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#### PROPOSED AMENDMENT TO ASSEMBLY BILL 2

Limits the right of employer to own certain intellectual property developed by employee (BDR 52-365)

#### PRESENTED TO

#### THE ASSEMBLY COMMITTEE ON COMMERCE AND LABOR

BY

#### ASSEMBLYMAN JOHN OCEGUERA

MARCH 31, 2003

1. Amend Section 1, page 1, to read as follows:

Sec. 1. NRS 600.500 is hereby amended to read as follows:
600.500 Except as otherwise provided by express written agreement, an employer is the sole owner of any patentable invention or trade secret developed by his paid-to-invent employee if:

1. The employer has:
(a) Provided written notice to the employee of the intent of the employer to claim sole ownership pursuant to this section of any patentable invention or trade secret developed by the employee; and
(b) Obtained written acknowledgment from the employee that the employee has received the written notice required by this section.

2. The patentable invention or trade secret:
(a) Is developed after the employer:
(1) Provides the written notice required by this section; and
(2) Obtains the written notice required by this section;
(b) Is developed during the course of the paid-to-invent employee's employment [that relates] by the employer; and
(c) Relates directly to work performed by the employee during the course of [the employement -] his employment by with the employer. As used in this subsection, the term "paid-to-invent employee" means an employee specifically hired for the purpose of inventing or otherwise directed to exercise inventive faculties by the employer.

ASSEMBLY COMMERCE & LABOR

DATE: 3/31/03 ROOM: 4/00 EXHIBIT

SUBMITTED BY: 50 th OCE 6 UE & A

D10F3

# PROPOSED AMENDMENT TO ASSEMBLY BILL NO. 2

PREPARED FOR ASSEMBLYMAN JOHN OCEGUERA
MARCH 26. 2003

#### PREPARED BY THE RESEARCH DIVISION

NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE OFFICIAL AMENDMENT MAY DIFFER.

EXPLANATION: Matter in (1) blue bold italics is new language in the original bill; (2) green bold italic underlining is new language proposed in this amendment; (3) red strikethrough is deleted language in the original bill; (4) green bold double strikethrough is language proposed to be deleted in this amendment and (5) green bold dashed underlining is deleted language in the original bill that is proposed to be retained in this amendment.

## THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 600.500 is hereby amended to read as follows: 1 600.500 1. Except as otherwise provided by express written 2 agreement, an employer is the sole owner of any patentable invention or trade secret developed by his paid-to-invent employee if - 1. The employer has: 5 (a) Provided written notice to the employee of the intent of the 6 employer to claim sale ownership pursuant to this section of any 7 patentable invention or trade secret developed by the employee; and 8 9 <del>(b) Obtained written acknowledgment from the employee that the</del> 10 employee has received the written notice required by this section. - 2. The patentable invention or trade secret: 11 12 - (a) Is developed after the employers 13 (1) Provides the written notice required by this section; and (2) Obtains the written acknowledgment required by this section; 14 (b) Is developed during the course of the paid-to-invent employee's 15 employment | that relates| by the employer; and (c) Relates directly to work performed by the employee during the 17 course of the employment of his employment by with the employer. As

used in this subsection, the term "paid-to-invent employee" means an
 employee specifically hired for the purpose of inventing or otherwise
 directed to exercise inventive faculties by the employer.
 Sec. 2. The amendatory provisions of this act do not apply to any
 patentable invention or trade secret developed before October 1, 2003.