

H.R. 5796, Patents for Humanity Act of 2021

As ordered reported by the House Committee on the Judiciary on December 8, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
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 2032?	No	Contains intergovernmental mandate?	Yes, Under Threshold
		Contains private-sector mandate?	Yes, Under Threshold
* = between zero and \$500,000.			

H.R. 5796 would require the Patent and Trademark Office (PTO) to conduct a biennial competition to award certificates to applicants for patents that address humanitarian issues. A certificate could be redeemed by an awardee to accelerate a patent application, an ex parte reexamination proceeding, or an appeal to the Patent Trial and Appeal Board. PTO is currently administering Patents for Humanity as a pilot program, and H.R. 5796 would codify that program.

Using information from PTO, CBO estimates that issuing rules and administering the competition would cost less than \$500,000 over the 2022-2026 period. PTO is authorized to collect fees in amounts sufficient to offset its annual appropriation, and CBO expects that the agency would adjust fee collections to match any increase in operating costs. On that basis and assuming appropriation action consistent with that authority, CBO estimates that any net change in discretionary spending would be negligible.

If PTO increases fees to offset the costs of implementing provisions of the bill, H.R. 5796 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 (\$85 million and \$170 million in 2021, 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.