

# **U.S. Patent and Trademark Office**

**Fiscal Year 2021  
Congressional Justification**

**February 2020**

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**DEPARTMENT OF COMMERCE**  
**UNITED STATES PATENT AND TRADEMARK OFFICE**  
**Budget Estimates, Fiscal Year 2021**  
**Congressional Justification**  
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# INTRODUCTION

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## **Description/Scope of Responsibilities**

The United States Patent and Trademark Office (USPTO/Office) is an agency within the United States Department of Commerce (DOC). The Office is led by the Under Secretary of Commerce for Intellectual Property and Director of the USPTO, who consults with the Patent Public Advisory Committee (PPAC) and the Trademark Public Advisory Committee (TPAC) on Office policies, goals, performance, budget, and user fees. The Patent organization is under the direction of the Commissioner for Patents, and the Trademark organization is under the direction of the Commissioner for Trademarks. The Commissioners each enter into an annual performance agreement with the Secretary of Commerce, which outlines the measurable organizational goals for which each is responsible.

The USPTO fosters innovation, competitiveness and job growth in the United States by conducting high quality and timely patent and trademark examination and review proceedings in order to produce reliable and predictable intellectual property (IP) rights; guiding IP policy and improving IP rights protection; and delivering IP information and education worldwide. Two distinct business lines, Patents and Trademarks, administer the patent and trademark laws which provide protection to inventors and businesses for their inventions and brands, and encourage innovation and entrepreneurship in the United States (U.S.) through the preservation, classification, and dissemination of patent and trademark information. The issuance of patents and the registration of trademarks, and providing domestic and global leadership on IP issues, are inherently governmental functions, functions with no private sector alternatives to carrying out these activities. However, the USPTO assesses functions routinely and relies heavily on the private sector for those aspects of its operations which are not inherently governmental; for example, contracting out the processing of the administrative aspects of the patent and trademark examination processes, as well as certain mission-support activities.

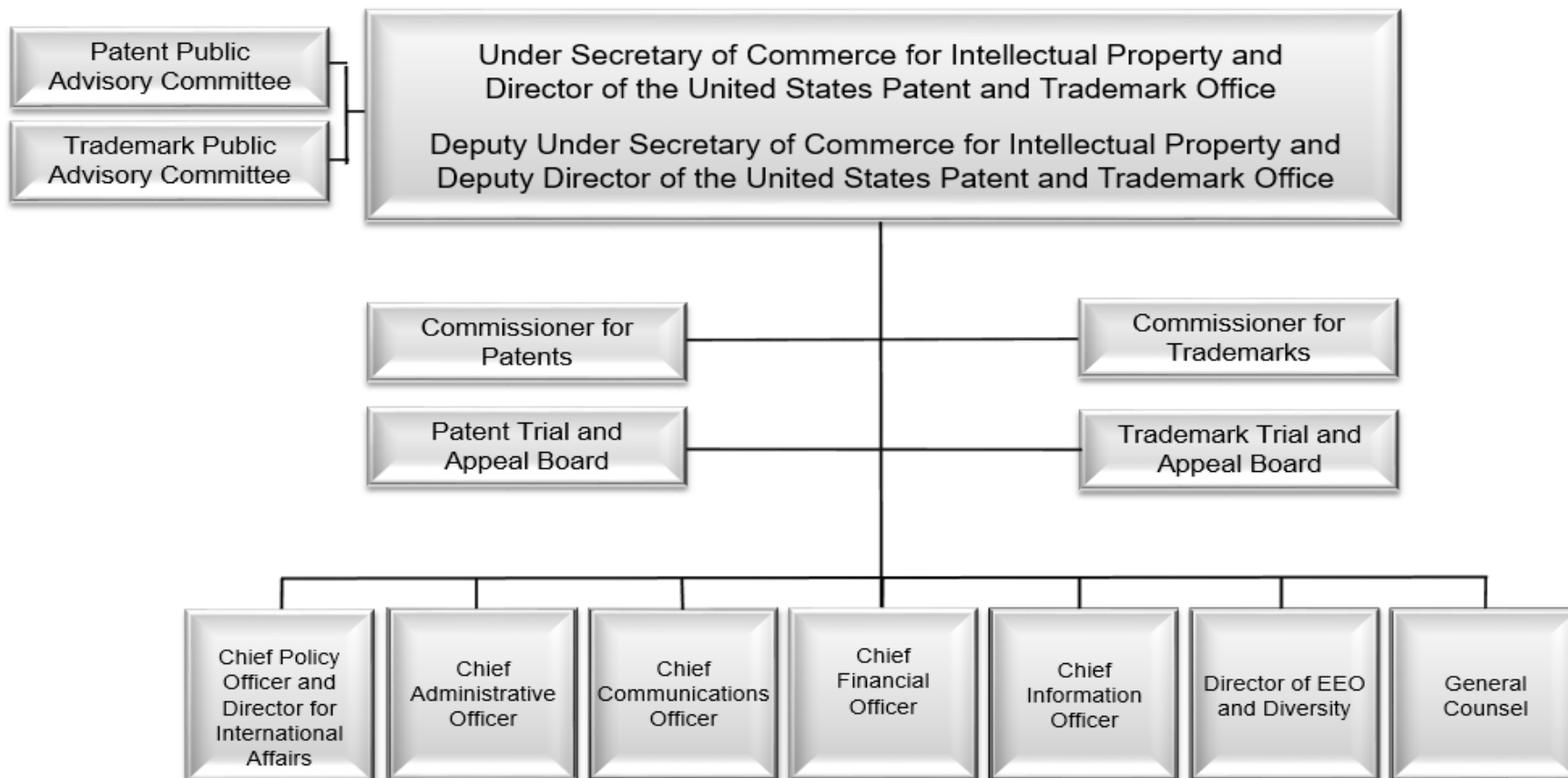
In fiscal year (FY) 2021, the USPTO expects to employ 14,018 federal employees including patent examiners, trademark examining attorneys, computer scientists, attorneys, and administrative staff. Employee engagement is a core component of the Office's business strategy, as it contributes to the recruitment and retention of a diverse, high-performing nationwide workforce to execute the Office's mission.

The USPTO is a demand-driven, fee funded, performance-based organization with a commitment to delivering reliable IP protection and information to its various stakeholders; including serving inventors, entrepreneurs, and businesses in the U.S. and around the world. Stakeholders also include IP organizations and international entities, such as the World Intellectual Property Organization (WIPO).

The USPTO is headquartered in Alexandria, Virginia, and has four regional offices around the country, in Detroit, Michigan; Denver Colorado; San Jose, California; and Dallas, Texas.

The USPTO's legislative authorities are included in Exhibit 32/33 (page 94).

**Department of Commerce  
U.S. Patent and Trademark Office**





**Department of Commerce  
U.S. Patent and Trademark Office  
Budget Estimates, Fiscal Year 2021**

**Executive Summary**

The USPTO's FY 2021 President's Budget Submission (Budget) seeks authority to spend fee collections of \$3.695 billion. These collections, with \$41 million from other income, and \$139 million from the operating reserves (ORs) will fund operating requirements of \$3,874 million, including 14,018 positions; and a transfer of \$2 million to the DOC Office of the Inspector General (OIG), as shown in the adjacent table. With full access to its fee collections to offset its operating requirements, the USPTO's FY 2021 net appropriation would be \$0.

The Budget is predicated on workload demand and fee collection estimates derived from production and workload models and global and domestic indicators of economic activity. Being a demand driven organization poses unique risks. The Office must be able to react quickly to changes in the global IP environment. The ORs discussed below, combined with the ability to access and spend all fees collected and the authority to adjust fees via the regulatory process, allow the Office to mitigate these risks.

As a fully fee-funded agency, the USPTO maintains ORs for both Patents and Trademarks—consistent with standard private sector practices—to provide sufficient resources to operate when the revenue stream or funding availability are uncertain; to preserve planned operational capacity when fee collections fall short of estimates; to match fee collections to budgetary requirements over time; and to provide supplemental funding when budgetary requirements grow due to unexpected increases in application filings, capital investment needs, or other factors. The USPTO remains committed to fiscal responsibility and makes prudent choices when aligning spending priorities with revenue projections. Maintaining the fee setting authority granted by the 2011 *Leahy-Smith America Invents Act* (AIA), as extended by the Study of Underrepresented Classes Chasing Engineering and Science Success (SUCCESS) Act of 2018, and ensuring sufficient ORs allows the Office to shield mission-critical operations against potential economic or financial disruptions.

Full access to estimated collections provides the Office with the resources needed to continue implementation of the *USPTO 2018-2022 Strategic Plan*. This plan highlights the priorities to continue: issuing reliable and predictable IP rights; optimizing patent and trademark application pendency; enhancing patent administrative appeal and post-grant processes; fine tuning trademark operations, including trademark administrative appeal and trial processes; conducting outreach, education and engagement both domestically and internationally; promoting and protecting patent and trademark IP rights; and investing in our information technology (IT) stabilization and modernization.

**USPTO Total Budget Requirements  
(Dollars in Millions)**

	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fee Collections	\$3,399	\$3,769	\$3,695
Other Income	\$36	\$41	\$41
Total Requirements*	\$3,343	\$3,690	\$3,874
To (+) / From (-) Operating Reserve	\$92	\$120	(\$139)
<b>Net Appropriation</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FTE</b>	<b>12,328</b>	<b>12,965</b>	<b>13,511</b>
<b>Positions</b>	<b>13,014</b>	<b>13,545</b>	<b>14,018</b>

\* Total Requirements include a transfer of \$2M to the DOC Office of the Inspector General.

Highlights Include:

- USPTO's contribution to the Administration's Reform Agenda is reflected in the FY 2021 Budget through a focus on effectively and efficiently delivering reliable and predictable intellectual property rights to customers; creating jobs and investment in the U.S. economy; and encouraging innovation.
- The USPTO's budgetary requirements are \$184.3 million above FY 2020. This is \$36.3 million above the \$148.0 million of prescribed inflation/adjustments to base, primarily due to implementing foundational technical solutions to enable our new IT modernization strategies and enhancing our Agile development practices following a focused stabilization effort in FY 2020.
- USPTO's FY 2021 fee collection estimate is \$3,695 million, which is based on the most recent analysis, trends, and assumptions of workload demands. With both patent and trademark fee proposals in process, outyear estimates include patent fee adjustments anticipated to be in place by July 2020 and trademark fee adjustments by August of the same year. For more information, refer to Appendix III of the Budget.

Program Changes – HighlightsPatent Program – (\$52.6 million):

- Optimize the workforce by hiring approximately 750 examiners (roughly 353 over attrition levels) with production support to align examination capacity with incoming workload, and inventory levels. The hiring will allow the USPTO to continue progressing toward pendency targets and issuing reliable and predictable patents, while addressing the anticipated growth in application filings.
- Leverage existing Patent Trial and Appeal Board (PTAB) staffing and production incentives, gradually declining in total staff to adequately balance evolving workload projections and enhanced operations to meet statutory trial proceeding deadlines.
- Progressing with IT modernization improvements in the Patent IT Portfolio, focusing resources on development and deployment of new IT capabilities and retiring legacy systems after substantially advancing Office-wide stabilization efforts.

Trademark Program – (-\$33.9 million):

- Optimize the workforce by hiring 65 examining attorneys (37 over attrition levels) with policy and production support to align trademark application examination capacity with revised growth estimates, while continuing to meet high quality and pendency targets.
- Increase Trademark Trial and Appeal Board (TTAB) staffing by 1 position to align capacity with projected workload.
- A lower level of investment in Trademark IT after a peak in FY 2020, while managing FY 2021 stabilization and modernization plans for Trademark IT systems and the staff necessary to support those efforts.

Intellectual Property Policy, Enforcement and Protection Program – (\$3.4 million)

- Increase funding to maintain IP policy business operations and further expand the attaché program and existing interagency agreements while investing to maintain existing IT systems for IP performance activities.

Mission Support Program – (\$14.3 million):

- Increase staffing in mission support areas to meet agency needs in the critical areas of fee forecasting, legal services and asset management.
- Continue operations in all mission support areas to fulfill the duties and planned programming needed to implement the mission-critical activities of the Office.
- Increase investments in the IT Infrastructure and Mission Support Portfolio with a focus on legal, communications and equal employment management functions, and the USPTO's hardware refresh cycle.

## Patent and Trademark Businesses: Five-Year Horizon

The USPTO’s planning and budget priorities are reflected in the following five-year horizon summary for the USPTO’s two business lines and primary revenue sources: Patents and Trademarks. Given the uncertainty in both fee collection estimates and budgetary requirements five years out, the USPTO carefully monitors risk factors and operational, economic, and financial estimates on a regular basis. A detailed description of how the USPTO develops workload and fee collection estimates for the two business lines is included in Appendix III.

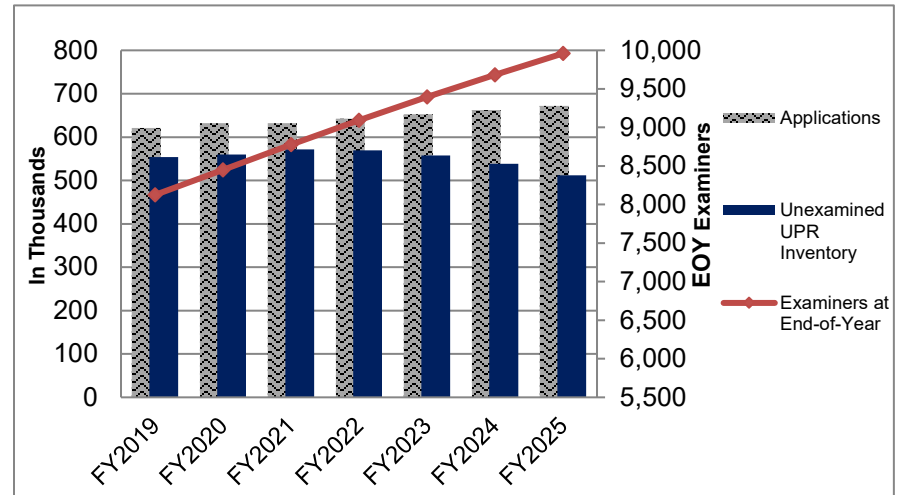
Similar to many businesses, the USPTO maintains operating reserves to mitigate uncertainty and financial risks. The USPTO manages the ORs within a range of acceptable balances. Minimum planning targets are assessed annually and are intended to address immediate unplanned changes in the economic or operating environments as the Office builds its reserves to their optimal levels. The optimal reserve targets, which are reviewed at least biennially, are established based on an assessment of the likelihood and severity of an array of risks, including: the broader economic and fiscal climates; uncertainty surrounding changes in IP policy, laws, and regulations; forecasting uncertainty; the balance of the USPTO’s fee structure; the ratio of fixed and variable costs; and the potential for unplanned operating requirements.

### Patent Business: Five-Year Horizon

The USPTO continues its mission-critical examination strategy to focus on accurate and consistent results in search and examination, while making progress in first action and total pendency. While timeliness remains a focus, ensuring reliability of issued patents so that stakeholders have confidence in patent grants is a commitment that requires investments of time, training and other resources as supported by the Budget.

The FY 2021 Budget projects 2.0 percent growth in serialized (original) filings--which are the largest component of the overall growth rate—dropping to 1.5 percent in FY 2022 and leveling out to 1.0 percent in FY 2023 through FY 2025 as seen in the chart (Figure #1(a)). As a result of the latest projected increase to serialized filing trends, the office remains focused on managing inventory levels by hiring 1,509 new patent examiners from the end of FY 2020 through 2025. This allows the organization to improve performance over the budget planning horizon.

**Figure #1(a) – Patent Performance Outlook**  
**Change in Patent Applications, Inventory, and Examiners**



The Budget assumes continued investments in workforce optimization through the time allowed for search and examination to reach refined production standards in efforts to achieve more consistent outcomes. The Office has initiated a comprehensive analysis of examination time known as Examiner Time Analysis (ETA). The intent of ETA is to enable the Patent Business to have a better comprehension of the factors impacting examination time and make better informed decisions about the future of examination time. The last comprehensive assignment of expectancies for examination time was over 40 years ago. Since that time, significant changes to the examination process have occurred, including new technologies, growth of available prior art, increased use of electronic tools, transition to a new classification system, and changes in the legal landscape and examination practices. The Agency conducted an analysis of examination time, including the historical and current factors influencing examination time, stakeholders' perceptions of what impedes and enhances examination, and methodologies of assigning time for Patent examination and completed negotiations with the union. At a summary level, phased implementation has begun, including: increasing the minimum time for examination and adding time to individual applications based on application-specific attributes that require more time. This also includes continuing to work on establishing the IT infrastructure needed to support the full implementation to the changes to examination time.

The staffing plan provides the human capital required to address increasing workloads and balance pendency targets within the framework of the Patent Term Adjustment (PTA) examination timeframes. PTA was established by the American Inventors Protection Act of 1999 and provides for day-for-day adjustment of patent term (i.e., the period of time a patent is in force) for certain USPTO administrative delays ("the 14-4-4-4-36 timeframes") for certain patent applications. The specified timeframes are to: issue an Office Action within 14 months after application filing, respond to a reply or appeal within four months, act on the application within four months after a decision from the Patent Trial and Appeal Board (PTAB) or from a Federal court, and issue the patent within four months after payment of the issue fee. Additionally, a 36-month timeframe applies if the USPTO does not issue a patent within three years of the filing date or national stage commencement, with certain exceptions. Further, time consumed by interference or derivation proceedings, delays caused by placing the application under a secrecy order under 35 U.S.C. 181, or time consumed by a successful appellate review may result in positive patent term adjustment (PTA). Any positive PTA is offset by any period that an applicant failed to engage in reasonable efforts to conclude prosecution. In the continued efforts to improve certainty and timeliness, the Office will continue to closely monitor inventory and application filing levels and calibrating the examination capacity to reduce patent pendency while optimizing issuance of reliable, predictable and consistent patents. Changes to planned hiring levels or other assumptions will change projected results.

**Figure #1(b) – Patent Performance Outlook (Continued)**

<b>Utility, Plant and Reissue</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
UPR Applications	620,801	632,400	632,100	642,700	652,900	662,500	672,000
Serialized Applications	447,905	459,100	468,300	475,300	480,000	484,900	489,700
UPR Growth Rate	3.8%	1.9%	0.0%	1.7%	1.6%	1.5%	1.4%
Serialized Growth Rate	5.0%	2.5%	2.0%	1.5%	1.0%	1.0%	1.0%
Production Units	613,197	604,300	589,500	607,700	626,400	642,600	658,800
Unexamined UPR Inventory	553,899	559,600	571,600	569,300	557,600	538,400	511,700
<b>Performance Measures</b>							
Forward Looking Pendency EOY (Months)	15.0	15.0	14.7	14.2	13.6	12.8	12.8
Average First Action Pendency (Months)	14.7	16.1	16.2	16.1	15.6	15.2	14.4
Average Total Pendency (Months)	23.8	23.7	23.9	24.0	23.7	23.2	22.7
Percent of First Actions Completed within 14 months (Percent)	45%	39%	39%	40%	43%	46%	51%
Examiners at End-of-Year	8,125	8,451	8,780	9,094	9,395	9,684	9,960

To achieve the performance commitments shown above and in the Budget and Performance at a Glance (BPAG) Chart in Appendix I, the USPTO has developed its budgetary requirements, and projected its patent fee collections as shown in Figure #1(c).

**Figure #1(c) – Patent Financial Outlook**

	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
(Dollars in Millions)							
Projected Fee Collections	3,054	3,400	3,251	3,709	3,744	3,861	3,931
Other Income	32	34	34	34	34	34	34
Total Projected Fee Collections and Other Income	3,085	3,435	3,285	3,743	3,778	3,895	3,965
Budgetary Requirements	2,989	3,256	3,455	3,601	3,681	3,800	3,913
Funding to (+) and from (-) Operating Reserve	96	179	(170)	141	97	95	52
EOY Operating Reserve Balance	408	587	417	558	656	751	803
Over/(Under) \$300M Minimum Level	108	287	117	258	356	451	503
Over/(Under) Optimal Level	(339)	(227)	(447)	(342)	(265)	(200)	(175)

- The budgetary requirements for each fiscal year include annually appropriated transfer to the DOC OIG.
- Note: A report showing the Patent and Trademark Split per Two Way Business Line for FY 2019 through FY 2025 is included in Appendix II.

Projected Fee Collections. Serialized patent application growth rates are projected to be 2.5 percent in FY 2020, 2.0 percent in FY 2021, 1.5 percent in FY 2022, and 1.0 percent in FY 2023 and every year after over the planning horizon, which has a direct impact on fee collections. The fee collection estimates include adjustments to patent-related fees. The USPTO first shared an initial proposal to adjust patent-related fees with the public and PPAC on August 8, 2018. PPAC held a hearing for public comments on the proposal September 6, 2018. On July 31, 2019, USPTO published a Notice of Proposed Rulemaking (NPRM) that considered the comments received from the public hearing and the views presented in the PPAC Fee Setting Report. After the publishing of the NPRM, the Office received and considered public comments. The fee collection estimates included in this budget reflect the USPTO's patent fees after the incorporation of public comments. Currently, the rulemaking is undergoing review prior to publishing a final rule. The USPTO currently anticipates the final rule and new patent fee schedule will be published in the spring of 2020 with an effective date July 2020. The Office continues to conduct biennial fee reviews to ensure the fee structure allows for continuous strategic improvements to address stakeholder needs and maintenance of a sustainable funding model to avoid disruptions caused by fluctuations in available financial resources.

Budgetary Requirements (the annual estimated operating requirements, excluding deposits in the operating reserve). The patent budgetary requirements increase at a 4.6 percent compound annual growth rate (CAGR) through FY 2025 compared to the FY 2019 level.

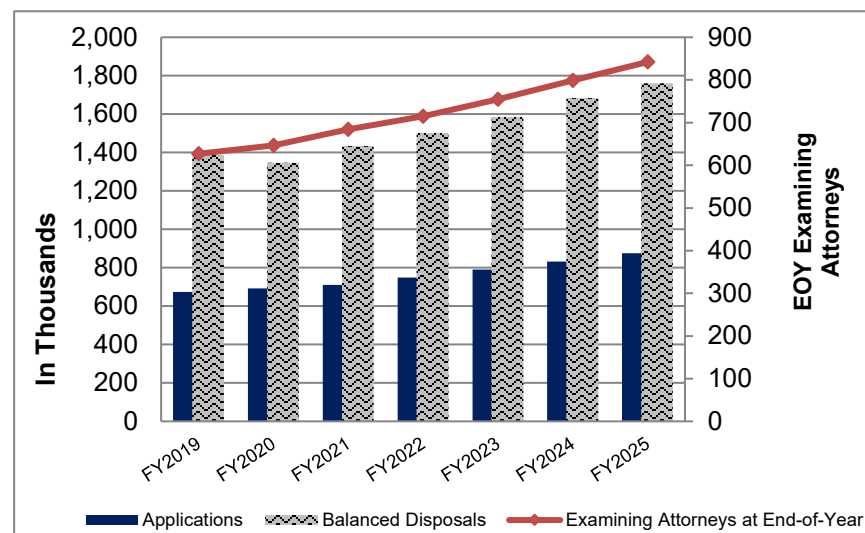
Patent Operating Reserve. The OR mitigates operational risk caused by temporary changes in the economy and the USPTO's operating and financial environments. As previously noted, the USPTO manages its ORs within a range of acceptable balances. For the Patent business line, a minimum planning level of approximately \$300 million—just over one month's operating expenses—has been established for FY 2020 and FY 2021. The latest assessment of the Patent OR relative to the risk environment, which was conducted in 2019, revalidated the three-month optimal level as the appropriate long-range target given various risk factors, such as the high percentage of fixed costs in the Patent business and recent and potential changes in the legal, judicial, and policy environments.

The OR level exceeded the minimum target starting at the end of FY 2019 as the USPTO absorbed cost increases, continued investments in mission-critical areas, and held funds in reserve to manage the timing of certain acquisitions. In future year projections (see Figure #1(c)), the USPTO anticipates building the Patent OR towards an optimal level of three months operating requirements. These projections are based on point-in-time estimates and assumptions that are subject to change. For instance, they assume that the new fee rates will be implemented in late FY 2020 exactly in line with the final rule "Setting and Adjusting Patent Fees during Fiscal Year 2020" that is currently in process. Further, there is considerable uncertainty in out-year budgetary requirements. A number of risks could materialize over the next several years (e.g., recompletions of workload and other major contracts, lease renewals, etc.) that could increase the USPTO's budgetary requirements in the short- to medium- term. Such changes can dramatically alter the Office's long-term financial outlook, underscoring the Office's financial vulnerability to varying risk factors and the importance of retaining fee setting authority.

## Trademark Business: Five-Year Horizon

The Trademark organization is committed to enhancing the customer experience while maintaining high quality examination of trademark applications and a continued focus on timeliness. As shown in Figure # 2(a) below, trademark applications are expected to grow at an average rate of 4.5 percent over the budget planning horizon. Trademark application filings exhibit a correlation with the general state of the economy as measured by the growth of the Gross Domestic Product (GDP) and venture capital. International filings have been growing faster than domestic filings and represent a larger portion of total applications than in years past. They are fueled by the growth of the world economy, by international trade, and by the enhanced global value of IP rights. Over the next few years, filing models indicate a slowing growth rate of trademark filings from foreign countries from the recent double digit rates to a sustainable rate of about 6 percent. The Budget assumes that the economic growth will be sustained, resulting in projected average annual growth rates for trademark filings between two and six percent. Given this continued growth in applications, the Trademark organization will need to continue increasing its trademark examining attorney staffing levels to maintain its quality and pendency at an average first action pendency of 2.5 to 3.5 months and an average disposal pendency of 12 months or less.

**Figure #2(a) – Trademark Performance Outlook  
Growth in Trademark Applications, Balanced Disposals, and  
Examining Attorneys**



**Figure #2(b) – Trademark Performance Outlook**

Trademark Applications		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Applications		673,233	692,000	710,000	748,000	790,000	832,000	876,000
Growth Rate		5.4%	2.8%	2.6%	5.4%	5.6%	5.3%	5.3%
Balanced Disposals		1,387,635	1,346,700	1,434,400	1,501,700	1,585,500	1,684,200	1,759,591
Performance Measures								
Average First Action Pendency (Months)		2.6	2.5 - 3.5	2.5 - 3.5	2.5 - 3.5	2.5 - 3.5	2.5 - 3.5	2.5 - 3.5
Average Total Pendency (Months)		9.3	12.0	12.0	12.0	12.0	12.0	12.0
Examining Attorneys at End-of-Year		627	647	684	715	755	799	842

This five-year framework to achieve these performance targets requires the trademark budgetary resources and projected fee collections as shown in Figure #2(c).

**Figure #2(c) – Trademark Financial Outlook**

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
(Dollars in Millions)							
Projected Fee Collections	345	369	445	472	498	519	539
Other Income	5	6	6	6	6	6	6
Total Projected Fee Collections and Other Income	350	375	451	478	504	525	545
Budgetary Requirements	355	434	419	460	462	478	497
Funding to (+) and from (-) Operating Reserve	(5)	(59)	31	18	42	47	48
EOY Operating Reserve Balance	131	72	103	121	163	211	259
Over/(Under) \$75M Minimum Level	56	(3)	28	46	88	136	184
Over/(Under) Optimal Level	(47)	(146)	(107)	(109)	(68)	(28)	10

- The budgetary requirements for each fiscal year include annually appropriated transfer to the DOC OIG.
- Note: A report showing the Patent and Trademark Split per Two Way Business Line for FY 2019 through FY 2025 is included in Appendix II.

**Projected Fee Collections:** Application filings are projected to grow by 2.8 percent in FY 2020 and 2.6 percent in FY 2021, then rebound to growth rates ranging from 5.3 to 5.6 percent over the remainder of the planning horizon. The fee collection estimates include a proposal to adjust trademark-related fees. The USPTO first shared with the public and TPAC an initial proposal to adjust trademark-related fees on August 28, 2019. TPAC held a hearing for public comments on the proposal on September 23, 2019. After considering the written and oral hearing testimony, TPAC provided the TPAC Fee Setting Report on October 31, 2019, which summarized the Committee’s views. The updated fee proposal, on which the fee collection estimates are based, considers the comments received from the public hearing and the views stated in the TPAC Fee Setting Report, and will be shared for public comments in an upcoming NPRM. The USPTO anticipates publishing the NPRM in the spring 2020. Following consideration of public comments, the USPTO plans to publish a final rule in the summer 2020 with an effective date of August 29, 2020. The USPTO continues to conduct biennial fee reviews to ensure fees are aligned with the full cost of the relevant products and services to the greatest extent possible. Additionally, fee reviews aim to protect the integrity of the trademark register and promote the efficiency of the examination, appeal and trial processes in part through lower-cost electronic filing options.

**Budgetary Requirements** (the annual estimated operating requirements, excluding deposits in the operating reserve). While a slight slowdown in filings is anticipated in FY 2020 and FY 2021, in FY 2022 new application filings are expected to return to their historical growth



patterns and increase by about 203,000 applications (classes) by FY 2025 compared to FY 2019 or a 4.5 percent CAGR. To keep pace with the incremental workloads and to support business development and implementation of new and improved IT systems, the Trademark organization will increase the number of examining attorneys and support personnel. Total annual Trademark budgetary requirements are projected to increase at a 5.8 percent CAGR through FY 2025 compared to the FY 2019 level.

Trademark Operating Reserve. In 2019, the USPTO completed an assessment of its operating reserve targets relative to the financial risk environment. This assessment concluded that the financial risk associated with the Trademark business is higher than that of the Patent business. This greater risk is due to factors such as (a) the speed in which the sensitivity and volatility related to economic fluctuations impact trademark operations, (b) the fact that a greater percentage of fees are collected from application and related filings, and (c) the relative size of the trademark program and the comparatively high ratio of mission support services to direct program expenses. As such, the optimal reserve level for the Trademark business line has been set at six months of operating expenses. A minimum planning level of \$75 million has been established for FY 2020 and FY 2021.

The Trademark OR is estimated to stay above the minimum throughout the planning horizon after FY 2021, but under the optimal level until FY 2025. If the projected OR were to exceed the optimal level by 25 percent for two consecutive years, which this current Budget does not anticipate, the USPTO would examine the contributing factors and determine whether there is a need to adjust fee rates.

## The USPTO Information Technology (IT) Portfolio

As a production-oriented entity, the USPTO relies upon IT as a mission-critical enabler for every aspect of its operation. The quality, efficiency, and productivity of patent and trademark operations correlate to the performance of their IT systems. The USPTO continuously engages in multi-year efforts to upgrade its business systems, and the IT infrastructure supporting those systems, to keep pace with emerging business, legislative, and judicial needs as well as technology standards.

### The IT Portfolio Budget

The USPTO's Budget includes \$755.7 million in FY 2021 for its IT portfolio, which will address the IT priorities of the Office's four programs: Patents; Trademarks; IP Policy, Enforcement and Protection (IP PE&P); and Mission Support (including IT infrastructure and IT support services). This total represents a 4.1percent increase from the FY 2020 Current Plan.

Of the \$755.7 million in FY2021, \$472.6 million is associated with operational activities as displayed in Figure #3. Operations and Maintenance (Ops) funds are required to sustain the current level of functionality, performance and compliance with Federal laws, regulations, and directives. This includes such items as compensation for all the USPTO mission support staff who have a technology focus, operations contractor services, hardware maintenance and routine service agreements, software license purchase and renewal, telecommunications, and IT support for the nationwide workforce program and the Regional Offices.

The remaining \$283.1 million is allocated to the IT Capital Improvement Fund (CIF). These resources are grouped together in recognition that future success for the USPTO core mission depends upon transparent and continuous funding for IT improvements. The CIF consists of funds for mission organizations as well as mission-enabling organizations responsible for common services (e.g., legal support and human resources), enterprise infrastructure, and hardware replacement.

