

996

2011-2012 Regular Sessions

I N S E N A T E

(PREFILED)

January 5, 2011

Introduced by Sens. KLEIN, KRUEGER -- read twice and ordered printed,
and when printed to be committed to the Committee on Commerce, Econom-
ic Development and Small Business

AN ACT to amend the public authorities law, in relation to creating the
intellectual property asset management advisory council; and providing
for the repeal of such provisions upon expiration thereof

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-
BLY, DO ENACT AS FOLLOWS:

1 Section 1. Legislative intent. The legislature finds and declares
2 that the intellectual property generated by state-funded research
3 represents a great opportunity to return social and economic value to
4 the New York taxpayer in return for public investment in research. It is
5 further found and declared that the public interest in research outcomes
6 needs to be protected both by the state and by the beneficiaries of such
7 awards, including research bodies who are the grant recipients. It is
8 further found and declared that the dissemination, application and
9 utilization of the results of research grants can play a significant
10 role in the development of new consumer and industrial products, of new
11 industrial processes, and in the enhancement of the productivity and
12 competitiveness of business involved in the production of existing
13 products. The legislature further finds that the state needs to manage
14 its intellectual property effectively so that it is best utilized for
15 the benefit of the state, the taxpayers, and the private sector. It is
16 further found and declared that state agency and public authority poli-
17 cies should be appropriately formed and upheld in practice to ensure all
18 participants in research and in commercialization of research discover-
19 ies understand their obligations and responsibilities. Therefore, the
20 legislature hereby declares the creation of the New York state intellec-
21 tual property asset management advisory council.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.

LBD04990-01-1

1 S 2. The public authorities law is amended by adding a new section
2 3154-a to read as follows:

3 S 3154-A. INTELLECTUAL PROPERTY ASSET MANAGEMENT ADVISORY COUNCIL. 1.
4 DEFINITIONS. AS USED IN THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE
5 FOLLOWING MEANINGS UNLESS OTHERWISE SPECIFIED:

6 (A) "PATENTABLE INVENTIONS" SHALL MEAN INVENTIONS THAT FALL WITHIN THE
7 SCOPE OF PATENTABLE SUBJECT MATTER UNDER THE LAWS OF THE UNITED STATES
8 BUT ARE NOT YET THE SUBJECT OF AN ISSUED PATENT.

9 (B) "PATENTED INVENTIONS" SHALL MEAN THOSE RIGHTS REFLECTED IN
10 SUBSISTING PATENTS ISSUED BY ANY GOVERNMENT, INCLUDING THE UNITED
11 STATES.

12 (C) "STATE-OWNED INTELLECTUAL PROPERTY RIGHTS" SHALL MEAN ANY AND ALL
13 INTELLECTUAL PROPERTY THAT IS OWNED BY THE STATE, INCLUDING ALL TRADE-
14 MARKS AND SERVICE MARKS, COLLECTIVE MARKS AND CERTIFICATION MARKS, ALL
15 COPYRIGHTS, ALL TRADE SECRETS, ALL PATENTABLE INVENTIONS, AND ALL
16 PATENTED INVENTIONS.

