

ASSEMBLY, No. 979

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblywoman NANCY F. MUNOZ

District 21 (Middlesex, Morris, Somerset and Union)

SYNOPSIS

Establishes technology transfer assistance program in EDA.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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.

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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.

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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.