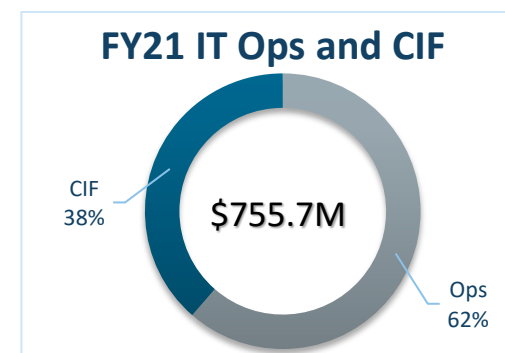
### IT Stabilization and Modernization

As the result of a major system outage in 2018, the USPTO is engaged in a focused effort, IT Stabilization and Modernization, to re-assess vulnerabilities and future plans. As part of this effort, the USPTO has undertaken a collaborative review of all work efforts and prioritized those bodies of work to ensure mission critical systems are dependable and resilient.

As a result of an initial assessment, the Agency concluded:

- USPTO has seen the number of patent and trademark applications increase significantly since 2006 – with over a million patent and trademark applications submitted in 2017 — which creates new pressure for aging IT assets.

**Figure #3**



- As the universe of available information grows and innovation becomes more complex, balancing USPTO's best-in-class quality standards and mandatory response times makes examining applications increasingly difficult.
- As demand and complexity continue to increase, the USPTO must have a mature and modern technological foundation to support the mission of the agency.

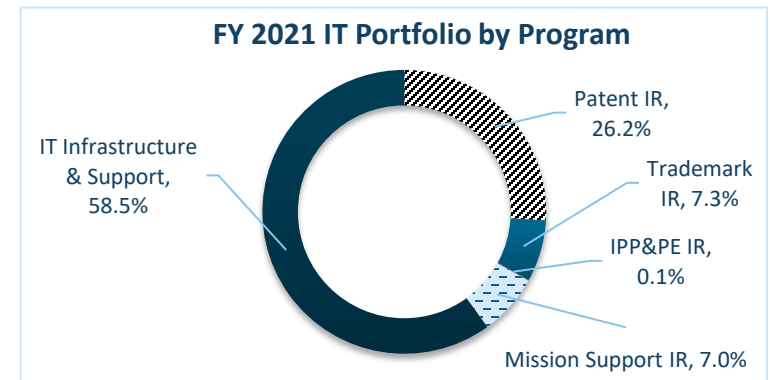
The USPTO is committed to focusing its IT efforts on the following priorities:

- Stabilization of crucial legacy systems, with a focus on resiliency and appropriate fail-over capabilities
- Modernization with a focus on loose-coupling and resiliency
- Governance with a focus on agility and minimal bureaucracy with stakeholder empowerment and accountability

The objective of these efforts is to ensure internal and external customers receive exceptional business value from IT investments.

### Total USPTO IT Portfolio by Program

The funds for both Ops and CIF are allocated by USPTO budget program in FY 2020 through FY 2025 through the Information Resources (IR) sub-programs as displayed in Figure #4. Within those programs the USPTO plans to execute the priorities discussed below in order to meet the mission and key objectives of the Office as outlined in the 2018 – 2022 DOC Strategic Plan, the 2018 - 2022 USPTO Strategic Plan, and the 2018 – 2022 USPTO Strategic Information Technology Plan.



**Figure #4**

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Patent IR	165.0	167.5	196.8	173.3	168.0	174.7	176.8
Trademark IR	59.2	89.5	53.8	72.7	62.6	59.5	59.4
IPPP&E IR	0.5	0.0	0.5	2.7	0.7	0.7	0.8
Mission Support IR	45.7	49.9	54.5	63.6	53.9	50.8	51.7
IT Infrastructure and IT Support Services	353.3	419.3	450.1	476.5	462.7	481.3	491.1
<b>TOTAL</b>	<b>623.8</b>	<b>726.2</b>	<b>755.7</b>	<b>788.8</b>	<b>747.9</b>	<b>767.0</b>	<b>779.8</b>

### PATENT PROGRAM

A key USPTO objective focuses on providing optimal IT service delivery to all users, including continued development and implementation of the Patent End-to-End (PE2E) IT capability. This will be done by expanding upon the initial end-to-end processing capability including specialized processing to enable the Patent Program to phase-out its legacy systems and existing IT capabilities; expanding the amount and

use of intelligent data in end-to-end processing; and continuing development of tools for sharing patent processes and work products among global IP stakeholders.

- Patent Search: Patent Search is a modern, scalable enterprise search tool for patent examiners. In FY 2021, Search will incorporate high value features identified by the user base to move the product from minimally viable to a richly featured and efficient tool.
- Additionally, the Patent Corps' access to the legacy EAST system will end when that system is ultimately retired in favor of Patent Search.
- Patent Center: Patent Center is a tool that allows applicants to file, retrieve, and manage patent applications. In FY 2021, Patent Center will be available to the public, which will allow for the retirement of the legacy systems, EFS-Web, Public PAIR, and Private PAIR.

In FY 2019, the USPTO reached a landmark management and labor agreement for the patent examiners' performance appraisal plans (PAPs). Revisions are necessary due to substantial changes to Patent prosecution that occurred over the past several decades requiring development in numerous PE2E products. Benefits of this agreement include:

- Optimizing pendency and examination timeframes
- Aligning production capacity with incoming workload
- Ensuring the highest level of quality for all work products
- Addressing internal and external stakeholder experiences, priorities, and expectations related to examination time, quality, and application complexity

Fully implementing this agreement requires IT changes that will continue to be implemented in FY 2021.

### TRADEMARK PROGRAM

A key USPTO objective is to modernize trademark IT to create a fully electronic workflow and state-of-the-art technological resources for external and internal users. Combined with the deployment of new systems that enhance access for external trademark customers and stakeholders, operational gains will further allow for a broader public base to apply for and register trademarks and continue to invest and reap the benefits of strong brands, which will ultimately benefit American consumers and sustain economic activities.

The Trademarks organization is focused on ensuring the continued reliability, resiliency and security of its legacy systems, leveraging the modernization accomplishments it has already developed, and envisioning the future of its IT modernization, in close partnership with its stakeholders.

### IP POLICY, ENFORCEMENT AND PROTECTION PROGRAM (IPPE&P)

The USPTO's Office of Policy and International Affairs (OPIA) works on the agency's IP policy, enforcement and protection functions. The IT goal is to deliver high-quality IT capability supporting the IPPE&P goal. OPIA is focused on maximizing and enhancing the tools that are used by USPTO's chief economist to produce high-value analysis that enables evidence-based decision making. The Global Intellectual Property Academy (GIPA) provides intellectual property training for a variety of intellectual property topics. Classes are conducted around

the world, with many at USPTO headquarters in Alexandria, Virginia. Participants are usually officials of intellectual property offices of their respective governments, or of the agencies of their governments that are responsible for enforcement, patent, trademark, or copyright policies. GIPA is working to enhance its information technology capability for virtual training sessions that are interactive and provide translation capability.

### MISSION SUPPORT PROGRAM

The Mission Support areas' IT investments in FY 2021 focus on external users, with upgrades to Office of Enrollment Discipline and Enforcement capabilities; enhancing centralization and stability of systems used by customers to pay fees via Fee Processing Next Gen capabilities; and enhancements to USPTO's online posture (most directly via website enhancements). Additionally, investments will be made to support internal operations, including modernization of the time-and-attendance product used to accurately capture employee labor hours, which underpins the Office's cost-accounting.

### IT INFRASTRUCTURE

As a production-oriented entity, the USPTO relies heavily upon a sophisticated IT infrastructure. The purpose is to provide the infrastructure foundation for the modernization efforts, take advantage of emerging technologies to retain and improve the infrastructure, and comply with relevant and applicable IT mandates.

The Office's planned infrastructure activities over the budget horizon prioritize IT compliance, stabilization, modernization and governance efforts in support of the USPTO mission, building on the assessment and recommendations offered by leading industry experts in FY 2019. Infrastructure priorities also continue to include the continuous, steady, and sustainable replacement and improvement of desktop equipment, network hardware, and storage and server services.

### Program Changes

Specific IT program changes can be found in the Program Change narrative for the Information Resources Activities found in each of the four Program sections, plus the IT Infrastructure and Support Services Sub-Activity found in the Management Program. For additional information about government-wide IT spending, please see the U.S. IT Dashboard at <https://itdashboard.gov/>.

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# **TOTAL BUDGET AND FINANCING**

**Department of Commerce**  
**U.S. Patent and Trademark Office**  
**FY 2020 PROGRAM INCREASES / DECREASES / TERMINATIONS**

(Dollar amounts in thousands)  
 (By Appropriation, Largest to Smallest)

**Increases**

Page No. In CJ	Appropriations	Budget Program	Title of Increase	Positions	Budget Authority
USPTO-36	Salaries and Expenses	Patent Program	Patent Examining	417	27,974
USPTO-39	Salaries and Expenses	Patent Program	Patent Information Resources	0	25,876
USPTO-83	Salaries and Expenses	Mission Support Program	IT Infrastructure and IT Support Services	0	17,527
USPTO-53	Salaries and Expenses	Trademark Program	Trademark Examining	52	5,164
USPTO-82	Salaries and Expenses	Mission Support Program	Mission Support Information Resources	0	3,443
USPTO-67	Salaries and Expenses	Intellectual Property Policy Protection and Enforcement Program	IPR Attaché Program	0	1,744
USPTO-67	Salaries and Expenses	Intellectual Property Policy Protection and Enforcement Program	Policy, External Affairs and Administrative Support	0	1,181
USPTO-68	Salaries and Expenses	Intellectual Property Policy Protection and Enforcement Program	IP PP&E Information Resources	0	433
USPTO-54	Salaries and Expenses	Trademark Program	Trademark Appeals and Inter Partes Proceedings	1	262
USPTO-81	Salaries and Expenses	Mission Support Program	Financial Management Services	1	112
USPTO-67	Salaries and Expenses	Intellectual Property Policy Protection and Enforcement Program	Global Intellectual Property Academy (GIPA)	0	70
USPTO-82	Salaries and Expenses	Mission Support Program	Legal Services	1	49
Subtotal, Increases				471	83,834



**Decreases**

Page No. In CJ	Appropriations	Budget Program	Title of Decrease	Positions	Budget Authority
USPTO-54	Salaries and Expenses	Trademark Program	Trademark Information Resources	1	(39,365)
USPTO-83	Salaries and Expenses	Mission Support Program	Miscellaneous General Expense	0	(4,853)
USPTO-81	Salaries and Expenses	Mission Support Program	Human Resource Management and Administrative Services	1	(1,417)
USPTO-38	Salaries and Expenses	Patent Program	Patent Trial and Appeals	(1)	(1,290)
USPTO-81	Salaries and Expenses	Mission Support Program	Executive Direction and Communications	0	(600)
Subtotal, Decreases				1	(47,526)

**Terminations**

Page No. In CJ	Appropriations	Budget Program	Title of Termination	Positions	Budget Authority
n/a					
Subtotal, Terminations					

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**Department of Commerce  
U.S. Patent and Trademark Office  
SUMMARY OF RESOURCE REQUIREMENTS**  
(Dollar amounts in thousands)

	Positions	FTE	Total Obligations
FY 2020 Current Plan	13,545	12,965	3,688,065
FY 2021 Adjustments to base:			
Plus: Restoration of recoveries/unobligated balances used to offset 2020 appropriation/non-recurring			
Plus: Inflationary adjustments to base	-	278	147,993
Less: Estimated recoveries, 2021			
FY 2021 Base	13,545	13,243	3,836,058
Plus: 2021 Program changes	473	268	36,308
FY 2021 Estimate	14,018	13,510	3,872,366

Comparison by activity /subactivity with totals by activity		FY 2019		FY 2020		FY 2021		FY 2021		Increase/(Decrease)	
		Actual		Current Plan		Base		Estimate		over FY 2021	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Patents	Pos./Obl.	11,519	2,940,713	11,999	3,200,343	11,999	3,324,737	12,418	3,395,728	418	70,991
	FTE	10,975		11,503		11,732		11,959		228	
Trademarks	Pos./Obl.	1,283	334,208	1,331	411,065	1,331	432,275	1,385	394,524	54	(37,751)
	FTE	1,191		1,272		1,317		1,356		40	
IP Policy, Enforcement and Protection	Pos./Obl.	212	66,863	214	76,657	214	79,046	215	82,114	0	3,068
	FTE	161		191		194		195		0	
Total	Pos./Obl.	13,014	3,341,784	13,545	3,688,065	13,545	3,836,058	14,018	3,872,366	473	36,308
	FTE	12,327		12,965		13,243		13,510		268	
Adjustments for:											
	Offsetting Fee Collections		(3,398,740)		(3,769,152)		(3,695,295)		(3,695,295)		-
	Other Income / Recoveries		(36,341)		(40,500)		(40,500)		(40,500)		-
	Operating Reserve, start of year		(446,835)		(538,632)		(658,219)		(658,219)		-
	Operating Reserve, end of year		538,632		658,219		555,956		519,648		(36,308)
Financing from transfers											
	Transfer from other accounts (-)		-		-		-		-		-
	Transfer to other accounts (+)*		1,500		2,000		2,000		2,000		-
Appropriation			-		-		0		(0)		(0)

\*DOC OIG Transfer

The FY2020 estimated fee collections exceeds the FY2020 Current Plan level of \$3,450,681k. Collections in excess of the Current Plan level will initially be deposited into the Patent and Trademark Fee Reserve Fund until a reprogramming approval is received.

**Department of Commerce  
U.S. Patent and Trademark Office  
SUMMARY OF RESOURCE REQUIREMENTS**  
(Dollar amounts in thousands)

		FY 2021		FY 2022		FY 2023		FY 2024		FY 2025	
		Estimate		Estimate		Estimate		Estimate		Estimate	
<b>Comparison by activity /subactivity with totals by activity</b>		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Patents	Pos./Obl.	12,418	3,395,728	12,795	3,538,759	13,123	3,616,884	13,432	3,735,700	13,728	3,847,749
	FTE	11,959		12,391		12,739		13,052		13,358	
Trademarks	Pos./Obl.	1,385	394,524	1,453	433,773	1,507	434,758	1,569	450,618	1,632	469,873
	FTE	1,356		1,424		1,480		1,536		1,596	
IP Policy, Enforcement and Protection	Pos./Obl.	215	82,114	221	87,209	220	88,804	220	89,862	218	90,802
	FTE	195		200		200		200		199	
Total	Pos./Obl.	14,018	3,872,366	14,469	4,059,741	14,850	4,140,445	15,221	4,276,180	15,578	4,408,424
	FTE	13,510		14,015		14,419		14,788		15,153	
Adjustments for:											
	Offsetting Fee Collections		(3,695,295)		(4,180,723)		(4,241,781)		(4,380,017)		(4,470,300)
	Other Income / Recoveries		(40,500)		(40,500)		(40,500)		(40,500)		(40,500)
	Operating Reserve, start of year		(658,219)		(519,648)		(679,129)		(818,965)		(961,302)
	Operating Reserve, end of year		519,648		679,129		818,965		961,302		1,061,678
Financing from transfers											
	Transfer from other accounts (-)		-		-		-		-		-
	Transfer to other accounts (+)		2,000		2,000		2,000		2,000		2,000
<b>Appropriation</b>			(0)		0		0		0		(0)

**Department of Commerce**  
**U.S. Patent and Trademark Office**  
**SUMMARY OF FINANCING**  
(Dollar amounts in thousands)

	FY 2019 Actual	FY 2020 Current Plan	FY 2021 Base	FY 2021 Estimate	Increase / Decrease over 2021 Base
Total Obligations	3,341,784	3,688,065	3,836,058	3,872,366	36,308
Offsetting collections from:					
Non-Federal sources / User Fee Collections	(3,398,740)	(3,769,152)	(3,695,295)	(3,695,295)	-
Other Income	(6,001)	(6,500)	(6,500)	(6,500)	-
Adjustments for:					
Recoveries	(30,340)	(34,000)	(34,000)	(34,000)	-
Unobligated balance, start of year	(446,835)	(538,632)	(658,219)	(658,219)	-
Unobligated balance, end of year	538,632	658,219	555,956	519,648	(36,308)
<b>Total Budget Authority</b>	(1,500)	(2,000)	(2,000)	(2,000)	(0)
Financing:					
Transfer to other accounts* (+)	1,500	2,000	2,000	2,000	-
<b>Net Appropriation</b>	-	(0)	0	(0)	(0)

\*DOC OIG Transfer

**Department of Commerce**  
**U.S. Patent and Trademark Office**  
**ADJUSTMENTS TO BASE**  
(Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Transfer of Estimates		
Adjustments		
Financing		-
Other Changes		
2020 Pay raise		10,755
2021 Pay raise		13,112
Increase in awards		-
Full-year cost in 2021 of positions financed for part-year in 2020	278	39,345
Other Compensation Adjustments		38,437
Change in compensable days		(10,042)
Civil Service Retirement System (CSRS)		(699)
Federal Employees Retirement System (FERS)		23,003
Thrift Savings Plan (TSP)		200
Federal Insurance Contribution Act (FICA) - OASDI		594
Health insurance		3,345
Post-Retirement Benefits to OPM		6,316
Travel		135
Rental payments to GSA		1,936
Postage		59
Printing and reproduction		3,225
National Archives and Records Administration (NARA) storage costs		(282)
Working Capital Fund		1,396
General Pricing Level Adjustment		16,683
Continuous Diagnostics and Mitigation Charges		896
Enterprise Services		(422)
Subtotal, other changes	278	147,993
Total, adjustments to base	278	147,993

# **PATENT PROGRAM**

**Department of Commerce**  
**U.S. Patent and Trademark Office**  
**PATENT PROGRAM**  
**PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
(Dollar amounts in thousands)

Activity: Patent Program  
Subactivity: Patents

Sub-Activity:		FY 2019		FY 2020		FY 2021		FY 2021		Increase/Decrease	
		Actual		Current Plan		Base		Estimate		from 2021 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Patent Examining	Pos./Obl	9,920	2,055,421	10,404	2,211,919	10,404	2,302,426	10,821	2,330,400	417	27,974
	FTE	9,567		9,971		10,183		10,409		226	
Patent Trial and Appeals	Pos./Obl	413	81,587	409	92,061	409	95,600	408	94,310	(1)	(1,290)
	FTE	383		405		406		406		(1)	
Patent Information Resources	Pos./Obl	198	165,008	199	167,485	193	170,974	193	196,850	-	25,876
	FTE	177		189		188		188		-	
Subtotal Direct	Pos./Obl	10,531	2,302,016	11,012	2,471,465	11,006	2,569,000	11,422	2,621,559	416	52,559
	FTE	10,127		10,566		10,777		11,003		226	
Mission Support Goal - Allocated	Pos./Obl	989	638,697	988	728,877	994	755,737	996	774,169	2	18,432
	FTE	848		937		955		957		2	
Total	Pos./Obl	11,519	2,940,713	11,999	3,200,343	11,999	3,324,737	12,418	3,395,728	418	70,991
	FTE	10,975		11,503		11,732		11,959		228	



**Department of Commerce**  
**U.S. Patent and Trademark Office**  
**Salaries and Expenses**  
**JUSTIFICATION OF PROGRAM AND PERFORMANCE**  
(Dollar amounts in thousands)

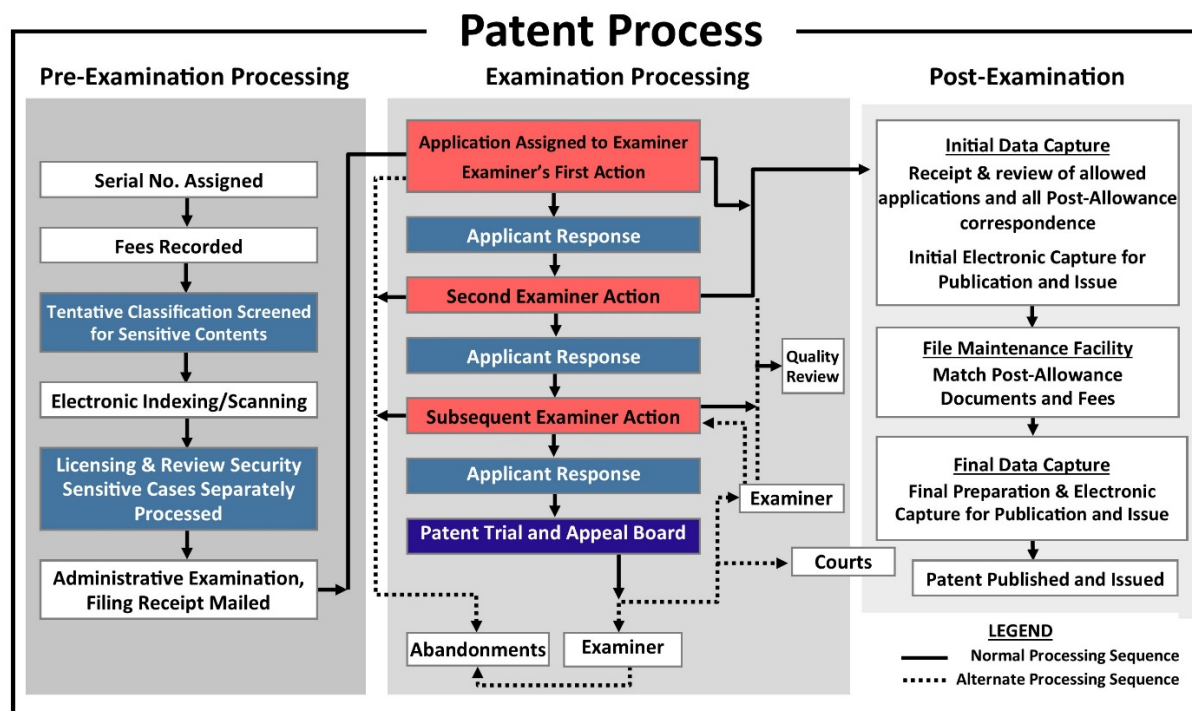
Activity: Patent Program  
Subactivity: Patent Program

Goal Statement

The Patent Program activity remains dedicated to achieving the strategic goal of optimizing patent quality and timeliness, to carry out the Office's mission "by conducting high quality and timely patent...examination and review proceedings in order to produce reliable and predictable intellectual property rights..." in accordance with laws, regulations and practices, as outlined in the *USPTO 2018-2022 Strategic Plan* framework.

Base Program

The Patent Program consists of the activities of the Patent Examination function as well as the Patent Trial and Appeals Board (PTAB) and support by the Patent Information Resources function to provide the tools and resources to carry out the mission-critical activities. The functions of the Patent Program are primarily demand-driven; thus the FY 2021 base program requirements are heavily derived from production-based workload modeling to determine the resources needed to carry out the mission of the Office. Such base resources include training, production incentives programs, investments in IT solutions, etc. The patent examination process comprises the majority of the requirements of the base Patent Program and consists of the activities shown on the following schematic and major functions, as described below, with budget estimates for line items allocated according to processing functions.



#### Statement of Operating Objectives

The objectives of the Patent Program align with the Office's focus on enhancing the country's innovation ecosystem and providing strong, reliable and predictable intellectual property rights. The strategic goal of the Patent Program is being met by achieving these objectives, set forth in the *USPTO 2018-2022 Strategic Plan*, and the corresponding initiatives. Objectives include:

- Optimize Patent Application Pendency
- Issue Highly Reliable Patents
- Foster Innovation Through Business Effectiveness
- Enhance operations of the Patent Trial and Appeal Board

Line Item		<u>Explanation and Justification</u>					
		2019		2020		2021	
		Actual		Current Plan		Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Patent Examining	Pos./Obl.	9,920	2,055,421	10,404	2,211,919	10,404	2,302,426
	FTE	9,567		9,971		10,183	
Patent Trial and Appeals	Pos./Obl.	413	81,587	409	92,061	409	95,600
	FTE	383		405		406	
Patent Information Resources	Pos./Obl.	198	165,008	199	167,485	193	170,974
	FTE	177		189		188	
Mission Support Goal - Allocated	Pos./Obl.	989	638,697	988	728,877	994	755,737
	FTE	848		937		955	
Total	Pos./Obl.	11,519	2,940,713	11,999	3,200,343	11,999	3,324,737
	FTE	10,975		11,503		11,732	

**Patent Examining**

For FY 2021, the base budget reflects the continuation of programs required to conduct the Office’s mission-critical patent examining operations in efforts to further reduce the patent application inventory levels, shorten patent pendency, and improve patent quality.

*Patent Pre-Examination Processing: \$64.9 million and 136 Pos*

The patent application process begins upon receipt by the USPTO, which marks the onset of the pre-examination stage. In FY 2021 the office anticipates receiving 632,100 UPR (utility, plant, and reissue) applications, incorporating a 2.0 percent serialized growth over the previous year. Resources for the pre-examination function allow the office to conduct an administrative review, determining compliance with requirements for form, content, adequacy, and payment of appropriate fees for both paper and electronic filings. For paper filings, which still represent roughly 1 percent of new applications filed annually, additional resources are required to convert the file to an electronic image, after which, the application is managed electronically. This process includes assignment of the official filing date and patent application tracking number, and inputting the patent bibliographic data (e.g., filing date, priority date, inventor(s) title) in the Patent Application Location Monitoring (PALM) system. Pre-examination resources are also required to support the pre-grant publication process for applicable filings.

*Patent Examination Processing: \$2,121.1 million and 10,166 Pos.*

The examination stage is the critical component for achieving many of the Office's strategic and performance goals. Primarily, funding is required to support the functioning of a highly educated and specialized workforce to produce the office actions required to process the patent application inventory. In FY 2021, the Office will require resources to support the 589,500 UPR production units estimated for this fiscal year generated by staffing over 8,780 patent examiners augmented with management and contractor support, IT tools, legal and policy resources as well as training and quality investments to maintain the Office's standards of excellence in patent examination.

The Office remains committed to its emphasis on quality and training to ensure it continues to issue reliable and predictable patents, which are patents that are issued in compliance with all the requirements of Title 35 of the United States Code (U.S.C.) as well as the relevant case law at the time of issuance. The Office continues to invest in the development of the examining corps by providing a range of technical and legal training opportunities, including training on subjects relating to, for example, 35 U.S.C. §102; 35 U.S.C. §103; 35 U.S.C. §101; 35 U.S.C. §112; and Search. Additionally, the Office continues to run pilot programs to train stakeholders on Office practice and procedure to improve applicant submissions, including initial filings and Office action responses, and to improve collaboration between applicants and examiners. Further, the foundation for assessing the Office's multiple efforts on improving reliability and consistency continues to be its quality assurance program whereby a random sample of patent examiners' work products are reviewed to provide timely, reliable and meaningful indicators of examination quality.

*Patent Post-Examination Processing: \$116.4 million and 102 Pos.*

Resources are needed to continue the required post-examination processing activities, which take place after the examiner has allowed the application and the issue fee has been paid. This will support the current FY 2021 estimate of 321,100 patents to be prepared for issue, printing, and publication in a weekly edition of the electronic Official Gazette for dissemination to the public. Post-issue activities also include processing withdrawals and assignments.

The significant progress made since the beginning of this decade is expected to continue under the USPTO 2018-2022 Strategic Plan, which is supported by this Budget. From the beginning of FY 2010 through the end of FY 2019, first action pendency was reduced from 25.7 months to 14.7 months; total pendency was reduced from 35.3 months to 23.8 months; and the unexamined UPR inventory was reduced from 718,885 to 553,899. The Budget supports a continued effort toward improving timeliness and reliability in the patent examination process over the planning horizon.

## **Patent Trials and Appeals**

The USPTO's Patent and Trial Appeal Board (PTAB) manages dual jurisdictions, adjudicating ex parte appeals of examiners' final rejections and conducting AIA trial proceedings (inter partes reviews, post grant reviews, the transitional program for covered business method patents, and derivation proceedings). The PTAB is an administrative tribunal that consists of Administrative Patent Judges (APJs) who

conduct AIA trials and review appeals from the rejection of a patent application. In this regard, the PTAB's work contributes significantly to the issuance of reliable/predictable patents. In FY 2021, nearly 7,500 incoming appeals are projected in current workload requirements. The FY 2021 base resources fund the legal staffing and support needed to meet statutory requirements, aligning capacity with projected workloads to continuously meet objectives outlined in the USPTO 2018-2022 Strategic Plan. In doing so, resources will allow PTAB to reach and maintain pendency for three different activities: the AIA trials which, by statute, must have a decision on whether to institute trial within three months of the patent owner filing a preliminary response and must be adjudicated within one year of the institution of a trial; re-examination appeals which, by statute, must be completed with "special dispatch"; and ex parte appeals. Although there is no timeliness requirement for ex parte appeals, PTAB remains committed to reducing the backlog of cases to reach a strategic inventory level, hiring APJs as needed to support workload projections, clearing the oldest cases, and reassigning judges according to the greatest need. The PTAB strives to issue reliable and timely decisions by utilizing these resources for judge and legal staff, systematic training, data analytics and conducting and publishing trial-related studies with a focus on enhancing decisional quality and educating and engaging stakeholders.

### **Patent Information Resources**

Within this activity is funding for Patent Information Resources, which includes base resources for making capital improvements and operating and maintaining legacy systems as well as planned IT modernization investments in PE2E and PTAB E2E projects.

- Under its Stabilization efforts, USPTO continues to stabilize and support deployed solutions and add important functionality to improve the patent prosecution process and continues work on an improved Emergency Response Team Analysis.
- Under its Modernization efforts, USPTO is focusing on development of PE2E products to replace legacy tools. It is creating more capabilities to meet the Patent business goals for quality improvement, patent pendency reduction, and business process improvements. PE2E products are no longer using the retired legacy IFW system for patent data and now use PE2E's content management system (CMS).
- PTAB: Continue to automate manual procedures with a focus on complex search capabilities and paneling and hearing assignments. The Business Unit has recently replaced use of the outdated Appeals Case Tracking system (ACTS) with newly developed and implemented functionality within PTAB E2E.

### **Mission Support Goal – Allocated**

This sub-activity represents all of the management activities that support the accomplishment of the Patent goal. These can be specifically Patent-related, such as Office of Human Resources activities dedicated to recruitment of patent examiners and APJs, or cross-cutting management functions that are dedicated to overall USPTO activities, such as financial management systems. These activities are described under the Mission Support Goal while the costs are allocated to Patents based on the USPTO's Activity Based Information (ABI) analysis and results.

