

*Government Orders*

The strength of the Canadian integrated circuit industry lies in the entrepreneurial spirit of our businesses. Canadian companies have proven themselves able to deliver world-class design services and innovative quality products.

What the industry requires is intellectual property protection that will both encourage and protect innovation. The legislation we have before us today protects our designers from unauthorized copies being made of their products.

At the same time that the law provides a high level of protection for our designers and manufacturers, it does not impose a regulatory burden on the industry or upon the government. The intellectual property rights under this bill will be self-enforced. Designers or manufacturers who believe that their rights have been infringed can apply to the courts to recover damages.

The legislation will bring Canada in line with the protection that is being attached to integrated circuit topographies in the countries with which we trade. It will both serve the interests of Canadian designers at home, and ensure that their topography is protected within the jurisdiction of our trading partners.

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Our major trading partner in integrated circuits at the moment is the United States which supplied approximately 83 per cent of Canada's imports in 1987, and was the destination of 89 per cent of our IC exports.

The United States passed the Semiconductor Chip Protection Act in 1984. This act grants Canada interim protection but the legislation is drafted in such a way that Canadian designs will only be protected on a permanent basis in the U.S. if we prepare and pass similar legislation in order to protect circuit topography in our country.

Clearly, it is within Canada's interest to provide protection here, and to ensure that our IC topographies are protected abroad. None of the existing intellectual property statutes, including the Industrial Design Act, the Patent Act and the Copyright Act provide the protection and flexibility required.

This government's decision to enact specific and specialized legislation to grant intellectual property protection is in keeping with current international trends in intellectual property rights.

A clear international consensus has emerged to treat intellectual property in chip topography as a *sui generis*, regime outside the framework of traditional intellectual property legislation, such as copyright or patents.

As well as putting Canada on an equal regulatory footing with other countries, providing protection for topography will help to attract domestic research, production and marketing of IC products. It will also make Canada a more inviting place for international designers and manufacturers to invest.

Under the FTA Japanese and other IC manufacturers may wish to establish operations here in Canada. The creation of an integrated circuit is a major industrial project requiring the investment of millions of dollars. That kind of investment is less likely without a law to protect against the manufacturing and marketing of unauthorized copies.

The legislation before us provides adequate protection for our manufacturers and ensures potential investors as well as our trading partners that Canada is a safe place to develop IC technology. In preparing the legislation the government has benefited from an extensive series of consultations.

Price Waterhouse submitted a study of the Canadian integrated circuit industry in April 1986. One year later, Consumer and Corporate Affairs Canada, along with the Department of Communications released a study paper for the interested and expert public outlining the scope of the proposed legislation and asking for advice and comment on a number of recommendations.

In consulting widely with those working in the IC field, the government has recognized that technology moves rapidly and that expert advice from those in the know is essential if we are to provide legislation flexible enough to keep abreast of this rapidly changing area.

I would like to take this opportunity on behalf of the minister and the department to thank all of those who participated in these consultations. They have helped us