

SENATE, No. 2720

STATE OF NEW JERSEY 216th LEGISLATURE

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Sponsored by:

Senator ROBERT W. SINGER

District 30 (Monmouth and Ocean)

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District 36 (Bergen and Passaic)

SYNOPSIS

Establishes technology transfer assistance program in EDA.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing a technology transfer assistance program in
2 the New Jersey Economic Development Authority and
3 supplementing P.L.1974, c.80 (C.34:1B-1 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
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8 1. As used in P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 "Authority" shall have the same meaning as provided in section 3
11 of P.L.1974, c.80 (C.34:1B-3).

12 "County college" means an educational institution established or
13 to be established by one or more counties, offering programs of
14 instruction, extending not more than two years beyond high school,
15 which may include, but not be limited to, specialized or
16 comprehensive curriculums, including college credit transfer
17 courses, terminal courses in the liberal arts and sciences, and
18 technical institute type programs.

19 "Institution of higher education" shall include a public institution
20 of higher education and a private institution of higher education.

21 "Private institution of higher education" means an independent
22 college, university, or institute incorporated and located in New
23 Jersey, which by virtue of law, character, or license is a nonprofit
24 educational institution authorized to grant academic degrees and
25 provide a level of education which is equivalent to the education
26 provided by the State's public institutions of higher education as
27 attested by the receipt of and continuation of regional accreditation
28 by the Middle States Association of Colleges and Schools, and
29 which is eligible to receive State aid under the provisions of the
30 Constitution of the United States and the Constitution of the State
31 of New Jersey, but does not include any educational institution
32 dedicated primarily to the education or training of ministers, priests,
33 rabbis, or other professional persons in the field of religion.

34 "Public institution of higher education" means Rutgers, The State
35 University of New Jersey, the New Jersey Institute of Technology,
36 Rowan University, a State college, a county college, and any other
37 New Jersey public university or college established or authorized by
38 law.

39 "State college" means any of the State colleges or universities
40 established pursuant to chapter 64 of Title 18A of the New Jersey
41 Statutes including any State college designated as a teaching
42 university.

43 "Technology business" means a corporation, partnership, limited
44 liability company, or sole proprietorship that is engaged in the
45 design, development, and introduction of new technology,
46 including, but not limited to, biotechnology, information
47 technology, re-manufacturing, advanced materials, processing

1 engineering or electronic technology products, or innovative
2 manufacturing processes.

3
4 2. The New Jersey Economic Development Authority, in
5 consultation with the Business Action Center created in the
6 Department of State and an institution of higher education, shall
7 establish, pursuant to the provisions of P.L. , c. (C.)
8 (pending before the Legislature as this bill), a technology transfer
9 assistance program to: a. facilitate the dissemination of technology
10 developed through State-funded academic programs and State-
11 subsidized technology businesses; b. provide assistance to private
12 technology businesses in transferring technology to commercial
13 applications; and c. conduct a patentability assessment and
14 evaluation of existing products to determine the marketability of the
15 technology or intellectual property.

16
17 3. a. A person or business may apply to the authority for
18 assistance with the transfer of technology from the development
19 stage to licensing for practical application, including licensing for
20 patentable inventions, software, and other forms of intellectual
21 property. The authority may elect to contract with an institution of
22 higher education or with another qualified entity having an existing
23 technology transfer program to perform a portion or all of the duties
24 provided for in subsection b. of this section. If the authority so
25 elects, it may designate an institution of higher education to act on
26 behalf of the authority, and that designation shall be made on the
27 basis of competitive proposals and shall be based on the institution
28 of higher education's comparative experience, effectiveness, and
29 efficiency with respect to its existing technology transfer
30 operations.