**Department of Commerce  
U.S. Patent and Trademark Office  
PATENT PROGRAM  
Salaries and Expenses  
PROGRAM CHANGES FOR 2021**  
(Dollar amounts in thousands)

		2021 Base		2021 Estimate		Increase/Decrease from 2021 base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Patent Examining	Pos./Obl.	10,404	2,302,426	10,821	2,330,400	417	27,974
	FTE	10,183		10,409		226	
Patent Examiner New Hires	Pos./Obl.					417	16,933
	FTE					226	
Overtime / Production Incentives	Pos./Obl.					-	7,405
	FTE					-	
Workload Processing Contracts	Pos./Obl.					-	3,636
	FTE					-	
Patent Trial and Appeals	Pos./Obl.	409	95,600	408	94,310	(1)	(1,290)
	FTE	406		406		(1)	
Patent Information Resources	Pos./Obl.	193	170,974	193	196,850	-	25,876
	FTE	188		188		-	
Direct Total, Patent Program	Pos./Obl.	11,006	2,569,000	11,422	2,621,559	416	52,559
	FTE	10,777		11,003		226	

**Department of Commerce  
U.S. Patent and Trademark Office  
PATENT PROGRAM  
INCREASES FOR 2021 - 2025**  
(Dollar amounts in thousands)

		2021		2022		2023		2024		2025	
		Increase/Decrease Personnel	Amount	Increase/Decrease Personnel	Amount	Increase/Decrease Personnel	Amount	Increase/Decrease Personnel	Amount	Increase/Decrease Personnel	Amount
Patent Examining	Pos./Obl. FTE	417 226	27,974	774 596	76,341	1,098 937	121,698	1,408 1,251	166,191	1,705 1,558	214,899
Patent Examiner New Hires	Pos./Obl. FTE	417 226	16,933	774 596	45,081	1,098 937	75,549	1,408 1,251	108,902	1,705 1,558	146,622
Overtime / Production Incentives	Pos./Obl. FTE	- -	7,405	- -	14,702	- -	21,578	- -	25,624	- -	29,619
Workload Processing Contracts	Pos./Obl. FTE	- -	3,636	- -	16,558	- -	24,571	- -	31,665	- -	38,658
Patent Trial and Appeals	Pos./Obl. FTE	(1) (1)	(1,290)	(2) (2)	(975)	(3) (3)	(1,167)	(4) (4)	(1,499)	(5) (5)	(1,838)
Patent Information Resources	Pos./Obl. FTE	- -	25,876	- -	(873)	- -	(9,286)	- -	(5,863)	- -	(7,004)
Direct Total, Patent Program	Pos./Obl. FTE	416 226	52,559	772 594	74,494	1,095 935	111,244	1,404 1,248	158,830	1,700 1,554	206,057

**Sub-Activity: Patent Examining**

Patent Examining (+\$28.0 million and 226 FTE/417 Positions): In FY 2021, the Patent Examining program change and base resources provide funding for the quality and timely examination of patent applications, leading to the issuance of reliable and predictable patents. These program requirements will enable the Patent Program to provide timely examination by processing incoming work and reducing pendency. It will also enhance the customer experience through accuracy, consistency and reliability of patent examination thereby increasing the value of the patent to the inventor. These resources will allow the Office to process incoming work for which fees have been paid, and which are focused on accomplishment of the goals and objectives identified above. This requirement supports the Department’s strategic objective to strengthen intellectual property protection. Failure to fund this sub-program puts the Department and the USPTO at risk for mission failure.

As traditional pendency measures approach acceptable levels, USPTO has started focusing on more refined pendency measures based on the PTA timeframes, which will reduce the need for patent term adjustments, and also give all applicants greater certainty of the pendency of their own cases.

Assuming planned hiring, workload, and productivity levels in FY 2020 and FY 2021, these program requirements collectively will enable the Patent Program to:

- Address the 468,300 new serialized applications (total UPR – 632,100) expected to be filed in FY 2021 (2.0 percent above the projected FY 2020 level);
- Reduce the current unexamined UPR inventory to approximately 571,600 in FY 2021
- Provide timely examination of patent applications by reducing the time to first office action to 16.2 months in FY 2021; and
- Reduce average total pendency to 23.9 months in FY 2021.

Performance Measures	2021	2022	2023	2024	2025
Average First Action Pendency (Months) with Patent Examining Increases	16.2	16.1	15.6	15.2	14.4
Average First Action Pendency (Months) without Patent Examining	--	17.0	18.2	19.9	22
Outyear Costs:					
Direct Obligations					
FTE	226	596	937	1,251	1,558
Positions	417	774	1,098	1,408	1,705

**Patent Examiner New Hires.** In FY 2021, the USPTO will continue calibrating the size of the patent examining staff with projected application filings and desired performance results, as documented by patent production modeling. Serialized patent application filings are



projected to increase by 2.0 percent in FY 2021 and gradually decline to 1.5 percent by FY 2022, then to 1.0% in FY 2023 - 2025. Because of these filing trends, coupled with investments in enhanced quality, particularly the issuance of reliable/predictable patents, the USPTO has established patent examiner hiring plans of 750 annual examiner hires for FY 2021 through FY 2025, offset by approximately 400-450 attritions, each year. The production model takes into consideration this revised incoming work as well as the revised output of examiners due to a proposed enhanced emphasis on quality search and examination that will result in a reduction in the number of production units. The careful calibration between quality, workload and hires will enable the USPTO to continue making progress on its patent pendency targets.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	16,933	45,081	75,549	108,902	146,622
FTE	226	596	937	1,251	1,558
Positions	417	774	1,098	1,408	1,705

**Overtime/Production Incentives** are another tool used by the USPTO to continue aligning production with workload demand. Each overtime hour worked is directly tied to production output, as are production incentives. As such, overtime has proven to be more efficient on a per-hour basis than equivalent regular-time hours, which must also incorporate the costs of training, employee leave, and other benefits. Funding the full amount of examiner overtime is essential to achieving pendency and inventory goals. Overtime’s inherent flexibility allows the Patent organization to more easily expand its production capacity while maintaining optimal staffing levels.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	7,405	14,702	21,578	25,624	29,619
FTE	0	0	0	0	0
Positions	0	0	0	0	0

**Workload Processing Contracts.** The Patent organization’s largest contracts are driven by work based on numbers of applications, examiner production, and output, and must be funded commensurately in order to continue processing work and issuing patents. Specifically, funds are used for:

- Front end processing of newly filed applications and incoming/outgoing documents, and quality assurance of electronic filings – based on the increase in electronically-filed applications, as well as the number of pages per application.
- Data capture of applications subject to publication at 18 months as a pre-grant publication.

- Pre-grant publication and initial classification services whereby the contractor classifies all incoming applications once they have been through the initial security review.
- Patent publication, which includes the data capture of granted patents that generate both a text searchable file and an image file for paper printing and electronic dissemination on the Internet.

The projected funding reflects the increased level of effort by the contractors due to the increase in patent application filing growth rates.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	3,636	16,558	24,571	31,665	38,658
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Additional performance information about the strategic objectives related to patent examining will be found in the Key Performance Indicators associated with each of the objectives in the *USPTO 2018-2022 Strategic Plan*.

**Sub-Activity: Patent Trials and Appeals**

PTAB Production and AIA Workload (-\$1.3 million and -1 FTE/1Pos) – In FY 2021-FY 2025, PTAB projects that costs will decrease as positions stay relatively constant, reflecting the discontinuation of production incentives and reduced hiring efforts as workload projections level to a steady state.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	(1,290)	(975)	(1,167)	(1,499)	(1,838)
FTE	(1)	(2)	(3)	(4)	(5)
Positions	(1)	(2)	(3)	(4)	(5)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	Actual	Actual						
<b>APPEALS</b>								
Incoming Appeals (Ex Parte Appeals),	9,777	7,326	7,400	7,474	7,549	7,624	7,700	7,777
Appeals Disposed (Ex Parte Appeals Decision Unit, for FY20 and forward is 1.3 per Decision)	11,689	9,778	8,534	7,321	7,197	7,163	7,130	7,096
Appeal Inventory/Backlog (Ex Parte Appeals)	11,070	8,618	7,484	7,637	7,989	8,450	9,020	9,701
Pendency of Decided Appeals in months (Ex Parte Appeals),	15	14.8	13.5	12	12	12	12	12
Board Months of Inventory <sup>1/</sup>	14	14	12	12	13	13	14	15
<b>AIA TRIAL</b>								
AIA Petitions Filed (incl. IPRs, CBMs, PGRs, and DERs)	1,626	1,471	1,495	1,510	1,525	1,540	1,555	1,571
Pendency of Decided Trial Months, Estimated	12	11	11	11	11	11	11	11
AIA Petitions disposed (incl trials not instituted, instituted petitions disposed for IPRs, CBMs, PGRs and DERsDI)	1,714	1,742	1,475	1,121	1,473	1,510	1,542	1,561
<b>ADMINISTRATIVE PATENT JUDGES</b>								
New Hire APJs (not incl. Executive Judges or Backfills)	0	0	0	0	0	0	0	0
Total APJs (incl. Executive APJs and reflect attrition)	274	286	264	260	259	258	257	256

Additional performance information about the strategic objective related to the PTAB’s ability to provide timely and high-quality decisions can be found in the Key Performance Indicators associated with each of the objectives in the *USPTO 2018-2022 Strategic Plan*.

**Sub-Program: Patent Information Resources**

Patent Business Projects (+\$25.9 million) – The following will receive additional attention:

- Collaboration tools for working with other national intellectual-property offices, such as Collaborative Patent Classification (CPC) and Global Dossier.
- Enhancements to the PE2E examiner docket tool
- Roll out of additional next-generation technology for search tools
- Quality-review tools and leveraging AI and machine learning

Additional planned IT activities for the Patent Program can be found in the IT Portfolio narrative in the Introduction to this Budget.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	25,876	(873)	(9,286)	(5,863)	(7,004)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

*Additional information regarding schedules, milestones, and deliverables can be found in the USPTO's Exhibit 300 submissions that are located on the Federal IT Dashboard*

**Department of Commerce  
U.S. Patent and Trademark Office  
Salaries and Expenses  
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Patents  
Subactivity:  
Program Change:

Title:	Grade	Number	Annual Salary	Total Salaries
Patent Examiner	5	12	59,891	718,688
Patent Examiner	7	436	74,194	32,348,656
Patent Examiner	9	322	86,595	27,883,727
Patent Examiner	11	9	99,760	897,840
Patent Examiner	12	1	114,406	114,406
Patent Attritions	Various	(397)	106,186	(42,155,933)
Patent Examiner Support Positions	Various	34	76,541	2,602,394
Administrative Patent Judges	SES	(1)	182,384	(182,384)
Total		416		22,227,395
Less lapse	46%	190		10,151,935
Total full-time permanent (FTE)		226		12,075,460
2021 Pay Adjustment (1%)				222,274
Total				12,297,734
<b>Personnel Data</b>				
Full-Time Equivalent Employment				
Full-time permanent		226		
Other than full-time permanent		-		
Total		226		
Authorized Positions:				
Full-time permanent		416		
Other than full-time permanent		-		
Total		416		

**Department of Commerce  
U.S. Patent and Trademark Office  
Salaries and Expenses  
PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollar amounts in thousands)

Activity: Patents  
Subactivity:

Object Class	2019 Actual	2020 Current Plan	2021 Base	2021 Estimate	Increase/Decrease from 2021 Base
11 Personnel compensation					
11.1 Full-time permanent	1,282,587	1,354,739	1,405,158	1,417,456	12,298
11.3 Other than full-time permanent	-	-	-	-	-
11.5 Other personnel compensation	123,405	133,714	135,202	141,473	6,271
11.8 Special personnel services payments	-	-	-	-	-
11.9 Total personnel compensation	1,405,992	1,488,454	1,540,360	1,558,928	18,568
12 Civilian personnel benefits	418,305	477,196	512,709	517,221	4,512
13 Benefits for former personnel	-	-	-	-	-
21 Travel and transportation of persons	1,777	2,189	2,232	2,198	(35)
22 Transportation of things	35	34	35	35	0
23.1 Rental payments to GSA	-	-	-	-	-
23.2 Rental payments to others	473	23	23	27	4
23.3 Communications, utilities and miscellaneous charges	1,825	1,860	1,897	1,895	(2)
24 Printing and reproduction	150,162	160,966	164,186	167,101	2,915
25.1 Advisory and assistance services	54,538	54,988	56,088	56,122	34
25.2 Other services	89,647	95,486	97,395	90,967	(6,428)
25.3 Purchases of goods & services from Gov't accounts	336	964	983	747	(236)
25.4 Operation and maintenance of facilities	120	-	-	-	-
25.5 Research and development contracts	-	-	-	-	-
25.6 Medical care	-	-	-	-	-
25.7 Operation and maintenance of equipment	38,084	45,730	46,645	47,668	1,024
25.8 Subsistence and support of persons	-	-	-	-	-
26 Supplies and materials	40,819	40,008	40,808	41,486	678
31 Equipment	98,093	101,569	103,600	135,164	31,564
32 Lands and structures	-	-	-	-	-
33 Investments and loans	-	-	-	-	-
41 Grants, subsidies and contributions	-	-	-	-	-
42 Insurance claims and indemnities	84	-	-	-	-
43 Interest and dividends	-	0	0	0	(0)
44 Refunds	1,725	2,000	2,040	2,000	(40)
99 Total obligations	2,302,016	2,471,465	2,569,000	2,621,559	52,559

# TRADEMARK PROGRAM

**Department of Commerce  
U.S. Patent and Trademark Office  
TRADEMARK PROGRAM  
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
(Dollar amounts in thousands)

Activity: Trademark Program  
Subactivity: Trademarks

Sub-Activity:		FY 2019 Actual		FY 2020 Current Plan		FY 2021 Base		FY 2021 Estimate		Increase/Decrease from 2021 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Trademark Examining	Pos./Obl	916	157,884	957	175,775	957	188,351	1,009	193,515	52	5,164
	FTE	881		920		953		991		38	
Trademark Appeals and Inter Partes Proceedings	Pos./Obl	82	14,166	82	16,781	82	17,521	83	17,783	1	262
	FTE	72		82		82		83		1	
Trademark Information Resources	Pos./Obl	86	59,227	96	89,479	97	93,204	98	53,839	1	(39,365)
	FTE	66		83		94		94		1	
Subtotal Direct	Pos./Obl	1,084	231,277	1,135	282,035	1,136	299,076	1,190	265,137	54	(33,939)
	FTE	1,020		1,085		1,129		1,168		39	
Mission Support Goal - Allocated	Pos./Obl	198	102,930	196	129,030	195	133,200	195	129,387	0	(3,812)
	FTE	171		186		188		188		0	
Total	Pos./Obl	1,283	334,208	1,331	411,065	1,331	432,275	1,385	394,524	54	(37,751)
	FTE	1,191		1,272		1,317		1,356		40	



**Department of Commerce**  
**U.S. Patent and Trademark Office**  
**Salaries and Expenses**  
**JUSTIFICATION OF PROGRAM AND PERFORMANCE**  
(Dollar amounts in thousands)

Activity: Trademark Program  
Subactivity Trademark Program

Goal Statement

The USPTO's Trademark Program is dedicated to carrying out the Office's mission to deliver "high quality and timely examination of ... trademark applications" in accordance with laws, regulations and practices, and consistent with the strategies and objectives in the *USPTO 2018-2022 Strategic Plan*. The Trademark Program, through its strategic goal to optimize trademark quality and timeliness, supports the Department's strategic objective to promote the strong and effective protection of intellectual property.

Base Program

The Trademark Program performs a valuable function by identifying the source of products and services and serving as a reliable indicator of quality to the consumer. By registering trademarks, the USPTO has a significant role in protecting consumers, as well as in providing important benefits to American businesses by allowing them to strengthen and safeguard their brands and related investments. Over the last thirteen years, the Trademark organization has met or exceeded its performance targets as it continues to reap the benefits of its significant investments in human capital and in automation and process reengineering. The examination of trademark applications consists of the activities shown on the following schematic and major functions as described below.

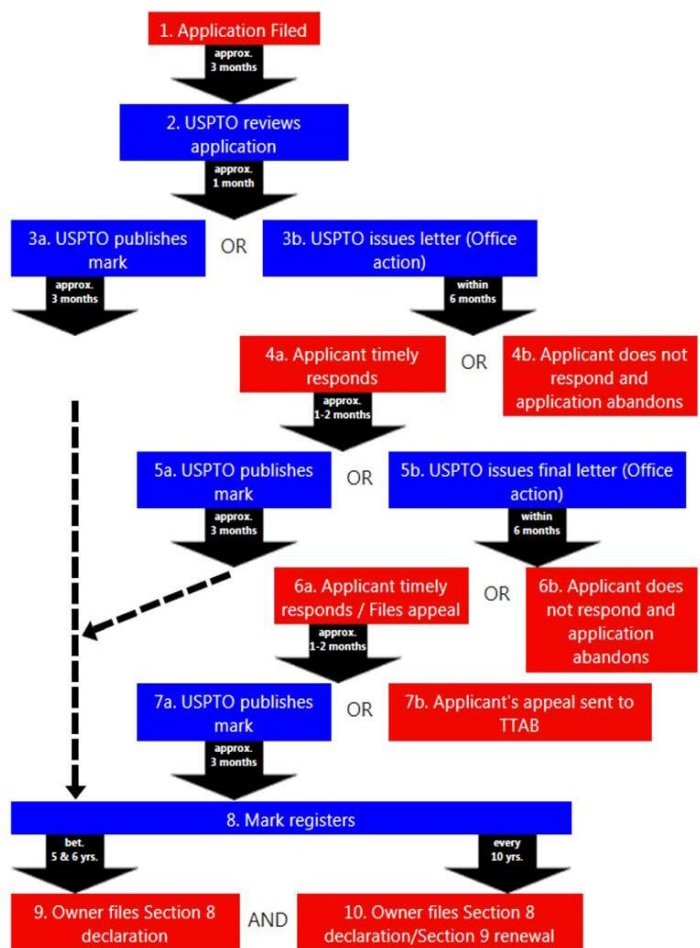
Statement of Operating Objectives

The Trademark goal will be met by achieving the objectives set forth in the *USPTO 2018-2022 Strategic Plan, Goal II*. Objectives include:

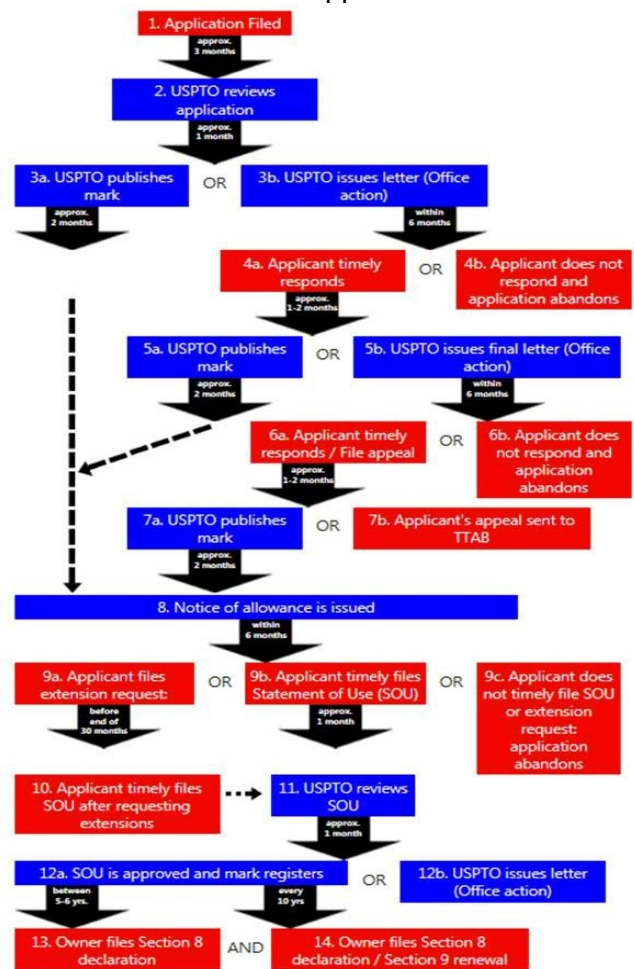
- Optimize Trademark Application Pendency
- Issue High Quality Trademarks
- Foster Business Effectiveness
- Enhance Operations of Trademark Trial and Appeal Board (TTAB)

### Trademark Process

#### Section 1a. Timeline: Application based on use in commerce



#### Section 1b. Timeline: Application based on intent to use



Explanation and Justification

Line Item		2019		2020		2021	
		Actual		Current Plan		Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Trademark Examining	Pos./Obl.	916	157,884	957	175,775	957	188,351
	FTE	881		920		953	
Trademark Trial and Appeals	Pos./Obl.	82	14,166	82	16,781	82	17,521
	FTE	72		82		82	
Trademark Information Resources	Pos./Obl.	86	59,227	96	89,479	97	93,204
	FTE	66		83		94	
Mission Support Goal - Allocated	Pos./Obl.	198	102,930	196	129,030	195	133,200
	FTE	171		186		188	
Total	Pos./Obl.	1,283	334,208	1,331	411,065	1,331	432,275
	FTE	1,191		1,272		1,317	

**Trademark Examining**

The USPTO plays a critical role in providing public notice of marks in use, or for which there is an intention to use, through its online databases of registered and pending trademarks. Prior to filing an application for registration, or establishing or investing in a mark, a business owner can survey existing marks in use or proposed for use by utilizing online resources and support services available for customers preparing to file their applications with the Office. This support consists of the public search rooms located at the USPTO's facilities in Alexandria VA, support for the Patent and Trademark Depository Resource Centers (formerly Depository Libraries) located across the country, the USPTO online information on trademark basics and "how-to" videos, frequently asked questions (FAQs) manuals, search systems, electronic filing, and a customer service call center operated by the Trademark Assistance Center.

*Input Processing: \$10.3 million and 68 Pos.*

More than 99 percent of trademark applications for registration of a mark are currently filed electronically, and more than 88 percent are processed electronically from receipt to final disposition. When an application is received at the USPTO, it is subject to a quality review process. In that process the electronically tagged application data is reviewed to add the international classification and design search codes that facilitate searching and examination. The tagged data in a trademark application is transferred automatically to the appropriate data fields in trademark electronic automated systems. Trademark automated systems are the source for application and registration data that is used throughout the processing, examination, and maintenance of registered trademarks; and the information that is made available to the public through [www.uspto.gov](http://www.uspto.gov). The automated systems are also the source of the Official Gazette, published electronically, which provides notice of marks approved by examining attorneys, marks registered following commencement of use, and registrations maintained by registrants. Initial examination also encompasses the processing of international applications filed under the Madrid Protocol.

*Examination Processing: \$173.1 million and 857 Pos.*

One of the more than 600 Trademark examining attorneys will determine if the mark in each newly filed application is entitled to registration under the provisions of the Trademark Act of 1946, as amended. As part of the process, the examining attorney conducts a search of prior filed and registered marks to evaluate if a conflict exists between the mark in the application and a previously filed application or registration. Examining attorneys evaluate many types of marks, such as trademarks, service marks, certification marks, and collective membership marks against the criteria for registrability set out in the Trademark Act of 1946, as amended, and make a determination to approve or deny an application for registration. The examining attorney searches a database of more than 2.5 million registered marks and 900,000 pending marks in order to determine if the mark in the subject application is confusingly similar to an existing mark.

An approved application is published prior to registration to provide notice to interested parties who may file an opposition to registration. Marks based on use in commerce that are unopposed, or survive any filed opposition, are registered. Marks filed based on intent to use receive a notice of allowance following the opposition period, if they are unopposed or survive any filed opposition, with registration occurring following issuance of a Notice of Allowance by the Office and subsequent filing and acceptance of a Statement of Use from the applicant.

Quality and Training are important components of the examination process. The resources required for high quality examination and registration of trademark applications are integrated within the total examination costs.

Under the quality assurance program, the results of an examining attorney's first and final office action are reviewed for the quality of the substantive basis for decision making, search strategy, evidence, and writing. Based on the data collected from those reviews, the Office has targeted both electronic and traditional training initiatives addressing specific areas for improvement. Part of the USPTO's commitment to improving the quality of examination is ensuring that all examining attorneys possess the knowledge, skills, and abilities necessary to perform their jobs. For example, examining attorneys have the opportunity to take a series of self-paced e-learning tutorials; and new e-learning modules are implemented throughout the year based on topics that are identified through quality review evaluations.

The Trademark organization continues its efforts to improve quality in a cost-effective manner. To raise the bar, the Trademark organization has instituted what is known as an Exceptional Office Action, which emphasizes comprehensive excellence in office actions and expands upon the existing first and final action standards for correct decision-making. An Exceptional Office Action is one that reflects correct decision-making, includes excellent evidentiary support, and is exceptionally well-written.

Policy and Legal. A critical component of the trademark examination process is its policy and legal function. This consists of establishing trademark examination policy standards; serving as the authority on trademark laws, rules, and examining practices and procedures; implementing treaty obligations; implementing judicial and TTAB decisions; publishing rules for public comment and then publishing final

rules; and maintaining the Trademark Manual of Examining Procedure. The costs of performing these functions are included in the cost of examination.

*Trademark-Post Registration Processing: \$4.7 million and 37 Pos.*

Trademark registrations can be maintained indefinitely, for as long as the registered mark is in use under the Trademark Act. Registrations require periodic renewal – every 10 years for marks on the Principal and Supplemental registers. In order to maintain rights to a mark, between the fifth and sixth years from the date of registration, the owner must first file an affidavit attesting to the use of the registered mark. To renew a Trademark registration, the owner must again file an acceptable affidavit of use and an application for renewal within one year before the end of every ten-year registration period. Owners of marks on the Principal Register can also make a claim of incontestability to claim exclusive rights after the mark has been in continuous use in commerce for a period of five consecutive years after the date of registration. The owner can also file requests to correct or amend a Trademark registration.

Filings are examined for completeness and compliance with statutory requirements. To ensure the accuracy of registered marks, the Office conducts a random audit of marks submitted for maintenance or renewal to verify that goods and services continue to be used in commerce. Failure to file the required affidavit and proof of use or substantiate use when audited results in cancellation of the registration. These requirements serve to remove trademarks from the register when the marks are no longer in use, to facilitate the clearance and selection of marks by others.

### **Trademark Appeals and Trial Proceedings**

Administrative Trademark Judges (ATJs) on the TTAB review adverse registrability determinations (refusals of registration) by examining attorneys when the applicant appeals the adverse determination. The ATJs also conduct and decide opposition (trial) proceedings where an interested party believes that it will be harmed by, and therefore challenges, the registration of a published mark; and they conduct other trial proceedings (cancellations) involving registrations where a third party wishes to challenge the validity of, or restrict, a registration.

### **Trademark Information Resources**

Trademark Information Resources includes base resources for making capital improvements to, and operating and maintaining, existing trademark systems while also renewing interest in the future of trademark IT via modernization. The Trademark Program's share of both direct and indirect costs is allocated to this sub-program. While Trademarks must ensure the continuing reliability, resiliency and security of its legacy systems, the organization is also leveraging its modernization accomplishments to update and realign resources to best support the IT vision for the organization, and does so in close partnership with key business unit stakeholders.

### **Mission Support Goal – Allocated**

This sub-program represents all of the mission support activities that support the accomplishment of the Trademark goal. These can be specifically Trademark-related to cross-cutting management functions that are dedicated to supporting overall USPTO activities, such as

financial management systems. These activities are further described under the mission support goal. The costs are allocated to Trademarks and funded from trademark fee collections based on the USPTO's ABI analysis and results.

**Department of Commerce  
U.S. Patent and Trademark Office  
TRADEMARK PROGRAM  
Salaries and Expenses  
PROGRAM CHANGES FOR 2021**  
(Dollar amounts in thousands)

		2021 Base		2021 Estimate		Increase/Decrease from 2021 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Trademark Examining	Pos./Obl.	957	188,351	1,009	193,515	52	5,164
	FTE	953		991		38	
Trademark Trial and Appeals	Pos./Obl.	82	17,521	83	17,783	1	262
	FTE	82		83		1	
Trademark Information Resources	Pos./Obl.	97	93,204	98	53,839	1	(39,365)
	FTE	94		94		1	
<b>Direct Total, Trademark Program</b>							
	Pos./Obl.	1,136	299,076	1,190	265,137	54	(33,939)
	FTE	1,129		1,168		39	

**Department of Commerce  
U.S. Patent and Trademark Office  
TRADEMARK PROGRAM  
PROGRAM CHANGES FOR 2021 - 2025**  
(Dollar amounts in thousands)

		2021		2022		2023		2024		2025	
		Increase/Decrease		Increase/Decrease		Increase/Decrease		Increase/Decrease		Increase/Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Trademark Examining	Pos./Obl.	52	5,165	101	12,998	152	19,720	211	27,595	271	35,473
	FTE	38		87		138		194		253	
Trademark Trial and Appeals	Pos./Obl.	1	262	7	1,564	10	2,350	13	3,153	16	3,974
	FTE	1		7		10		13		16	
Trademark Information Resources	Pos./Obl.	1	(39,365)	9	(22,271)	9	(34,137)	9	(39,113)	9	(41,183)
	FTE	1		7		9		9		9	
Direct Total, Trademark Program	Pos./Obl.	54	(33,938)	117	(7,709)	171	(12,068)	233	(8,365)	296	(1,735)
	FTE	39		101		157		216		278	



**Sub-Activity: Trademark Examining**

Trademark Examining (+\$5.2 million and 38 FTE/52 Positions): The USPTO requires an increase of \$5.2 million and 52 positions to align trademark application examination capacity with estimated workloads and enhance the quality of legal services. To handle the expected increase in workloads, the Office plans to increase its staff in FY 2021 by a net total of 52 positions consisting of new examining attorney positions, as well as support and specialized positions. These resources and additional staff will enable the Trademark organization to process incoming work in a timely manner and further enhance the customer experience.

The Trademark Examining program change will enable the USPTO to maintain trademark pendency at the current levels, particularly first action pendency, which actions provide applicants with an initial indication of the registrability of the mark, thereby influencing investment decisions. The program change addresses the need to balance forecasted new filings and workload (application classes are projected to increase about 2.6 to 5.6 percent year over year), existing inventories, and examination capacity. These resources are necessary to accomplish the strategic goal to optimize trademark quality and timeliness that is a critical part of the Department’s strategic objective to promote the strong and effective protection of intellectual property. The *USPTO 2018-2022 Strategic Plan* notes the challenge for the Trademark organization to continue to maintain the consistent timeliness and high-quality standards that users of the U.S. trademark system have come to expect.

The Office negotiated a new Performance Appraisal Plan (PAP) for examining attorneys that became effective FY 2020. The PAP changes production and quality standards to address process improvements and improved customer service. Production is projected to increase approximately 2 percent because of workflow requirements designed to ensure consistent levels of performance throughout the year. Significant increases in quality standards including an increased emphasis on the accuracy of searching will be made. Offsetting the incremental costs, production changes were incorporated into the staffing plans. The Office expects to manage overtime usage through timely hiring and production incentives, realizing contract savings with increased use of end-to-end electronic processing.

Performance Measures	2021	2022	2023	2024	2025
First Action Pendency (months) with increase	2.5 – 3.5	2.5 – 3.5	2.5 – 3.5	2.5 – 3.5	2.5 – 3.5
First Action Pendency (months) without increase	4.4	5.0	5.9	6.7	7.0
Outyear Costs:					
Direct Obligations	5,165	12,998	19,720	27,595	35,473
FTE	38	87	138	194	253
Positions	52	101	152	211	271

**Sub-Activity: Trademark Appeals and Trial Proceedings**

TTAB Staffing (+\$0.3 million and 1 FTE/1 Position): The USPTO requires an increase of \$0.3 million and 1 judge position (ATJ) annually to handle projected workload increases in ex parte appeals and trial cases in FY 2021 and beyond. This growth in the TTAB workload will follow directly from increased filing of trademark applications, which has already prompted increased Trademark examining attorney hiring on an annual basis; and the growing TTAB workloads may also result from shifting to alternate work models stemming from the TTAB rules changes that were implemented in FY 2017. The rules changes entail more hands-on management of cases to ensure that appeals and trial cases are completed in shorter time periods. The Board is also anticipating an increase of work stemming from increases in application filings from China, complicating the work of both Trademarks and the Board. The Board anticipates increases in appeal and trial case filings, increases of contested motion work needing judge disposition and/or review, continued implementation of new rules, more outreach and continuing increases in complexity and size of case records in FY 2021 and beyond. The Board expects this scenario to increase workload from current levels by more than 7 percent as a conservative estimate. In the three-year period spanning the end of FY 2016 through the end of FY 2019, newly commenced opposition cases increased by more than 18 percent and newly commenced cancellation cases increased by more than 31 percent. In addition, in FY 2017 and FY 2018, the number of appeal and trial cases requiring disposition on the merits fell slightly, but in FY 2019 has increased dramatically, over 14 percent. Historically, when workloads have experienced these increases, adding ATJ FTEs has proven a critical action in bringing and keeping the Board closer to goal, and it is anticipated that the proposed additional ATJ FTEs will again be critical to allow the Board to meet its goals and be able to sustain pendency at expected levels.

Performance Measures	2021	2022	2023	2024	2025
Final Decision Pendency with increase	10-12	10-12	10-12	10-12	10-12
Final Decision Pendency without increase	15-17	16-17	17-19	18-20	18-20
Outyear Costs:					
Direct Obligations	262	1,564	2,350	3,153	3,974
FTE	1	6	8	10	12
Positions	1	6	8	10	12

Additional performance information about the strategic objectives related to trademark examining and TTAB proceedings will be found in the Key Performance Indicators associated with each of the objectives in the *USPTO 2018-2022 Strategic Plan*.