17 2. THERE IS HEREBY CREATED THE INTELLECTUAL PROPERTY ASSET MANAGEMENT
18 ADVISORY COUNCIL TO DEVELOP RECOMMENDATIONS TO THE BOARD ON HOW THE
19 STATE SHOULD TREAT STATE-OWNED INTELLECTUAL PROPERTY CREATED UNDER STATE
20 CONTRACTS, GRANTS AND AGREEMENTS. THE ADVISORY COUNCIL SHALL CONSIST OF
21 ELEVEN MEMBERS AS FOLLOWS: ONE SHALL BE THE COMMISSIONER OF ECONOMIC
22 DEVELOPMENT; ONE SHALL BE THE PRESIDENT OF THE NEW YORK STATE ENERGY
23 RESEARCH AND DEVELOPMENT AUTHORITY; ONE SHALL BE A TRUSTEE OF THE STATE
24 UNIVERSITY OF NEW YORK; ONE SHALL BE A TRUSTEE OF THE CITY UNIVERSITY OF
25 NEW YORK; ONE SHALL BE A MEMBER OF THE BOARD OF GOVERNORS OF THE COMMIS-
26 SION ON INDEPENDENT COLLEGES AND UNIVERSITIES; AND SEVEN SHALL BE
27 MEMBERS OF THE PUBLIC WITH THREE APPOINTED BY THE GOVERNOR WITH THE
28 ADVICE AND CONSENT OF THE SENATE, WITH TWO APPOINTED BY THE SPEAKER OF
29 THE ASSEMBLY, AND WITH TWO APPOINTED BY THE TEMPORARY PRESIDENT OF THE
30 SENATE. THE SEVEN PUBLIC MEMBERS SHALL BE INDIVIDUALS WITH OUTSTANDING
31 KNOWLEDGE AND LEADERSHIP IN ONE OF THE FOLLOWING FIELDS: HIGH-RISK
32 VENTURE INVESTMENTS IN NEW SCIENTIFIC OR TECHNOLOGICAL BUSINESSES OR NEW
33 SCIENTIFIC OR TECHNOLOGICAL PRODUCT DEVELOPMENT; PROFESSIONAL AND BUSI-
34 NESS SERVICES WITH MORE THAN TEN YEARS OF EXPERIENCE IN THE LICENSING OF
35 INTELLECTUAL PROPERTY; PATENT, TRADEMARK, COPYRIGHT, AND TRADE SECRETS
36 LAW OF THE UNITED STATES; INTERNATIONAL PATENT LAW INCLUDING PATENT
37 COOPERATION TREATIES; OR UNIVERSITY TECHNOLOGY TRANSFER AND COMMERCIALI-
38 ZATION. THE GOVERNOR SHALL APPOINT A CHAIRPERSON FROM AMONG THE MEMBERS
39 OF THE ADVISORY COUNCIL.

40 3. ALL MEMBERS OF THE ADVISORY COUNCIL SHALL SERVE FOR A TWO-YEAR
41 TERM OR UNTIL SUCH TIME AS THE ADVISORY COUNCIL HAS COMPLETED ITS RECOM-
42 MENDATIONS TO THE BOARD.

43 4. THE MEMBERS OF THE ADVISORY COUNCIL SHALL RECEIVE NO COMPENSATION
44 FOR THEIR SERVICES, BUT SHALL BE REIMBURSED FOR THE ACTUAL AND NECESSARY
45 EXPENSES INCURRED BY THEM IN THE PERFORMANCE OF THEIR DUTIES UNDER THIS
46 ARTICLE.

47 5. NOTWITHSTANDING ANY INCONSISTENT PROVISION OF LAW, ORDINANCE,
48 RESOLUTION OR CHARTER, NO OFFICER, MEMBER OR EMPLOYEE OF THE STATE OR OF
49 ANY PUBLIC CORPORATION SHALL FORFEIT HIS OR HER OFFICE OR EMPLOYMENT BY
50 REASON OF HIS OR HER ACCEPTANCE OF APPOINTMENT AS A MEMBER OF THE ADVI-
51 SORY COUNCIL, NOR SHALL SERVICE ON SUCH ADVISORY COUNCIL BE DEEMED
52 INCOMPATIBLE OR IN CONFLICT WITH SUCH OFFICE OR EMPLOYMENT.

53 6. THE ADVISORY COUNCIL SHALL MEET REGULARLY AND AT LEAST FOUR TIMES
54 PER YEAR. SPECIAL MEETINGS MAY BE CALLED BY THE CHAIRPERSON OF THE ADVI-
55 SORY COUNCIL AND SHALL BE CALLED BY HIM OR HER AT THE REQUEST OF THE
56 EXECUTIVE DIRECTOR OF THE FOUNDATION.

1 7. THE ADVISORY COUNCIL SHALL SUBMIT ITS RECOMMENDATIONS IN WRITING TO
2 THE BOARD WITHIN TWO YEARS AFTER THE FIRST MEETING OF ALL ELEVEN
3 MEMBERS. THE ADVISORY COUNCIL'S RECOMMENDATIONS SHALL INCLUDE, BUT NOT
4 BE LIMITED TO, THE FOLLOWING:

5 (A) WHETHER ALL, NONE OR SOME OF THE RIGHTS ARISING OUT OF THE
6 CREATION OF INTELLECTUAL PROPERTY SHOULD BE DEDICATED TO THE PUBLIC
7 DOMAIN.

