
A BILL FOR AN ACT

RELATING TO SUSTAINABLE BUSINESS CORPORATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. Section 420D-5, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:
- 3 "(b) In addition to the general public benefit purpose
4 required by subsection (a), the articles of a sustainable
5 business corporation may identify one or more specific public
6 benefits for which the sustainable business corporation was
7 created. The identification of a specific public benefit under
8 this subsection shall not limit the obligation of a sustainable
9 business corporation to create a general public benefit.
10 Allowable specific public benefits for sustainable business
11 corporations subject to this chapter include:
- 12 (1) Providing low-income or underserved individuals or
13 communities with beneficial products or services;
- 14 (2) Promoting economic opportunity for individuals or
15 communities beyond the creation of jobs in the normal
16 course of business;
- 17 (3) Preserving the environment;



- 1 (4) Improving human health;
- 2 (5) Promoting the arts, sciences, or advancement of
- 3 knowledge;
- 4 (6) Increasing the flow of capital to entities with a
- 5 public benefit purpose;
- 6 (7) Accomplishing any other particular benefit for society
- 7 or the environment; and
- 8 (8) Using the right to exclude, conferred by any [~~and all~~
- 9 patents] patent, copyright, or trademark in which the
- 10 sustainable business corporation has an interest [~~in~~
- 11 ~~this right~~] through assignment, license, lien,
- 12 security agreement, or obligation, for the following
- 13 purposes:
- 14 (A) Creating and retaining good jobs within the State
- 15 as well as throughout the United States;
- 16 (B) Upholding fair labor standards nationally and
- 17 internationally; provided that for purposes of
- 18 this paragraph, "fair labor standards" shall be
- 19 construed to prohibit child labor, forced or
- 20 compulsory labor, discrimination in employment,



1 restrictions on freedom of association, and
2 denial of the right to collective bargaining; and
3 (C) Enhancing environmental protection nationally and
4 internationally; provided that if the public
5 benefit under this paragraph relating to the use
6 of [~~patents~~] a patent, copyright, or trademark is
7 specified, section 420D-4 shall not apply to the
8 corporation and the sustainable business
9 corporation status shall be permanent, and this
10 specific public benefit shall not be deleted from
11 the articles of the corporation pursuant to
12 subsection (d), unless the annual statement of
13 the benefit director concludes that the
14 sustainable business corporation has failed to
15 pursue this specific public benefit, then the
16 corporation shall have its status as a
17 sustainable business corporation terminated."

18 SECTION 2. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

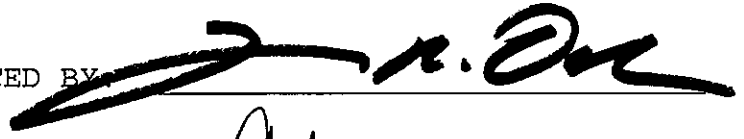
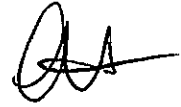
20 SECTION 3. This Act shall take effect upon its approval.

21



H.B. NO. 1158

INTRODUCED BY:

JAN 28 2015



H.B. NO. 1158

Report Title:

Sustainable Business Corporations; Copyright; Trademark;
Intellectual Property

Description:

Adds the use of a copyright or trademark for the purpose of job creation or upholding fair labor standards as a specific public benefit for which a sustainable business corporation can be created.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



Committee on Economic Development & Business
Rep. Derek S.K. Kawakami, Chair
Rep. Sam Satoru Kong, Vice Chair

Friday, February 06, 2015
9:20am
Conference Room 312

In support of H.B. 1158
Relating to Sustainable Business Corporations

Chair Kawakami, Vice-Chair Kong and members of the committee:

My name is John Connolly and I serve as the public benefit director for Ingenuity Underwriters, which is incorporated under Hawaii's Sustainable Business Corporation law.

From 2007 to 2010, I served as Executive Director of Actors' Equity Association, AFL-CIO. From 2001 to 2007, I had the privilege of serving as International President of the American Federation of Radio and Television Artists, AFL-CIO. In these roles I led all principal labor negotiations with major industry employers, did pioneering work on performer intellectual property rights and was a key leader driving toward the successful Screen Actors Guild-AFTRA Merger of 2012. I also served as a trustee of the AFTRA and Actors' Equity pension funds.

In my role as a public benefit director, I have a statutory duty to ensure that Ingenuity Underwriters is meeting its obligations to create public benefits, including using the right to exclude in patents to create and retain good jobs.

By passing HB 1158 you will be adding copyrights and trademarks to the types of intellectual property that public benefit directors such as myself have available to use to promote the public good.

Crucial in this appropriate and timely evolution in Intellectual Property Law is the recognition that the evolution of digital technology has in some sense blurred the lines between the originally distinct issues covered by patent and copyright law, indeed between the very concepts of "Hardware" and "Software" in production processes – Digital Games, Industrial Digital Printers, Healthcare Technologies, Computer Generated Imagery and Motion Capture are merely a few examples.

And since significant areas of software development tend to be secured under copyright rather than patents it is important to recognize the fraternal relationship between these two forms of intellectual property thought so important by the framers that they are the only forms of property specifically enshrined in the United States Constitution. The

pending legislation links these concepts correctly as is increasingly the case in modern science and economy.

Digital software functioning variously under both patent and copyright protection is crucial to process control in many manufacturing industries; in diagnostics and treatment in Healthcare; design, operations and safety in the Auto and Transport industries; and is deeply connected to vast amounts of production across the Arts, Entertainment & Media Industries.

Thank you for creating this important legislation and for the opportunity to testify.



4009 Black Point Rd, Honolulu, HI 96816 • (206) 588-5811

Committee on Economic Development & Business
Rep. Derek S.K. Kawakami, Chair
Rep. Sam Satoru Kong, Vice Chair

Friday, February 06, 2015
9:20am
Conference Room 312

In support of H.B. 1158
Relating to Sustainable Business Corporations

Chair Kawakami and members of the committee:

My name is Rex Jakobovits and I am the president of Experiad. I appreciate the opportunity to testify before your committee in support of HB 1158.

I am a graduate of Kalani High School and I received a PhD in computer science from the University of Washington. I sold my first software start up in 1998, worked for the company that acquired it as a vice president for 5 years and then returned home to Hawaii in 2013 to launch Experiad. In July of 2013 Experiad was awarded a \$700,000 SBIR grant from NIMH to develop a new software platform for clinical professionals. HTDC provided us with a partial match for the SBIR grant.

Passage of HB 1158 will broaden the market opportunities for the software platform Experiad is developing by specifically adding copyrights to the types of intellectual property addressed by the Sustainable Business Corporation statute.

I respectfully request that you pass HB 1158 out of your committee.

Sincerely,

A handwritten signature in black ink that reads "Rex Jakobovits". The signature is stylized with a large, sweeping flourish at the end.

Rex Jakobovits

kong2 - Brenden

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 05, 2015 9:21 AM
To: edbtestimony
Cc: ingenuity@mac.com
Subject: Submitted testimony for HB1158 on Feb 6, 2015 09:20AM

HB1158

Submitted on: 2/5/2015

Testimony for EDB on Feb 6, 2015 09:20AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Ian Chan Hodges	Individual	Support	No

Comments: I am in strong support of this bill. Including copyrights and trademarks along with patents as the types of intellectual property addressed in the Sustainable Business Corporation statute will be benefit to Hawaii and the U.S. as a whole. Thank you for the opportunity to testify.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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