**Sub-Activity: Trademark Information Resources**

Trademark Information Resources (-\$39.4 million and 1 FTE/1 Positions) – The USPTO requires a decrease of \$39.7 million and 1 FTE for a total of \$53.8 million and 98 positions for the Trademark IT Portfolio. After having focused on stabilizing the legacy systems, FY 2020 and FY 2021 will see a renewed focus on a path to modernization that emphasizes the customer experience, artificial intelligence, and machine

learning and leverages modernization accomplishments to date. Additional planned IT activities for the Trademark Program can be found in the IT Portfolio narrative in the Introduction to this Budget.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	(39,365)	(22,271)	(34,137)	(39,113)	(41,183)
FTE	1	7	9	9	9
Positions	1	9	9	9	9

*Additional information regarding schedules, milestones, and deliverables can be found in the USPTO's Exhibit 300 submissions that are located on the Federal IT Dashboard*

**Department of Commerce  
U.S. Patent and Trademark Office  
Salaries and Expenses  
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Trademarks  
Subactivity:  
Program Change:

Title:	Grade	Number	Annual Salary	Total Salaries
TM Examiner Attorney	11	65	78,914	5,129,395
TM Supervisory Attorney / Group Director	15	2	156,334	312,667
TM Staff Attorney	15	3	142,122	426,367
TM Staff Attorney	15	3	156,334	469,001
TM Program Analyst	13	1	102,246	102,246
TM Business Intelligence Analyst	14	2	144,992	289,983
TM Paralegal	11	1	71,738	71,738
TM Business Operations	13	1	99,172	99,172
TM Technical Information Specialist	8	1	52,068	52,068
TM ID Class Attorney	15	1	142,122	142,122
TM Attritions	Various	(27)	130,040	(2,802,652)
TTAB Administrative Trademark Judge (ATJ)	AA	1	182,384	182,384
Total		<u>54</u>		<u>4,474,492</u>
less Lapse	27%	<u>15</u>		<u>1,215,929</u>
Total full-time permanent (FTE)		<u>39</u>		<u>3,258,563</u>
2021 Pay Adjustment (1%)				<u>44,745</u>
Total				<u>3,303,308</u>

Personnel Data

Full-Time Equivalent Employment				
Full-time permanent		39		
Other than full-time permanent		-		
Total		<u>39</u>		
Authorized Positions:				
Full-time permanent		54		
Other than full-time permanent		-		
Total		<u>54</u>		

**Department of Commerce**  
**U.S. Patent and Trademark Office**  
**Salaries and Expenses**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollar amounts in thousands)

Activity: Trademarks  
Subactivity:

Object Class	2019 Actual	2020 Current Plan	2021 Base	2021 Estimate	Increase/Decrease from 2021 Base
11 Personnel compensation					
11.1 Full-time permanent	123,798	137,383	145,869	149,889	4,020
11.3 Other than full-time permanent	-	-	-	-	-
11.5 Other personnel compensation	14,406	15,001	16,077	16,216	140
11.8 Special personnel services payments	-	-	-	-	-
11.9 Total personnel compensation	138,204	152,384	161,946	166,105	4,159
12 Civilian personnel benefits	39,600	47,135	51,941	53,331	1,390
13 Benefits for former personnel	-	-	-	-	-
21 Travel and transportation of persons	204	204	204	216	12
22 Transportation of things	4	4	1	4	3
23.1 Rental payments to GSA	-	-	-	-	-
23.2 Rental payments to others	1	153	154	4	(150)
23.3 Communications, utilities and miscellaneous charges	1	0	0	0	0
24 Printing and reproduction	37	75	60	32	(28)
25.1 Advisory and assistance services	2,135	1,940	1,979	1,946	(33)
25.2 Other services	3,249	4,104	3,926	4,719	793
25.3 Purchases of goods & services from Gov't accounts	18	466	475	536	61
25.4 Operation and maintenance of facilities	10	-	-	-	-
25.5 Research and development contracts	-	-	-	-	-
25.6 Medical care	-	-	-	-	-
25.7 Operation and maintenance of equipment	11,910	10,195	10,273	7,749	(2,524)
25.8 Subsistence and support of persons	-	-	-	-	-
26 Supplies and materials	1,400	1,788	1,813	2,085	272
31 Equipment	34,414	63,486	64,487	28,311	(36,176)
32 Lands and structures	-	-	-	-	-
33 Investments and loans	-	-	-	-	-
41 Grants, subsidies and contributions	-	-	-	-	-
42 Insurance claims and indemnities	-	-	-	-	-
43 Interest and dividends	-	-	-	-	-
44 Refunds	91	100	102	100	(2)
99 Total obligations	231,277	282,035	297,360	265,137	(32,223)

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# **INTELLECTUAL PROPERTY POLICY, ENFORCEMENT AND PROTECTION PROGRAM**

**Department of Commerce**  
**U.S. Patent and Trademark Office**  
**Intellectual Property Policy, Enforcement and Protection Program**  
**PROGRAM AND PERFORMANCE: TOTAL OBLIGATIONS**  
(Dollar amounts in thousands)

Activity: Intellectual Property Policy, Enforcement and Protection  
Subactivity: Intellectual Property Policy, Enforcement and Protection

Sub-Activity:		FY 2019		FY 2020		FY 2021		FY 2021		Increase/Decrease	
		Actual		Current Plan		Base		Estimate		from 2021 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Policy, External Affairs and Administrative Support	Pos./Obl	106	21,906	105	25,831	105	26,428	105	27,609	-	1,181
	FTE	82		98		101		101		-	
Global Intellectual Property Academy (GIPA)	Pos./Obl	20	3,720	20	4,090	20	4,145	20	4,215	-	70
	FTE	15		17		18		18		-	
IPR Attaché Program	Pos./Obl	3	13,280	3	13,358	3	13,635	3	15,379	-	1,744
	FTE	3		3		3		3		-	
IPPP&E Information Resources	Pos./Obl	-	524	-	39	-	40	-	473	-	433
	FTE	-		-		-		-		-	
Subtotal Direct	Pos./Obl	129	39,431	128	43,318	128	44,248	128	47,675	-	3,428
	FTE	99		119		122		122		-	
Mission Support Goal - Allocated	Pos./Obl	83	27,432	86	33,339	86	34,798	87	34,438	0	(360)
	FTE	62		72		72		72		0	
Total	Pos./Obl	212	66,863	214	76,657	214	79,046	215	82,114	0	3,068
	FTE	161		191							



**Department of Commerce**  
**U.S. Patent and Trademark Office**  
**Salaries and Expenses**  
**JUSTIFICATION OF PROGRAM AND PERFORMANCE**

(Dollar amounts in thousands)

Activity: IP Policy, Enforcement and Protection Program

Subactivity: IP Policy, Enforcement and Protection Program

Goal Statement

The IP Policy, Enforcement and Protection Program's (IPPE&P) strategic goal is to provide domestic and global leadership to improve intellectual property policy, enforcement and protection worldwide, as outlined in the *USPTO 2018-2022 Strategic Plan* framework.

Base Program

The USPTO promotes the enforcement and protection of the IP of American innovators and creators on both the domestic and international levels. Through this program, the USPTO advises the President, through the Secretary of Commerce, and all Federal agencies, on national and international IP policy issues including IP protection in other countries. This program also provides guidance, participates in trade agreement and treaty negotiations, conducts programs and studies, and interacts with foreign IP offices and international intergovernmental organizations on matters involving the protection of IP. The base program consists of four major program areas to carry out these functions: Policy and Administration (including Office of the Chief Economist and Governmental Affairs), Global Intellectual Property Academy (GIPA) and Intellectual Property Rights Attaché Program.

Statement of Operating Objectives

The objectives of the IPPE&P work to advocate for the value of IP as a critical driver of innovation and creativity domestically and internationally. Objectives include:

- Provide Leadership and Education on Domestic Intellectual Property, Policy and Awareness
- Provide Leadership and Education on International Intellectual Property, Policy and Awareness

Explanation and Justification

Line Item		2019 Actual		2020 Current Plan		2021 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Policy, External Affairs and Administrative Support	Pos./Obl.	106	21,906	105	25,831	105	26,428
	FTE	82		98		101	
Global Intellectual Property Academy (GIPA)	Pos./Obl.	20	3,720	20	4,090	20	4,145
	FTE	15		17		18	
IPR Attaché Program	Pos./Obl.	3	13,280	3	13,358	3	13,635
	FTE	3		3		3	
IPPE&P Information Resources	Pos./Obl.	-	524	-	39	-	40
	FTE	-		-		-	
Mission Support Goal - Allocated	Pos./Obl.	83	27,432	86	33,339	86	34,798
	FTE	62		72		72	
Total	Pos./Obl.	212	66,863	214	76,657	214	79,046
	FTE	161		191		194	

**IP Policy, Enforcement and Protection Base Program**

For FY 2021, funding is required to continue the Office's critical role in the U.S. Government's (USG) efforts and obligations to provide IP technical assistance throughout the world, which includes providing policy advice, and defining a course or method of action that is intended to guide and determine present and future decisions on IP.

**Policy, External Affairs and Administrative Support**

The Chief Policy Officer and Director for International Affairs heads OPIA and is the principal advisor to the Under Secretary on public policy matters relating to IP protection including proposed legislation and international activities of the United States. OPIA includes attorneys in various subject matter fields (trade, enforcement, patents, trademarks, and copyright) who perform policy and representation work, and representation travel, as well as program analysts and a number of administrative support specialists who support the entire office.

Intellectual Property Policy

OPIA participates in the World Intellectual Property Organization (WIPO), a specialized agency of the United Nations (UN) devoted to IP matters and in the World Trade Organization (WTO), which is an international forum for liberalizing trade and other IP related organizations. The United States is a WTO member and has worked to include a substantial IP component known as the Trade-Related Aspects of IP

(TRIPS) agreement. OPIA provides technical expertise in IP dispute-settlement cases before the WTO, in support of and at the request of the office of the United States Trade Representative (USTR). OPIA has been the USG's IP technical representative in several cases, most recently in the USG's successful copyright challenge to certain aspects of China's IP regime.

The USPTO's statutory obligation to provide IP guidance and advice to the Administration with respect to international IP policy and protection includes bilateral, regional, and multilateral IP discussions, and IP-Office cooperation, which has led directly to patent work sharing. Some of these initiatives include supporting free trade agreements (FTA), trilateral cooperative activities, and working to simplify and harmonize administrative and technical processing of patent and trademark applications.

OPIA also coordinates patent cooperative activities with the IP5<sup>1</sup>, which lead to work sharing and Patent Prosecution Highway (PPH) projects that will help improve operational efficiencies and address the patent inventory. Performance related to Policy and International affairs can be found at the Data Visualization Center: <https://www.uspto.gov/dashboards/externalaffairs/main.dashxml>.

#### Chief Economist

The Chief Economist (CE) is the primary advisor to the Under Secretary regarding economic issues at the USPTO. The CE undertakes research that influences and guides USPTO regulatory initiatives and policy recommendations with respect to the broader functioning of IP systems. This involves long-term research and policy planning on an ongoing basis. The CE assists the USPTO and other USG agencies by evaluating market data and trends to assist in targeting examination, enforcement, and outreach resources. The CE also conducts research into the causes and consequences of significant developments in U.S. markets, prevailing practices among users and producers of IP, and U.S. IP policy.

#### Edison Visiting Scholars Program

The Edison Scholars Program enlists the services of leaders in academia and the IP industry who devote up to six months of service to the agency on a full-time basis.

#### Governmental Affairs (GA)

GA formulates legislative and policy proposals and prepares supporting documentation to carry out the USPTO proposals. The GA mission is to provide information and technical assistance to the Congress on the USPTO's initiatives and proposed IP legislation; generate goodwill; provide education and outreach; prepare for hearings and legislation; manage responses to congressional inquiries; and liaise with the DOC and other agencies.

#### **Global Intellectual Property Academy (GIPA)**

GIPA provides web-based and on-site training, technical assistance, and capacity building programs and activities to foreign government officials from other IP offices and other foreign government officials responsible for IP enforcement policy and law enforcement. GIPA offers

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<sup>1</sup> IP5 – The USPTO, the European Patent Office (EPO), the Japan Patent Office (JPO), the Korean Intellectual Property Office (KIPO) and the China National Intellectual Property Administration (CNIPA)

a variety of programs, information booths, and educational materials for SMEs throughout the United States on protecting and enforcing IP in the United States and abroad. GIPA also offers dedicated programs to minorities, women, and Native Americans. GIPA carries out “train-the-trainers” programs for the Small Business Development Centers (SBDCs), the National Institute of Standards and Technology Manufacturing Extension Partnership (NIST MEP), and others. In addition, GIPA offers specialized programs on doing business in the BRIC (Brazil, India and China) countries. More information on GIPA Can be found at <https://www.uspto.gov/learning-and-resources/global-intellectual-property-academy>.

### **Intellectual Property Rights (IPR) Attaché Program**

The IPR Attaché Program was formally instituted in 2006 to promote strong IP protection and enforcement internationally for the benefit of U.S. foreign, economic, and political interests. In FY 2021, the IPR Attaché Program will have presence in 14 IP Attaché positions: Rio de Janeiro, Brazil; New Delhi, India; Beijing, Shanghai, and Guangzhou, China; Kuwait City, Kuwait; Bangkok, Thailand; Lima, Peru; Brussels, Belgium; Mexico City, Mexico; Kiev, Ukraine; Johannesburg, South Africa; two in Geneva, Switzerland; in addition to two future postings to be established. When USPTO employees are posted, during their time abroad they leave the USPTO and become Foreign Commercial Service (FCS) employees with full return rights to the USPTO. The IPR Attaché Program is closely aligned with and supports achievement of USPTO's mission, the IPPE&P strategic goal, and the objectives identified in the *USPTO 2018-2022 Strategic Plan*. The IP attachés bring unique technical IP expertise and experience to their posts. Attachés have helped influence laws, regulations, and IPR practices in their host countries. More information on the IP Attaché program can be found at <https://www.uspto.gov/learning-and-resources/ip-policy/intellectual-property-rights-ipr-attach-program/intellectual>.

### **IPPE&P Information Resources**

IPPE&P Information Resources includes base resources for making capital improvements to, and operating and maintaining, existing IPPE&P systems. The IPPE&P Program's share of both direct and indirect IT costs is allocated to this sub-program.

### **Mission Support Goal – Allocated**

This sub-program represents all of the management activities that support accomplishment of the IPPE&P goal. These can be specifically IPPE&P related or cross-cutting functions that are dedicated to overall USPTO activities, such as financial management systems. These activities are described under the Mission Support Goal while the costs are allocated to the IPPE&P program based on the Office's ABI analysis and results.

**Department of Commerce  
U.S. Patent and Trademark Office  
Salaries and Expenses  
PROGRAM CHANGES FOR 2021**  
(Dollar amounts in thousands)

Activity: Intellectual Property Policy,  
and Enforcement and Protection

		2021 Base		2021 Estimate		Increase/Decrease from 2021 base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Policy, External Affairs and Administrative Support	Pos./Obl.	105	26,428	105	27,609	-	1,181
	FTE	101		101		-	
Global Intellectual Property Academy (GIPA)	Pos./Obl.	20	4,145	20	4,215	-	70
	FTE	18		18		-	
IPR Attaché Program	Pos./Obl.	3	13,635	3	15,379	-	1,744
	FTE	3		3		-	
IPPE&P Information Resources	Pos./Obl.	-	40	-	473	-	433
	FTE	-		-		-	
Direct Total, Intellectual Property, Policy, Enforcement, and Protection Program	Pos./Obl.	128	44,248	128	47,675	-	3,428
	FTE	122		122		-	

**Department of Commerce  
U.S. Patent and Trademark Office  
Salaries and Expenses  
PROGRAM CHANGES FOR 2021 - 2025**  
(Dollar amounts in thousands)

Activity: Intellectual Property Policy,  
Enforcement and Protection

		2021		2022		2023		2024		2025	
		Increase/Decrease		Increase/Decrease		Increase/Decrease		Increase/Decrease		Increase/Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Policy, External Affairs and Administrative Support	Pos./Obl.	-	1,181	2	1,630	2	2,183	2	2,572	-	2,466
	FTE	-		2		2		2		-	
Global Intellectual Property Academy (GIPA)	Pos./Obl.	-	70	2	290	-	2,348	-	2,323	-	2,298
	FTE	-		2		-		-		-	
IPR Attaché Program	Pos./Obl.	-	1,744	-	2,279	-	1,871	-	1,484	-	1,014
	FTE	-		-		-		-		-	
IPPE&P Information Resources	Pos./Obl.	-	433	-	2,632	-	696	-	695	-	716
	FTE	-		-		-		-		-	
Direct Total, Intellectual Property Policy, Enforcement, and Protection Program	Pos./Obl.	-	3,428	4	6,831	2	7,097	2	7,074	-	6,494
	FTE	-		4		2		2		-	

**Sub-Activity: Policy, External Affairs and Administrative Support**

IP Policy Activities (\$1.2 million) – An increased level of funding is required in FY 2021 and beyond to continue managing workload in the area of policy activities including the further support of existing bilateral and multi-lateral agreements.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	1,181	1,630	2,183	2,572	2,466
FTE	0	2	2	2	0
Positions	0	2	2	2	0

**Sub-Activity: Global Intellectual Property Academy (GIPA)**

IP Policy Activities (\$0.07 million) – An increased level of funding is required in FY 2021 and beyond to continue operations in support of existing GIPA program activities.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	70	290	2,348	2,323	2,298
FTE	0	2	0	0	0
Positions	0	2	0	0	0

**Sub-Activity: IPR Attaché Program**

IP Policy Activities (\$1.7 million) – An increased level of funding is required in FY 2021 and beyond to support the expansion of the attaché program by two additional postings. The office will continue working with stakeholders to determine the optimal locations for both posts to further support the mission of the Office to protect intellectual property rights both domestically and abroad.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	1,744	2,279	1,871	1,484	1,014
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Additional performance information about the strategic objectives related to IPPE&P activities will be found in the Key Performance Indicators associated with each of the objectives in the *USPTO 2018-2022 Strategic Plan*.

**Sub-Activity: IPPE&P Information Resources**

IPPE&P Business Projects (\$0.4 million) – An increased level of funds is required to maintain existing IT systems that are utilized for IP performance reporting and to administer IP surveys and evaluate the results. Planned IT activities for beyond FY 2021 include delivering enhanced training capabilities and translation services for web conferences to improve the quality of international IP functions. Other activities for this Program can be found in the IT Portfolio narrative in the Introduction to the Budget.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	433	2,632	696	695	716
FTE	0	0	0	0	0
Positions	0	0	0	0	0

*Additional information regarding schedules, milestones, and deliverables can be found in the USPTO’s Exhibit 300 submissions that are located on the Federal IT Dashboard*



**Department of Commerce  
U.S. Patent and Trademark Office  
Salaries and Expenses  
PROGRAM CHANGE DETAIL BY OBJECT CLASS  
(Dollar amounts in thousands)**

Activity: IPPE&P  
Subactivity:

Object Class	2019 Actual	2020 Current Plan	2021 Base	2021 Estimate	Increase/Decrease from 2021 Base
11 Personnel compensation					
11.1 Full-time permanent	14,120	16,998	17,156	17,156	-
11.3 Other than full-time permanent	-	-	-	-	-
11.5 Other personnel compensation	861	826	924	924	-
11.8 Special personnel services payments	-	-	-	-	-
11.9 Total personnel compensation	14,982	17,824	18,079	18,079	-
12 Civilian personnel benefits	4,331	5,436	5,711	5,711	-
13 Benefits for former personnel	-	-	-	-	-
21 Travel and transportation of persons	953	1,408	1,436	1,616	180
22 Transportation of things	259	-	-	-	-
23.1 Rental payments to GSA	-	-	-	-	-
23.2 Rental payments to others	1	26	27	27	-
23.3 Communications, utilities and miscellaneous charges	-	1	1	1	-
24 Printing and reproduction	1	5	5	5	(0)
25.1 Advisory and assistance services	281	227	232	231	(1)
25.2 Other services	2,866	3,048	3,109	3,669	560
25.3 Purchases of goods & services from Gov't accounts	13,451	14,081	14,363	16,573	2,210
25.4 Operation and maintenance of facilities	-	-	-	-	-
25.5 Research and development contracts	-	-	-	-	-
25.6 Medical care	-	-	-	-	-
25.7 Operation and maintenance of equipment	916	97	99	102	3
25.8 Subsistence and support of persons	-	-	-	-	-
26 Supplies and materials	930	916	934	992	58
31 Equipment	460	248	253	670	417
32 Lands and structures	-	-	-	-	-
33 Investments and loans	-	-	-	-	-
41 Grants, subsidies and contributions	-	-	-	-	-
42 Insurance claims and indemnities	-	-	-	-	-
43 Interest and dividends	-	-	-	-	-
44 Refunds	-	-	-	-	-
99 Total obligations	39,431	43,318	44,248	47,675	3,428

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# **MISSION SUPPORT PROGRAM**

**Department of Commerce  
U.S. Patent and Trademark Office  
MISSION SUPPORT PROGRAM  
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
(Dollar amounts in thousands)

Activity: Mission Support Program  
Subactivity: Mission Support

Sub-Activity:		FY 2019		FY 2020		FY 2021		FY 2021		Increase/Decrease	
		Actual		Current Plan		Base		Estimate		from 2021 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction and Communications	Pos./Obl	91	11,113	95	17,062	95	18,041	95	17,441	-	(600)
	FTE	55		73		73		73		-	
Financial Management Services	Pos./Obl	143	28,123	143	31,929	143	33,950	144	34,062	1	112
	FTE	124		141		143		144		1	
Human Resource Management and Administrative Services	Pos./Obl	266	52,685	265	60,574	265	63,697	266	62,280	1	(1,417)
	FTE	232		262		262		263		1	
Legal Services	Pos./Obl	133	26,542	137	30,948	137	33,058	138	33,107	1	49
	FTE	126		136		135		136		1	
Mission Support Information Resources	Pos./Obl	61	45,745	60	49,919	59	51,012	59	54,455	-	3,443
	FTE	56		58		57		57		-	
IT Infrastructure and IT Support Services	Pos./Obl	576	353,335	570	419,253	576	432,594	576	450,121	-	17,527
	FTE	489		524		545		545		-	
Miscellaneous General Expense	Pos./Obl	-	251,517	-	281,561	-	291,382	-	286,529	-	(4,853)
	FTE	-		-		-		-		-	
<b>Total</b>	Pos./Obl	1,270	769,059	1,270	891,247	1,275	923,734	1,278	937,994	3	14,260
	FTE	1,081		1,195		1,215		1,217		3	

		FY 2019		FY 2020		FY 2021		FY 2021		Increase/Decrease	
		Actual		Current Plan		Base		Estimate		from 2021 Base	
Sub-Activity:		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
<b>Mission Support Goal - Allocation:</b>											
Patent Program	Pos./Obl	989	638,697	988	728,877	994	755,737	996	774,169	2	18,432
	FTE	848		937		955		957		2	
Trademark Program	Pos./Obl	198	102,930	196	129,030	195	133,200	195	129,387	0	(3,812)
	FTE	171		186		188		188		0	
IPPE&P Program	Pos./Obl	83	27,432	86	33,339	86	34,798	87	34,438	0	(360)
	FTE	62		72		72		72		0	
Total Mission Support Goal Allocation	Pos./Obl	1,270	769,059	1,270	891,247	1,275	923,734	1,278	937,994	3	14,260
	FTE	1,081		1,196		1,215		1,217		2	

**Department of Commerce**  
**U.S. Patent and Trademark Office**  
**Salaries and Expenses**  
**JUSTIFICATION OF PROGRAM AND PERFORMANCE**  
(Dollar amounts in thousands)

Activity: Mission Support Program  
Subactivity Mission Support Program

Goal Statement

The Mission Support program's strategic goal is to deliver organizational excellence, which encompasses the shared responsibility, leadership, IT infrastructure, employee engagement and financial stewardship needed to fulfill the Office's mission-related requirements, as outlined in the *USPTO 2018-2022 Strategic Plan* framework.

Base Program

The Mission Support activity is comprised of the support functions of the Office, necessary to conduct the operations to fulfill the mission, including executive direction, financial and legal services, human capital and facilities management activities, and support of the IT infrastructure.

Statement of Operating Objectives

The objectives of the Mission Support Program enable the USPTO to carry out its mission and accomplish its goals and objectives. Objectives include:

- Enhance Human Capital Management and Foster Employee Engagement
- Optimize Speed, Quality, and Cost Effectiveness of the Information Technology (IT) Delivery to Achieve Business Value
- Ensure Financial Sustainability to Facilitate Effective USPTO Operations
- Enhance USPTO's Interactions with Internal and External Stakeholders, and the Public at Large

Explanation and Justification

Line Item		2019		2020		2021	
		Current Plan		President's Budget		Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction and Communications	Pos./Obl	91	11,113	95	17,062	95	18,041
	FTE	55		73		73	
Financial Management Services	Pos./Obl	143	28,123	143	31,929	143	33,950
	FTE	124		141		143	
Human Resource Management and Administrative Services	Pos./Obl	266	52,685	265	60,574	265	63,697
	FTE	232		262		262	
Legal Services	Pos./Obl	133	26,542	137	30,948	137	33,058
	FTE	126		136		135	
Mission Support Information Resources	Pos./Obl	61	45,745	60	49,919	59	51,012
	FTE	56		58		57	
IT Infrastructure and IT Support Services	Pos./Obl	576	353,335	570	419,253	576	432,594
	FTE	489		524		545	
Miscellaneous General Expense	Pos./Obl	-	251,517	-	281,561	-	291,382
	FTE	-		-		-	
Total	Pos.	1,270	769,059	1,270	891,247	1,275	923,734
	FTE/Obl	1,081		1,195		1,215	

**Mission Support Program**

For FY 2020, the USPTO base totals \$923.7 million and 1,215 FTE/1,275 Positions for the Mission Support Program. The costs associated with the Mission Support Program activities have already been allocated to the Patent, Trademark, and IPPE&P Programs using the Office's ABI results.

## **Executive Direction and Communications**

Executive Direction and Communications entails determining the policies and directing the programs of the USPTO. The Under Secretary and Director receives advice from the PPAC and the TPAC on Office policies, goals, performance, budget, and user fees.

In FY 2021, the Office will continue its management of agency policies to ensure the mission and vision of the Office is met while also supporting government-wide efforts to attract and retain students in STEM-based education, especially as it relates to intellectual property. Through strategic partnerships with other Federal agencies, school districts and universities, and non-profit organizations, such as National Science & Technology Medals Foundation and the National Inventor's Hall of Fame, the Office will continue participating in and supporting programs that further educate and encourage innovation.

## **Financial Management Services**

Financial Management Services contributes to the efficient and effective management of organizational resources in support of the strategic goals by:

- Ensuring that the USPTO's annual performance supports the strategic plan; the budget is efficiently and effectively formulated and executed to achieve optimal performance levels across all business units; fees are reviewed and set appropriately; and actionable information is provided to executive management.
- Awarding quality, fiscally-responsible, and timely procurement actions by anticipating and exceeding USPTO's ever-changing business needs with their knowledge of business practices and market dynamics, innovative strategies, and well-defined and standardized processes.
- Implementing and managing financial accounting and control systems, collecting financial data, and analyzing financial reports leading to sound financial decisions. As of FY 2019, these activities have enabled the USPTO to earn an unqualified audit opinion on its annual financial statements for 27 consecutive years, and the Association of Government Accountants' Certificate of Excellence in Accountability Reporting award for 17 consecutive years.

## **Human Resource Management and Administrative Services**

In FY 2021 the efficient and effective human resources management, administrative services, and telework programs under the responsibility of the Chief Administrative Officer, entail:

- Analyzing organizational capacity through workforce assessments to improve the alignment of workload demand to direct capacity in human resources. Adequate human resource management staffing supports recruiting, developing, and retaining a high-performing, highly-skilled, and diverse workforce necessary for mission success.
- Promoting an engaged and evolving workforce through succession planning; fostering the next generation of USPTO leaders through leadership development training, after-work education initiatives and mentoring programs.
- Overseeing a broad range of administrative and employee service programs (for example, occupational/safety/health services; printing and graphics; mail center operations; office move services; transportation services; conference services; cafeteria, and food services; personnel property management services; and records management services) that are responsive to the needs of the USPTO workforce.



- Providing real property services (e.g., lease/facilities management, space planning/design, coordination of building renovations), as well as energy conservation and environmental management services.
- Providing for protection of personnel, facilities, and property; coordinating the USPTO's Occupant Emergency, Emergency Preparedness, and Continuity of Operations' planning efforts.

### Equal Employment Opportunity and Diversity (EEOD)

The promotion of EEO and a diverse, inclusive workforce is achieved by providing: reasonable accommodation of employees and job applicants with disabilities; sign language interpreting services, as needed; strategic affirmative employment programs; special emphasis programs; workforce diversity initiatives; EEO complaint processing, including alternative dispute resolution when applicable; and facilitating recruitment, development, and retention of a diverse and multicultural work force. The Office of EEOD partners with each USPTO business unit to maintain a fair and inclusive workforce. The organization reports directly to the Office of the Under Secretary.

### Ombudsman Program

The Ombudsman Program, which launched through a successful pilot initiative in FY 2016, helps any USPTO employee or manager explore options to prevent, address, and resolve workplace issues.

### **Legal Services**

Legal services provided by the offices under the General Counsel entail:

- The Office of the Solicitor (SO) serves as legal counsel to the USPTO on intellectual property law matters. The SO also works in collaboration with DOC on interagency intellectual property law matters; defends decisions by the PTAB and the TTAB before the United States Court of Appeals for the Federal Circuit and the federal district courts; represents the Under Secretary of Commerce for Intellectual Property and Director of the USPTO (Director) in district court actions that are filed against the USPTO pursuant to the Administrative Procedure Act (APA); provides legal advice on intellectual property law policy and regulation; prosecutes attorneys and agents who practice before the agency for alleged ethical violation; and defends USPTO employees at deposition.
- The Office of General Law (OGL) is responsible for representing the USPTO in matters other than those involving intellectual property issues. In this regard, the Deputy General Counsel's office provides advice and written legal opinions on areas concerning the administration and management of the USPTO. The OGL also represents USPTO in various administrative proceedings.
- The Office of Enrollment and Discipline (OED) is responsible for the investigation of complaints relating to attorney and agent misconduct, determining what disciplinary proceedings are appropriate, and suspending or excluding from practice before the USPTO any person, attorney, or registered agent shown to be incompetent, disreputable, or found culpable of unethical, unprofessional, or gross misconduct. OED also is responsible for maintaining a roster of individuals who are registered to practice in patent matters before the USPTO, including reviewing the legal, technical, and moral character qualifications of individuals seeking recognition to practice and administers and oversees the USPTO Law School Clinic Certification Program and Patent Pro Bono Program.

**Mission Support Information Resources**

Mission Support Information Resources includes ongoing operations and maintenance and making capital improvements to mission support business systems.

**IT Infrastructure and IT Support Services**

IT Infrastructure and IT Support Services entail operating and maintaining the underlying infrastructure supporting the business systems and the IT support services (e.g., operations and maintenance); making capital improvements to those same IT infrastructure and support services; and disseminating information to the public. In addition to prioritizing business units' needs for stabilization, modernization, and governance, infrastructure priorities continue to include the continuous, steady, and sustainable replacement and improvement of desktop equipment, network hardware, and storage and server services.

