



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

October 15, 2012

**S. 3486
Patent Law Treaties Implementation Act of 2012**

As passed by the Senate on September 22, 2012

CBO estimates that implementing S. 3486 would not have a significant effect on the federal budget. Enacting S. 3486 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. The act would make changes to sections of current law that relate to certain application and review procedures of the Patent and Trademark Office (PTO) in order to be compatible with two treaties, the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs and the Patent Law Treaty. Both agreements were ratified by the Senate on December 7, 2007.

S. 3486 would, among other things, extend the period of coverage for a design patent from 14 to 15 years, standardize application procedures with other participants in the treaties, and establish procedures to revive an application that had been unintentionally abandoned. Based on information from PTO, CBO expects that the agency would likely receive more international applications for design patents and more requests to revive abandoned applications as a result of the changes required by the act. However, based on historical trends for similar activities, such as international applications for nondesign patents, CBO estimates that the increased volume would not have a significant effect on the agency's workload. Further, under current law, PTO is authorized to set fee rates in order to collect amounts sufficient to offset its operating expenses each year. Assuming appropriation actions consistent with that authority, CBO estimates that implementing S. 3486 would not have a significant effect on discretionary spending.

CBO has not reviewed S. 3486 for intergovernmental or private-sector mandates because section 4 of the Unfunded Mandates Reform Act excludes from the application of that act any legislative provisions that are necessary for the ratification or implementation of international treaty obligations. CBO has determined that the bill falls within that exclusion.

The CBO staff contact for this estimate is Susan Willie. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.