

HB 2555 -- ENTREPRENEURIAL DEVELOPMENT COUNCIL

SPONSOR: Pearce

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Small Business by a vote of 9 to 0.

This bill establishes the Entrepreneurial Development Council within the Department of Economic Development consisting of seven members from Missouri businesses and licensed attorneys specializing in intellectual property law. All members will be appointed by the Governor with the advice and consent of the Senate. The department will establish the terms of membership, which will be permanent and apply to all subsequent members.

The council will provide benefits to entrepreneurs who register with it. The council may impose a registration fee, as provided by department rule, for Missouri entrepreneurs who wish to avail themselves of the council's benefits.

The Entrepreneurial Development and Intellectual Property Right Protection Fund is created to accept state and federal appropriations, grants, bequests, gifts, fees, and awards to be used by the council.

The council will evaluate allegations of intellectual property rights infringement and may, based on need, award grants or financial assistance to subsidize legal expenses incurred in instituting legal action necessary to remedy the alleged infringement. The council may allocate money from the fund, as provided by department rule, for low-interest loans and grants to registered entrepreneurs to provide financial aid for product development, manufacturing, and advertising of new products.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Unknown - could exceed \$100,000 in FY 2009, FY 2010, and FY 2011. No impact on Other State Funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that the bill will benefit businesses that manufacture items from simple games to high technology ideas. The legal costs to fight a large corporation over a patent infringement can be very expensive when developing a new product. The bill benefits small business, new business, and the technology industry by building their business, protecting intellectual property, and creating new jobs in Missouri. Missouri is below the average of patents per 10,000 people and is ranked thirty-sixth while Idaho is first. The bill will enhance creativity and innovation in Missouri. Entrepreneurs are willing to pay fees for this program. When a patent has been stolen, law enforcement does not look for the thief. Intellectual property

needs protection and businesses will move to Missouri to get it. The program could be self-funding and thereby limits the costs to the state. The bill helps protect small businesses that have developed new products from having their ideas stolen by parties who have a greater ability to afford litigation expenses.

Testifying for the bill were Representative Pearce and Senator Barnitz; Mark Manley; Dr. Jerry Plunkett; Richard LaBrash; Charles Matthew Cooper; Dr. Virgil Flanigan; Missouri Economic Development Council; Associated Industries of Missouri; George Sturmon; Benjamin Jones, America's Heartland Economic Partners; Major General (Retired) John Haven; and Edie Krull, Greater Ozarks Enterprise Center, LLC.

OPPONENTS: There was no opposition voiced to the committee.