**Cross-Cutting Management Services: Miscellaneous General Expense**

This sub-program entails cross-cutting services that affect all USPTO employees and/or operations, such as space rental, utilities, lease management, security, telecommunications, transportation, postage, and the USPTO's participation in the DOC Working Capital Fund. It also includes funding for post-retirement benefits, whereby the USPTO is required to fund the present costs of post-retirement benefits for the Federal Employees Health Benefits (FEHB) Program, Federal Employees Group Life Insurance (FEGLI) Program, and the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) pension liabilities. Funds for this purpose are paid to the Office of Personnel Management (OPM). Base funds also include \$10,000 to purchase uniforms to be worn by USPTO personnel at recruitment events, consistent with common recruiting practices.

**Department of Commerce  
U.S. Patent and Trademark Office  
MISSION SUPPORT PROGRAM  
PROGRAM CHANGES FOR 2021**  
(Dollar amounts in thousands)

		2021 Base		2021 Estimate		Increase/Decrease from 2021 base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction and Communications	Pos./Obl.	95	18,041	95	17,441	-	(600)
	FTE	73		73		-	
Financial Management Services	Pos./Obl.	143	33,950	144	34,062	1	112
	FTE	143		144		1	
Human Resources Management and Administrative Services	Pos./Obl.	265	63,697	266	62,280	1	(1,417)
	FTE	262		263		1	
Legal Services	Pos./Obl.	137	33,058	138	33,107	1	49
	FTE	135		136		1	
Mission Support Information Resources	Pos./Obl.	59	51,012	59	54,455	-	3,443
	FTE	57		57		-	
IT Infrastructure and IT Support Services	Pos./Obl.	576	432,594	576	450,121	-	17,527
	FTE	545		545		-	
Miscellaneous General Expense (MGE)	Pos./Obl.	-	291,382	-	286,529	-	(4,853)
	FTE	-		-		-	
Direct Total, Mission Support Program	Pos./Obl.	1,275	923,734	1,278	937,994	3	14,260
	FTE	1,215		1,217		3	

**Department of Commerce  
U.S. Patent and Trademark Office  
MISSION SUPPORT PROGRAM  
PROGRAM CHANGES FOR 2021 - 2025**  
(Dollar amounts in thousands)

		2021		2022		2023		2024		2025	
		Increase/Decrease Personnel	Amount	Increase/Decrease Personnel	Amount	Increase/Decrease Personnel	Amount	Increase/Decrease Personnel	Amount	Increase/Decrease Personnel	Amount
Executive Direction and Communications	Pos./Obl.	-	(600)	-	151	-	89	-	(244)	-	(327)
	FTE	-		-		-		-		-	
Financial Management Services	Pos./Obl.	1	112	12	4,611	17	5,345	17	5,530	17	5,499
	FTE	1		12		17		17		17	
Human Resources Management and Administrative Services	Pos./Obl.	1	(1,417)	11	(131)	11	(30)	11	(398)	11	(776)
	FTE	1		9		11		11		11	
Legal Services	Pos./Obl.	1	49	1	(24)	1	(103)	1	(184)	1	(262)
	FTE	1		1		1		1		1	
Mission Support Information Resources	Pos./Obl.	-	3,443	5	10,694	5	37	5	(4,072)	5	(4,127)
	FTE	-		5		5		5		5	
IT Infrastructure and IT Support Services	Pos./Obl.	-	17,527	-	35,989	-	14,264	-	24,833	-	26,427
	FTE	-		-		-		-		-	
Miscellaneous General Expense (MGE)	Pos./Obl.	-	(4,853)	-	4,546	-	(2,378)	-	(7,910)	-	(11,676)
	FTE	-		-		-		-		-	
Direct Total, Mission Support Program	Pos./Obl.	3	14,260	29	55,835	34	17,223	34	17,554	34	14,758
	FTE	3		27		34		34		34	

**Sub-Activity: Executive Direction and Communication**

Chief Communication Office Outreach (-\$.6 million) – This request will continue to fund current programs at a steady state, which include efforts to educate the public on the importance of the American system of IP protection at targeted outreach events. This program change will also support the USPTO 2018-2022 Strategic Plan objective to enhance USPTO’s interactions with internal and external stakeholders, and the public at large by increasing the Office’s presence at industry events and engaging and educating stakeholders on IP with an emphasis on underserved communities.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	(600)	151	89	(244)	(327)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

**Sub-Activity: Financial Management Services**

Office of the Chief Financial Officer Staff (\$.01 million, 1 FTE/1 Position) – In FY 2021 funds are required to increase staff by 1 position in the Forecasting and Analysis Division. As a fully-fee funded agency, the Office is highly dependent on accurate and timely fee projections as well as dedicated resources for multi-year fee reviews and fee setting efforts. The gradual hiring growth in this area will serve to better align the division’s capacity with the steadily growing demand for fee-related initiatives and expertise throughout the Office. Without the additional capacity in its Forecasting team, the USPTO will be challenged to provide in-depth analysis of revenue trends and fee schedule options that are needed to ensure the Office’s ongoing financial sustainability.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	112	4,611	5,345	5,530	5,499
FTE	1	12	17	17	17
Positions	1	12	17	17	17

**Sub-Activity: Human Resource Management and Administrative Services**

Hiring Human Resources Staff (-\$1.4 million 1 FTE/1 Position) – This request will fund an asset management position in the administrative services division to aid the Office in supporting the management of its multi-million dollar asset inventory.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	(1,417)	(131)	(30)	(398)	(776)
FTE	1	1	1	1	1
Positions	1	1	1	1	1

**Sub-Activity: Legal Services**

Hiring Legal Services Staff (\$.05 million, 1 FTE/1 Positions) – This request will support the increased workload in the OED by providing one position to provide the resources necessary to continue administering OED programs, as well as additional outreach efforts. Without the additional staff, the Office will be unable to explore and administer new practitioner programs and relative outreach efforts in support of stakeholder feedback, while maintaining existing disciplinary workload standards.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	49	(24)	(103)	(184)	(262)
FTE	1	1	1	1	1
Positions	1	1	1	1	1

**Sub-Activity: Mission Support Information Resources**

Mission Support Information Resources (\$3.4 million): This request will fund Mission-supporting IT with noted focus on General Counsel, the Chief Communications Officer, and Equal Employment:

- Purchase and configured eDiscovery tool
- USPTO Web site
- Equal employment and discrimination case tracking
- Enhancing Big Data capabilities, leveraging AI, and machine learning

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	3,443	10,694	37	(4,072)	(4,127)

	2021	2022	2023	2024	2025
FTE	0	5	5	5	5
Positions	0	5	5	5	5

Additional information regarding schedules, milestones, and deliverables can be found in the USPTO’s Exhibit 300 submissions that are located on the Federal IT Dashboard

**Sub-Activity: IT Infrastructure and IT Support Services**

IT Infrastructure and Tools (+\$17.5 million): The USPTO proposes an increase of \$17.5 million for a total of \$450.1 million and 576 positions for its IT infrastructure. FY 2021 marks the point in the USPTO's hardware refresh cycle where the following are targeted for full or-partial replacement:

- Servers (partial)
- AV equipment (full)
- Phone system (VOIP) (full)
- Cybersecurity equipment (partial)
- Laptop refresh (partial)

These activities support the *USPTO 2018-2022 Strategic Plan* objective to optimize speed, quality, and cost-effective IT delivery to achieve business value.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	17,527	35,989	14,264	24,833	26,427
FTE					
Positions					

Additional information regarding schedules, milestones, and deliverables can be found in the USPTO’s Exhibit 300 submissions that are located on the Federal IT Dashboard

**Sub-Activity: Cross-Cutting Services/Miscellaneous General Expense (MGE)**

Improvements to Cross-Cutting Services/MGE (-\$4.8 million) – This request will support the continuous efforts to invest in cost-effective corporate support services improvements that affect all USPTO employees and operations. Cross-cutting activities are funded through the MGE budget, which includes the expenses incurred in connection with the general management of the USPTO that are not provided for elsewhere. Most program changes in this function require one-time investments with lower costs for operations and maintenance, resulting

in reductions reflected in the outyears. These cross-cutting activities also facilitate adherence to regulations, Executive Orders (EO) and guidance documents. Additionally, program changes reflect offsets caused by reductions to rent projections and non-recurring projects.

	2021	2022	2023	2024	2025
Outyear Costs:					
Direct Obligations	(4,853)	4,546	(2,378)	(7,910)	(11,676)
FTE					
Positions					

Additional performance information about the strategic objectives related to mission support activities will be found in the Key Performance Indicators associated with each of the objectives in the *USPTO 2018-2022 Strategic Plan*.



**Department of Commerce  
U.S. Patent and Trademark Office  
Salaries and Expenses  
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Mission Support  
Subactivity:  
Program Change:

Title:	Grade	Number	Annual Salary	Total Salaries
Program Analyst- Asset Management	12	1	85,983	64,488
Program Analyst - OED Practitioner Fee	12	1	85,983	85,983
Economist	14	1	120,824	90,618
Total		3.0		241,089
Less lapse	17%	0.5		38,465
Total full-time permanent (FTE)		2.5		279,554
2021 Pay Adjustment (1%)				2,411
Total				281,965

Personnel Data

Full-Time Equivalent Employment				
Full-time permanent		3		
Other than full-time permanent		-		
Total		3		

Authorized Positions:

Full-time permanent		3		
Other than full-time permanent		-		
Total		3		

**Department of Commerce  
U.S. Patent and Trademark Office  
Salaries and Expenses  
PROGRAM CHANGE DETAIL BY OBJECT CLASS  
(Dollar amounts in thousands)**

Activity: Mission Support  
Subactivity:

Object Class	2019 Actual	2020 Current Plan	2021 Base	2021 Estimate	Increase/Decrease from 2021 Base
11 Personnel compensation					
11.1 Full-time permanent	137,579	154,410	163,458	163,740	282
11.3 Other than full-time permanent	-	-	-	-	-
11.5 Other personnel compensation	7,620	9,610	9,900	9,900	-
11.8 Special personnel services payments	-	-	-	-	-
11.9 Total personnel compensation	145,199	164,020	173,358	173,640	282
12 Civilian personnel benefits	119,067	154,299	165,989	166,083	94
13 Benefits for former personnel	-	-	-	-	-
21 Travel and transportation of persons	1,782	2,956	3,015	3,011	(4)
22 Transportation of things	326	226	230	231	1
23.1 Rental payments to GSA	92,362	96,807	98,743	97,761	(981)
23.2 Rental payments to others	15,737	16,449	16,778	16,749	(29)
23.3 Communications, utilities and miscellaneous charges	12,671	21,544	21,975	18,063	(3,913)
24 Printing and reproduction	247	213	217	218	1
25.1 Advisory and assistance services	2,340	2,936	2,995	3,034	40
25.2 Other services	26,031	34,960	35,659	28,669	(6,990)
25.3 Purchases of goods & services from Gov't accounts	32,561	47,909	48,867	45,312	(3,555)
25.4 Operation and maintenance of facilities	29,570	23,245	23,710	20,961	(2,749)
25.5 Research and development contracts	-	-	-	-	-
25.6 Medical care	-	-	-	-	-
25.7 Operation and maintenance of equipment	237,026	237,605	242,357	230,334	(12,023)
25.8 Subsistence and support of persons	-	-	-	-	-
26 Supplies and materials	1,682	2,284	2,330	2,305	(25)
31 Equipment	52,216	85,773	87,488	131,601	44,112
32 Lands and structures	142	-	-	-	-
33 Investments and loans	-	-	-	-	-
41 Grants, subsidies and contributions	-	-	-	-	-
42 Insurance claims and indemnities	94	-	-	-	-
43 Interest and dividends	5	23	23	24	0
44 Refunds	-	-	-	-	-
99 Total obligations	769,059	891,247	923,734	937,994	14,260

# **EXHIBITS: 16 - 36**

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**Department of Commerce**  
**U.S. Patent and Trademark Office**  
**SUMMARY OF REQUIREMENTS BY OBJECT CLASS**  
(Dollar amounts in thousands)

<b>Object Class</b>	2019 Actual	2020 Current Plan	2021 Base	2021 Estimate	Increase/Decrease from 2021 Base
11.1 Salaries	1,558,084	1,663,530	1,732,357	1,748,240	15,883
11.5 Other personnel compensation	146,293	159,152	162,147	168,512	6,365
<b>11.9 Total personnel compensation</b>	<b>1,704,377</b>	<b>1,822,682</b>	<b>1,894,505</b>	<b>1,916,753</b>	<b>22,248</b>
12.1 Civilian personnel benefits	581,303	684,066	736,610	742,345	5,735
13 Benefits to Former Employees	-	-	-	-	0
21 Travel and transportation of persons	4,717	6,756	6,891	7,040	149
22 Transportation of things	624	265	270	271	1
23.1 Rental payments to GSA	92,362	96,807	98,743	97,761	(981)
23.2 Rental payments to others	16,212	16,651	16,984	16,806	(178)
23.3 Commun., util., and misc. charges	14,496	23,405	23,873	19,959	(3,915)
24 Printing and reproduction	150,448	161,259	164,484	167,356	2,872
25.1 Advisory and assistance services	59,295	60,091	61,293	61,333	40
25.2 Other services from non-federal sources	121,793	137,597	140,349	128,024	(12,325)
25.3 Other goods and services from federal sources	46,366	63,419	64,688	63,167	(1,520)
25.4 Operation and maintenance of facilities	29,700	23,245	23,710	20,961	(2,749)
25.7 Operation and maintenance of equipment	287,936	293,627	299,500	285,853	(13,647)
26 Supplies and materials	44,831	44,996	45,896	46,869	973
31 Equipment	185,183	251,076	256,098	295,745	39,648
32 Land and Structures	142	-	-	-	0
4x Insurance claims, indemnities, and refunds	1,999	2,123	2,165	2,124	(42)
<b>99.9 Total Obligations</b>	<b>3,341,784</b>	<b>3,688,065</b>	<b>3,836,058</b>	<b>3,872,366</b>	<b>36,308</b>
Fee Collections	(3,398,740)	(3,769,152)	(3,695,295)	(3,695,295)	0
Less prior year other income/recoveries	(36,341)	(40,500)	(40,500)	(40,500)	0
Less prior year unobligated balance	(446,835)	(538,632)	(658,219)	(658,219)	0
Less end year unobligated balance	538,632	658,219	555,956	519,648	(36,308)
Total Budget Authority	(1,500)	(2,000)	(2,000)	(2,000)	(0)
Personnel Data					
Full-Time equivalent Employment	12,328	12,965	13,243	13,510	268
Positions	13,014	13,545	13,545	14,018	473

**Department of Commerce**  
**U.S. Patent and Trademark Office**  
**PATENT BUSINESS LINE BY OBJECT CLASS**  
(Dollar amounts in thousands)

<b>Object Class</b>	2019 Actual	2020 Current Plan	2021 Base	2021 Estimate	Increase/Decrease from 2021 Base
11.1 Salaries	1,405,895	1,494,155	1,552,515	1,565,060	12,546
11.5 Other personnel compensation	130,292	142,257	144,037	150,307	6,271
11.9 <b>Total personnel compensation</b>	1,536,187	1,636,412	1,696,551	1,715,368	18,816
12.1 Civilian personnel benefits	525,323	616,128	662,106	666,701	4,595
13 Benefits to Former Employees	-	-	-	-	0
21 Travel and transportation of persons	3,920	5,624	5,737	5,814	77
22 Transportation of things	479	229	234	235	1
23.1 Rental payments to GSA	81,285	85,197	86,901	86,038	(864)
23.2 Rental payments to others	14,105	14,518	14,808	14,788	(20)
23.3 Commun., util., and misc. charges	12,832	20,537	20,947	17,541	(3,406)
24 Printing and reproduction	150,372	161,149	164,372	167,288	2,916
25.1 Advisory and assistance services	56,806	57,602	58,754	58,815	62
25.2 Other services from non-federal sources	113,286	126,787	129,322	117,223	(12,099)
25.3 Other goods and services from federal sources	36,777	50,643	51,656	49,867	(1,789)
25.4 Operation and maintenance of facilities	25,846	20,220	20,624	18,232	(2,392)
25.7 Operation and maintenance of equipment	236,049	247,651	252,604	243,987	(8,617)
26 Supplies and materials	42,822	42,570	43,421	44,115	694
31 Equipment	149,161	166,778	170,114	245,111	74,997
32 Land and Structures	124	-	-	-	0
4x Insurance claims, indemnities, and refunds	1,893	2,020	2,060	2,020	(40)
99.9 <b>Total Obligations</b>	2,987,266	3,254,065	3,380,213	3,453,144	72,931
Fee Collections	(3,053,520)	(3,400,382)	(3,250,743)	(3,250,743)	-
Less prior year other income/recoveries	(31,511)	(34,264)	(34,264)	(34,264)	-
Less prior year unobligated balance	(311,539)	(407,954)	(586,713)	(586,713)	-
Less end year unobligated balance	407,954	586,713	489,685	416,754	(72,931)
Total Budget Authority	(1,351)	(1,822)	(1,822)	(1,822)	0
Personnel Data					
Full-Time equivalent Employment	11,090	11,638	11,870	12,097	228
Positions	11,671	12,153	12,153	12,572	419

**Department of Commerce**  
**U.S. Patent and Trademark Office**  
**TRADEMARK BUSINESS LINE BY OBJECT CLASS**  
(Dollar amounts in thousands)

<b>Object Class</b>	2019 Actual	2020 Current Plan	2021 Base	2021 Estimate	Increase/Decrease from 2021 Base
11.1 Salaries	152,189	169,375	179,843	183,180	3,337
11.5 Other personnel compensation	16,002	16,895	18,111	18,205	94
<b>11.9 Total personnel compensation</b>	<b>168,190</b>	<b>186,270</b>	<b>197,953</b>	<b>201,385</b>	<b>3,432</b>
12.1 Civilian personnel benefits	55,981	67,938	74,504	75,644	1,141
13 Benefits to Former Employees	-	-	-	-	0
21 Travel and transportation of persons	797	1,132	1,155	1,226	71
22 Transportation of things	145	35	36	36	0
23.1 Rental payments to GSA	11,076	11,609	11,842	11,724	(118)
23.2 Rental payments to others	2,107	2,133	2,176	2,018	(158)
23.3 Commun., util., and misc. charges	1,665	2,868	2,926	2,418	(508)
24 Printing and reproduction	76	110	112	68	(44)
25.1 Advisory and assistance services	2,489	2,489	2,539	2,518	(21)
25.2 Other services from non-federal sources	8,506	10,811	11,027	10,801	(226)
25.3 Other goods and services from federal sources	9,589	12,776	13,032	13,300	268
25.4 Operation and maintenance of facilities	3,854	3,025	3,086	2,729	(357)
25.7 Operation and maintenance of equipment	51,887	45,976	46,895	41,865	(5,030)
26 Supplies and materials	2,009	2,426	2,475	2,753	278
31 Equipment	36,021	84,298	85,984	50,634	(35,350)
32 Land and Structures	18	-	-	-	0
4x Insurance claims, indemnities, and refunds	106	103	105	103	(2)
<b>99.9 Total Obligations</b>	<b>354,518</b>	<b>434,000</b>	<b>455,845</b>	<b>419,222</b>	<b>(36,623)</b>
Fee Collections	(345,219)	(368,770)	(444,552)	(444,552)	-
Less prior year other income/recoveries	(4,830)	(6,236)	(6,236)	(6,236)	-
Less prior year unobligated balance	(135,296)	(130,678)	(71,506)	(71,506)	-
Less end year unobligated balance	130,678	71,506	66,270	102,894	36,623
Total Budget Authority	(149)	(178)	(178)	(178)	0
Personnel Data					
Full-Time equivalent Employment	1,238	1,327	1,373	1,413	40
Positions	1,343	1,392	1,392	1,446	54

## Exhibit 32/33 – Appropriation Language and Code Citations

### PATENT AND TRADEMARK OFFICE SALARIES AND EXPENSES (INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the United States Patent and Trademark Office (USPTO) provided for by law, including defense of suits instituted against the Under Secretary of Commerce for Intellectual Property and Director of the USPTO, ~~\$3,500,000,000~~ \$3,695,295,000 to remain available until expended: *Provided*, That the sum herein appropriated from the general fund shall be reduced as offsetting collections of fees and surcharges assessed and collected by the USPTO under any law are received during fiscal year ~~2020~~ 2021, so as to result in a fiscal year ~~2020~~ 2021 appropriation from the general fund estimated at \$0: *Provided further*, That during fiscal year ~~2020~~ 2021, should the total amount of such offsetting collections be less than ~~\$3,500,000,000~~ \$3,695,295,000 this amount shall be reduced accordingly: *Provided further*, That any amount received in excess of ~~\$3,500,000,000~~ \$3,695,295,000 in fiscal year ~~2020~~ 2021 and deposited in the Patent and Trademark Fee Reserve Fund shall remain available until expended: *Provided further*, That the Director of USPTO shall submit a ~~spending plan~~ *notification to reprogram funds* to the Committees on Appropriations of the House of Representatives and the Senate for any amounts made available by the preceding proviso and such ~~spending plan~~ *notification to reprogram funds* shall be treated as a reprogramming under section 504 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section: *Provided further*, That any amounts reprogrammed in accordance with the preceding proviso shall be transferred to the United States Patent and Trademark Office "Salaries and Expenses" account: *Provided further*, That from amounts provided herein, not to exceed \$900 shall be made available in fiscal year ~~2020~~ 2021 for official reception and representation expenses: *Provided further*, That in fiscal year ~~2020~~ 2021 from the amounts made available for "Salaries and Expenses" for the USPTO, the amounts necessary to pay (1) the difference between the percentage of basic pay contributed by the USPTO and employees under section 8334(a) of title 5, United States Code, and the normal cost percentage (as defined by section 8331(17) of that title) as provided by the Office of Personnel Management (OPM) for USPTO's specific use, of basic pay, of employees subject to subchapter III of chapter 83 of that title, and (2) the present value of the otherwise unfunded accruing costs, as determined by OPM for USPTO's specific use of post-retirement life insurance and post-retirement health benefits coverage for all USPTO employees who are enrolled in Federal Employees Health Benefits (FEHB) and Federal Employees Group Life Insurance (FEGLI), shall be transferred to the Civil Service Retirement and Disability Fund, the FEGLI Fund, and the Employees FEHB Fund, as appropriate, and shall be available for the authorized purposes of those accounts: *Provided further*, That any differences between the present value factors published in OPM's yearly 300 series benefit letters and the factors that OPM provides for USPTO's specific use shall be recognized as an imputed cost on USPTO's financial statements, where applicable: *Provided further*, That within the amounts appropriated, \$2,000,000 shall be transferred to the "Office of Inspector General" account for activities associated with carrying out investigations and audits related to the USPTO.



Explanation of Proposed Changes to Appropriation Language

Proposed Change	Explanation
<p>... <del>\$3,500,000,000</del> \$3,695,295,000            ... <del>2020</del> 2021</p>	<p>Retains the appropriation language in H.R.3267 and S.1662 for FY 2020, but changes the amount available to the USPTO in FY 2021 to be the total amount of fees collected during FY 2021, and changes all references to FY 2020 to FY 2021.</p>
<p><i>Provided further</i>, That the Director of USPTO shall submit a <del>spending plan</del> <i>notification to reprogram funds</i> to the Committees on Appropriations of the House of Representatives and the Senate for any amounts made available by the preceding proviso and such <del>spending plan</del> <i>notification to reprogram funds</i> shall be treated as a reprogramming under section 504 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section:</p>	<p>As recommended in the Study and Report on the Implementation of the Leahy-Smith America Invents Act Report to Congress in September 2015, eliminates the requirement for a redundant spending plan to accompany a reprogramming notice to transfer funds to the operating reserve. USPTO submits a detailed spend plan to the Committees on Appropriations as a part of the annual appropriation process.</p>

## Legislative Authorities

The programs of the USPTO are conducted under the following main legislative authorities:

- 15 U.S.C. 1051-1141n contain provisions of the Trademark Act that govern the administration of the USPTO's trademark registration system, provide for administrative proceedings before the USPTO, and set forth procedures relating to international registration of trademarks pursuant to the Madrid Protocol;
- 15 U.S.C. 1511 states that the USPTO is under the jurisdiction and subject to the control of the Department of Commerce;
- 35 U.S.C. 1-13, 21-26, 32-33, 100-105, 111-122, 131-135, 141-146, 151-157, 161-164, 171-173, 251-256, 261, 262, 267, 301-307, and 311-318 contain basic authorities for administration of patent laws, derived from the Act of July 19, 1952, and subsequent enactments;
- 35 U.S.C. 41 provides for collection of specific fees for identified services and establishment of fees at an estimated average cost for processing, services or materials not specified;
- 35 U.S.C. 41(i)(2) provides for deployment of automated search systems of the Office to the public;
- 35 U.S.C. 42(d) provides that the Director may refund any fee paid by mistake or in excess of that required;
- 35 U.S.C. 181-188 provides authorities for actions relating to secrecy of certain inventions and filing of applications in foreign countries;
- 35 U.S.C. 361-368, 371-375 contain authorities related to Patent Cooperation Treaty applications, national stage entry and related procedures;
- 35 U.S.C. 376 authorizes the USPTO to charge fees for activities related to the Patent Cooperation Treaty, and the Director may set fee amounts, except for the international and handling fees.
- Leahy Smith America Invents Act (Pub. L. No. 112-29) provides specific authority for the USPTO to collect a number of fees related to patent services, including a 15 percent surcharge on most patent fees and a prioritized examination fee.
- Study of Underrepresented Classes Chasing Engineering and Science Success Act of 2018 (Pub. L. No. 115-273), extending the USPTO fee setting authority, granted in the Leahy Smith America Invents Act, by 8 years.

**Department of Commerce  
Operating Unit of Commerce  
Salaries and Expenses  
ADVISORY AND ASSISTANCE SERVICES**

	2019 Actual	2020 Current Plan	2021 Estimate
Patent Cooperation Treaty (PCT) outsourcing	34,807	36,496	37,226
Patent Classification services	14,410	16,992	17,396
IT consulting services	6,503	3,438	3,430
Other	3,575	3,166	3,281
Total	59,295	60,091	61,333

The USPTO continues to contract for international search reports and written opinions for Patent Cooperation Treaty (PCT) Chapter I cases. Investments in contracting enable the USPTO to meet its obligations as an International Searching Authority (ISA) under PCT Chapter I, for example meeting the PCT time frames for issuance of the required reports, while focusing its examiner resources on reducing the inventory of pending national applications.

Patent Classification services covers the United States Patent Classification (USPC) routing and Cooperative Patent Classification for incoming non-Request for Continuing Examination (RCE) utility applications.

IT and Other consulting services are those services relating to agency administration and management and agency problem management. These services are normally provided by persons or organizations generally considered to have knowledge and special abilities that are not usually available within the agency. These services deal with management data collection, policy review or development, program development, review or evaluation, systems engineering and other support services.

**Department of Commerce  
U.S. Patent and Trademark Office  
Salaries and Expenses  
PERIODICALS, PAMPHLETS AND AUDIOVISUAL PRODUCTS**

	2019 Actuals	2020 Current Plan	2021 Estimate
Periodicals	41,868	39,045	40,564
Pamphlets	0	0	0
Audiovisuals	0	0	0
<b>Total</b>	<b>41,868</b>	<b>39,045</b>	<b>40,564</b>

Technical literature documents in the form of periodicals are essential in the patent and trademark examination process. These resources include reference materials such as books, periodicals, Lexis-Nexis and other research databases. The materials consist of more than 70,000 electronic journals, 385,000 electronic books and 85,000 print titles, as well as research databases. The cost for these materials is reflected above.

**Department of Commerce  
U.S. Patent and Trademark Office  
Salaries and Expenses  
AVERAGE GRADES AND SALARIES**

	2019 Actual	2020 Current Plan	2021 Estimate
Average ES Grade	N/A	N/A	N/A
Average GS Grade	13	13	13
Average GS Salary	126,389	128,311	129,400

**Department of Commerce  
U.S. Patent and Trademark Office  
Salaries and Expenses  
IMPLEMENTATION STATUS OF GAO AND OIG RECOMMENDATIONS**

31 U.S.C. 720, as amended January 3, 2019, requires the head of a federal agency to submit a written statement of the actions taken or planned on Government Accountability Office (GAO) recommendations to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 180 calendar days after the date of the report.

The Good Accounting Obligation in Government Act (GAO-IG Act), passed on January 3, 2019, (P.L. 115-414) requires each agency to include, in its annual budget justification, a report that identifies each public recommendation issued by GAO and the agency's office of the inspector general (OIG) which has remained unimplemented for one year or more from the annual budget justification submission date. In addition, the Act requires a reconciliation between the agency records and the IGs' Semiannual Report to Congress (SAR).

