



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

March 17, 2006

**H.R. 2955  
Intellectual Property Jurisdiction Clarification Act of 2006**

*As ordered reported by the House Committee on the Judiciary on March 2, 2006*

CBO estimates that implementing H.R. 2955 would have no significant impact on the federal budget and would not affect direct spending or receipts. H.R. 2955 would preempt the authority of state courts to hear certain patent and trademark cases. That provision would constitute an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates, however, that the preemption would impose no costs on state, local, or tribal governments and thus would not exceed the threshold established in UMRA for intergovernmental mandates (\$64 million in 2006, adjusted annually for inflation). The bill contains no new private-sector mandates as defined in UMRA.

H.R. 2955 would clarify that the federal courts have jurisdiction over claims concerning patents, copyrights, and plant variety protection certificates issued by the U.S. Department of Agriculture. Further, the bill would state that the Federal Circuit has exclusive jurisdiction over appeals of the intellectual property decisions of the district courts. Finally, H.R. 2955 would allow removal of certain cases from the state courts to the district courts. Based on information from the Administrative Office of the U.S. Courts, CBO estimates that the bill would not impose additional costs on the federal courts because the impact of these clarifications on the federal court's caseloads would be insignificant.

The CBO staff contacts for this estimate are Gregory Waring (for federal costs) and Sarah Puro (for the state and local impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.