

H.R. 6196, TM Act of 2020

As ordered reported by the House Committee on the Judiciary on September 9, 2020

By Fiscal Year, Millions of Dollars	2021	2021-2025	2021-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	Yes, Under Threshold
		Contains private-sector mandate?	Yes, Under Threshold
* = between zero and \$500,000.			

H.R. 6196 would broaden the information available to the Patent and Trademark Office (PTO) in reviewing trademark applications. Specifically, the bill would authorize third parties to submit evidence to oppose an application for a federal trademark registration. The bill also would establish procedures to allow a person to petition PTO to cancel all or part of a trademark registration that has never been used in commerce; PTO would be authorized to initiate such proceedings on its own accord as well.

The bill also would require the Government Accountability Office (GAO), in consultation with PTO, to study and report to the Congress on the efforts of PTO to address inaccurate and false claims of use in trademark applications and registrations.

Using information from PTO, CBO estimates that implementing H.R. 6196 would cost \$5 million over the 2021-2025 period. Those costs include rulemaking requirements in 2021 to create new procedures and fees and annual expenditures from 2022 through 2025 to administer the new procedures established under the bill.

Because PTO is authorized to set the trademark fees that it collects in an amount sufficient to offset its annual appropriation, CBO expects that the agency would adjust those fees to match any increase in its operating costs. On that basis, CBO estimates that any change in net discretionary spending by PTO would be negligible, assuming appropriation action consistent with that authority.

CBO estimates that it would cost the GAO less than \$500,000 to complete the required study and report.

If PTO increases fees to offset the costs of implementing provisions of the bill, H.R. 6196 would increase the cost of an existing mandate on private and intergovernmental entities required to pay those fees. Using information from PTO, CBO estimates that the incremental cost of the mandate would be small and would not exceed the annual thresholds established in the Unfunded Mandates Reform Act for intergovernmental and private-sector mandates (\$84 million and \$168 million in 2020, respectively, adjusted annually for inflation).

The CBO staff contacts for this estimate are David Hughes (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.