to protect designers and producers of semiconductor chips from unauthorized copying and pirating of semiconductor chip designs. Like books and records and any other product of individual design, the financial and creative investment in a new semiconductor chip design are enormous and the product is worthy of protection from any infringements.

To semiconductor manufacturers, millions of dollars and thousands of man-hours are at stake. Therefore, in these closing hours of this Congress, I am particularly proud that we are extending protections to this industry that are much needed and, I can promise you, will be much welcomed by one of this country's most outstanding and promising industries.

Again, I thank my colleagues and urge a favorable vote on this very worthy legislation.

Mr. KASTENMEIER. Mr. Speaker, I have one further request. I yield 4 minutes to the gentleman from Florida [Mr. FUQUA], the distinguished chairman of the Science and Technology Committee, who has made really an enormous contribution, particularly to the last title of this bill.

(Mr. FUQUA asked and was given permission to revise and extend his remarks.)

Mr. FUQUA. Mr. Speaker, I rise in support of title V, Government Research and Development Patent Policy, much of which originated in H.R. 5003 as reported from the Committee on Science and Technology to the House, on August 8 with bipartisan support. I would like to assure my colleagues that almost every provision contained in this title was considered and favorably approved by the committee I chair. I would refer my colleagues to House Report 98-983, Part 1 for an explanation of these provisions. Those provisions, added by the Senate, tend to be minor in comparison and clarifying in nature.

I am certain the gentleman from Wisconsin [Mr. KASTENMEIER] recalls our colloquy of November 21, 1980, upon the passage of Public Law 96-517 where we agreed to try to achieve a more uniform Government patent policy. I consider this bill to be another major step forward towards that objective.

Title V is a series of amendments to Public Law 96-517 which established a uniform government patent policy for inventions arising under contracts between the Government and small business and nonprofit organizations including universities. Public Law 96-517 which was passed because of the leadership of BOB KASTENMEIER was a landmark bill replacing a wide variety of agency practices with a uniform Government-wide policy of giving those rights to the contractor except in specified situations. This approach has worked well and has contributed to the explosion of new products and companies at and around university communities. We now have the benefit of over 3 years of experience using these provisions and the desirability of certain improvements has become obvious. I would like to point out to my colleagues that with the exception of Government-owned, contractor-operated [GO-CO] facilities this legislation does not extend beyond the limits of Public Law 96-517. Clearly, there is much remaining work to be done on the broader public policy considerations of Government-wide patent policy, but such deliberations will have to wait until the 99th Congress. Since there is a qualitative difference between major Government contracts with larger businesses and smaller grants and cooperative agreements with universities and nonprofit organizations, it should not be assumed that the specific provsions of Public Law 96-517 will be those that are applies to larger businesses in next Congress' legislation. The section by section analysis which follows compares the pertinent provisions of H.R. 5003 with the Senate-passed language.

I would like to thank the gentleman from Wisconsin, [Mr. KASTENMEIER] for his critical leadership in working with me to assure that the House provisions which assist the university research community were added to the Senate bill. These provisions involving disposition of intellectual property rights in eductional awards and of royalties from inventions under university and nonprofit CO-CO contracts solve a number of long-standing problems in the university community.

In closing, I would like to commend the gentleman from Pennsylvania [Mr. WALGREN] and the gentleman from New Hampshire [Mr. GREGG] for their hard work in developing this legislation at the subcommittee level. Without their bipartisan efforts, it is unlikely that we would be able to vote on this legislation today.

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

Mr. FUQUA. I yield to my friend, the gentleman from New Mexico.

Mr. LUJAN. Mr. Speaker, I want to congratulate the gentleman and join him in support of this legislation, but I do have some questions that I would like to refer to the gentleman, if I possibly could.

Is my understanding correct that this bill will not prevent the Department of Energy from determining that exceptional circumstances exist for other technologies than those listed in the new section 202(a)(iv)?

Mr. FUQUA. Yes. That Department can still request exceptional circumstances treatment when appropriate. Several such circumstances are mentioned on page 18 of House Report 98-983 part 1 which the Committee on Science and Technology filed on the bill H.R. 5003.

Mr. LUJAN. Will the gentleman give further examples of exceptional circumstances where this section may be appropriate?

Mr. FUQUA. Yes, appropriate circumstances may occur regarding technologies related to intelligence and national security, classified technologies, and defense programs work not covered by section 202(a)(iv). The fact that a facility falls within section 202(a)(iv) does not preclude the exceptional circumstances provisions applying to other work done at that facility. Technologies that are under or may be under agreements with foreign interests may also need exceptional circumstances coverage to permit the U.S. Government to protect these technologies for U.S. industry. Various agencies are also involved extensively in international collaborative agreements in which patent and data rights are at issue. This bill is not intended to impair the ability of these agencies to enter into and carry out existing or future international agreements.

