
ASSEMBLY BILL NO. 208—ASSEMBLYMEMBER YEAGER

PREFILED FEBRUARY 3, 2025

Referred to Committee on Government Affairs

SUMMARY—Restricts the use of certain products by governmental entities and government-funded entities. (BDR 19-737)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to governmental entities; restricting the manner in which a governmental entity or a government-funded entity may use certain products; providing certain exceptions; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 This bill prohibits, with certain exceptions, a governmental entity or a
2 government-funded entity from using a product that is or has ever been protected by a
3 patent granted by the United States Patent and Trademark Office or is subject to
4 review by certain federal agencies in a manner: (1) that is contrary to the terms of use
5 of that product established by the current or most recent holder of the patent for the
6 product or the manufacturer or distributor of the product; (2) that is inconsistent with
7 any written instructions, limitations or directed uses included with the product; or (3)
8 that exceeds the scope of the approved usage of the product, if a federal agency has
9 approved the product for specific uses.

10 However, this bill authorizes a governmental entity or government-funded entity
11 to use a product in such a manner if the governmental entity or government-funded
12 entity, as applicable, transmits a written notice of the intended use to the patent holder
13 and the manufacturer or distributor of the product, if different from the patent holder,
14 that: (1) identifies the specific product at issue; and (2) describes the specific manner
15 in which the entity plans to use the product. This bill authorizes the patent holder or
16 the manufacturer or distributor of a product to object to the use of the product in such
17 a manner by transmitting a written notice of the objection to the governmental entity
18 or government-funded entity. Once the governmental entity or government-funded
19 entity receives a notice of objection from the patent holder, manufacturer or
20 distributor, this bill requires the governmental entity or government-funded entity, as
21 applicable, to cease and desist from using the product in the manner to which the
22 patent holder, manufacturer or distributor objects.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 237 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 ***1. Except as authorized by this section, a governmental entity***
4 ***or a government-funded entity shall not use a federally reviewed***
5 ***product, regardless of how the product was obtained, in a manner***
6 ***that:***

7 ***(a) Is contrary to the terms of use established for the federally***
8 ***reviewed product by the patent holder, manufacturer or***
9 ***distributor;***

10 ***(b) Is inconsistent with any written directions, instructions,***
11 ***limitations or intended usages for the federally reviewed product***
12 ***that:***

13 ***(1) Accompany the product;***

14 ***(2) Are printed on the product; or***

15 ***(3) Are printed on any label or packaging for the product;***

16 ***or***

17 ***(c) Is not one of the approved uses or purposes of the federally***
18 ***reviewed product, if the product is approved for specific uses or***
19 ***purposes by an agency of the Federal Government.***

20 ***2. Except as otherwise provided by subsection 5, a***
21 ***governmental entity or a government-funded entity may use a***
22 ***federally reviewed product in a manner described in subsection 1***
23 ***if:***

24 ***(a) The governmental entity or government-funded entity***
25 ***transmits a written notice to the patent holder and the***
26 ***manufacturer and distributor of the federally reviewed product, if***
27 ***different from the patent holder, that:***

28 ***(1) Sufficiently identifies the federally reviewed product***
29 ***that the governmental entity or government-funded entity seeks to***
30 ***use; and***

31 ***(2) Describes the specific manner in or purposes for which***
32 ***the governmental entity or government-funded entity plans to use***
33 ***the federally reviewed product; and***

34 ***(b) At least 30 days have elapsed after the transmission of the***
35 ***notice described in paragraph (a) without the patent holder,***
36 ***manufacturer or distributor of the federally reviewed product***
37 ***submitting an objection to the governmental entity or***
38 ***government-funded entity, as applicable, pursuant to subsection 3.***

39 ***3. If a patent holder or a manufacturer or distributor of a***
40 ***federally reviewed product has reason to believe that a***
41 ***governmental entity or a government-funded entity is using, or***
42 ***plans to use, a federally reviewed product in a manner described***



