



# House of Representatives

## File No. 872

General Assembly

January Session, 2025

(Reprint of File No. 39)

House Bill No. 5015  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
May 12, 2025

### **AN ACT AUTHORIZING SPIN-OFF COMPANIES FOR EMPLOYEES OF THE CONNECTICUT AGRICULTURAL EXPERIMENT STATION.**

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

1 Section 1. Section 22-82a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) As used in subsections (b) to (h), inclusive, of this section: (1)  
4 "Station" means the Connecticut Agricultural Experiment Station; (2)  
5 "director" means the director of the Connecticut Agricultural  
6 Experiment Station; and (3) "board" means the board of control of the  
7 Connecticut Agricultural Experiment Station.

8 (b) The station shall be entitled to own the entire right, title and  
9 interest in any invention or discovery of an employee of the station that  
10 (1) is conceived in the course of the performance of customary or  
11 assigned duties of the employee, (2) emerges from any research,  
12 development or other program of the station, or (3) is conceived or

13 developed wholly or partly at the expense of the station or with the aid  
14 of the equipment, facilities or personnel of the station.

15 (c) In each such instance, the employee shall be deemed to be  
16 obligated, by reason of his or her employment by the station, to (1)  
17 disclose his or her invention or discovery fully and promptly to the  
18 director, (2) assign to the station the entire right, title and interest in each  
19 invention or discovery, and execute instruments of assignment to that  
20 effect, and (3) execute such proper patent or license application or other  
21 instrument of assignment concerning such invention or discovery as  
22 may be requested by the director, and give all reasonable aid in the  
23 prosecution of such application or assignment and the procurement of  
24 such patent, license or assignment.

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

31 (e) Each employee who conceives or makes any invention or  
32 discovery and fulfills his or her obligations to the satisfaction of the  
33 station as provided in subsections (b) to (d), inclusive, of this section  
34 shall be entitled to share in any net proceeds that may be derived from  
35 the assignment, grant, license or other disposal of such invention or  
36 discovery. The amount of such net proceeds shall be computed by, or  
37 with the approval of, the board, with reasonable promptness after  
38 collection thereof, and after deducting from gross proceeds any and all  
39 costs and expenses as may be reasonably allocated to the particular  
40 invention or discovery including, but not limited to, costs or expenses  
41 associated with seeking and obtaining any patent, trademark or  
42 licensing agreement, maintenance or litigation costs, and the costs of  
43 evaluating the commercial potential of the invention or discovery. A  
44 minimum of twenty per cent of the amount of such net proceeds shall  
45 be paid to an employee who solely conceived or made the invention or

46 discovery, and shall be paid in shares to two or more employees who  
47 jointly conceived or made the invention or discovery in such respective  
48 proportions as the board may determine. The board in its discretion may  
49 increase the amount by which any employee or employees may  
50 participate in such net proceeds.

51 (f) Disagreements as to the allocation of any invention or discovery,  
52 as to the obligations of any employee, or due performance thereof, or as  
53 to the participation of any employee of the station in any net proceeds,  
54 shall be disposed of as follows: (1) By voluntary arbitration of all  
55 relevant issues, if the disagreeing parties approve and agree to be bound  
56 by the decision upon such arbitration; (2) by compulsory arbitration if  
57 that is provided for in any applicable contract between the disagreeing  
58 parties; or (3) by recourse to a court of competent jurisdiction in this  
59 state if arbitration cannot be resorted to under either subdivision (1) or  
60 (2) of this subsection.

61 (g) The board may establish and regulate, equitably in the public  
62 interest, such measures as the board deems necessary for the purposes  
63 of such arbitration, and to make contracts for compulsory arbitration, in  
64 the name of the station.

65 (h) The board may adopt regulations in accordance with chapter 54  
66 to govern the operations of the station in accordance with the provisions  
67 of subsections (a) to (g), inclusive, and (i) of this section.

68 (i) The board may approve an employee's service on the board of  
69 directors of a start-up company, or receipt of compensation from a start-  
70 up company, that develops and commercializes any product based on  
71 such employee's invention or discovery, provided: (1) The station shares  
72 in any net proceeds that may be derived from the assignment, grant,  
73 license or other disposal of such invention or discovery, in accordance  
74 with any rule of the board developed to implement the provisions of  
75 subsection (e) of this section, and (2) there is not a disagreement, as  
76 described in subsection (f) of this section, that is active. The board shall  
77 establish policies and procedures to ensure that the exercise of an

78 employee's rights and restrictions pursuant to this subsection is  
79 consistent with the rights and restrictions of researchers at other public  
80 universities and agencies in the state and with any applicable legal or  
81 ethical requirement.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	22-82a
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*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Ag. Experiment Station	GF - Revenue Gain	Potential	Potential

Note: GF=General Fund

### **Municipal Impact:** None

### **Explanation**

The bill allows employees from the Connecticut Agricultural Experiment Station (CAES) to participate in activities, and be compensated for products related to their work, from start-up companies. The bill could result in a potential revenue gain as it allows the CAES to share proceeds from an employee's work. The extent of the revenue would vary based on the compensation received by any employee.

The bill also makes various procedural changes that are not anticipated to have a fiscal impact to the agency.

House "A" results in the potential revenue gain described above, as it allows CAES to share proceeds from an employee's work.

### **The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to the amount of compensation received by CAES employees.

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**OLR Bill Analysis****HB 5015 (as amended by House "A")\******AN ACT AUTHORIZING SPIN-OFF COMPANIES FOR EMPLOYEES OF THE CONNECTICUT AGRICULTURAL EXPERIMENT STATION.*****SUMMARY**

This bill allows the Connecticut Agricultural Experiment Station (CAES) control board to approve a CAES employee to serve as a board member of, or be compensated by, a start-up company that develops and commercializes products based on the employee's inventions and discoveries subject to certain conditions. Specifically, (1) CAES must share in the net proceeds from the use of the employee's invention or discovery according to any control board requirements and (2) there must be no active disagreement as to the allocation or use of the invention or discovery.

The bill requires the CAES control board to establish policies and procedures so that these employee rights and restrictions are consistent with the rights and restrictions of researchers at public universities and agencies in Connecticut and applicable legal and ethical requirements.

Existing law authorizes the control board to adopt regulations to govern the station's operations. The bill further authorizes the board to adopt regulations to implement the bill's provisions.

Under existing law, CAES's control board may seek and obtain patents, trademarks, and licensing agreements relating to inventions and discoveries by station employees. By law, CAES is entitled to own the entire right, title, and interest in any employee's invention or discovery that (1) is conceived in the course of the employee performing customary or assigned duties; (2) emerges from any research, development, or other station program; or (3) is conceived or developed

wholly or partly at the station's expense, or with the aid of its equipment, facilities, or personnel. By law, depending on the circumstances, employees may share in the net proceeds of their work.

\*House Amendment "A" replaces the underlying bill with similar provisions and, in doing so, specifies that CAES will share in net proceeds from an employee's work, subject to control board requirements.

EFFECTIVE DATE: Upon passage

### **COMMITTEE ACTION**

Environment Committee

Joint Favorable

Yea 35      Nay 0      (02/19/2025)