Mr. LUJAN. Regarding the provision which modifies section 203, must a party adversely affected by a decision under section 203 or section 202(b)(4) exhaust all remedies under the administrative appeals procedure to be established under this act prior to initiating a petition for review by the U.S. Claims Court?

Mr. FUQUA. Yes, a party adversely affected must exhaust his administrative remedies prior to seeking judicial review by the U.S. Claims Court. Further, the determination to be issued under this section prior to a U.S. Claims Court appeal is to be a final determination on the administrative record.

Mr. LUJAN. Would the gentleman please clarify the provision under proposed section 202(b)(2) that permits the Office of Federal Procurement Policy [OFPP] to issue regulations describing classes of situations in which agencies may not exercise the authorities under section 202?

Mr. FUQUA. It is envisioned that the OFPP would confer with and work with the affected agencies to ensure that any regulations or guidelines issued in accordance with this section do not impair these agencies' ability to accomplish agency missions.

Mr. LUJAN. Would the gentleman please clarify the regulation drafting procedures under section 206 and the effect that these new regulations will have on funding agreements excepted from the act under section 202(a)(i) through (iv)?

Mr. FUQUA. The Department of Commerce is expected to consider the views and special circumstances of the various affected agencies because of their long experience in their respective high-technology fields both in the

drafting of these regulations and in their interpretation. For agencies that have patent policies prescribed by statute such as the DOE and NASA, these agencies are not precluded from using provisions required by such statutes and regulations promulgated pursuant to these statutes to govern inventions falling within section 202(a) (i) through (iv).

Mr. OBERSTAR. Mr. Speaker, I support the trademark law provisions of H.R. 6163 because it provides us the opportunity to reaffirm the long-established, effective test for determining whether a registered trademark has remained a trademark or whether it has become merely a generic term, without significant market value.

Prior to a 1982 decision by the Ninth Circuit Court of Appeals, the test was whether the public considered a trademark something special—unique—or only a general term. if the latter, then the name was no longer a trademark.

The ninth circuit decision added the further requirement that the consumer also know the name of the producer. Such a test is unrealistic. It will make it far more difficult for a business to retain its trademark. Trademarks, which have served to guide consumers in their purchases of long known, reliable goods and services, will no longer serve such a function.

Imitators will use the former trademarks to sell their inferior goods. They will use the trademarks of the best American products and services. Moreover, the manufacturers and providers of the best products and services will suffer the most as the result of attempts to unload shoddy, less desirable goods and services on an unsuspecting public.

We should be particularly concerned about foreign manufacturers who would attempt to unload imitation goods on the market to compete with higher quality, higher cost, American goods no longer uniquely labeled by the trademarks so carefully developed over the years, and which are developed at considerable capital investment by the manufacturer.

The legislation now before the House will provide incentives for quality producers to continue to offer the level of quality associated with their trademarked goods. If we do not pass this legislation, those producers will be hurt financially, and ultimately, so will be the consumers who have relied upon trademarks to guide their purchases.

The legislation before the House will insure consumers more and better information than they would receive as the result of the ninth circuit decision. It will also protect American jobs against unfair, predatory competition from cheap, imitation foreign imports taking a free ride on American ingenuity, investment, worker productivity, and consumer trust in a trademark, trust founded upon years of experience with a particular product.

The House passed title I of H.R. 6163 as separate legislation last week. I urge the House to approve it again as part of the larger legislative package of H.R. 6163 because the trademark standard contained in the legislation is long-established, sensible, and straightforward. If we act today, we can send this legislation to the White House for prompt action by the President. American consumers and businesses will be better for it.

● Mr. FRENZEL. Mr. Speaker, I support the conference report on H.R. 6163. It was good when it left the House and is better now.

The other body has improved our original H.R. 6285, the Trademark Clarification Act of 1984, by the addition of some worthy hitchhikers, notably the semiconductor title. All of them, especially the semiconductor bill, are important and necessary.

But the original Trademark Act is also important and necessary to overturn a regrettable decision of the Ninth Circuit Court. Title I of H.R. 6163 does, in my judgment overturn this unusual decision, and restores the traditional Lanham Act protection of trademarks that has been the standard for a half a century.

Passage of this conference report will restore needed certainty to our trademark laws.●

● Mr. WALGREN. Mr. Speaker, I rise in support of title V of H.R. 6163, which is entitled "Government Research and Development Patent Policy." As chairman of the Committee on Science and Technology's Science, Research and Technology Subcommittee where most of the provisions of this title originated, I want to recommend these provisions to the House. These provisions were developed over a period of several months in a bipartisan effort involving discussions with all affected parties.