**Section 1. Recommendations for which action plans were finalized since the last appropriations request.**

Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Action(s) Planned	Action Status (Planned, In-Progress, or Complete)	Target Completion Date	Recommendation Status (Planned, In-Progress, or Complete)
OIG-19-012-A	USPTO Needs to Improve Management over the Implementation of the Trademark Next Generation System	3/13/2019	1	1. Ensure the CRB adheres to the requirements in the CPIC policies and procedures. Specifically, if an investment is identified by the CRB as not meeting expectations as it pertains to schedule, budget, or other factors, ensure that the CRB alerts the ITIRB with recommendations for appropriate action.	1-a) USPTO will review its existing CPIC policies and procedures to assess their continued efficacy, relevance, and clarity.	Complete	6/30/20	Complete
					1-b) USPTO will update its CPIC process documentation, where needed, to reset expectations about the roles and responsibilities of all process actors including relevant escalation procedures when an investment is not meeting expectations.	In-Progress	6/30/20	In-Progress

Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Action(s) Planned	Action Status (Planned, In-Progress, or Complete)	Target Completion Date	Recommendation Status (Planned, In-Progress, or Complete)
					1-c) USPTO will brief all internal CPIC process stakeholders on the updated process documentation, including new or revised role expectations and responsibilities.	Planned	6/30/20	Planned
OIG-19-012-A	USPTO Needs to Improve Management over the Implementation of the Trademark Next Generation System	3/13/2019	2	2. Update IT CPIC policies and procedures to establish (a) an attendance requirement for CPIC meetings; (b) that all relevant information is presented to the boards to ensure greater transparency of significant issues; (c) the steps and actions the boards can take when an IT investment is not meeting expectations; and (d) the threshold criteria that the investment boards should use when determining whether to take remedial action.	2) USPTO will update IT CPIC policies and procedures to establish and document: (a) an attendance requirement for CPIC meetings, (b) guidelines that support greater transparency of significant issues among CPIC board members, (c) the steps and actions the board(s) can take when an IT investment is not meeting expectations, and (d) the threshold criteria that the investment boards should use when determining whether to take remedial action.	In-Progress	6/30/20	In-Progress
OIG-19-012-A	USPTO Needs to Improve Management over the Implementation of the Trademark Next Generation System	3/13/2019	3	3. Strengthen USPTO's IT investment management by ensuring all pending TMNG investments and future IT investments have a complete cost estimate prior to the boards' recommendation and the CIO's approval.	3-a) USPTO will review all pending TMNG investments and proposed IT investments to confirm that each has a complete cost estimate prior to approval.	Complete	6/30/20	Complete
					3-b) USPTO will update IT CPIC policies and procedures to require that each proposed investment has a complete cost estimate prior to approval.	In-Progress	6/30/20	In-Progress

Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Action(s) Planned	Action Status (Planned, In-Progress, or Complete)	Target Completion Date	Recommendation Status (Planned, In-Progress, or Complete)
OIG-19-012-A	USPTO Needs to Improve Management over the Implementation of the Trademark Next Generation System	3/13/2019	4	4. Improve USPTO's CPIC process by ensuring CPIC oversight functions are able to verify and ascertain whether completed IT investments were obtained in the most cost-effective way possible.	4-a) USPTO will review existing CPIC policies and procedures to evaluate where new or revised metrics in investment documentation and deliberations can better support value-based decision making.	Complete	6/30/20	Complete
					4-b) USPTO will update IT CPIC policies and procedures to include new or revised metrics in investment documentation to better support value-based decision making.	In-Progress	6/30/20	In-Progress
OIG-19-012-A	USPTO Needs to Improve Management over the Implementation of the Trademark Next Generation System	3/13/2019	5	5. Continue to address outstanding TMNG development issues using the Path Forward Team.	5-a) Establish Critical Success Factors and measurement criteria to ensure the TMNG Examination tool meets USPTO requirements.	Complete	Completed prior to issuance of final report	Complete
					5-b) Meet the measurement criteria for all TMNG Examination Critical Success Factors.	In-Progress	3/31/20	In-Progress
					5-c) Improve software development practices by testing TMNG Examination capability early and often throughout the life cycle.	Complete	12/31/19	Complete
OIG-19-012-A	USPTO Needs to Improve Management over the Implementation of the Trademark Next Generation System	3/13/2019	6	6. Develop improvement plans to mitigate risk of significant, recurring problems with TMNG activities that are covered in the TechStat sessions.	6-a) Hire and train business analysts to define business requirements for future trademark information technology products.	Complete	Completed prior to issuance of final report	Complete
					6-b) Establish and implement a Defect Management Policy to ensure all issues that are identified during a system development project are evaluated, prioritized, tracked, and resolved before going into production.	Complete	Completed prior to issuance of final report	Complete



Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Action(s) Planned	Action Status (Planned, In-Progress, or Complete)	Target Completion Date	Recommendation Status (Planned, In-Progress, or Complete)
					6-c) Implement Improvement Plan recommendations stemming from third party reviews of TMNG Program Governance and Project Management (July 2017) and TMNG Technical Architecture and Design (May 2018)	In-Progress	6/30/20	In-Progress
OIG-19-014-A	Inadequate Management of Active Directory Puts USPTO's Mission at Significant Cyber Risk	6/13/2019	1	Immediately (1) reevaluate the current Active Directory configuration based on users' roles and responsibilities, (2) reorganize Active Directory user groups based on job functions, and (3) remove any unneeded privileges. Completion target date is 1/30/2020.	1-a) Examine all AD group membership and remove unneeded accounts and privileges.	In-Progress	1/30/20	In-Progress
					1-b) Update documents on managing group membership.	In-Progress	1/30/20	In-Progress
OIG-19-014-A	Inadequate Management of Active Directory Puts USPTO's Mission at Significant Cyber Risk	6/13/2019	2	Eliminate weak credential encryption to the maximum extent possible. For those applications that currently do not support strong encryption, implement additional compensating controls to protect credentials.	2-a) Review accounts identified as having weak credential encryption (37 accounts with weak encryption and 166 accounts with insecure encryption) and remove inactive accounts. For remaining accounts, identify application or system owner and assign for corrective action or providing compensating controls.	In-Progress	1/30/20	In-Progress

Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Action(s) Planned	Action Status (Planned, In-Progress, or Complete)	Target Completion Date	Recommendation Status (Planned, In-Progress, or Complete)
OIG-19-014-A	Inadequate Management of Active Directory Puts USPTO's Mission at Significant Cyber Risk	6/13/2019	3	Ensure that all passwords meet the standards set by Department and USPTO policies or implement additional compensating controls to protect them. Furthermore, consider incorporating a password policy that emphasizes password length, a primary factor in characterizing password strength recommended by NIST guidelines.	3-a) Reach out to application owners (based on 112 accounts provided by IG) to request if passwords can be extended/updated to meet current password policy.  Identify systems/applications where passwords cannot comply with USPTO policies and assign to respective system owner for corrective action or to provide compensating controls.	In-Progress	1/30/20	In-Progress
					3-b) Review NIST guidance to see if current password policy needs to be updated.	In-Progress	1/30/20	In-Progress
OIG-19-014-A	Inadequate Management of Active Directory Puts USPTO's Mission at Significant Cyber Risk	6/13/2019	4	Ensure PIV card technology compatibility with on-going and future system development for USPTO next-generation applications, and switch PIV enforcement to a per-user basis, when technically feasible.	4-a) Identify legacy systems that cannot utilize single sign-on and provide expected system retirement dates. For systems that are not retiring, significant planning, coordination and resources is expected from many different group to isolate legacy systems to a separate authentication point.	In-Progress	9/30/20	In-Progress
					4-b) USPTO will verify requirements for PIV card technology compatibility for on-going and future system development for next-generation applications.	In-Progress	9/30/20	In-Progress

Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Action(s) Planned	Action Status (Planned, In-Progress, or Complete)	Target Completion Date	Recommendation Status (Planned, In-Progress, or Complete)
					4-c) USPTO has determined it is not currently technically feasible to implement User based PIV enforcement in the current operational environment. Machine based PIV enforcement meets HSPD-12 requirements. USPTO will reevaluate user based PIV enforcement annually.	In-Progress	9/30/20	In-Progress
OIG-19-014-A	Inadequate Management of Active Directory Puts USPTO's Mission at Significant Cyber Risk	6/13/2019	5	Finalize the vulnerability-scanning SOP and ensure it includes requirements to verify scanning tools are updated prior to scans and credentialed scanning is performed on physical and virtual machines.	5-a) Configure Tenable Security Center instance at USPTO to automatically download and update scanning plugins.	Complete	4/30/19	Complete
					5-b) Update USPTO Cybersecurity Scan Process SOP to include language specifically addressing the need to verify scan tools are updated prior to scanning.	Complete	4/30/19	Complete
					5-c) Update USPTO Cybersecurity Scan Process SOP to include language that stresses importance of verifying credentialed scans are successful on physical and virtual machines and hypervisors, and to troubleshoot any credential issues as part of the scanning process.	Complete	4/30/19	Complete
OIG-19-014-A	Inadequate Management of Active Directory Puts USPTO's	6/13/2019	6	Apply the principle of least functionality by developing an authorized open port baseline for system operation, enforce it, and establish an approval procedure for open port requests that deviate from the baseline.	6-a) Ensure that domain controllers do not have unnecessary ports opened. Update the ports list in the ESS SSP as necessary.	In-Progress	1/30/20	In-Progress
					6-b) Create and document an enterprise Domain Controller baseline for approved ports.	In-Progress	1/30/20	In-Progress

Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Action(s) Planned	Action Status (Planned, In-Progress, or Complete)	Target Completion Date	Recommendation Status (Planned, In-Progress, or Complete)
	Mission at Significant Cyber Risk				6-c) Create an approval process for open ports on Domain Controllers that deviate from the baseline.	In-Progress	1/30/20	In-Progress
OIG-19-014-A	Inadequate Management of Active Directory Puts USPTO's Mission at Significant Cyber Risk	6/13/2019	7	Work with USPTO contracting officers to ensure effective government oversight of contractors performing vulnerability assessment scans.	7-a) Provide government oversight of the vulnerability scanning team.	Complete	3/31/19	Complete
OIG-19-014-A	Inadequate Management of Active Directory Puts USPTO's Mission at Significant Cyber Risk	6/13/2019	8	Streamline the patch management change-review policies and procedures to allow for timely vulnerability remediation.	8-a) Create a Domain Controller Patch Management SOP for domain controller specific patching procedures.	In-Progress	1/30/20	In-Progress
					8-b) Develop detailed patch management schedule and process	In-Progress	1/30/20	In-Progress
OIG-19-018-A	USPTO Could Improve Oversight Practices to Close Out Contract Files by Complying with Acquisition	7/10/2019	1	Improve controls and oversight processes to ensure compliance with federal and Departmental closeout requirements. Completion target date is 3/31/2020.	1-a) The Director of Procurement will issue a Contract Close Out policy that complies with Federal and Departmental Close Out requirements by the end of Calendar Year 2019.	Complete	12/31/19	Complete
					1-b) The procedures will be implemented by a workflow in the USPTO's eAcquisitions system to allow for improved internal controls.	Complete	12/31/19	Complete

Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Action(s) Planned	Action Status (Planned, In-Progress, or Complete)	Target Completion Date	Recommendation Status (Planned, In-Progress, or Complete)
	n Regulations and Policies				1-c) On at least a quarterly basis, eAcquisitions will generate a report to notify staff when to initiate the Close Out process in order to promote the timeliness and oversight of the USPTO's Close Out function.	Complete	3/31/20	Complete
OIG-19-018-A	USPTO Could Improve Oversight Practices to Close Out Contract Files by Complying with Acquisition Regulations and Policies	7/10/2019	2	Ensure that contracting officers appoint, in writing, properly trained and certified CORs and remove those who fail to meet those requirements. Completed prior to issuance of final report.	2-a) In September 2014, USPTO issued Procurement Memorandum (PM) 2014-04, USPTO Contracting Officer Representative (COR), Task Order Manager (TOM), and Point of Contact (POC) Roles and Responsibilities.	Complete	Completed prior to issuance of final report	Complete
					2-b) The COR certification levels are managed by the Federal Acquisition Certification for Contracting Officer Representative (FAC-COR) Program Manager (PM) using Momentum's COR Certification Table	Complete	Completed prior to issuance of final report	Complete
					2-c) USPTO has made COR appointment and termination paperwork required in all eAcquisitions electronic files. In October 2016, the Director of Procurement issued PM 2017-02 "Contract File Checklists" to establish the standard, essential contract file documentation requirements as prescribed by FAR Subpart 8.4 and agency-specific requirements.	Complete	Completed prior to issuance of final report	Complete
OIG-19-018-A	USPTO Could Improve Oversight Practices to Close	7/10/2019	3	Ensure that all CORs meet their continuous learning requirements and be certified at the appropriate level. Completed prior to issuance of final report.	3-a) USPTO addressed this finding through the implementation of the Federal Acquisition Institute Training Application System (FAITAS) on January 1, 2015.	Complete	Completed prior to issuance of final report	Complete

Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Action(s) Planned	Action Status (Planned, In-Progress, or Complete)	Target Completion Date	Recommendation Status (Planned, In-Progress, or Complete)
	Out Contract Files by Complying with Acquisition Regulations and Policies				3-b) To further ensure that COs only delegate CORs that have the appropriate certification level, the USPTO tracks FAITAS certification data in the COR Certification Table in Momentum.	Complete	Completed prior to issuance of final report	Complete
OIG-19-018-A	USPTO Could Improve Oversight Practices to Close Out Contract Files by Complying with Acquisition Regulations and Policies	7/10/2019	4	Ensure that documents required to be in contract files to constitute a complete history of the transaction are contained in the contract file as identified in FAR Subpart 4.8. Completed prior to issuance of final report.	4-a) USPTO addressed this finding by implementing policy and an electronic system of record (eAcquisitions) to ensure all required documents are in place.	Complete	Completed prior to issuance of final report	Complete
					4-b) In April 2019, the Director of Procurement issued PM 2018-01 (Rev 3) "eAcquisitions Procurement Policy", which requires that all awards initiated and awarded in eAcquisitions must be compliant with the file documentation requirements of PM 2017-02. A file is not considered complete until all of the required documentation is in the system.	Complete	Completed prior to issuance of final report	Complete
OIG-19-018-A	USPTO Could Improve Oversight Practices to Close Out Contract Files by Complying with	7/10/2019	5	Improve controls to ensure contract files are properly safeguarded and maintained as required by the FAR.	5-a) PM 2017-02 and PM 2018-01 recognize the eAcquisitions electronic contract file as the official file of record. Access to eAcquisitions is strictly role based and carefully monitored to ensure that contract files are properly safeguarded and maintained.	Complete	Completed prior to issuance of final report	Complete

Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Action(s) Planned	Action Status (Planned, In-Progress, or Complete)	Target Completion Date	Recommendation Status (Planned, In-Progress, or Complete)
	Acquisition Regulations and Policies				5-b) For hard copy files that were awarded prior to the implementation of eAcquisitions, OP created a detailed file management process to properly maintain and safeguard its contract files. This process includes consolidating the OP's three separate file rooms into one single file room outfitted with a cypher lock and producing and maintaining a file inventory.	Complete	Completed prior to issuance of final report	Complete
					5-c) The Director of Procurement has indicated that any contract support elicited for contract closeout will be performed on site at USPTO facilities. The USPTO will not permit third parties to take temporary possession of files, reducing the chance that the files can't be produced for review.	Complete	11/15/19	Complete
OIG-19-023-A	USPTO Did Not Provide Adequate Oversight of Monetary Awards to Ensure Patent Examiners Receive Accurate Payments	8/22/2019	1	Implement guidance to clearly define the policies, process, verification, and oversight responsibilities covering all key components of the award calculation process.	1-a) Identify the policies, process, validation, and oversight responsibilities for the all key components of the award calculation process.	Complete	9/30/19	Complete
					1-b) Create an award process document that states the policies, process, validation, and oversight responsibilities of the award calculation process.	Complete	9/30/19	Complete
					1-c) Educate employees covering all key components of the award calculation process.	Complete	10/31/19	Complete
					1-d) Ensure the award calculation process is readily accessible to all employees.	Complete	10/31/19	Complete

Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Action(s) Planned	Action Status (Planned, In-Progress, or Complete)	Target Completion Date	Recommendation Status (Planned, In-Progress, or Complete)
OIG-19-023-A	USPTO Did Not Provide Adequate Oversight of Monetary Awards to Ensure Patent Examiners Receive Accurate Payments	8/22/2019	2	Clarify, document, and publish to SPEs a list of the examining-related activities eligible for inclusion in gainsharing and Special Achievement Awards (SAAs).	2-a) Identify and document all the examining-related activity codes that are eligible for inclusion in gainsharing and Special Achievement Award (SAA).	Complete	8/31/19	Complete
					2-b) Publish a listing of identified examining-related activity codes eligible for inclusion in gainsharing and SAA awards. Provide the published listing of activity codes to Supervisory Patent Examiners.	Complete	10/31/19	Complete
OIG-19-023-A	USPTO Did Not Provide Adequate Oversight of Monetary Awards to Ensure Patent Examiners Receive Accurate Payments	8/22/2019	3	Establish requirements to document SPE reviews of examining-related activities for inclusion in award calculations and maintain all supporting documentation for subsequent manual adjustments to award calculations.	3-a) Develop requirements to document Supervisory Patent Examiner reviews of examining-related activities included in award calculations.	Complete	10/31/19	Complete
					3-b) Develop a method for maintaining all supporting documentation for any subsequent manual adjustments to award calculations.	Complete	10/31/19	Complete
					3-c) Train SPEs and other appropriate employees on the documentation requirements and the process for maintaining support documentation for any subsequent manual adjustments to award calculations.	Complete	10/31/19	Complete
OIG-19-023-A	USPTO Did Not Provide Adequate Oversight of Monetary Awards to	8/22/2019	4	Develop written policies and procedures to identify responsibilities and requirements to review, approve, and verify the accuracy of manual adjustments to monetary award calculations.	4-a) Develop written policies and procedures to identify responsibilities and requirements to review, approve, and validate the accuracy of any manual adjustments to monetary award calculations.	Complete	10/31/19	Complete



Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Action(s) Planned	Action Status (Planned, In-Progress, or Complete)	Target Completion Date	Recommendation Status (Planned, In-Progress, or Complete)
	Ensure Patent Examiners Receive Accurate Payments				4-b) Provide training on the policies and procedures for manual adjustments to monetary award calculations to management employees.	Complete	10/31/19	Complete
OIG-19-023-A	USPTO Did Not Provide Adequate Oversight of Monetary Awards to Ensure Patent Examiners Receive Accurate Payments	8/22/2019	5	Ensure award nomination forms are complete and accurate, and maintain all documentation that supports awards included in year-end rating forms.	5-a) Develop a process for ensuring award nomination forms are complete and accurate.	In-Progress	2/28/2020	In-Progress
					5-b) Develop a process to maintain all documentation that supports awards included in year-end rating forms.	In-Progress	2/28/2020	In-Progress

**Section 2. Implementation of GAO public recommendations issued no less than one year ago that are designated by GAO as ‘Open’ or ‘Closed-Unimplemented.’**

Open Recommendation(s) the Department has decided not to implement.

Nothing to Report.

Open Recommendation(s) the Department plans to implement.

Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Target Implementation Date	Closure Request Pending with GAO (Yes/No)	Clear Budget Implications (Yes/No)
GAO-18-320	USPTO: Assessment of the Covered Business Method Patent Review Program	3/13/2018	1	GAO recommends that the USPTO develop guidance, such as documented procedures, for judges reviewing the Patent Trial and Appeal Board’s decisions and the processes that lead to the decision.	4/15/2019	Yes	No

Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Target Implementation Date	Closure Request Pending with GAO (Yes/No)	Clear Budget Implications (Yes/No)
GAO-16-479	Patent Office Should Strengthen Search Capabilities and Better Monitor Examiners' Work	7/20/2016	3	To improve its monitoring of prior art searches and provide USPTO the ability to examine and address trends in prior art search quality at the technology center level, USPTO should – Develop written guidance on what constitutes a thorough prior art search within each technology field (i.e., mechanical, chemical, electrical), technology center, art area, or art unit, as appropriate, and establish goals and indicators for improving prior art searches.	12/31/2017	Yes	No

Recommendations designated by GAO as “Closed-Unimplemented for the past 5 years (2015-2019). Future reports will cover a one-year period.

Nothing to Report.

**Section 3. Implementation of OIG public recommendations issued no less than one year for which Final Action has not been Taken or Action Not Recommended has been Taken**

Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Target Implementation Date	Reason no Final Action Taken or Action Not recommended taken	Closure Request Pending (Yes/No)
OIG-17-021-A	Inadequate Security Practices, Including Impaired Security of Cloud Services, Undermine USPTO's IT Security Posture	3/24/2017	3	Establish processes to develop and maintain an accurate inventory of all cloud-based servers, and conduct routine vulnerability scanning, as required by Department and USPTO policies.	12/31/2019	USPTO finalized efforts to refine the Nessus audit file to scan RDS instances. These efforts will allow USPTO to ensure this scanning solution and audit file are robust enough to bring USPTO into compliance.	Yes

Report Number	Report Title	Issue Date	Recommendation Number	Recommendation	Target Implementation Date	Reason no Final Action Taken or Action Not recommended taken	Closure Request Pending (Yes/No)
OIG-17-021-A	Inadequate Security Practices, Including Impaired Security of Cloud Services, Undermine USPTO's IT Security Posture	3/24/2017	6	Evaluate current strategy of replacing unsupported server operating systems, and develop and implement a plan to prioritize available resources for the component upgrade or replacement.	9/30/2020	These efforts will continue through FY20. For example, the electronic-Desktop Application Navigator (eDAN) and Patent Review Processing System (PRPS) application systems have been decommissioned, and replaced by next generation systems. As a result, this has strengthened USPTO's security postures.	No
OIG-17-021-A	Inadequate Security Practices, Including Impaired Security of Cloud Services, Undermine USPTO's IT Security Posture	3/24/2017	7	Ensure that unsupported databases are upgraded or replaced in a timely manner.	9/30/2020	These efforts will continue through FY20. For example, the electronic-Desktop Application Navigator (eDAN) and Patent Review Processing System (PRPS) application systems have been decommissioned, and replaced by next generation systems. As a result, this has strengthened USPTO's security posture.	No

**Section 4. Discrepancies between this report and the semiannual reports submitted by the Commerce Office of Inspector General or reports submitted by the GAO**

Nothing to Report.

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# **APPENDICES**

## APPENDIX I – Budget and Performance at a Glance (BPAG)

### FY 2021 Budget Plans

As a business-like organization, the USPTO fulfills requests for IP products and services from around the world that are paid for by customers. Since these requests are frequently received in one fiscal year and fulfilled in a subsequent year, the Office engages in multi-year planning and budgeting. In doing this, the Office assesses indicators of global and domestic economic activity, as well as policies and legislation, process efficiencies, applicant behavior, and past performance when forecasting workload and fee collections. These workload variables in turn affect production models that are produced by the Patent and Trademark organizations, as well as by the PTAB, which make up over two-thirds of the Office's budgetary requirements. Further details about this process are included in Appendix II.

The Budget and Performance at a Glance (BPAG) Chart that follows reflects the USPTO's multi-year planning activities. Current budget planning must take into consideration prior year actual circumstances and anticipated future year actions. Therefore, the FY 2021 and out year estimates on the BPAG Chart builds off of the FY 2020 Current Plan estimates for both funding and performance projections.

In formulating its annual budget requirements, the USPTO identifies the performance targets it expects to achieve in order to fulfill its mission, goals, and objectives as documented in its strategic plan. It then identifies the budget requirements needed to meet these performance targets and the fee collections and operating reserves needed to fund those requirements. Current updates to this Budget reflect the goals, objectives and initiatives included in the final *USPTO 2018-2022 Strategic Plan* released November 2018. The Budget and updated plan reflect the Office's continuous efforts to issue reliable intellectual property rights and support the Department of Commerce's strategic objective to: *Strengthen Intellectual Property Protection*.

The BPAG Chart summarizes the USPTO's FY 2021 performance commitments through the major performance and workload indicators that will be achieved with the required funding. The performance indicators are a combination of the USPTO's Government Performance and Results Act (GPRA) measures, and those that are used for internal management purposes. Current performance information can be found at the [Data Visualization Center](http://www.uspto.gov/about-us/performance-and-planning/data-visualization-center) at <http://www.uspto.gov/about-us/performance-and-planning/data-visualization-center>. The BPAG Chart also shows the estimated budgetary requirements and FTE for FY 2021 and the out years, along with the projected fee collections and operating reserve activity.

## USPTO FY 2021 Budget and Performance-at-a-Glance

<i>(Dollars in thousands)</i>	FY 2019 Actual	FY 2020 Current Plan	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate	FY 2024 Estimate	FY 2025 Estimate
<b>USPTO GOAL 1: OPTIMIZE PATENT QUALITY AND TIMELINESS</b>							
Amount	2,940,713	3,200,343	3,395,728	3,538,759	3,616,884	3,735,700	3,847,749
Full-Time Equivalent Employment	10,975	11,503	11,959	12,391	12,739	13,052	13,358
Utility, Plant and Reissue (UPR) Applications Filed	620,801	632,400	632,100	642,700	652,900	662,500	672,000
UPR Applications Filed – Percent Change Over Previous FY	3.8%	1.9%	0.0%	1.7%	1.6%	1.5%	1.4%
Average First Action Pendency (Months)	14.7	16.1	16.2	16.1	15.6	15.2	14.4
Average Total Pendency (Months)	23.8	23.7	23.9	24.0	23.7	23.2	22.7
<i>Patent Correctness (Statutory Compliance metrics):<sup>1</sup></i>							
Statute 35 USC 101 (including utility and eligibility)	97.7	>97%	>97%	TBD	TBD	TBD	TBD
Statute 35 USC 102 (prior art compliance)	94.2	>95%	>95%	TBD	TBD	TBD	TBD
Statute 35 USC 103 (prior art compliance)	89.9	>93%	>93%	TBD	TBD	TBD	TBD
Statute 35 USC 112 (35 USC 112(a),(b) including (a)/(b) rejections related to 35 USC 112(f))	91.0	>93%	>93%	TBD	TBD	TBD	TBD
First Actions Completed within 14 months (Percent)	45%	39%	39%	40%	43%	46%	51%
UPR Examiners On-Board at End-of-Year	8,125	8,451	8,780	9,094	9,395	9,684	9,960
UPR First Actions	599,420	616,200	606,900	631,600	651,000	667,900	684,700
UPR Disposals	626,973	592,500	572,200	583,900	601,800	617,400	632,900
UPR Units of Production	613,197	604,300	589,500	607,700	626,400	642,600	658,800
Obligation Cost Per Patent Production Unit <sup>2</sup>	4,884	5,253	5,718	5,805	5,821	6,121	6,212

<i>(Dollars in thousands)</i>	<b>FY 2019 Actual</b>	<b>FY 2020 Current Plan</b>	<b>FY 2021 Estimate</b>	<b>FY 2022 Estimate</b>	<b>FY 2023 Estimate</b>	<b>FY 2024 Estimate</b>	<b>FY 2025 Estimate</b>
UPR Issues	338,600	335,500	321,100	322,300	330,800	339,400	347,600
UPR Unexamined Patent Application Backlog	553,899	559,600	571,600	569,300	557,600	538,400	511,700
Forward Looking First Action Pendency/UPR (Months)	15.0	15.0	14.7	14.2	13.6	12.8	12.8
<b>USPTO GOAL 2: OPTIMIZE TRADEMARK QUALITY AND TIMELINESS</b>							
Amount	334,208	411,065	394,524	433,773	434,758	450,618	469,873
FTE	1,191	1,272	1,356	1,429	1,487	1,545	1,607
Applications Received (Includes Extra Classes)	673,233	692,000	710,000	748,000	790,000	832,000	876,000
Applications Received – Percent Change Over Previous FY	5.4%	2.8%	2.6%	5.4%	5.6%	5.3%	5.3%
Exceptional Office Action rate	54.5%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
First Action Compliance Rate	96.4%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%
Final Compliance Rate	97.4%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%
Average First Action Pendency (Months)	2.6	2.5 - 3.5	2.5 - 3.5	2.5 - 3.5	2.5 - 3.5	2.5 - 3.5	2.5 - 3.5
Average Total Pendency (Months) Excluding Suspended and Inter Partes Proceedings	9.3	12	12	12	12	12	12
Balanced Disposals	1,387,635	1,346,700	1,434,400	1,501,700	1,585,500	1,684,200	1,759,591
Office Disposals	609,100	615,700	650,200	680,400	717,600	759,600	793,300
Obligation Cost Per Trademark Disposal <sup>2</sup>	582	691	620	647	610	594	588
Examining Attorneys On-Board at End-of-Year	627	647	684	715	755	799	842
<b>USPTO GOAL 3: PROVIDE DOMESTIC AND GLOBAL LEADERSHIP TO IMPROVE INTELLECTUAL PROPERTY POLICY, PROTECTION AND ENFORCEMENT WORLDWIDE</b>							
Amount	66,863	76,657	82,114	87,209	88,804	89,862	90,802



<i>(Dollars in thousands)</i>	<b>FY 2019 Actual</b>	<b>FY 2020 Current Plan</b>	<b>FY 2021 Estimate</b>	<b>FY 2022 Estimate</b>	<b>FY 2023 Estimate</b>	<b>FY 2024 Estimate</b>	<b>FY 2025 Estimate</b>
FTE	161	191	195	200	200	200	199
Percentage of prioritized countries for which intellectual property country teams have made progress on at least 3 of the 4 performance criteria:  ·Institutional improvements of IP office administration ·Institutional improvements of IP enforcement entities ·Improvements in IP laws and regulations ·Establishment of government-to-government cooperative mechanisms	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%
Number of people, including foreign government officials and U.S. stakeholders, trained on best practices to protect and enforce intellectual property	9,854	5,000	5,000	5,000	5,000	5,000	5,000
Amounts not Supporting Goals <sup>3</sup>	1,500	2,000	2,000	2,000	2,000	2,000	2,000
USPTO Requirements	3,343,284	3,690,065	3,874,366	4,061,741	4,142,445	4,278,180	4,410,424
FTE	12,328	12,965	13,511	14,021	14,426	14,798	15,164
Fee Collections	3,398,740	3,769,152	3,695,295	4,180,723	4,241,781	4,380,017	4,470,300
Other Income/Recoveries	36,341	40,500	40,500	40,500	40,500	40,500	40,500
Funding to(-) / from(+) Operating Reserve	(91,797)	(119,587)	138,571	(159,482)	(139,835)	(142,337)	(100,376)
<b>TOTAL FUNDING</b>	<b>3,343,284</b>	<b>3,690,065</b>	<b>3,874,366</b>	<b>4,061,741</b>	<b>4,142,445</b>	<b>4,278,180</b>	<b>4,410,424</b>
Operating Reserve: Patents	407,954	586,713	416,754	558,119	655,611	750,504	802,767
Operating Reserve: Trademarks	130,678	71,506	102,894	121,010	163,353	210,798	258,910

## APPENDIX II – TWO-WAY

Department of Commerce

U.S. Patent and Trademark Office

PATENT / TRADEMARK SPLIT PER TWO WAY BUSINESS LINE

PROGRAM AND PERFORMANCE: TOTAL OBLIGATIONS

(Dollar amounts in thousands)

Sub-Activity:	2019			2020			2021		
	Total	Patents	Trademarks	Total	Patents	Trademarks	Total	Patents	Trademarks
Patent Examining	2,055,421	2,055,421		2,211,919	2,211,919		2,330,400	2,330,400	
Patent Trial and Appeals	81,587	81,587		92,061	92,061		94,310	94,310	
Patent Information Resources	165,008	165,008		167,485	167,485		196,850	196,850	
Trademark Examining	157,884		157,884	175,775		175,775	193,515		193,515
Trademark Appeals and Inter Partes Proceedings	14,166		14,166	16,781		16,781	17,783		17,783
Trademark Information Resources	59,227		59,227	89,479		89,479	53,839		53,839
Policy, External Affairs and Administrative Support	21,906	14,468	7,439	25,831	17,054	8,778	27,609	18,207	9,402
Global Intellectual Property Academy (GIPA)	3,720	2,498	1,222	4,090	2,747	1,343	4,215	2,830	1,384
IPR Attaché Program	13,280	8,279	5,001	13,358	8,327	5,030	15,379	9,588	5,792
IP PP&E Information Resources	524	340	184	39	25	14	473	307	166
Executive Direction and Communications	11,113	9,539	1,574	17,062	14,631	2,431	17,441	14,961	2,479
Financial Management Services	28,123	22,646	5,477	31,929	25,775	6,154	34,062	27,490	6,572
Human Resource Management and Administrative Services	52,685	45,294	7,391	60,574	52,054	8,520	62,280	53,528	8,752
Legal Services	26,542	22,031	4,510	30,948	25,669	5,279	33,107	27,546	5,561
Management Information Resources	45,745	36,596	9,149	49,919	39,935	9,984	54,455	43,564	10,891
IT Infrastructure and IT Support Services	353,335	301,490	51,845	419,253	347,397	71,856	450,121	380,036	70,085
Miscellaneous General Expense	251,517	222,068	29,449	281,561	248,985	32,577	286,529	253,528	33,001
<b>Total</b>	<b>3,341,784</b>	<b>2,987,266</b>	<b>354,518</b>	<b>3,688,065</b>	<b>3,254,065</b>	<b>434,000</b>	<b>3,872,366</b>	<b>3,453,144</b>	<b>419,222</b>

**Department of Commerce**  
**U.S. Patent and Trademark Office**  
**PATENT / TRADEMARK SPLIT PER TWO WAY BUSINESS LINE**  
**PROGRAM AND PERFORMANCE: TOTAL OBLIGATIONS**  
(Dollar amounts in thousands)

Sub-Activity:	2022			2023			2024			2025		
	Total	Patents	Trademarks	Total	Patents	Trademarks	Total	Patents	Trademarks	Total	Patents	Trademarks
Patent Examining	2,434,149	2,434,149		2,529,767	2,529,767		2,620,826	2,620,826		2,712,342	2,712,342	
Patent Trial and Appeals	95,965	95,965		96,901	96,901		97,711	97,711		98,527	98,527	
Patent Information Resources	173,301	173,301		167,976	167,976		174,681	174,681		176,826	176,826	
Trademark Examining	206,467		206,467	218,882		218,882	232,770		232,770	247,001		247,001
Trademark Appeals and Inter Partes Proceedings	19,300		19,300	20,272		20,272	21,269		21,269	22,285		22,285
Trademark Information Resources	72,669		72,669	62,616		62,616	59,520		59,520	59,374		59,374
Policy, External Affairs and Administrative Support	28,462	18,777	9,686	29,375	19,387	9,988	30,130	19,890	10,239	30,395	20,065	10,330
Global Intellectual Property Academy (GIPA)	4,500	3,022	1,478	6,618	4,445	2,174	6,655	4,469	2,186	6,692	4,494	2,198
IPR Attaché Program	16,183	10,089	6,094	16,047	10,004	6,043	15,938	9,936	6,002	15,751	9,819	5,932
IP PP&E Information Resources	2,673	1,734	939	737	479	258	737	480	258	759	494	265
Executive Direction and Communications	18,473	15,838	2,634	18,789	16,108	2,681	18,715	16,047	2,668	18,895	16,202	2,694
Financial Management Services	39,069	31,624	7,445	40,254	32,601	7,653	40,896	33,126	7,769	41,328	33,476	7,852
Human Resource Management and Administrative Services	64,566	55,489	9,077	65,575	56,354	9,221	66,125	56,826	9,300	66,682	57,303	9,379
Legal Services	33,512	27,883	5,629	33,851	28,165	5,686	34,193	28,449	5,744	34,545	28,741	5,803
Management Information Resources	63,641	50,913	12,728	53,934	43,147	10,787	50,793	40,634	10,159	51,725	41,380	10,345
IT Infrastructure and IT Support Services	476,482	406,288	70,194	462,662	393,533	69,129	481,272	408,273	72,998	491,083	415,199	75,884
Miscellaneous General Expense	310,330	274,597	35,732	316,190	280,005	36,185	323,951	287,081	36,869	334,214	296,356	37,857
<b>Total</b>	<b>4,059,741</b>	<b>3,599,669</b>	<b>460,073</b>	<b>4,140,445</b>	<b>3,678,872</b>	<b>461,573</b>	<b>4,276,180</b>	<b>3,798,430</b>	<b>477,750</b>	<b>4,408,424</b>	<b>3,911,225</b>	<b>497,199</b>

## APPENDIX III – MULTI-YEAR PLANNING BY BUSINESS LINE

Multi-year planning and budgeting requires an in-depth understanding of the USPTO's financial position, including cost drivers and revenue, unfunded liabilities, and political and economic realities as demonstrated by strategic plans, the patent production model, the Patent Trial and Appeal Board production model, the trademark production model, and the fee projection model. These plans and models all look out over a five-year period. Specifically, the production work completed by the USPTO's employees generates future revenue essential for the office to operate effectively and meet the needs of the American people. External influences that affect the productivity of the USPTO workforce and the demand for patent and trademark services and products have a significant impact on the office's efforts to fulfill its mission.

