



**TESTIMONY TO THE HOUSE APPROPRIATIONS COMMITTEE
HB 1357: PUBLIC SENIOR HIGHER EDUCATION INSTITUTIONS – POLICIES
RELATED TO INVENTIONS AND PATENTS
POSITION: FAVORABLE**

March 2, 2017

Maggie McIntosh
Appropriations Committee
Room 121, House Office Building
Annapolis, MD 21401
cc: Members, Appropriations Committee

Honorable Chair McIntosh and Members of the Appropriations Committee:

We applaud Delegate Waldstreicher for introducing HB 1357 and we hope to see it pass.

The bill reflects a common-sense principle, that the research carried out by public universities should benefit the public. The public pays for that research in the form of state as well as federal funding, not to mention students' tuition dollars and private donations. When universities sell or license patents to non-practicing entities (NPEs), they betray the public's trust.

Most NPEs invest nothing in the development of the inventions in their portfolios; instead, their business models rely on demanding licensing fees from companies that arrived independently at similar inventions, often under threat of lawsuit. When universities file patents on publicly funded research and license those patents to NPEs, they risk creating a real burden on innovation in the very areas of technology where the research investment was intended to stimulate innovation. By contrast, when a university partners with a practicing company with a plan to bring an invention to market, it can bring economic growth and create new jobs, particularly in high-tech sectors.

This bill will not compromise Maryland public universities' ability to file patents on their research, to sell or license those patents to practicing companies, or even to assert its own patents in court. What it will do is ensure that the companies the university partners with are those that will actually bring inventions to market and not simply use them as ammunition for lawsuits.

Once again, we applaud Delegate Waldstreicher and the entire Maryland legislature. To our knowledge, this is the first bill of its kind introduced in any state. We'll be delighted to see Maryland lead the way as a champion of real invention and sensible licensing policies.

Respectfully submitted,

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