1 *in subsection 1, based on a notice received pursuant to subsection*
2 *2 or for any other reason, the patent holder, manufacturer or*
3 *distributor may object to such use by transmitting a written notice*
4 *to the governmental entity or government-funded entity that:*

5 *(a) Identifies the federally reviewed product at issue;*

6 *(b) Specifically describes the use of the federally reviewed*
7 *product to which the patent holder, manufacturer or distributor,*
8 *as applicable, objects;*

9 *(c) Explains the reasons that the patent holder, manufacturer*
10 *or distributor believes such use of the federally reviewed product*
11 *violates subsection 1; and*

12 *(d) Requests that the governmental entity or government-*
13 *funded entity, as applicable, cease and desist from using*
14 *the federally reviewed product in the manner described in*
15 *paragraph (b).*

16 *4. A patent holder or a manufacturer or distributor of a*
17 *federally reviewed product may withdraw an objection made*
18 *pursuant to subsection 3 by transmitting a written notice to the*
19 *governmental entity or government-funded entity to which the*
20 *patent holder, manufacturer or distributor, as applicable,*
21 *transmitted the objection pursuant to subsection 3. The notice*
22 *must identify:*

23 *(a) The federally reviewed product at issue; and*

24 *(b) The use of the federally reviewed product described in*
25 *paragraph (b) of subsection 3 to which the patent holder,*
26 *manufacturer or distributor, as applicable, no longer objects.*

27 *5. Except as otherwise provided in this subsection, upon*
28 *receiving a written notice described in subsection 3 from a patent*
29 *holder or the manufacturer or distributor of a federally reviewed*
30 *product, a governmental entity or government-funded entity shall*
31 *immediately cease and desist from using the federally reviewed*
32 *product in the manner described in the notice pursuant to*
33 *paragraph (b) of subsection 3. A governmental entity or*
34 *government-funded entity may use the federally reviewed product*
35 *in such a manner if the governmental entity or government-*
36 *funded entity, as applicable, subsequently receives a written notice*
37 *withdrawing any objection for that particular use pursuant to*
38 *subsection 4 from all patent holders, manufacturers and*
39 *distributors that have objected to that particular use pursuant to*
40 *subsection 3.*

41 *6. As used in this section:*

42 *(a) "Federally reviewed product" means any product or*
43 *invention that:*

44 *(1) Is currently protected by, or has ever been protected by,*
45 *a patent issued by the United States Patent and Trademark Office;*



1 (2) *Has received or is pending approval by the United*
2 *States Food and Drug Administration or the United States*
3 *Department of Agriculture.*

4 (b) *“Governmental entity” means the State of Nevada, any*
5 *political subdivision of the State of Nevada or any agency,*
6 *institution, board, commission, bureau, council, department,*
7 *division, office, authority or other unit of government of the State*
8 *of Nevada or any political subdivision of the State of Nevada.*

9 (c) *“Government-funded entity” means any entity that received*
10 *50 percent or more of its operating budget in the immediately*
11 *preceding calendar year from any combination of:*

12 (1) *One or more governmental entities; or*

13 (2) *Appropriations, grants or transfers from the State*
14 *General Fund or any other fund or account established by law.*

15 (d) *“Patent holder” means:*

16 (1) *A person or entity that holds a valid patent for a*
17 *federally reviewed product issued by the United States Patent and*
18 *Trademark Office; or*

19 (2) *If the patent issued by the United States Patent and*
20 *Trademark Office for a federally approved product is expired, the*
21 *person or entity that held the patent at the time of the expiration.*

22 **Sec. 2.** 1. This section becomes effective upon passage and
23 approval.

24 2. Section 1 of this act becomes effective:

25 (a) Upon passage and approval for the purpose of adopting any
26 regulations and performing any other preparatory administrative
27 tasks that are necessary to carry out the provisions of this act; and

28 (b) On July 1, 2025, for all other purposes.

