



HOUSE ECONOMIC MATTERS COMMITTEE
House Bill 1466
Labor and Employment - Employment Contracts - Intellectual Property
March 10, 2020
Letter of Information

Chair Davis, Vice Chair Dumais and members of the committee, thank you for the opportunity to share our thoughts regarding House Bill 1466.

The University System of Maryland institutions reward their inventors with a generous share of royalties and other income that are generated by their inventions. The system generously incentivizes faculty and staff to disclose their inventions to the universities' technology transfer professionals, who are trained and empowered to commercialize those inventions. If employees retain ownership, they would often lack the skills and significant financial resources required to obtain patent protection and commercialize the inventions. This legislation could potentially undermine the system by clouding the question of ownership and risks wreaking havoc on a structure which is currently highly-functioning, effective, and beneficial to the people and State of Maryland.

Determination of ownership of employee-made inventions is often quite complex and nuanced. The term "scope of employment" itself is not definitive and is subject to a myriad of interpretations which are very fact-specific. The simplistic phrasing of the bill could lead to havoc in the process of patenting valuable inventions. Federal patent law requires that the true owner of the invention be correctly identified. Disputes about ownership could jeopardize the ability to receive important patents.

In addition, federal law requires that the university take title to inventions which are created from federally-funded research. This bill could jeopardize the university's compliance with those obligations.

More generally, the public policy tone that would be set by the bill would be harmful and prejudicial to the university's ability to commercialize inventions that are made in its laboratories and research centers.

