

CS for SB 1580

1 THE STATE SENATE  
2 Monday, February 28, 2000

3 Committee Substitute for  
4 Senate Bill No. 1580

5 COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 1580 - By: SNYDER of the  
6 Senate and MILLER of the House.

7 [ higher education - policies of higher education  
8 institutions on research and development in cooperation with  
9 private entities - requiring adherence to certain policies -  
10 emergency ]

11  
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY Section 2, Chapter 211, O.S.L.

14 1998 (70 O.S. Supp. 1999, Section 3206.3), is amended to read as  
15 follows:

16 Section 3206.3 The Oklahoma State Regents for Higher Education  
17 shall:

18 1. Establish, pursuant to the requirements of this paragraph, a  
19 model policy, which to the extent not inconsistent with this section  
20 may be adapted by the governing board of regents for each  
21 institution within The Oklahoma State System of Higher Education,  
22 regarding:

- 23 a. the use of facilities, whether consisting of real  
24 property, personal property, intangible personal  
25 property, or any combination of such properties,  
26 within The Oklahoma State System of Higher Education,

1 for the purpose of conducting research, the principal  
2 purpose of which is to develop or refine a product,  
3 process or idea in cooperation with a private business  
4 entity in order to market the product, process or idea  
5 for profit,

6 b. the investment of value available to institutions  
7 within The Oklahoma State System of Higher Education,  
8 in private business entities or the receipt of royalty  
9 income from a private business entity, or both, in  
10 conjunction with research and development conducted on  
11 the premises of or with the assistance of institutions  
12 within The Oklahoma State System of Higher Education,  
13 its faculty, staff or students,

14 c. a method to inform the faculty, staff, students and  
15 third parties conducting research on the premises of  
16 or with the assistance of the faculty, staff or  
17 students of an institution within The Oklahoma State  
18 System of Higher Education of the policies developed  
19 pursuant to this paragraph, and

20 d. the extent to which ~~professors and other~~ faculty,  
21 staff, and students at institutions within The  
22 Oklahoma State System of Higher Education may acquire  
23 property interests in technology developed on the

1 premises of or with the assistance of an institution  
2 within The Oklahoma State System of Higher Education  
3 or a property interest in the revenues derived by the  
4 sale, marketing, licensing or other disposition of  
5 technology by an institution within The Oklahoma State  
6 System of Higher Education or by a private business  
7 entity conducting research or engaged in the  
8 development of technology on the premises of or with  
9 the assistance of an institution within The Oklahoma  
10 State System of Higher Education; and

11 2. Establish policies for institutions within The Oklahoma  
12 State System of Higher Education to:

13 a. encourage development of a product, process or idea,  
14 whether or not the product, process or idea is  
15 protectable under the intellectual property laws of  
16 the United States or of this state, and ~~to~~ encourage  
17 the institutions to take such actions as may be  
18 appropriate in order to promote the development of  
19 products, processes or ideas having a potential for  
20 the improvement or advancement of:

- 21 (1) medical technology,  
22 (2) biotechnology,  
23 (3) energy technology,

- 1 (4) telecommunications technology,  
2 (5) chemical technology,  
3 (6) industrial technology, and  
4 (7) such other technologies as are deserving of the  
5 resources and assistance available through  
6 institutions and the faculty and students of  
7 institutions within The Oklahoma State System of  
8 Higher Education,
- 9 b. develop appropriate methods to maintain a system for  
10 recording the nature of research being conducted at  
11 institutions within The Oklahoma State System of  
12 Higher Education and the results of research having  
13 potential for protection pursuant to the intellectual  
14 property laws of the United States or of this state,  
15 and
- 16 c. develop a system to account for:
- 17 (1) expenses associated with research and development  
18 conducted on the premises of or with the  
19 assistance of an institution within The Oklahoma  
20 State System of Higher Education,  
21 (2) the financial relationships, if any, established  
22 between those institutions and private business  
23 entities,

- 1 (3) the acquisition of equity interests in private  
2 business entities,  
3 (4) the receipt of royalty income or other income  
4 related to the sale or other disposition of  
5 products, processes or ideas by institutions or  
6 private business entities with which the  
7 institution has established a financial  
8 arrangement,  
9 (5) the gains or losses upon the sale or other  
10 disposition of equity interests in private  
11 business entities, and  
12 (6) such other matters relating to the income and  
13 expenses associated with the research,  
14 development, intellectual property protection,  
15 marketing, distribution or other matters as the  
16 State Regents determine to be appropriate,

17 d. clarify that, except for interests conveyed to  
18 faculty, staff, and students pursuant to policy  
19 developed under the authority of this section, all  
20 products, processes, technology, or ideas resulting  
21 from research conducted by faculty, staff, students,  
22 or third parties on the premises of an institution or  
23 with the assistance of faculty, staff, or students

1           using institutional resources are property of the  
2           State of Oklahoma and may not be sold, transferred, or  
3           otherwise conveyed except by the State of Oklahoma,  
4        e.   require faculty, staff, and students to disclose to  
5           the institution patentable products, processes,  
6           technology, or ideas resulting from research as  
7           described in subparagraph d of this paragraph, and  
8        f.   prohibit an institution from transferring any rights  
9           or interest in a product, process, or idea, including  
10          intellectual property, that resulted from research as  
11          described in subparagraph d of this paragraph to any  
12          faculty, staff, or student who fails to disclose  
13          patentability as required in subparagraph d of this  
14          paragraph within one year of the date on which  
15          disclosure was required pursuant to institutional  
16          policy.

17           SECTION 2.        NEW LAW        A new section of law to be codified  
18   in the Oklahoma Statutes as Section 3206.3a of Title 70 , unless  
19   there is created a duplication in numbering, reads as follows:

20           A. No person, including faculty, staff, students, or third  
21   parties, shall acquire any right, title, or interest in a product,  
22   process, or idea, including intellectual property, that resulted  
23   from research conducted by faculty, staff, students, or third

1 parties on the premises of an institution or with the assistance of  
2 faculty, staff, or students using institutional resources except  
3 through a conveyance made by the institution pursuant to  
4 institutional policy as provided in Section 3206.3 of Title 70 of  
5 the Oklahoma Statutes or through a conveyance from one who holds a  
6 valid right, title, or interest gained through a transaction in  
7 conformance with Section 3206.3 of Title 70 of the Oklahoma  
8 Statutes. Any transaction not in conformance with Section 3206.3 of  
9 Title 70 of the Oklahoma Statutes shall be void and shall not  
10 operate to convey any right, title, or interest in the product,  
11 process, or idea.

12 B. No right, title, or interest in a product, process, or idea,  
13 including intellectual property, that resulted from research  
14 conducted by faculty, staff, students, or third parties on the  
15 premises of an institution or with the assistance of faculty, staff,  
16 or students using institutional resources shall pass to any  
17 purchaser from, assignee of, or grantee of any faculty, staff,  
18 students, or third parties who failed to disclose patentability of  
19 the product, process, or idea to the institution within one year  
20 from the time disclosure was required by institutional policy and  
21 Section 3206.3 of Title 70 of the Oklahoma Statutes.

22 SECTION 3. It being immediately necessary for the preservation  
23 of the public peace, health and safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.  
3 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-23-00 - DO  
4 PASS, As Amended and Coauthored.