Title V contains a variety of amendments to Public Law 96-517, more commonly known as the Bayh-Dole Act, a law that for a first time established a uniform policy for allocation of intellectual property rights arising under contracts between the Government and nonprofit organizations or small businesses. This law is generally credited with beginning the commercialization of a much higher percentage of inventions occurring under Government contract. The amendments to the Bayh-Dole Act we have before us today reflect our experience under that act.

The first two amendments deal with the definition of "invention" and "subject invention" as used in the act and borrow the definition of "plant" as used in the Plant Variety Protection Act. That act is not amended by this title and the record should clearly state that there is no intention of attempting to do so.

These amendments also change the treatment of Government-owned, contractor-operated [GO-CO] facilities under the Bayh-Dole Act. Currently an agency has the right to exempt Government-owned, contractor-operated facilities from operation of the Act. After enactment of this legislation, an exmpetion for the Department of Energy's defense programs and naval reactors programs will remain covering such work done by these programs at DOE labs, but a new GO-CO provision will apply to other GO-CO laboratories and programs. The contractors who operate these labs will be able to retain title to inventions occuring under their operating contracts in order to handle the licensing of the inventions.

Royalties from this licensing activity will be divided in the following manner. First, they will be used to cover licensing costs and payments to inventors. Second, an amount equal to 5 percent of the lab's annual budget may be retained by the contractor for use in research and development or educational programs in furtherance of the mission of the laboratory. Finally, funds in excess of the 5 percent level will be split between the lab and the U.S. Treasury on a 25/75 percent basis with the Treasury getting the larger share. This should give everyone concerned the incentive to get the inventions of these laboratories into the commerical marketplace. This approach has been endorsed by the Department of Energy and by many of the other affected parties.

Other amendments contained in this title include codification of regulations promulgated under the Bayh-Dole Act, clarification of invention rights under financial aid agreements, and a variety of other provisions clarifying responsibilities among executive branch agencies and clarifying ambiguities in the present text of the Bayh-Dole Act.

The changes have a wide base of support in the university community and elsewhere. I therefore, urge my colleagues to support this package because it is a major step forward in Government patent policy.●

● Mr. MOAKLEY. Mr. Speaker, as manager for the Committee on Rules on the resolution providing for the consideration of this matter, I have previously discussed the procedure under which we are operating.

However, I would like to take the opportunity to discuss one aspect of this legislation in more detail and, again, to commend the bipartisan leadership of the Committee on the Judiciary for their handling of this matter. The able subcommittee chairman, the gentleman from Wisconsin [Mr. KASTENMEIER], and his distinguished ranking minority member, the gentleman from California [Mr. MOORHEAD], have done an outstanding job in handling this matter.

The Senate amendments constitute a comprehensive package of patent, trademark, and court bill attached to a technical court bill. This measure incorporates a number of matters, most

of which are noncontroversial, and almost all of which have passed the House in other forms:

Mr. Speaker, title I of the Senate amendment is very similar to the bill (H.R. 6285) to clarify the circumstances under which a trademark may be canceled or considered abandoned, which was passed by the House on a voice vote on October 1, 1984. I would commend the gentleman for his prompt action to defend our legislative prerogatives and to reassert existing law over the one aberrant court decision that prompted this legislation.

Under the pending motion, Mr. Speaker, the House recedes to the minor changes of the Senate, which are entirely consistent with the legislative intent of the House, as ably explained by the gentleman from Wisconsin here last week.

Mr. Speaker, I want to take a few moments to address some new language that appears in section 104 of H.R. 6163, which is quite different in form from its counterpart section 4 of H.R. 6285, approved by the House on October 1 of this year. Section 104 says that "Nothing in this title shall be construed to provide a basis for reopening of any final judgment entered prior to the date of enactment of this title." In light of some of the controversies we have seen when Congress has endeavored to enact retroactive legislation, this section deserves some elaboration.

First, the Trademark Clarification Act of 1984 is not retroactive in application to any cases completed before the enactment of that act. Therefore, where any final judgment has been entered—and I use "final judgment" in the sense that the Federal Rules of Civil Procedure uses it—the parties to that litigation may not reopen the case on the basis of this new legislation. Rule 54 defines "judgment" as including a decree or order from which an appeal lies; rule 60(b) refers to "final judgment" in such a way as to make clear that it is a judgment from which no appeal lies. That is obviously what section 104 is referring to.