31 b. (1) The authority or the institution of higher education
32 designated pursuant to subsection a. of this section, shall conduct a
33 patentability assessment and evaluation of existing products to
34 determine the marketability of the technology or intellectual
35 property. If the authority determines that the technology can be
36 protected by patent, the authority shall conduct, or contract with
37 another entity to conduct, a market assessment, including an
38 estimate of market size and an assessment of potential licensees, as
39 well as collecting other pertinent market and industry data. The
40 authority shall gather detailed information on potential licensees
41 and an assessment of the potential licensees' product lines,
42 production, marketing capabilities, if applicable, and financial
43 status.

44 (2) Upon the completion of the assessment authorized pursuant
45 to paragraph (1) of this subsection, a patent strategy shall be
46 developed, which may include designating a technology business or
47 other entity which the authority will assist in seeking patent
48 protection. An agreement may be made for outside legal counsel to

1 obtain patent protection, including the filing of the necessary forms,
2 applications, and documents.

3 (3) Upon obtaining a patent, the authority may provide
4 assistance in conducting a marketing campaign, including the
5 development of a strategy for obtaining patent protection and the
6 production of patent marketing materials. A technology business
7 interested in obtaining a license agreement shall sign a
8 confidentiality agreement before confidential information regarding
9 the patent is submitted for evaluation by the technology business.
10 The authority may provide assistance in negotiating a license
11 agreement that provides details on how the technology or other
12 subject of the patent will ultimately reach the marketplace. A
13 license agreement shall include terms relating to initial licensing
14 and other fees, patent costs, royalties, license maintenance, and a
15 definition of the property rights conferred in the agreement.

16 (4) The authority may provide a referral to the applicant for an
17 agent to continue to manage the relationship between the applicant
18 and a licensee after a license agreement is executed; this may
19 include monitoring the license, collecting fees, royalties and
20 reimbursable expenses, and the maintenance of records of patent
21 expenses and revenues.

22 (5) The authority or the institution of higher education
23 designated pursuant to subsection b. of this section, may assess the
24 applicant for the actual cost of the patenting, licensing, or license
25 management process, or upon agreement by both the applicant and
26 the authority, may assume partial ownership of the license in lieu of
27 the fee assessment. In the case of technology or intellectual
28 property funded by grants or by persons who are employees of the
29 State or any public entities and who developed the technology in the
30 course of their employment, the authority may elect to take a
31 percentage ownership in the technology or other subject of the
32 patent, the income from which shall accrue to the authority.

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34 4. This act shall take effect immediately.

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STATEMENT

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39 This bill requires the New Jersey Economic Development
40 Authority (authority) to establish a technology transfer assistance
41 program to facilitate the dissemination of technology developed
42 through State-funded academic programs and State-subsidized
43 technology businesses, and provide assistance to private technology
44 businesses in transferring technology to commercial applications.

45 The bill allows the authority to elect to contract with a New
46 Jersey institution of higher education or with another qualified
47 entity having an existing technology transfer program to perform a
48 portion or all of the duties in administering the program. The

1 authority may designate the institution of higher education to act on
2 behalf of the authority, and that designation shall be made on the
3 basis of competitive proposals and shall be based on the institution
4 of higher education's comparative experience, effectiveness, and
5 efficiency with respect to its existing technology transfer
6 operations.

7 The bill requires the authority or the institution of higher
8 education, as part of the technology transfer assistance program, to
9 conduct a patentability assessment and evaluation of existing
10 products to determine the marketability of the technology or
11 intellectual property. If the authority or institution of higher
12 education determines that the technology can be protected by
13 patent, the authority is to conduct, or contract with another entity to
14 conduct, a market assessment, including an estimate of market size
15 and an assessment of potential licensees, as well as collecting other
16 pertinent market and industry data. The authority is to gather
17 detailed information on potential licensees and an assessment of the
18 potential licensees' product lines, production, marketing
19 capabilities, if applicable, and financial status. Upon the
20 completion of the assessment, a patent strategy is to be developed,
21 which may include designating technology businesses or other
22 entities in which the authority is to assist in seeking patent
23 protection.