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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 391

January 29, 2007

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The bill was read for the first time and referred to the Committee on Commerce and Labor

1.1 A bill for an act
1.2 relating to employment; regulating employee invention agreements; amending
1.3 Minnesota Statutes 2006, section 181.78, by adding a subdivision.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2006, section 181.78, is amended by adding a
1.6 subdivision to read:

1.7 Subd. 4. Forfeiture of employer rights. (a) This subdivision applies to an
1.8 invention or proposal by an employee in which the employer has an enforceable interest
1.9 by contract or otherwise.

1.10 (b) An employer who has a right to develop or utilize an invention or proposal
1.11 must make a substantial investment in the invention or proposal within five years of the
1.12 submission of the invention or proposal or forfeit all rights and interests in the invention
1.13 or proposal to the employee.

1.14 (c) An employee who has acquired the rights and interests of an employer under
1.15 paragraph (b) may transfer that interest in the invention or proposal to anyone.

1.16 (d) An employer must notify in writing an employee who submits an invention or
1.17 proposal to the employer of the employee's right under this subdivision within ten days of
1.18 the submission. The employer must date and describe the proposal or invention received
1.19 by the employer and provide a copy to the employee.