Thus the statement of the law of trademark genericism set out in the legislation will, and is intended to, apply to ongoing cases. That is not a form of retroactivity, since the entire legislative history of the legislation emphasizes that it is intended to clarify and clearly restate the law of trademark genericism as it stands throughout most of the country, as it has stood for almost 40 years, and as it should stand in every Federal court in the land.

Second, the new law quite plainly will not let General Mills reopen its litigation with Anti-Monopoly, Inc. Even though that litigation gave rise to the ninth circuit opinions, the reasoning of which this legislation is intended to overturn, it also gave rise to a final judgment entered by the district court in the northern district of California in August 1983. That final judgment will not be disturbed by this new act, just as section 104 states.

Third, and finally, it is important to note that this legislation will in no way interfere with the ability and right of General Mills to litigate the validity of its valuable "Monopoly" trademark in Federal courts in the future. The district court in the Anti-Monopoly litigation did not rule on the validity of the "Monopoly" mark, so the language of the court of appeals could well have been challenged even without this legislation. Since title I of H.R. 6163 speaks to the errors in the ninth circuit's opinion, I would not at all be surprised to see that opinion challenged in that circuit and in others after this bill is signed into law. That point is entirely consistent with the various statements in the Senate that this title is not intended to alter established principles of collateral estoppel. Under those principles, judicial holdings in one case may be used to estop relitigation of the same issues in later cases involving a party to the earlier litigation. That assuredly does not mean that the second court must reach the same result as the first when the first court applied erroneous principles of law. So, even without this legislation, General Mills would be perfectly free to litigate the validity of its "Monopoly" mark in 11 other circuits, and could even try to persuade the ninth circuit that its trademark was valid as against some party other than Anti-Monopoly, Inc. (whose judgment would be protected by the doctrine of res judicata). With this legislation—which essentially declares that the ninth circuit's reasoning in the General Mills litigation was erroneous on a number of distinct grounds—application of the "principles" of collateral estoppel will facilitate, rather than hinder, that company's ability to establish the validity of its "Monopoly" trademark. For the courts have long recognized that a modification of the controlling legal principles of a case, such as this legislation brings about, gives rise to a recognized exception to the doctrine of collateral estoppel.

Mr. Speaker, Judge Helen Nies, who testified before the House subcommittee considering an earlier version of this bill, wrote a Customs and Patent Appeals Court decision in which she observed that General Mills "has built up an enormous goodwill in the mark MONOPOLY, which has been used since 1935 for a board game" and that "MONOPOLY may properly be termed a 'famous' mark." (*Tuxedo Monopoly, Inc.* v. *General Mills Fun Group, Inc.*, 648 F.2d 1335, 1336 (CCPA 1981).) While the decision whether "Monopoly" remains a valid trademark in the ninth circuit and elsewhere is one for the courts, and not the Congress, this legislation will make sure that the courthouse doors remain open to determine that question. And it will make sure that the rational of the ninth circuit's 1982 decision will not be applied at that time.●

□ 1340

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

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 606, the previous question is considered as ordered on the motion.

The question is on the motion offered by the gentleman from Wisconsin [Mr. KASTENMEIER].

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 363, nays 0, not voting 69, as follows:

[Roll No. 451]

YEAS—363

Ackerman	Conte	Gonzalez
Addabbo	Conyers	Goodling
Akaka	Cooper	Gore
Albosta	Corcoran	Gradison
Anderson	Coughlin	Green
Andrews (NC)	Courter	Gregg
Andrews (TX)	Coyne	Gunderson
Annunzio	Craig	Hall (OH)
Anthony	Crane, Philip	Hall, Ralph
Applegate	Daniel	Hall, Sam
Archer	Dannemeyer	Hamilton
AuCoin	Darden	Hammerschmidt
Badham	Daschle	Hance
Barnard	Daub	Hansen (UT)
Barnes	de la Garza	Harrison
Bartlett	Dellums	Hartnett
Bateman	Derrick	Hawkins
Bates	DeWine	Hayes
Bedell	Dicks	Hertel
Beilenson	Donnelly	Hightower
Bennett	Dorgan	Hillis
Bereuter	Dowdy	Holt
Berman	Downey	Hopkins
Bevill	Dreier	Horton
Biaggi	Duncan	Hoyer
Bilirakis	Durbin	Hubbard
Bliley	Dwyer	Huckaby
Boehlert	Dyson	Hunter
Boggs	Early	Hutto
Boland	Eckart	Hyde
Bonior	Edwards (AL)	Ireland
Bonker	Edwards (CA)	Jacobs
Borski	Edwards (OK)	Jeffords
Bosco	Emerson	Johnson
Boucher	English	Jones (NC)
Boxer	Erdreich	Jones (OK)
Breaux	Erlenborn	Jones (TN)
Britt	Evans (IA)	Kaptur
Brooks	Fascell	Kasich
Brown (CA)	Fazio	Kastenmeier
Brown (CO)	Fiedler	Kazen
Broyhill	Fish	Kemp
Burton (CA)	Filppo	Kennelly
Burton (IN)	Florio	Kildee
Campbell	Foglietta	Kindness
Carney	Foley	Kleczka
Carper	Ford (TN)	Kolter
Carr	Fowler	Kostmayer
Chandler	Frenzel	Kramer
Chappell	Frost	Lagomarsino
Chappie	Fuqua	Lantos
Clarke	Gaydos	Leach
Clay	Gejdenson	Leath
Coats	Gekas	Lehman (CA)
Coelho	Gephardt	Lehman (FL)
Coleman (MO)	Gibbons	Leland
Coleman (TX)	Gilman	Lent
Collins	Gingrich	Levin
Conable	Glickman	Levine

