

**ASSEMBLY, No. 2333**

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**STATE OF NEW JERSEY**

**218th LEGISLATURE**

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INTRODUCED FEBRUARY 1, 2018

**Sponsored by:**

**Assemblywoman NANCY F. MUNOZ**

**District 21 (Morris, Somerset and Union)**

**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:  
7

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:

10 a. facilitate the dissemination of technology developed through  
11 State-funded academic programs and State-subsidized technology  
12 businesses;

13 b. provide assistance to private technology businesses in  
14 transferring technology to commercial applications; and

15 c. conduct a patentability assessment and evaluation of existing  
16 products to determine the marketability of the technology or  
17 intellectual property.

18

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

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

46 (2) Upon the completion of the assessment authorized pursuant  
47 to paragraph (1) of this subsection, a patent strategy shall be  
48 developed, which may include designating a technology business or

1 other entity which the authority will assist in seeking patent  
2 protection. An agreement may be made for outside legal counsel to  
3 obtain patent protection, including the filing of the necessary forms,  
4 applications, and documents.

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

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

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

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36 4. This act shall take effect immediately.  
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#### 39 STATEMENT 40

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

47 The bill allows the authority to elect to contract with a New  
48 Jersey institution of higher education or with another qualified

1 entity having an existing technology transfer program to perform a  
2 portion or all of the duties in administering the program. The  
3 authority may designate the institution of higher education to act on  
4 behalf of the authority, and that designation shall be made on the  
5 basis of competitive proposals and shall be based on the institution  
6 of higher education's comparative experience, effectiveness, and  
7 efficiency with respect to its existing technology transfer  
8 operations.

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