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Clinton Uses 'Smart' Card to Sign Digital Law

By Intellectual Technologies, Inc.



PHILADELPHIA (Reuters) - President Clinton on Friday used an electronic card and his dog's name as a password to "e-sign" into law a bill that makes electronic signatures as valid as their ink counterparts.

But just in case that were to cause any legal problems, Clinton also signed the "Digital Signature" bill the old-fashioned way, with a pen.

The act, approved overwhelmingly earlier in June by both houses of U.S. Congress, eliminates legal barriers to using electronic technology to form and sign contracts, collect and store documents and send and receive notices and disclosures.

It is seen as paving the way for a new era of electronic commerce in which companies could complete transactions online instead of in person.

Clinton said Americans will soon be able to use the cards "for everything from hiring a lawyer to closing a mortgage."

"Under this landmark legislation on-line contracts will now have the same legal force as equivalent paper contracts," Clinton said.

The high-tech ceremony took place in Congress Hall near Independence Hall where the Declaration of Independence was signed in 1776 by quill pen.

"Now, let's see if this works," the self-proclaimed technologically challenged Clinton said with a chuckle as he inserted the smart card into the computer and punched in his dog's name, Buddy, as the password.

After a short interval, the screen said: "The Electronic Signatures in Global and National Commerce Act is now law." Under that was Clinton's signature, and beneath his name was the presidential seal.

“Well, it works, and it’ll work for you, and all of you young people will some day look back on this day that you were here, and marvel that you thought it was any big deal,” Clinton told the audience of about 100 students from area colleges.

Boost and Broaden E-Commerce

In an effort to boost and broaden e-commerce, the law will allow consumers and businesses to sign checks, complete applications for loans or services without need for a paper signature.

White House spokesman Jake Siewert said White House lawyers were still trying to determine if Clinton’s e-signature was legal, which is why they had him sign it as well with a pen.

“At this point we’re still exploring whether it would be constitutionally acceptable for the president to e-sign a bill and whether it’s advisable in light of the 200 years of tradition,” Siewert said.

Clinton marveled at the technology.

“Just imagine, if this had existed 224 years ago, the founding fathers would not have had to come all the way to Philadelphia on July 4 for the Declaration of Independence. They could have e-mailed their John Hancock’s in,” he said.

The measure, similar to laws already approved in dozens of states, requires that consumers consent to doing business online and that they are assured consumer protections equivalent to those in the paper world.

Missions in the Electronic World

It also ensures that government agencies have the authority to enforce the laws, protect the public interest and carry out their missions in the electronic world, the White House said in a statement.

Under the legislation, no contract, signature or record can be denied legal effect solely because it is in electronic form.

Proponents of the legislation say the measure will cut costs while bolstering confidence among consumers who have concerns about security and protection when using the Internet to conduct business.

The White House said the legislation should help boost e-commerce. It will save time and space and once the law goes into effect companies will be able to contract online to buy and sell products worth millions of dollars, the White House said.

Consumers will still be able to decide whether they want to use an electronic or handwritten signature but the bill requires some documents to still be sent on paper.