DRAFT 1/8/78

Add the following to section 202:

(e) No funding agreement with a small business firm shall contain a provision allowing the Federal Government to require the licensing to third parties of inventions owned by the small business firm that are not subject inventions unless such provision has been approved by the head of the agency and a written justification has been signed by the head of the agency. In no event shall the Government require the licensing of others under any such provision unless the head of the agency determines that the use of the invention by others is necesssry for the practice of a subject invention made under the funding agreement or for the use of a work object of the funding agreement and that such action is necessary to achieve the practical application of the subject invention or work object; and any such provision shall clearly state whether licensing may be required in connection with the practice of a subject invention and/or specifically identified work objects. Any such determination shall be on the record after an opportunity for a hearing. Any action commenced for the judicial review of such determination shall be brought within sixty days after notification of such decision.