The USPTO also provides five-year requirements and funding estimates in annual budget documents. The USPTO has taken steps to establish and maintain operating reserves to facilitate execution of multi-year plans. Using fee setting authority and other tools, the USPTO continues to refine its multi-year planning and budgeting. Fee setting authority has allowed the Office to effectively engage the stakeholder community on proposed increases; fully recover the aggregate costs of its planned operations; develop and maintain sufficient operating reserves; invest in strategic agency initiatives; and respond to changing market needs.

This planning framework is itself built upon several subsidiary frameworks:

The FY 2021 Budget is based on the *USPTO 2018-2022 Strategic Plan*, which continues to expand the framework that enables the USPTO to respond to the demands of both the domestic and international economies for robust and timely IP products and services and builds on the current level of organizational effectiveness and efficiency. The plan for FY 2018-2022 was published November 29, 2018.

The USPTO operating structure is similar to a business in that it receives requests for services (e.g., applications for patents and trademark registrations) and charges fees projected to cover the cost of performing all of the services it provides. Unlike most businesses, however, fees set for the initial application filing do not cover the full cost of the services the USPTO performs; many of the costs are incurred before the fees have been paid. Therefore, it is critical that USPTO take a long-term view in projecting its budgetary requirements, which takes into consideration both the projected out-year workload and the costs associated with processing that workload.

The Office conducted a biennial review of fees, costs, and revenues beginning in 2017, and concluded that patent fee adjustments are necessary to provide the resources needed to improve patent operations, including implementing the USPTO 2018-2022 Strategic Plan. A Notice of Proposed Rulemaking (NPRM), "Setting and Adjusting Patent Fees during Fiscal Year 2020," was published July 31, 2019. The comments received from the public during the comment period following the NPRM are being considered as part of an upcoming patent fee adjustment final rule. Fee adjustments are needed to provide the Office with a

sufficient amount of aggregate revenue to recover the aggregate cost of patent operations in future years (based on current projections) and to allow the Office to continue progress towards achieving strategic goals.

The Office conducted another biennial review of fees, costs, and revenues beginning in 2019, and concluded that trademark fee adjustments are necessary to provide the resources needed to improve trademark operations, including implementing the USPTO 2018-2022 Strategic Plan. The TPAC held a hearing for public comments on September 23, 2019. The comments received from the public hearing are being considered as part of an upcoming trademark fee adjustment rulemaking.

Prior to the current fee setting efforts, the USPTO adjusted the patent fee structure in January 2018, based on ABI cost models; historical cost analyses of activities supporting fees; fee analyses, such as cost-obligation-revenue comparisons and economic and elasticity analyses; ad hoc fee/cost calculations and business case studies; and stakeholder input. The USPTO is committed to transparency, fulfilling requirements for comprehensive regulatory analyses (e.g., impact on small businesses), and engagement with the PPAC and other stakeholders. The USPTO first set its patent fees using AIA fee setting authority in FY 2013 via participation in PPAC public hearings, publication of notices in the Federal Register and Official Gazette for public consideration, and solicitation of a review by the Congress.

The USPTO reduced several trademark fees in January 2015 and adjusted some fees again in January 2017 using AIA fee setting authority. The revised trademark fee structure is also based on ABI cost models; historical cost analyses of activities supporting fees; fee analyses, such as cost-obligation-revenue comparisons and economic and elasticity analyses; ad hoc fee/cost calculations; business case studies; and stakeholder input. The USPTO solicited public input via a Federal Register notice and partnered with TPAC in the design of a fee schedule that encourages applicants to communicate electronically with the USPTO while providing enough revenue to achieve strategic goals. As with the current patent fee structure, the USPTO has demonstrated a commitment to transparency by fulfilling requirements for comprehensive regulatory analyses, and engagement with the TPAC and other stakeholders.

As part of the USPTO's requirements under the Chief Financial Officers Act of 1990 (CFO Act) and OMB Circular No. A-25 Revised, the USPTO reviews biennially the existing patent and trademark fee schedules and additionally researches, analyzes, and develops recommendations for potential revisions and additions to the schedules. The USPTO looks forward to a healthy, collaborative dialogue regarding the optimal fee schedule to enhance the operating environment and facilitate the effective administration of the U.S. IP system. Fee reviews are distinct but closely related to the rulemaking process for fee setting.

### OPERATING RESERVE

To continue promoting confidence in the U.S. IP system, the USPTO established and is maintaining a patent operating reserve and a trademark operating reserve, which are necessary to absorb and respond to temporary changes in the economy and the USPTO's

operating and financial environments. Research has shown that large, fee-funded, business-like agencies without an operating reserve are at risk of cash flow stress, like that which the USPTO experienced in FY 2009 due to the economic recession, and again in FY 2010 through FY 2013 due to the delay in the authorization of spending authority for the fees collected primarily from patent applicants. The USPTO's operating reserves enable the office to mitigate this risk. For instance, in early FY 2019 certain federal government departments and agencies, including the Department of Commerce, shut down as a result of a lapse in appropriations. The USPTO received special consideration to remain open using funds available from the operating reserves. This allowed the USPTO to continue operations, thus preventing a significant degradation in services levels, such as patent and trademark pendency timeframes. This example provides a compelling case for the operating reserves' significant value. The USPTO was also able to remain open during two brief lapses in appropriations in FY 2018 and a lapse of appropriations in FY 2014.

A sufficient operating reserve for each of the Patent and Trademark business lines is designed to provide the USPTO with time to continue at an adequate operating tempo during temporary periods of significant revenue and funding disruption. For example, the reserves enable the Office to avoid having to make short-term, crisis-based spending decisions that can detract from delivering on USPTO's performance commitments, particularly reducing the patent application backlog and pendencies and maintaining trademark pendencies.

The USPTO recognizes that the optimal operating reserve sizes may change over time. This could be due to economic volatility, variations in filings and revenue collections within the year, changes to external and internal enterprise risk, or operational reasons. Therefore, in accordance with the Office's operating reserve policy, the USPTO conducts a comprehensive risk assessment and reevaluates the optimal sizes of each operating reserve at least biennially. As part of the annual budget formulation process, the Office also completes a comprehensive review of the reserve balances and assesses the minimum reserve levels necessary to mitigate known risks in the short-term (i.e., over a two-year horizon). This includes conducting a risk assessment with regard to any use of the operating reserve funds, including the potential short and long-term impact on the reserve balances.

An existing healthy reserve for the Trademarks business line over the past several years has been helpful to ensure that normal fluctuations in fee collections, obligations, and timing of annual congressional spending authority have not disrupted operations. The reserve allowed the Trademark line of business to plan and execute on a longer timeframe despite short term funding uncertainties or shortfalls.

The Patent operating reserve enables the USPTO to continue to support unplanned near-term stakeholder needs, such as growth in application filings. (As previously discussed, the fees collected at application filing are designed to be less than the cost to the USPTO to examine applications.) The reserve provides sufficient resources to operate the Patent business line when the revenue stream or funding availability are uncertain; to preserve planned operational capacity when fee collections fall short of estimates; or to provide supplemental funding when budgetary requirements grow due to unexpected increases in application filings, capital investment needs, or other factors.

## USPTO Fee Collection Estimates

As a fee-funded organization, the USPTO relies on user fee collections, which fluctuate based on various external and internal factors, to fund operations. The USPTO prepares an aggregate fee collections estimate to guide its internal management and planning. However, there is inherent variability in estimating future year fee collections. Therefore, in addition to fee collections estimates presented in the budget—which are considered to be the most likely estimates—the USPTO also analyzes the potential impact on fee collections if some major workload (requests for services and products) assumptions were to change. This risk-based approach facilitates in-depth discussions regarding the estimates and underlying assumptions, which contribute to developing thoughtful spending plans.

### ECONOMIC AND MARKET OUTLOOK

Requests for the USPTO services and products are dependent upon many factors, including economic activity in the United States and around the world. The USPTO considers a number of economic factors and relevant indicators when forecasting its workloads (requests for services and products). Major factors include the overall condition of the U.S. and global economies, spending on technological innovation activities, and investments leading to the commercialization of new products and services. The most relevant indicator used by the USPTO is Real Gross Domestic Product (RGDP). RGDP is correlated with USPTO patent and/or trademark application filings, which are the key drivers of patent and trademark workloads. The factors mentioned above provide insight into market conditions and the management of IP portfolios, which influence process requests for the year, and post-issuance decisions to maintain patent and trademark protection.

RGDP, the broadest measure of economic activity, is anticipated to grow around 2.2 percent for FY 2020 and 1.9 percent in FY 2021 based on Congressional Budget Office (CBO) estimates. Considerable uncertainty remains regarding the current and near-future prospects for growth. This uncertainty affects anticipated USPTO workloads and fee collection estimates.

### DEVELOPING WORKLOAD AND FEE COLLECTION ESTIMATES

Economic activity is an important consideration when developing workload forecasts, primarily patent and trademark application filings. In addition to economic factors, the USPTO considers overseas activity, court decisions, policies and legislation, process efficiencies, and anticipated applicant behavior when preparing estimates. Estimates of incoming workload are independently developed after researching and modeling these elements, as economic and other variables influence patent and trademark activities differently. The estimates of these incoming patent and trademark application filings are very susceptible to variability in response to global economic fluctuations and shocks.

Estimates of workload production and examination and process requests are developed by incorporating the initiatives of the *USPTO 2018-2022 Strategic Plan*. The plan identifies and implements the efficiencies, tools, and policies necessary to increase examination capacity and improve efficiency. Estimates also factor in the resources available to complete the work. Certain process actions are mandatory; others may be considered discretionary, such as when applicants purchase an extended response timeframe within which to respond to USPTO actions.

Forecasts of post allowance activities, maintenance of patents in force, and renewal of trademark registrations are developed using the same assumptions on the economic environment as incoming work. Decisions on continuation of exclusivity of post allowance rights are determined with careful management of IP portfolios incorporating current economic and market conditions. All workload estimates are consistently compared to past and current workloads, and projection models are regularly adjusted with additional data, knowledge, and experience. Workload estimates are then transformed into individual estimates for each of the approximately 475 fee codes on the USPTO fee schedule. Individual estimates, multiplied by the accompanying fee amounts, become the fee collections estimate. The estimates include assumptions of payment behavior based on both the current and proposed patent and trademark fee schedules. The proposed patent fee schedule is assumed to take effect on July 10, 2020, and the proposed trademark fee schedule is assumed to take effect on August 29, 2020.

Patent Fee Collections. Patent fees cover patent-related services and products occurring at different intervals within the patent application examination process and over the life of the pending patent application and granted patent. FY 2021 estimated patent fee collections include collections for applications filed in FY 2021, as well as work processed in FY 2021 (e.g., issues), examination and process requests for the year, and post-issuance decisions to maintain patent protection. More than half of all patent fee collections are from issue and maintenance fees. Changes in application filing levels have an immediate impact on current year fee collections because fewer patent application filings mean fewer fees collected in the current year, and it also has out year impacts because fewer applications filed decreases the total possible production outputs resulting in fewer issue and maintenance fee payments in future years.

Patent fee collections are estimated to be \$3,251 million for FY 2021 excluding \$34 million in other income. This projection is based on assumptions that serialized patent filings will grow by 2.0 percent, while RCE filings are assumed to decline by 5.5 percent. However, serialized filings could range from 3.3 percent decline to 7.4 percent growth, and RCEs could range from 10.4 percent decline to 0.6 percent decline. The combined impacts of these potential variances could affect actual fee collections by up to \$57.4 million in either direction. Patent issues will reflect a continued commitment to strengthened examination reliability, capacity and efficiencies. However, uncertainty around what percent of patent applications will be allowed could impact fee collections by up to \$8.7 million in either direction. Patent maintenance fee payments will continue with similar renewal rates for first and second stage, and assumed slightly lower renewal rates for third stage. However, since maintenance fee payments make up a large percentage of total patent fee collections, even small variations in renewal rates could impact fee collections by up to \$30-\$40 million.



Trademark Fee Collections. Trademark fees are paid in advance of actions taken by the USPTO. Estimated trademark fee collections include amounts expected to be paid for applications filed each year, as well as affidavit and renewal fees paid on registrations at the sixth and following ten-year intervals. About half of all fees collected for Trademark related services and products are from trademark application and related filings, which are correlated to the strength of the economy and individual businesses.

Trademark fee collections are estimated to be \$445 million for FY 2021, excluding \$6 million in other income, based on the economic outlook and the expectations of the growth of trademark application filings. These projections are based on assumptions that the trademark filing growth rate will be 2.6 percent. However, trademark filings could range from 2.5 percent decline to 7.7 percent growth, which could impact fee collections by up to \$11.6 million in either direction.

### FEE RATE ASSUMPTIONS

In March 2013, with additional adjustments effective in January 2014, the USPTO adjusted the patent fee structure by regulation to better align fees with the cost of providing services using the fee setting authority provided in the AIA. Certain trademark fee adjustments, to lower the fees for all applicants willing to file and communicate electronically with the USPTO, were adjusted in January 2015. Trademark fees were adjusted again in January 2017 and patent fees were adjusted in January 2018.

The patent fee collection estimates include assumed adjustments to patent-related fees. The USPTO first shared an initial proposal to adjust patent-related fees with the public and PPAC on August 8, 2018. PPAC held a hearing for public comments on the proposal September 6, 2018. On July 31, 2019, USPTO published a Notice of Proposed Rulemaking (NPRM) that considered the comments received from the public hearing and the views presented in the PPAC Fee Setting Report. After the publishing of the NPRM, the office received and incorporated public comments. The fee collection estimates included in this budget reflect the USPTO's patent fee adjustments after the incorporation of public comments. Currently, the rulemaking is undergoing review prior to publishing a final rule. The USPTO currently anticipates the final rule and new patent fee schedule will be published in the spring of 2020 with an effective date of July 10, 2020. The Office continues to conduct biennial fee reviews to ensure the fee structure allows for continuous strategic improvements to address stakeholder needs and maintenance of a sustainable funding model to avoid disruptions caused by fluctuations in available financial resources. The USPTO is committed to continuously improving fee schedule design to provide the office with sufficient financial resources to facilitate the effective administration of the U.S. IP system, while maintaining a rigorous and transparent review process.

The trademark fee collection estimates include a proposal to adjust trademark-related fees. The USPTO first shared with the public and TPAC an initial proposal to adjust trademark-related fees on August 28, 2019. TPAC held a hearing for public comments on the proposal September 23, 2019. After considering the written and hearing testimony, TPAC provided the TPAC Fee Setting Report on October 31, 2019, which summarized the Committee's views. The updated fee proposal, on which the fee estimates are based, considers the comments received from the public hearing and the views of the TPAC Fee Setting Report, and will be shared for public comments in an upcoming NPRM. The Office anticipates publishing the NPRM in the spring 2020. Following consideration of

public comments, the USPTO plans to publish a final rule in the summer 2020 with an effective date of August 29, 2020. The USPTO continues to conduct biennial fee reviews to ensure fees are aligned with the full cost of the relevant products and services to the greatest extent possible. Additionally, fee review efforts aim to protect the integrity of the trademark register and promote the efficiency of the examination, appeal and trial processes in large part through lower-cost electronic filing options.

Continued Assessment of Estimates. The USPTO monitors the economic environment carefully by following economic indicators and trends in international IP offices, holding discussions with domestic filers of patent and trademark applications, and conferring with the PPAC and the TPAC. The USPTO analyzes workloads and fees collected on a continual basis to assess current and future year estimates and identify trends and behaviors.

## APPENDIX IV – USPTO Fees - Change from FY 2020 PB to FY 2021 PB

In comparison to the FY 2020 President’s Budget (PB), in the FY 2021 PB, aggregate projected fee collections for the patent business line have increased for FY 2020 and decreased for FY 2021, while increasing in FY 2022 and beyond. Projected fee collections for the trademark business line have increased for FY 2020 and beyond.

The increased patent revenue in FY 2020 is the result of FY 2019 actual data and trends, as well as updated business unit production workload models, and revised assumptions for fee proposals. The revised assumptions for the patent fee proposals have a negative impact on patent revenue in FY 2021 due to the expectation that patentees who are eligible will submit maintenance fee payments prior to the effective date of the fee proposal (i.e. in FY 2020 instead of FY 2021). However, this is a temporary impact; changes to the patent fee proposals had minor fee collections impact in FY 2022 through FY 2024, and are outweighed by revised production workload models that are anticipated lead to higher projected revenue in FY 2022 through FY 2024.

The increased trademark revenue for FY 2020 and beyond is largely due to a fee rule proposal, which is anticipated to take effect in August 2020.

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Patents	\$3,400,381,865	\$3,250,742,539	\$3,708,591,310	\$3,743,922,037	\$3,860,880,242	\$3,931,046,686
Trademarks	\$368,769,861	\$444,552,183	\$472,131,390	\$497,858,501	\$519,137,191	\$539,253,323
<b>USPTO Total</b>	<b>\$3,769,151,726</b>	<b>\$3,695,294,722</b>	<b>\$4,180,722,700</b>	<b>\$4,241,780,538</b>	<b>\$4,380,017,434</b>	<b>\$4,470,300,009</b>

The following tables compare the projected fee collections, in millions, from the FY 2021 PB to the projected fee collections from the FY 2020 PB. The FY 2020 PB only included projections through FY 2024, therefore FY 2025 is not included in the comparison.

Total USPTO Collections	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
FY 2020 PB (with patent fee proposals)	\$3,451	\$3,735	\$4,092	\$4,121	\$4,292
Revised Assumptions and Business Unit (Patent, Trademark, PTAB) Production Models	\$44	\$13	\$12	\$35	\$1
Revised Fee Rule Proposal Assumptions	\$274	(\$53)	\$77	\$85	\$87
FY 2021 PB (with patent and trademark fee proposals)	\$3,769	\$3,695	\$4,181	\$4,242	\$4,380
<b>Difference</b>	<b>\$318</b>	<b>(\$40)</b>	<b>\$89</b>	<b>\$120</b>	<b>\$88</b>

Patents	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
FY 2020 PB (with fee proposals)	\$3,095	\$3,361	\$3,690	\$3,694	\$3,840
Revised Assumptions and Business Unit (Patent, PTAB) Production Models	\$38	\$20	\$23	\$50	\$23
Revised Fee Rule Proposal Assumptions	\$268	(\$130)	(\$4)	\$0	(\$2)
FY 2021 PB (with fee proposals)	\$3,400	\$3,251	\$3,709	\$3,744	\$3,861
<b>Difference</b>	<b>\$306</b>	<b>(\$110)</b>	<b>\$19</b>	<b>\$50</b>	<b>\$21</b>

Trademarks	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
FY 2020 PB (without fee proposals)	\$356	\$374	\$401	\$427	\$452
Revised Assumptions and Trademark Production Model	\$6	(\$7)	(\$11)	(\$15)	(\$22)
Fee Rule Proposals	\$6	\$77	\$81	\$85	\$89
FY 2021 PB (with fee proposals)	\$369	\$445	\$472	\$498	\$519
<b>Difference</b>	<b>\$12</b>	<b>\$70</b>	<b>\$70</b>	<b>\$70</b>	<b>\$67</b>

The table below shows, by major fee category, the actual fee collections from FY 2019, along with FY 2020 and FY 2021 projected fee collections from the FY 2020 PB, the FY 2021 PB, and the difference between those projections. A few major estimation assumptions are also included in the table. Following the table, there is a category-by-category discussion of the major highlights of the FY 2021 PB and the changes since the FY 2020 PB.

(Dollars in Millions)	FY 2019	FY 2020			FY 2021		
	Actuals	FY 2020 PB Working Estimate	FY 2021 PB Working Estimate	Increase/ (Decrease)	FY 2020 PB Working Estimate	FY 2021 PB Working Estimate	Increase/ (Decrease)
<b>Patents</b>							
Filing (with Excess Claims)	\$914	\$876	\$925	\$49	\$906	\$963	\$57
Post Allowance Fees	\$327	\$293	\$332	\$39	\$330	\$363	\$33
Maintenance	\$1,346	\$1,431	\$1,662	\$231	\$1,593	\$1,413	(\$180)
PCT	\$204	\$210	\$213	\$3	\$228	\$228	(\$0)
Extensions of Time	\$125	\$130	\$122	(\$8)	\$136	\$124	(\$12)
Other Patent Fees	\$139	\$154	\$146	(\$8)	\$168	\$160	(\$8)
<b>Total Patent Fee Collections</b>	<b>\$3,055</b>	<b>\$3,095</b>	<b>\$3,400</b>	<b>\$305</b>	<b>\$3,361</b>	<b>\$3,251</b>	<b>(\$110)</b>
<b>Trademarks</b>	<b>\$344</b>	<b>\$356</b>	<b>\$369</b>	<b>\$13</b>	<b>\$375</b>	<b>\$445</b>	<b>\$70</b>
<b>USPTO Fee Collections</b>	<b>\$3,399</b>	<b>\$3,451</b>	<b>\$3,769</b>	<b>\$318</b>	<b>\$3,736</b>	<b>\$3,696</b>	<b>(\$40)</b>

Estimation Assumptions							
Patent Filings:	Filings growth rate 3.8% (620,800 UPR filings, 172,800 RCEs)	Filings growth rate 0.2% (611,200 UPR filings, 173,500 RCEs)	Filings growth rate 1.9% (632,400 UPR filings, 173,300 RCEs)	21,200 more UPR filings, 200 fewer RCEs	Filings growth rate 0.2% (612,600 UPR filings, 170,600 RCEs)	Filings growth rate 0.0% (632,100 UPR filings, 163,800 RCEs)	19,491 more UPR filings, 6,750 fewer RCEs
Issue and Publication:	Patents Printed of 338,600	Patents Printed of 313,300	Patents Printed of 335,489	22,189 more patents printed	Patents printed of 308,142	Patents Printed of 321,099	12,957 more patents printed
Trademark Filings	Filings growth rate 5.4% (673,200 filings)	Filings growth rate 3.7% (703,000 filings)	Filings growth rate 2.8% (692,000 filings)	11,000 fewer filings	Filings growth rate 7.5% (756,000 filings)	Filings growth rate 2.6% (710,000 filings)	46,000 fewer filings

#### Proposed Fee Changes:

- The FY 2021 PB includes patent fee adjustments, which would increase patent revenue by nearly \$300 million annually, once fully implemented. Proposed patent fee adjustments were published in a Notice of Proposed Rulemaking (NPRM) on July 31, 2019. The comments received from the public during the comment period following the NPRM are being considered as part of an upcoming final rule. The anticipated effective date for the patent fee adjustments is July 10, 2020.
  - The proposed patent fee adjustments have changed slightly since the publication of the FY 2020 PB, but the fee collections impact of those changes is relatively minor, as shown by \$0 million to \$4 million impact of revised fee rule assumptions in FY 2022 through FY 2024.
  - The change in the anticipated effective date for the patent fee adjustments has a large impact on FY 2020 and FY 2021. The FY 2020 PB assumed the fees would take effect January 1, 2021, while the FY 2021 PB assumes the fees will take effect July 10, 2020. The earlier anticipated effective date increases projected patent fee collections. However, this increase is not evenly distributed across fiscal years. The anticipated July 10, 2020 effective date increases FY 2020 patent fee collections, but *decreases* projected FY 2021 patent fee collections. Patent holders are able to pay maintenance fees up to six months prior to the due date. In the past, when maintenance fee rates have increased, most eligible patent holders paid their maintenance fees prior to the rate increase. These patent fee adjustments include increases to patent maintenance fees, and therefore the timing of the anticipated effective date means that many patent holders whose maintenance fees are due in FY 2021 can be expected to pay their maintenance fees in FY 2020 prior to the rate increase.
- The FY 2021 PB also includes proposed trademark fee adjustments which would increase trademark revenue by \$77 million to \$89 million per year once fully implemented. The proposed fees were presented at a Trademark Public Advisory Committee public hearing on September 23, 2019, and are under review with the plans to post a NPRM and final rule in 2020. The anticipated effective date for the trademark fee adjustments is August 29, 2020.
  - This is a new proposal since the publication of the FY 2020 PB. Therefore, the entire impact of the proposed fee adjustments represents a change between the FY 2020 PB and the FY 2021 PB.

- Both sets of proposed fee adjustments are consistent with the office's fee structure philosophy to provide sufficient financial resources to facilitate the effective administration of the United States IP system. Transitioning to this proposed fee structure will provide USPTO with sufficient resources to support patent and trademark operations and related services. More information on the details of the proposals is available at <https://www.uspto.gov/about-us/performance-and-planning/fee-setting-and-adjusting>.

#### Patent Application Filings:

- This fee category contains fees related to filing patent applications, including requests for continued examination (RCE) and fees required based on specification size or the number of claims. Fee collections in this category are largely driven by filing application growth rates.
- FY 2020 total utility, plant, and reissue (UPR) filings are estimated at 632,400, increasing 1.9 percent from 620,800 filings in FY 2019. This follows a 3.8 percent increase from FY 2018 to FY 2019.
- The increase in FY 2019 was primarily due to growth in serialized filings, which increased 4.9 percent in FY 2019. Economic growth and continued strong demand for intellectual property rights contributed to this increase. Additionally, RCEs grew 0.9 percent in FY 2019.
- Total UPR filings are estimated to be 632,100 (0.0 percent growth) in FY 2021.
- Serialized (non-RCE) filings growth is estimated to be 2.5 percent in FY 2020, 2.0 percent in FY 2021, 1.5 percent in FY 2022, and 1 percent in FY 2023 and beyond, following 4.9 percent growth in FY 2019. This is up from the 1.0 percent growth estimated for years FY 2020 through FY 2024 in the FY 2020 PB.
- FY 2019 patent filing fee collections were higher than estimated in the FY 2020 PB. This is due to the higher projected filing growth rates than forecasted in the FY 2020 PB, which are incorporated into the FY 2021 PB.

#### Post Allowance:

- This fee category contains fees paid to issue a patent after the application has been allowed. Therefore collections in this category are driven directly by the number of patents printed in each fiscal year.
- The allowance rate is assumed to be 58.1 percent in FY 2020, 58.5 percent in FY 2021 and FY 2022, 58.4 percent in FY 2023, and 58.3 percent in FY 2024 and FY 2025. This is similar to the 58.4 percent rate that occurred in FY 2019, and slightly higher than the 55.2 percent that was previously forecast for FY 2020 and beyond.
- Total patents printed are forecasted to decrease 0.9 percent to 335,500 in FY 2020 from 338,600 in FY 2019. The estimate then decreases in FY 2021 to 321,100, a change of -4.3 percent. However, total patents printed are expected to increase in FY 2022 and beyond.
- Total allowances are forecasted to decrease from 371,200 in FY 2019 to 344,200 in FY 2020, a change of -7.3 percent. FY 2021 is expected to decrease 2.7 percent (to 334,900) and FY 2022 is expected to increase 2.0 percent further (to 341,500), as total disposals begin to increase in FY 2022 through FY 2025.

#### Maintenance:

- This fee category contains fees paid to keep in force a utility or reissue patent, due at 3 ½, 7 ½, and 11 ½ years after the patent has been issued. Patent holders can pay their maintenance fees up to six months prior to the due date; they can also pay with a late payment surcharge during a six-month grace period following the due date. Collections of maintenance fees vary from year to year based both on the number of patents issued in the past (i.e. the number available to be renewed) and the rate at which patentees decide to renew their patents.
- Projected maintenance renewal rates have changed slightly since the FY 2019 PB, based on recent trends. For first stage renewals, the rate assumption decreased slightly from 86.3 percent to 86.2 percent for all projected years. The second stage renewal assumption decreased from 65.9 percent to 65.1 percent for all projected years. The third stage renewal rate assumption increased slightly from 42.5 percent to 42.7 percent for FY 2021.
- As previously mentioned, projected maintenance fee collections have shifted significantly due to the maintenance fee payment window and the anticipated effective date of patent fee adjustments. Compared to the FY 2020 PB, in the FY 2021 PB, projected maintenance fee collections are 16.1 percent higher in FY 2020, but lower by 11.3 percent in FY 2021.

#### Patent Cooperation Treaty (PCT)

- This fee category contains fees collected from patent applications filed through the Patent Cooperation Treaty (PCT) process. The specific fees included here, and the factors driving collections, are similar to those for the patent application filings category.
- Compared to the FY 2020 PB, in the FY 2021 PB, projected PCT fee collections are 1.3 percent higher in FY 2020 and 0.2 percent lower in FY 2021 due to slight changes in the demand for PCT International filings.

#### Patent Extensions of Time:

- This fee category contains fees paid to extend the period of time an applicant has to reply to an action by the office. The amount of the fee is dependent upon the length of the extension.
- Extensions of time have been on the decline, and the FY 2020 PB assumed this would continue in FY 2019. However, there were even fewer extensions requested in FY 2019 than expected.
- The FY 2021 PB assumes lower rates of requests for extensions of time, lowering projected collections, but increased application filing growth rates have a positive effect on extension of time fee collections. In total, collection in this category are forecasted to be 6.5 percent (\$8.5 million) lower in FY 2020 and 8.7 percent (\$11.8 million) lower in FY 2021, compared to the FY 2020 PB.

#### Trademarks

- In FY 2020, the trademark filing growth rate is projected to be 2.8 percent, following 5.4 percent growth in FY 2019. In FY 2021, the filing growth rate is projected at 2.6 percent based on consensus economic growth assumptions (lower gross domestic product growth) and uncertainty around demand for intellectual property rights.

- Compared to the FY 2020 PB, projections for total registrations have decreased. The updated production model estimates 388,600 registrations in FY 2020 (down from 412,400), 413,800 in FY 2021 (down from 433,800), and 433,300 in FY 2022 (down from 469,500).
- For renewals, projections have slightly decreased from the FY 2020 PB to account for recent behavior.