Lewis (CA)	O'Brien	Skelton
Lewis (FL)	Oakar	Slattery
Lipinski	Oberstar	Smith (FL)
Livingston	Olin	Smith (IA)
Lloyd	Owens	Smith (NE)
Loeffler	Oxley	Smith (NJ)
Long (LA)	Packard	Smith, Denny
Long (MD)	Panetta	Smith, Robert
Lott	Parris	Snowe
Lowry (WA)	Pashayan	Snyder
Lujan	Patterson	Spence
Luken	Pease	Spratt
Lungren	Penny	St Germain
Mack	Pepper	Staggers
MacKay	Petri	Stangeland
Madigan	Pickle	Stark
Markey	Porter	Stokes
Marlenee	Price	Stratton
Martin (IL)	Pritchard	Studds
Martin (NY)	Quillen	Stump
Martinez	Rahall	Sundquist
Matsui	Rangel	Swift
Mavroules	Ratchford	Synar
Mazzoli	Ray	Tallon
McCain	Regula	Tauzin
McCandless	Reid	Taylor
McCloskey	Richardson	Thomas (CA)
McCollum	Ridge	Thomas (GA)
McCurdy	Rinaldo	Torres
McDade	Ritter	Towns
McGrath	Roberts	Traxler
McHugh	Robinson	Udall
McKernan	Rodino	Valentine
McKinney	Roe	Vander Jagt
McNulty	Roemer	Vandergriff
Mica	Rogers	Vento
Michel	Rose	Volkmer
Mikulski	Rostenkowski	Vucanovich
Miller (CA)	Roukema	Walgren
Miller (OH)	Rowland	Walker
Mineta	Roybal	Watkins
Minish	Rudd	Waxman
Mitchell	Russo	Weiss
Moakley	Sabo	Wheat
Molinari	Sawyer	Whitehurst
Mollohan	Schaefer	Whitley
Montgomery	Scheuer	Whittaker
Moody	Schneider	Whitten
Moore	Schroeder	Wirth
Moorhead	Schulze	Wise
Morrison (CT)	Schumer	Wolf
Morrison (WA)	Seiberling	Wolpe
Mrazek	Shannon	Wortley
Murphy	Sharp	Wright
Murtha	Shaw	Wyden
Myers	Shelby	Wylie
Natcher	Shumway	Yates
Neal	Shuster	Yatron
Nelson	Sikorski	Young (AK)
Nichols	Siljander	Young (FL)
Nielson	Sisisky	Young (MO)
Nowak	Skeen	Zschau

NAYS—0

NOT VOTING—69

Alexander	Frank	Martin (NC)
Aspin	Franklin	McEwen
Bethune	Garcia	Obey
Boner	Gramm	Ortiz
Broomfield	Gray	Ottinger
Bryant	Guarini	Patman
Byron	Hall (IN)	Paul
Cheney	Hansen (ID)	Pursell
Clinger	Harkin	Roth
Crane, Daniel	Hatcher	Savage
Crockett	Hefner	Sensenbrenner
D'Amours	Heftel	Simon
Davis	Hiler	Solarz
Dickinson	Howard	Solomon
Dingell	Hughes	Stenholm
Dixon	Jenkins	Tauke
Dymally	Kogovsek	Torricelli
Edgar	LaFalce	Weaver
Evans (IL)	Latta	Weber
Feighan	Levitas	Williams (MT)
Ferraro	Lowery (CA)	Williams (OH)
Fields	Lundine	Wilson
Ford (MI)	Marriott	Winn

□ 1400

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.