

ASSEMBLY, No. 2098

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED FEBRUARY 7, 2022

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
48 engineering or electronic technology products, or innovative

1 manufacturing processes.

2

3 2. The New Jersey Economic Development Authority, in
4 consultation with the Business Action Center created in the
5 Department of State and an institution of higher education, shall
6 establish, pursuant to the provisions of P.L. , c. (C.)
7 (pending before the Legislature as this bill), a technology transfer
8 assistance program to:

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

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

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

17

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

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

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

1 protection. An agreement may be made for outside legal counsel to
2 obtain patent protection, including the filing of the necessary forms,
3 applications, and documents.

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

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

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

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35 4. This act shall take effect immediately.
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38 STATEMENT

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

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

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

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