8 (B) HOW THE STATE SHOULD MAXIMIZE THE PROTECTION OF INTELLECTUAL PROP-
9 ERTY THAT IT OWNS.

10 (C) HOW STATE EMPLOYEES AND OFFICIALS SHOULD BE MADE AWARE OF THE
11 OBLIGATIONS, RESTRICTIONS, REQUIREMENTS AND OPPORTUNITIES REGARDING THE
12 PROTECTION AND MANAGEMENT OF STATE-OWNED INTELLECTUAL PROPERTY.

13 (D) HOW STATE EMPLOYEES AND OFFICIALS SHOULD BE INFORMED ON DISCLOSURE
14 AND WHETHER A UNIFORM SYSTEM OF DISCLOSURE SHOULD BE DEVELOPED AND
15 IMPLEMENTED.

16 (E) WHAT ACTIONS ARE BEING TAKEN BY STATE AGENCIES, AUTHORITIES,
17 DEPARTMENTS, BOARDS AND COMMISSIONS TO MANAGE STATE-OWNED INTELLECTUAL
18 PROPERTY.

19 (F) HOW OWNERSHIP RIGHTS SHOULD BE DETERMINED WHEN INTELLECTUAL PROP-
20 ERTY IS CREATED BY STATE EMPLOYEES IN THE COURSE OF THEIR STATE EMPLOY-
21 MENT.

22 8. BASED ON THE RECOMMENDATIONS OF THE ADVISORY COUNCIL, THE BOARD
23 SHALL SUBMIT A REPORT TO THE GOVERNOR, THE SPEAKER OF THE ASSEMBLY AND
24 THE TEMPORARY PRESIDENT OF THE SENATE PROVIDING GUIDANCE ON HOW TO:

25 (A) PROMOTE THE UTILIZATION OF INTELLECTUAL PROPERTY ARISING FROM
26 STATE-SUPPORTED CONTRACTS, GRANTS AND AGREEMENTS.

27 (B) ENCOURAGE MAXIMUM PARTICIPATION OF SMALL-BUSINESS FIRMS IN LICENS-
28 ING STATE-OWNED INTELLECTUAL PROPERTY.

29 (C) PROMOTE COLLABORATION BETWEEN COMMERCIAL CONCERNS AND STATE ENTI-
30 TIES IN COMMERCIALIZING STATE-OWNED INTELLECTUAL PROPERTY.

31 (D) ENSURE THAT THERE ARE MECHANISMS IN PLACE THAT ALLOW THE STATE TO
32 OBTAIN CERTAIN MINIMAL RIGHTS IN STATE-SUPPORTED INTELLECTUAL PROPERTY
33 TO MEET THE NEEDS OF THE STATE AND PROTECT THE PUBLIC AGAINST NONUSE OR
34 UNREASONABLE USE OF SUCH INTELLECTUAL PROPERTY.

35 S 3. This act shall take effect on the one hundred twentieth day after
36 it shall have become a law; provided, however, that effective immediate-
37 ly, the addition, amendment and/or repeal of any rule or regulation
38 necessary for the implementation of this act on its effective date are
39 authorized and directed to be made and completed on or before such date;
40 provided, further, that this act shall remain in effect until one
41 hundred twenty days after the New York state foundation for science,
42 technology and innovation board submits the report required by subdivi-
43 sion 8 of section 3154-a of the public authorities law to the governor,
44 the temporary president of the senate and the speaker of the assembly,
45 at which time this act shall expire and be deemed repealed and;
46 provided, further, that the New York state foundation for science, tech-
47 nology and innovation board shall notify the legislative bill drafting
48 commission upon the submission of the report required by subdivision 8
49 of section 3154-a of the public authorities law in order that the
50 commission may maintain an accurate and timely effective data base of
51 the official text of the laws of the state of New York in furtherance of
52 effectuating the provisions of section 44 of the legislative law and
53 section 70-b of the public officers law.