

1 HOUSE BILL NO. 349

2 INTRODUCED BY D. HAINES

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4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING AN EMPLOYEE OF THE MONTANA UNIVERSITY
 5 SYSTEM OR AN INDIVIDUAL WORKING ON BEHALF OF THE UNIVERSITY SYSTEM TO SERVE ON THE
 6 BOARD OF DIRECTORS OR OTHER GOVERNING BOARD OF OR TO SERVE AS A DIRECTOR, OFFICER,
 7 OR EMPLOYEE OF A BUSINESS ENTITY THAT HAS AN AGREEMENT WITH THE UNIVERSITY SYSTEM
 8 OR ANY OTHER STATE AGENCY OR POLITICAL SUBDIVISION OR THAT SHARES AN OWNERSHIP
 9 INTEREST IN INTELLECTUAL PROPERTY WITH THE UNIVERSITY SYSTEM RELATED TO INTELLECTUAL
 10 PROPERTY ~~AND OTHER ECONOMIC DEVELOPMENT ACTIVITIES~~ CREATED BY THE EMPLOYEE OR
 11 INDIVIDUAL; ALLOWING THE EMPLOYEE OR INDIVIDUAL TO HAVE EQUITY OWNERSHIP OR OTHER
 12 FINANCIAL INTEREST IN THE INTELLECTUAL PROPERTY ~~OR ECONOMIC DEVELOPMENT ACTIVITY~~; AND
 13 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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17 NEW SECTION. **Section 1. Authorized university system employee or individual activities.** (1) A
 18 Montana university system employee who, as part of the employee's authorized work for the university
 19 system, conceives, creates, discovers, invents, or develops intellectual property ~~or other economic~~
 20 ~~development activity of a proprietary nature~~ may:

21 (a) IF APPROVED BY THE BOARD OF REGENTS, own or be awarded equity interest or participation in the
 22 intellectual property ~~or economic development activity~~; or

23 (b) if approved by the board of regents, serve as a member of the board of directors or other
 24 governing board of or as a director, officer, or employee of a business entity that:

25 (i) has an agreement with the university system or with any other Montana state agency or
 26 political subdivision that relates to the research, development, licensing, or exploitation of that intellectual
 27 property ~~or economic development activity~~; OR

28 (ii) SHARES AN OWNERSHIP INTEREST IN THE INTELLECTUAL PROPERTY WITH THE UNIVERSITY SYSTEM.

29 (2) An individual, at the request of and on behalf of the university system, may serve as a member
 30 of the board of directors or other governing board of a business entity that:

1 (A) has an agreement with the university system or with any other Montana state agency or
 2 political subdivision that relates to the research, development, licensing, or exploitation of the individual's
 3 intellectual property ~~or economic development activity~~; OR

4 (B) SHARES AN ownership interest IN THE INTELLECTUAL PROPERTY WITH THE UNIVERSITY SYSTEM.

5 (3) FOR PURPOSES OF THIS SECTION, "INTELLECTUAL PROPERTY" MEANS INVENTIONS, DISCOVERIES, AND
 6 CREATIONS THAT MAY BE ELIGIBLE FOR COPYRIGHT OR PATENT. THE TERM ALSO INCLUDES OTHER ECONOMIC
 7 DEVELOPMENT ACTIVITY OF A PROPRIETARY NATURE, INCLUDING BUT NOT LIMITED TO BUSINESS PRACTICES, IDEAS,
 8 PROCESSES, OR ARRANGEMENTS THAT MAY NOT BE ELIGIBLE FOR EITHER PATENT OR COPYRIGHT BUT FOR WHICH THE
 9 POSSIBILITY OF PROFITABLE COMMERCIALIZATION EXISTS.

10 ~~(3)~~(4) An employee or individual included under the provisions of subsection (1) or (2) shall report
 11 the name of the business entity with which the employee or individual is affiliated to THE COMMISSIONER OF
 12 HIGHER EDUCATION AND TO the appropriate person within the unit of the university system at which the
 13 person is employed or on behalf of which the individual is serving.

14 ~~(4)~~(5) The provisions of ~~Title 2, chapter 2, 2-2-104, 2-2-105, 2-2-121, AND 2-2-201~~ do not apply
 15 to this section.

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17 NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an
 18 integral part of Title 20, chapter 25, part 1, and the provisions of Title 20, chapter 25, part 1, apply to
 19 [section 1].

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21 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

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