

[First Reprint]

ASSEMBLY, No. 492

STATE OF NEW JERSEY
217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

Assemblyman DAVID C. RUSSO

District 40 (Bergen, Essex, Morris and Passaic)

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington)

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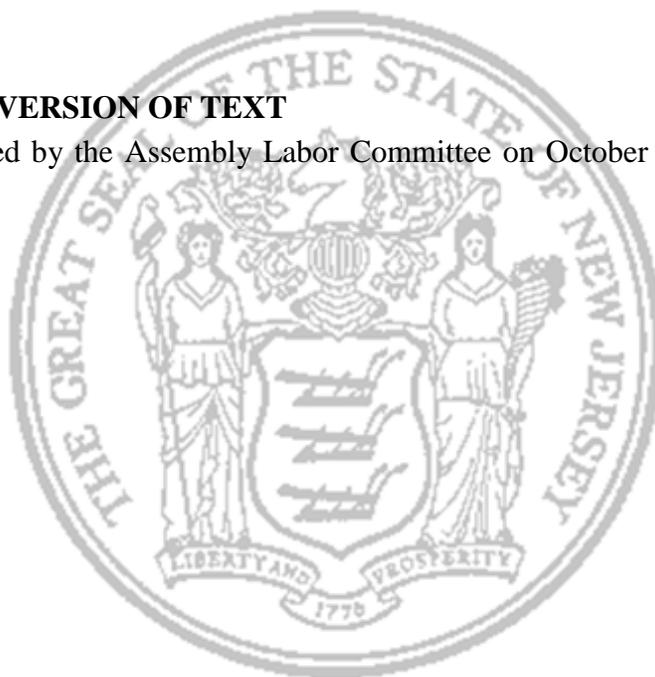
Assemblyman O'Scanlon and Assemblywoman Pinkin

SYNOPSIS

Protects employee rights to ownership and usage of employee inventions developed entirely on employee's own time and without using employer's resources.

CURRENT VERSION OF TEXT

As reported by the Assembly Labor Committee on October 13, 2016, with amendments.



(Sponsorship Updated As Of: 11/22/2016)

1 AN ACT concerning certain employee inventions and supplementing
2 P.L.1974, c.80 (C.34:1B-1 et seq.).

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. a. (1) Any provision in an employment contract between an
8 employee and employer, which provides that the employee shall
9 assign or offer to assign any of the employee's rights to an
10 invention to that employer, shall not apply to an invention that the
11 employee develops entirely on the employee's own time, and
12 without using the employer's equipment, supplies, facilities or
13 information, including any trade secret information, except for
14 those inventions that:

15 (a) relate to the employer's business or actual or demonstrably
16 anticipated research or development; or

17 (b) result from any work performed by the employee on behalf
18 of the employer.

19 (2) To the extent any provision in an employment contract
20 applies, or intends to apply, to an employee invention subject to this
21 subsection, the provision shall be deemed against the public policy
22 of this State and shall be unenforceable.

23 b. If an employee, outside the context of an employment
24 contract, voluntarily offers to the employee's employer an
25 opportunity to acquire any of the employee's rights to an invention
26 subject to subsection a. of this section, following the development
27 of the invention, which development may include the idea or
28 concept for the actual production of the invention, the employer
29 shall have no more than nine months from the initial date of the
30 employee's offer to the employer to accept or reject the opportunity
31 to acquire any rights. After this period, the employee shall retain
32 all of the employee's rights to the invention, and the employer shall
33 be barred from any further opportunity to acquire any of the rights.

34 ¹c. Nothing in this act shall be deemed to impede or otherwise
35 diminish the rights of alienation of inventors or patent-owners.¹

36

37 2. This act shall take effect on the first day of the third month
38 next following enactment, and shall apply to any employment
39 contract entered into on or after that effective date.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ALA committee amendments adopted October 13, 2016.