HOUSE RESEARCH

Bill Summary

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Overview

This bill makes various changes to the law regulating invention developers. "Invention developers" are those (other than intellectual property attorneys, 501(c)(3) educational or charitable groups, and a few other exceptions) who charge a fee to promote the invention of a person. Current law requires that all contracts for inventions development services be in writing, that developers hold a bond, and that other requirements be met. This bill primarily makes changes to the bond requirements, but also increases the damages available for a violation of the regulations of developers and specifies the statute of limitations for actions based on such a violation.

Section

1 **Contract requirements.** Provides that a contract for invention development services must state that the developer has complied with applicable bonding requirements.

2 **Bond required.** Changes the bond requirements for invention developers. First, requires that all those advertising, rather than only those actually providing, invention development services be bonded. Also, requires the bond amount to be $30,000, rather than the $25,000 in current law. Requires the secretary of state to maintain a list of bonds held under this requirement.

3 **Damages.** Current law allows damages of up to three times the actual damages or $2,500, whichever is greater, where there is a violation of law by an invention developer. This section would increase the $2,500 number to $5,000, meaning that treble damages or $5,000 would be available, whichever is greater.

4 **Statute of limitations.** Provides for a six-year statute of limitations on invention development services violations. Six years is the general statute of limitations for contract actions provided by statute.

5 **Repealer.** Repeals, effective the day following final enactment, a provision allowing the submission of cash in lieu of a bond.