



**Substitute House Bill No. 5543**

**Public Act No. 10-96**

**AN ACT CONCERNING PATENTS, TRADEMARKS OR LICENSING AGREEMENTS FOR INVENTIONS AND DISCOVERIES OF EMPLOYEES OF THE CONNECTICUT AGRICULTURAL EXPERIMENT STATION.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 4-61a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

As used in this section, "invention" shall mean any invention or discovery and shall be divided into the following categories: (1) Any invention conceived by one state employee solely, or by state employees jointly; (2) any invention conceived by one or more state employees jointly with one or more other persons; (3) any invention conceived by one or more persons not state employees. The state shall be entitled to own, or to participate in the ownership of, and to place in the custody of the state to the extent of such ownership, any invention on the following conditions: (a) The state shall be entitled to own the entire right, title and interest in and to any invention in category (1), in any instance in which such invention is conceived in the course of performance of customary or assigned duties of the employee inventor or inventors, or in which the invention emerges from any research, development or other program of the state, or is conceived or

**Substitute House Bill No. 5543**

developed wholly or partly at the expense of the state, or with the aid of its equipment, facilities or personnel. In each such instance, the employee inventor shall be deemed to be obligated, by reason of his employment by the state, to disclose his invention fully and promptly to an authorized executive of the state; to assign to the state the entire right, title and interest in and to each invention in category (1); to execute instruments of assignment to that effect; to execute such proper patent applications on such invention as may be requested by an authorized executive of the state, and to give all reasonable aid in the prosecution of such patent applications and the procurement of patents thereon; (b) the state shall have the rights defined in subsection (a) of this section with respect to inventions in category (2), to the extent to which an employee has or employees have disposable interest therein; and to the same extent the employee or employees shall be obligated as defined in said subsection (a); (c) the state shall have no right to inventions in category (3), except as may be otherwise provided in contracts, express or implied, between the state and those entitled to the control of inventions in category (3). This section shall not apply to employees or inventions covered by sections 10a-110 to 10a-110g, inclusive, or sections 3 to 8, inclusive, of this act.

Sec. 2. Subsection (a) of section 22-81 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

(a) Said board shall have the general management of the institution and shall appoint a director, who shall have the general management and oversight of experiments and investigations. It may own such real and personal estate as may be necessary for carrying on its work and may receive title to the same by deed, devise or bequest. It shall expend all money appropriated by the state in the prosecution of the work for which said institution is established, shall use for the same purpose the income from all funds and endowments which it may

**Substitute House Bill No. 5543**

receive from other sources and may sue and be sued by the name of the Connecticut Agricultural Experiment Station. It may seek and obtain patents, trademarks and licensing agreements relating to inventions and discoveries of any employee of the Connecticut Agricultural Experiment Station. It may pursue any opportunity to receive funds for research available from the federal government or from private sources. It shall make an annual report to the joint standing committee of the General Assembly having cognizance of matters relating to the Department of Agriculture and the Department of Environmental Protection, including a statement of the activities of the station and the sources and amounts of funds available to the station. It shall make an annual report to the Governor, as provided in section 4-60, including therein a report upon adulterated food products and a report of the work done and results obtained under the provisions of section 22-84.

Sec. 3. (NEW) (*Effective October 1, 2010*) As used in sections 4 to 8, inclusive, of this act: (1) "Station" means the Connecticut Agricultural Experiment Station; (2) "director" means the director of the Connecticut Agricultural Experiment Station; and (3) "board" means the board of control of the Connecticut Agricultural Experiment Station.

Sec. 4. (NEW) (*Effective October 1, 2010*) (a) The station shall be entitled to own the entire right, title and interest in any invention or discovery of an employee of the station that (1) is conceived in the course of the performance of customary or assigned duties of the employee, (2) emerges from any research, development or other program of the station, or (3) is conceived or developed wholly or partly at the expense of the station or with the aid of the equipment, facilities or personnel of the station.

(b) In each such instance, the employee shall be deemed to be obligated, by reason of his or her employment by the station, to (1) disclose his or her invention or discovery fully and promptly to the

**Substitute House Bill No. 5543**

director, (2) assign to the station the entire right, title and interest in each invention or discovery, and execute instruments of assignment to that effect, and (3) execute such proper patent or license application or other instrument of assignment concerning such invention or discovery as may be requested by the director, and give all reasonable aid in the prosecution of such application or assignment and the procurement of such patent, license or assignment.

(c) Except where the invention or discovery is subject to federal grant restrictions, the entire beneficial ownership of any such invention or discovery, including all monetary proceeds, property and rights of every character, tangible and intangible, shall be deposited with the station and vest in the station for use in scientific inquiries and experiments and the board shall exercise complete control thereof.

Sec. 5. (NEW) (*Effective October 1, 2010*) Each employee who conceives or makes any invention or discovery and fulfills his or her obligations to the satisfaction of the station as provided in section 4 of this act shall be entitled to share in any net proceeds that may be derived from the assignment, grant, license or other disposal of such invention or discovery. The amount of such net proceeds shall be computed by, or with the approval of, the board, with reasonable promptness after collection thereof, and after deducting from gross proceeds any and all costs and expenses as may be reasonably allocated to the particular invention or discovery including, but not limited to, costs or expenses associated with seeking and obtaining any patent, trademark or licensing agreement, maintenance or litigation costs, and the costs of evaluating the commercial potential of the invention or discovery. A minimum of twenty per cent of the amount of such net proceeds shall be paid to an employee who solely conceived or made the invention or discovery, and shall be paid in shares to two or more employees who jointly conceived or made the invention or discovery in such respective proportions as the board

**Substitute House Bill No. 5543**

may determine. The board in its discretion may increase the amount by which any employee or employees may participate in such net proceeds.

Sec. 6. (NEW) (*Effective October 1, 2010*) Disagreements as to the allocation of any invention or discovery, as to the obligations of any employee, or due performance thereof, or as to the participation of any employee of the station in any net proceeds, shall be disposed of as follows: (1) By voluntary arbitration of all relevant issues, if the disagreeing parties approve and agree to be bound by the decision upon such arbitration; (2) by compulsory arbitration if that is provided for in any applicable contract between the disagreeing parties; or (3) by recourse to a court of competent jurisdiction in this state if arbitration cannot be resorted to under either subdivision (1) or (2) of this section.

Sec. 7. (NEW) (*Effective October 1, 2010*) The board may establish and regulate, equitably in the public interest, such measures as the board deems necessary for the purposes of such arbitration, and to make contracts for compulsory arbitration, in the name of the station.

Sec. 8. (NEW) (*Effective October 1, 2010*) The board may adopt regulations in accordance with chapter 54 of the general statutes to govern the operations of the station in accordance with the provisions of sections 3 to 7, inclusive, of this act.

Approved May 26, 2010