## Appendix V – USPTO Estimated and Actual Fees and Assumptions

### USPTO Fee Collections FY 2019 Estimated and Actual Fees and Assumptions

<i>(Dollars in Millions)</i>	FY 2018		FY 2019	
	Actual	President's Budget	Revised Working Estimate	Actual
Date of Projection	September 2018	February 2018	June 2018	September 2019
<b>Total USPTO Fee Collections</b>	<b>\$3,339</b>	<b>\$3,416</b>	<b>\$3,359</b>	<b>\$3,399</b>
Total Patent Fee Collections	\$3,010	\$3,072	\$3,018	\$3,055
Total Trademark Fee Collections	\$329	\$345	\$340	\$344
Major Patent Fee Collections:				
Filing (with Excess Claims)	\$848	\$884	\$874	\$914
Post Allowance Fees	\$282	\$297	\$294	\$327
Maintenance	\$1,410	\$1,385	\$1,361	\$1,346
PCT	\$194	\$206	\$205	\$204
Extensions of Time	\$132	\$132	\$133	\$125
Other	\$143	\$168	\$151	\$139
<b>Assumptions Used to Develop Fee Collection Estimates</b>				
Filing Growth Rates:	Patent serialized filings growth rate 1.7% (426,900 filings). Patent RCE filings growth rate -7.7% (171,200 filings). Trademark filings growth rate 7.5% (638,800 filings).	Patent serialized filings growth rate 0.8% (426,600 filings). Patent RCE filings growth rate -2.3% (176,100 filings). Trademark filings growth rate 5.4% (681,000 filings).	Patent serialized filings growth rate 1.5% (436,800 filings). Patent RCE filings growth rate -1.5% (176,500 filings). Trademark filings growth rate 5.0% (676,000 filings).	Patent serialized filings growth rate 4.9% (448,000 filings). Patent RCE filings growth rate 0.9% (172,800 filings). Trademark filings growth rate 5.4% (673,200 filings).
Patent Issue:	Patents printed of 308,600	Patents printed of 311,800.	Patents printed of 310,200.	Patents printed of 338,600
Patent Maintenance (Post Renewal):	Renewal Rates: 86.3% first stage, 65.9% second stage, 43.3% third stage.	Renewal Rates: 85.7% first stage, 66.6% second stage, 46.7% third stage.	Renewal Rates: 86.0% first stage, 66.5% second stage, 44.5% third stage.	Renewal Rates: 86.2% first stage, 65.1% second stage, 42.7% third stage.
Fee Adjustments:	Fee rates based on Patents Final Rule published November 2017 with a fee effective date of January 16, 2018.	Fee rates based on Patents Final Rule published November 2017 with a fee effective date of January 16, 2018.	Fee rates based on Patents Final Rule published November 2017 with a fee effective date of January 16, 2018.	Fee rates based on Patents Final Rule published November 2017 with a fee effective date of January 16, 2018.

**USPTO Fee Collections  
Estimates and Assumptions**

	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<i>(Dollars in Millions)</i>	<b>Actual</b>	<b>Revised Working Estimate</b>	<b>President's Budget Working Estimate</b>
<b>Date of Projection</b>	September 2019	February 2020	February 2020
<b>Total USPTO Fee Collections</b>	<b>\$3,399</b>	<b>\$3,769</b>	<b>\$3,696</b>
Total Patent Fee Collections	\$3,055	\$3,400	\$3,251
Total Trademark Fee Collections	\$344	\$369	\$445
Major Patent Fee Collections:			
Filing (with Excess Claims)	\$914	\$925	\$963
Post Allowance	\$327	\$332	\$363
Maintenance	\$1,346	\$1,662	\$1,413
PCT	\$204	\$213	\$228
Extensions of Time	\$125	\$122	\$124
Other	\$139	\$146	\$160
<b>Assumptions Used to Develop Fee Collection Estimates</b>			
Filing Growth Rates:	Patent serialized filings growth rate 5.9% (448,000 UPR filings) Patent RCE filings growth rate 0.9% (172,800 filings) Trademark filings growth rate 5.4% (673,200 filings)	Patent serialized filings growth rate 2.5% (459,100 filings) Patent RCE filings growth rate 0.3% (173,300 filings) Trademark filings growth rate 2.8% (692,000 filings)	Patent serialized filings growth rate 2.0% (468,300 filings) Patent RCE filings growth rate -5.5% (163,800 RCEs) Trademark filings growth rate 2.6% (710,000 filings)
Patent Issue:	Patents printed of 338,600	Patents printed of 335,500	Patents printed of 321,100
Patent Maintenance (Post Renewal):	Renewal Rates: 86.2% first stage, 65.1% second stage, 42.7% third stage	Renewal Rates: 86.2% first stage, 65.1% second stage, 42.7% third stage	Renewal Rates: 86.2% first stage, 65.1% second stage, 42.7% third stage
Enhanced Examination Timing Assumptions:	Track 1 filings: 11,900 filings	Track 1 filings: 12,000 filings	Track 1 filings: 12,000 filings
Patent Fee Adjustments:	Fee rates based on Patents Final Rule published November 2017 with a fee effective date of January 16, 2018.	July 10, 2020 implementation date for proposed Patent fee rule with adjustments to payment timing.	July 10, 2020 implementation date for proposed Patent fee rule with adjustments to payment timing.
Trademark Fee Adjustments:	N/A	August 29, 2020 implementation date for proposed Trademark fee rule.	August 29, 2020 implementation date for proposed Trademark fee rule.

## Appendix VI – FY 2019 Fee Report

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
<b>Patents Fee Summary:</b>				
	Patent Application Filing Fees		\$883,561,920	\$913,629,254
	Patent Post Allowance Fees		\$296,652,375	\$327,369,157
	Patent Maintenance Fees		\$1,385,375,700	\$1,346,343,327
	Patent Extension of Time Fees		\$131,943,200	\$124,539,927
	Patent Trial and Appeals Fees		\$90,440,680	\$65,650,710
	Post Issuance Fees		\$13,557,335	\$12,835,995
	Patent Cooperation Treaty (PCT) Fees		\$205,745,010	\$203,873,225
	Hague International Design Application Fees		\$2,115,670	\$1,467,845
	Patent Petition Fees		\$18,531,645	\$17,359,935
	Patent Service Fees		\$3,967,065	\$3,527,211
	Miscellaneous Patent Fees		\$38,530,020	\$36,866,578
	Patent Enrollment Fees		\$1,265,360	\$1,095,085
	Finance Service Fees		\$79,690	\$58,120
	<b>Total Patents Fees</b>		<b>\$3,071,765,670</b>	<b>\$3,054,616,369</b>
<b>Trademarks Fee Summary:</b>				
	Application Filings		\$188,640,925	\$188,256,200
	Maintaining Exclusive Rights		\$81,233,125	\$79,526,250
	Intent to Use/Use Fees		\$45,919,825	\$49,882,075
	Madrid Protocol Fees		\$5,008,450	\$4,294,675
	Trademark Trial and Appeal Board		\$9,596,800	\$8,452,900
	Other Trademark Fees		\$11,600,715	\$10,863,196
	Trademark Processing Fees		\$2,592,600	\$2,619,600
	Finance Service Fees		\$7,950	\$6,543
	<b>Total Trademarks Fees</b>		<b>\$344,600,390</b>	<b>\$343,901,439</b>
<b>Total United States Patent and Trademark Office</b>			<b>\$3,416,366,060</b>	<b>\$3,398,517,808</b>

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
<b>Patents</b>				
Patent Filing Fees (Large Entity):				
1011	Basic filing fee - Utility	\$300	\$67,570,800	\$73,678,216
1012	Basic filing fee - Design	\$200	\$3,896,200	\$3,704,065
1013	Basic filing fee - Plant	\$200	\$98,200	\$110,600
1014	Basic filing fee - Reissue	\$300	\$149,400	\$163,140
1017	Basic filing fee - Design (CPA)	\$200	\$151,200	\$135,800
1019	Basic filing fee - Reissue (CPA)	\$300	\$0	\$900
1005	Provisional application filing fee	\$280	\$17,130,960	\$18,577,098
1111	Utility Search Fee	\$660	\$147,797,100	\$161,279,880
1112	Design Search Fee	\$160	\$3,212,960	\$3,044,280
1113	Plant Search Fee	\$420	\$206,640	\$231,840
1114	Reissue Search Fee	\$660	\$328,020	\$357,600
1311	Utility Examination Fee	\$760	\$170,921,720	\$186,281,120
1312	Design Examination Fee	\$600	\$11,920,200	\$11,429,220
1313	Plant Examination Fee	\$620	\$304,420	\$342,240
1314	Reissue Examination Fee	\$2,200	\$1,089,000	\$1,203,280
1051	Surcharge - Late filing fee, search fee, examination fee or oath or declaration, or application filed without at least one claim or by reference	\$160	\$12,709,760	\$12,528,580
1052	Surcharge - Late provisional filing fee or cover sheet	\$60	\$105,120	\$87,120
1201	Independent claims in excess of three	\$460	\$23,949,440	\$21,625,240
1202	Claims in excess of 20	\$100	\$34,902,100	\$32,265,900
1203	Multiple dependent claim	\$820	\$879,040	\$811,720
1204	Reissue independent claims in excess of three	\$460	\$307,280	\$236,700
1205	Reissue claims in excess of 20	\$100	\$434,800	\$369,300
1081	Utility Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$400	\$4,785,200	\$6,159,600
1082	Design Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$400	\$37,200	\$42,800
1083	Plant Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$400	\$5,200	\$5,200
1084	Reissue Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$400	\$19,600	\$16,400

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
1085	Provisional Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$400	\$1,822,000	\$2,640,000
1053	Non-English translation	\$140	\$250,460	\$245,140
1817	Request for prioritized examination	\$4,000	\$16,440,000	\$21,188,000
1801	Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	\$1,300	\$128,986,000	\$126,202,300
1820	Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114)	\$1,900	\$83,299,800	\$75,564,200
1091	SUBMISSION OF SEQUENCE LISTINGS OF 300MB TO 800MB	\$1,000	\$8,000	\$23,000
1092	SUBMISSION OF SEQUENCE LISTINGS OF MORE THAN 800 MB	\$10,000	\$20,000	\$20,000
<b>Total Patent Filing Fees (Large Entity)</b>			<b>\$733,737,820</b>	<b>\$760,570,479</b>
Patent Filing Fees (Small Entity):				
2011	Basic filing fee - Utility (paper filing - also requires non-electronic filing fee under 1.16(t))	\$150	\$101,100	\$69,487
4011	Basic filing fee - Utility (electronic filing)	\$75	\$5,865,975	\$6,141,903
2012	Basic filing fee - Design	\$100	\$1,884,600	\$1,765,120
2013	Basic filing fee - Plant	\$100	\$54,500	\$59,590
2014	Basic filing fee - Reissue	\$150	\$28,650	\$29,100
2017	Basic filing fee - Design (CPA)	\$100	\$40,200	\$59,900
2019	Basic filing fee - Reissue (CPA)	\$150	\$0	\$0
2005	Provisional application filing fee	\$140	\$10,099,880	\$10,049,496
2111	Utility Search Fee	\$330	\$25,798,410	\$26,916,520
2112	Design Search Fee	\$80	\$1,520,000	\$1,442,480
2113	Plant Search Fee	\$210	\$113,610	\$125,350
2114	Reissue Search Fee	\$330	\$62,040	\$63,690
2311	Utility Examination Fee	\$380	\$29,821,260	\$31,081,845
2312	Design Examination Fee	\$300	\$5,641,800	\$5,414,470
2313	Plant Examination Fee	\$310	\$168,330	\$184,740
2314	Reissue Examination Fee	\$1,100	\$209,000	\$212,300
2051	Surcharge - Late filing fee, search fee, examination fee or oath or declaration, or application filed without at least one claim or by reference	\$80	\$2,895,840	\$2,838,700
2052	Surcharge - Late provisional filing fee or cover sheet	\$30	\$89,580	\$75,840

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
2201	Independent claims in excess of three	\$230	\$4,393,920	\$3,992,455
2202	Claims in excess of 20	\$50	\$9,308,000	\$8,809,054
2203	Multiple dependent claim	\$410	\$274,700	\$238,970
2204	Reissue independent claims in excess of three	\$230	\$45,770	\$31,050
2205	Reissue claims in excess of 20	\$50	\$80,800	\$59,750
2081	Utility Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$200	\$1,199,200	\$1,776,000
2082	Design Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$200	\$12,600	\$18,200
2083	Plant Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$200	\$0	\$200
2084	Reissue Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$200	\$600	\$1,600
2085	Provisional Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$200	\$1,205,000	\$1,961,600
2053	Non-English translation	\$70	\$39,900	\$37,100
2817	Request for prioritized examination	\$2,000	\$10,422,000	\$11,540,000
2801	Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	\$650	\$16,426,800	\$16,014,650
2820	Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114)	\$950	\$9,445,850	\$9,603,450
2091	SUBMISSION OF SEQUENCE LISTINGS OF 300MB TO 800MB	\$500	\$1,000	\$10,500
2092	SUBMISSION OF SEQUENCE LISTINGS OF MORE THAN 800 MB	\$5,000	\$0	\$0
<b>Total Patent Filing Fees (Small Entity)</b>			<b>\$137,250,915</b>	<b>\$140,625,110</b>
Patent Filing Fees (Micro Entity):				
3011	Basic filing fee - Utility (electronic filing)	\$75	\$1,177,125	\$1,147,775
3012	Basic filing fee - Design	\$50	\$261,400	\$313,750
3013	Basic filing fee - Plant	\$50	\$750	\$350
3014	Basic filing fee - Reissue	\$75	\$1,350	\$1,725
3017	Basic filing fee - Design (CPA)	\$50	\$2,900	\$4,100
3019	Basic filing fee - Reissue (CPA)	\$75	\$0	\$75
3005	Provisional application filing fee	\$70	\$2,145,780	\$1,796,805

## Appendix VI

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
3111	Utility Search Fee	\$165	\$2,550,405	\$2,491,920
3112	Design Search Fee	\$40	\$206,640	\$249,840
3113	Plant Search Fee	\$105	\$1,785	\$735
3114	Reissue Search Fee	\$165	\$2,640	\$3,300
3311	Utility Examination Fee	\$190	\$2,945,380	\$2,875,790
3312	Design Examination Fee	\$150	\$766,800	\$937,470
3313	Plant Examination Fee	\$155	\$2,480	\$1,085
3314	Reissue Examination Fee	\$550	\$8,800	\$11,550
3051	Surcharge - Late filing fee, search fee, examination fee or oath or declaration, or application filed without at least one claim or by reference	\$40	\$174,600	\$160,380
3052	Surcharge - Late provisional filing fee or cover sheet	\$15	\$49,905	\$44,430
3201	Independent claims in excess of three	\$115	\$210,910	\$197,195
3202	Claims in excess of 20	\$25	\$286,100	\$242,020
3203	Multiple dependent claim	\$205	\$17,835	\$16,205
3204	Reissue independent claims in excess of three	\$115	\$2,185	\$1,725
3205	Reissue claims in excess of 20	\$25	\$5,925	\$1,125
3081	Utility Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$100	\$13,800	\$14,000
3082	Design Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$100	\$1,300	\$600
3083	Plant Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$100	\$0	\$0
3084	Reissue Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$100	\$100	\$0
3085	Provisional Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$100	\$100	\$18,600
3053	Non-English translation	\$35	\$1,015	\$1,540
3817	Request for prioritized examination	\$1,000	\$679,000	\$791,000
3801	Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	\$325	\$775,450	\$788,100
3820	Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114)	\$475	\$280,725	\$319,725
3091	SUBMISSION OF SEQUENCE LISTINGS OF 300MB TO 800MB	\$250	\$0	\$750

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
3092	SUBMISSION OF SEQUENCE LISTINGS OF MORE THAN 800 MB	\$2,500	\$0	\$0
<b>Total Patent Filing Fees (Micro Entity)</b>			<b>\$12,573,185</b>	<b>\$12,433,665</b>
Patent Post Allowance Fees (Large Entity):				
1501	Utility Issue	\$1,000	\$243,668,000	\$271,889,310
1502	Design Issue	\$700	\$14,049,000	\$11,713,800
1503	Plant Issue	\$800	\$557,600	\$529,640
1511	Reissue Issue	\$1,000	\$341,000	\$465,000
1505	Publication fee for republication	\$300	\$15,000	\$24,000
1506	Suspense Account for Partial Issue Payments	var	\$6,500	\$5,877
1508	Issue Fee - owed over current fee	var	\$0	\$1,540
<b>Total Patent Post Allowance Fees (Large Entity)</b>			<b>\$258,637,100</b>	<b>\$284,629,167</b>
Patent Post Allowance Fees (Small Entity):				
2505	Publication fee for republication	\$300	\$0	\$0
2501	Utility Issue	\$500	\$30,508,500	\$35,000,760
2502	Design Issue	\$350	\$4,820,550	\$4,719,330
2503	Plant Issue	\$400	\$303,200	\$237,620
2511	Reissue Issue	\$500	\$43,000	\$51,000
<b>Total Patent Post Allowance Fees (Small Entity)</b>			<b>\$35,675,250</b>	<b>\$40,008,710</b>
Patent Post Allowance Fees (Micro Entity):				
3505	Publication fee for republication	\$300	\$0	-\$300
3501	Utility or Reissue Issue	\$250	\$1,839,500	\$2,187,385
3502	Design Issue	\$175	\$498,225	\$541,345
3503	Plant Issue	\$200	\$1,800	\$1,600
3511	Reissue Issue	\$250	\$500	\$1,250
<b>Total Patent Post Allowance Fees (Micro Entity)</b>			<b>\$2,340,025</b>	<b>\$2,731,280</b>



<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
Patent Extension of Time Fees (Large Entity):				
1251	Extension for response within first month	\$200	\$18,040,800	\$16,885,650
1252	Extension for response within second month	\$600	\$21,834,600	\$19,952,876
1253	Extension for response within third month	\$1,400	\$44,207,800	\$39,256,936
1254	Extension for response within fourth month	\$2,200	\$4,010,600	\$4,149,700
1255	Extension for response within fifth month	\$3,000	\$5,535,000	\$6,651,405
<b>Total Patent Extension of Time Fees (Large Entity)</b>			<b>\$93,628,800</b>	<b>\$86,896,567</b>
Patent Extension of Time Fees (Small Entity):				
2251	Extension for response within first month	\$100	\$3,371,000	\$3,341,600
2252	Extension for response within second month	\$300	\$5,810,400	\$5,742,285
2253	Extension for response within third month	\$700	\$21,374,500	\$20,402,450
2254	Extension for response within fourth month	\$1,100	\$2,691,700	\$2,514,140
2255	Extension for response within fifth month	\$1,500	\$3,135,000	\$3,686,815
<b>Total Patent Extension of Time Fees (Small Entity)</b>			<b>\$36,382,600</b>	<b>\$35,687,290</b>
Patent Extension of Time Fees (Micro Entity):				
3251	Extension for response within first month	\$50	\$195,500	\$194,950
3252	Extension for response within second month	\$150	\$336,450	\$342,890
3253	Extension for response within third month	\$350	\$1,092,350	\$1,114,080
3254	Extension for response within fourth month	\$550	\$165,000	\$164,060
3255	Extension for response within fifth month	\$750	\$142,500	\$140,090
<b>Total Patent Extension of Time Fees (Micro Entity)</b>			<b>\$1,931,800</b>	<b>\$1,956,070</b>
Patent Maintenance Fees (Large Entity):				
1551	Due at 3.5 years	\$1,600	\$334,816,000	\$338,748,800
1552	Due at 7.5 years	\$3,600	\$465,613,200	\$454,917,600
1553	Due at 11.5 years	\$7,400	\$464,890,200	\$432,359,800

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
1554	Surcharge - 3.5 year - Late payment within 6 months	\$160	\$718,080	\$631,040
1555	Surcharge - 7.5 year - Late payment within 6 months	\$160	\$492,640	\$413,760
1556	Surcharge - 11.5 year - Late payment within 6 months	\$160	\$336,960	\$222,400
1558	Petition for the delayed payment of the fee for maintaining a patent in force	\$2,000	\$1,170,000	\$1,155,040
1559	Patent Unassigned Maintenance Fees	var	\$1,500,000	\$1,645,487
<b>Total Patent Maintenance Fees (Large Entity)</b>			<b>\$1,269,537,080</b>	<b>\$1,230,093,927</b>
Patent Maintenance Fees (Small Entity):				
2551	Due at 3.5 years	\$800	\$37,032,000	\$36,485,290
2552	Due at 7.5 years	\$1,800	\$40,190,400	\$40,183,200
2553	Due at 11.5 years	\$3,700	\$32,996,600	\$32,874,500
2554	Surcharge - 3.5 year - Late payment within 6 months	\$80	\$538,320	\$525,440
2555	Surcharge - 7.5 year - Late payment within 6 months	\$80	\$262,880	\$281,680
2556	Surcharge - 11.5 year - Late payment within 6 months	\$80	\$118,560	\$122,080
2558	Petition for the delayed payment of the fee for maintaining a patent in force	\$1,000	\$1,516,000	\$1,423,500
<b>Total Patent Maintenance Fees (Small Entity)</b>			<b>\$112,654,760</b>	<b>\$111,895,690</b>
Patent Maintenance Fees (Micro Entity):				
3551	Due at 3.5 years	\$400	\$1,163,600	\$1,794,800
3552	Due at 7.5 years	\$900	\$1,074,600	\$1,239,300
3553	Due at 11.5 years	\$1,850	\$810,300	\$1,073,000
3554	Surcharge - 3.5 year - Late payment within 6 months	\$40	\$28,760	\$44,720
3555	Surcharge - 7.5 year - Late payment within 6 months	\$40	\$13,400	\$16,600
3556	Surcharge - 11.5 year - Late payment within 6 months	\$40	\$6,200	\$9,040
3558	Petition for the delayed payment of the fee for maintaining a patent in force	\$500	\$87,000	\$176,250
<b>Total Patent Maintenance Fees (Micro Entity)</b>			<b>\$3,183,860</b>	<b>\$4,353,710</b>

Miscellaneous Patent Fees (Large Entity):

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
1819	Correction of inventorship after first action on merits	\$600	\$764,400	\$641,400
1830	Processing fee, except in provisional applications	\$140	\$2,489,200	\$2,660,980
1808	Other publication processing fee	\$130	\$9,880	\$11,180
1803	Request for voluntary publication or republication	\$130	\$15,600	\$15,210
1802	Request for expedited examination of a design application	\$900	\$274,500	\$424,800
1806	Submission of an Information Disclosure Statement	\$240	\$28,047,840	\$25,599,120
1818	Document fee for third-party submissions (see 37 CFR 1.290(f))	\$180	\$80,280	\$64,980
1807	Processing fee for provisional applications	\$50	\$231,900	\$258,150
1809	Filing a submission after final rejection (see 37 CFR 1.129(a))	\$840	\$59,640	\$35,280
1810	For each additional invention to be examined (see 37 CFR 1.129(b))	\$840	\$0	\$840
1999	Patent Unassigned Fees	var	\$1,700,000	\$2,159,488
<b>Total Miscellaneous Patent Fees (Large Entity)</b>			<b>\$33,673,240</b>	<b>\$31,871,428</b>
Miscellaneous Patent Fees (Small Entity):				
2819	Correction of inventorship after first action on merits	\$300	\$241,800	\$249,900
2830	Processing fee, except in provisional applications	\$70	\$744,590	\$828,450
2808	Other publication processing fee	\$130	\$5,590	\$4,680
2803	Request for voluntary publication or republication	\$130	\$0	\$2,340
2802	Request for expedited examination of a design application	\$450	\$170,100	\$279,900
2806	Submission of an Information Disclosure Statement	\$120	\$3,376,920	\$3,219,360
2818	Document fee for third-party submissions (see 37 CFR 1.290(f))	\$90	\$16,290	\$8,460
2807	Processing fee for provisional applications	\$50	\$153,300	\$159,000
2809	Filing a submission after final rejection (see 37 CFR 1.129(a))	\$420	\$23,520	\$18,060
2810	For each additional invention to be examined (see 37 CFR 1.129(b))	\$420	\$0	\$1,260
<b>Total Miscellaneous Patent Fees (Small Entity)</b>			<b>\$4,732,110</b>	<b>\$4,771,410</b>
Miscellaneous Patent Fees (Micro Entity):				
3819	Correction of inventorship after first action on merits	\$150	\$10,050	\$9,750

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
3830	Processing fee, except in provisional applications	\$35	\$43,960	\$49,560
3808	Other publication processing fee	\$130	\$520	\$650
3803	Request for voluntary publication or republication	\$130	\$130	\$520
3802	Request for expedited examination of a design application	\$225	\$16,200	\$106,875
3806	Submission of an Information Disclosure Statement	\$60	\$44,700	\$46,695
3807	Processing fee for provisional applications	\$50	\$7,850	\$7,800
3809	Filing a submission after final rejection (see 37 CFR 1.129(a))	\$210	\$1,260	\$1,890
3810	For each additional invention to be examined (see 37 CFR 1.129(b))	\$210	\$0	\$0
<b>Total Miscellaneous Patent Fees (Micro Entity)</b>			<b>\$124,670</b>	<b>\$223,740</b>
Post Issuance Fees (Large Entity):				
1811	Certificate of correction	\$150	\$1,257,600	\$1,222,550
1815	Inter Partes Reexamination Denial Refund	\$830	\$830	\$0
1816	Processing fee for correcting inventorship in a patent	\$150	\$53,400	\$65,480
1812	Request for ex parte reexamination	\$12,000	\$564,000	\$720,000
1821	Reexamination independent claims in excess of three and also in excess of the number of such claims in the patent under reexamination	\$460	\$46,000	\$34,040
1822	Reexamination claims in excess of 20 and also in excess of the number of claims in the patent under reexamination	\$100	\$87,000	\$46,300
1814	Statutory disclaimer, including terminal disclaimer	\$160	\$7,320,000	\$7,118,080
1826	Request for supplemental examination	\$4,400	\$193,600	\$74,800
1827	Reexamination ordered as a result of supplemental examination	\$12,100	\$459,800	\$133,100
1828	Supplemental Examination Document Size Fee - for nonpatent document having between 21 and 50 sheets	\$180	\$3,420	\$0
1829	Supplemental Examination Document Size Fee - for each additional 50 sheets or a fraction thereof in a nonpatent document	\$280	\$8,680	\$0
1825	Refused Reexamination Requests	\$3,600	\$0	\$7,200
1831	Request For Ex Parte Reexamination (< 40 Pages)	\$6,000	\$282,000	\$78,000

Fee Code	Fee Title	Fee Rate	President's Budget Plan Collections	Actual Collections
<b>Total Post Issuance Fees (Large Entity)</b>			<b>\$10,276,330</b>	<b>\$9,499,550</b>
Post Issuance Fees (Small Entity):				
2816	Processing fee for correcting inventorship in a patent	\$150	\$20,850	\$23,550
2811	Certificate of correction	\$150	\$318,450	\$303,450
2814	Statutory disclaimer, including terminal disclaimer	\$160	\$2,294,240	\$2,347,360
2812	Request for ex parte reexamination	\$6,000	\$264,000	\$333,000
2821	Reexamination independent claims in excess of three and also in excess of the number of such claims in the patent under reexamination	\$230	\$9,200	\$5,750
2822	Reexamination claims in excess of 20 and also in excess of the number of claims in the patent under reexamination	\$50	\$24,700	\$11,350
2826	Request for supplemental examination	\$2,200	\$26,400	\$19,800
2827	Reexamination ordered as a result of supplemental examination	\$6,050	\$60,500	\$36,300
2828	Supplemental Examination Document Size Fee - for nonpatent document having between 21 and 50 sheets	\$90	\$1,170	\$360
2829	Supplemental Examination Document Size Fee - for each additional 50 sheets or a fraction thereof in a nonpatent document	\$140	\$140	\$420
2831	Request For Ex Parte Reexamination (< 40 Pages)	\$3,000	\$132,000	\$69,000
<b>Total Post Issuance Fees (Small Entity)</b>			<b>\$3,151,650</b>	<b>\$3,150,340</b>
Post Issuance Fees (Micro Entity):				
3816	Processing fee for correcting inventorship in a patent	\$150	\$750	\$2,400
3811	Certificate of correction	\$150	\$15,900	\$12,700
3814	Statutory disclaimer, including terminal disclaimer	\$160	\$106,880	\$118,560
3812	Request for ex parte reexamination	\$3,000	\$0	\$51,000
3821	Reexamination independent claims in excess of three and also in excess of the number of such claims in the patent under reexamination	\$115	\$230	\$345
3822	Reexamination claims in excess of 20 and also in excess of the number of claims in the patent under reexamination	\$25	\$325	\$0

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
3826	Request for supplemental examination	\$1,100	\$2,200	\$1,100
3827	Reexamination ordered as a result of supplemental examination	\$3,025	\$3,025	\$0
3828	Supplemental Examination Document Size Fee - for nonpatent document having between 21 and 50 sheets	\$45	\$45	\$0
3829	Supplemental Examination Document Size Fee - for each additional 50 sheets or a fraction thereof in a nonpatent document	\$70	\$0	\$0
3831	Request For Ex Parte Reexamination (< 40 Pages)	\$1,500	\$0	\$0
<b>Total Post Issuance Fees (Micro Entity)</b>			<b>\$129,355</b>	<b>\$186,105</b>
Patent Trial and Appeal Fees (Large Entity):				
1405	Petitions to the Chief Administrative Patent Judge under 37 CFR 41.3	\$400	\$14,400	\$14,000
1401	Notice of appeal	\$800	\$12,992,800	\$11,995,200
1404	Filing a brief in support of an appeal in an inter partes reexamination proceeding	\$2,000	\$70,000	\$6,000
1403	Request for oral hearing	\$1,300	\$813,800	\$546,000
1413	Forwarding an appeal in an application or ex parte reexamination proceeding to the Board	\$2,240	\$18,466,560	\$12,645,200
1406	Inter partes review request fee - Up to 20 claims	\$15,500	\$28,613,000	\$21,870,500
1414	Inter partes review post-institution fee - Up to 15 claims	\$15,000	\$17,775,000	\$10,816,000
1407	Inter partes review request of each claim in excess of 20	\$300	\$1,470,600	\$900,300
1415	Inter partes post-institution request of each claim in excess of 15	\$600	\$2,892,600	\$1,573,400
1408	Post-grant or covered business method review request fee - Up to 20 claims	\$16,000	\$1,456,000	\$1,120,000
1416	Post-grant or covered business method review post-institution fee - Up to 15 claims	\$22,000	\$990,000	\$648,000
1409	Post-grant or covered business method review request of each claim in excess of 20	\$375	\$180,375	\$61,500
1417	Post-grant or covered business method review post-institution request of each claim in excess of 15	\$825	\$299,475	-\$77,275
1412	Petition for a derivation proceeding	\$400	\$2,000	\$2,800

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
1411	Request to make a settlement agreement available and other requests filed in a patent trial proceeding	\$400	\$0	\$0
<b>Total Patent Trial and Appeal Fees (Large Entity)</b>			<b>\$86,036,610</b>	<b>\$62,121,625</b>
Patent Trial and Appeals Fees (Small Entity):				
2401	Notice of appeal	\$400	\$1,965,600	\$1,817,600
2404	Filing a brief in support of an appeal in an inter partes reexamination proceeding	\$1,000	\$9,000	\$4,000
2403	Request for oral hearing	\$650	\$146,900	\$113,100
2405	Petitions to the chief administrative patent judge under 37 CFR 41.3	\$400	\$2,000	\$0
2413	Forwarding an appeal in an application or ex parte reexamination proceeding to the Board	\$1,120	\$2,088,800	\$1,432,360
<b>Total Patent Trial and Appeals Fees (Small Entity)</b>			<b>\$4,212,300</b>	<b>\$3,367,060</b>
Patent Trial and Appeals Fees (Micro Entity):				
3401	Notice of appeal	\$200	\$83,800	\$81,200
3404	Filing a brief in support of an appeal in an inter partes reexamination proceeding	\$500	\$0	\$1,000
3403	Request for oral hearing	\$325	\$3,250	\$4,225
3405	Petitions to the chief administrative patent judge under 37 CFR 41.3	\$400	\$0	\$0
3413	Forwarding an appeal in an application or ex parte reexamination proceeding to the Board	\$560	\$104,720	\$75,600
<b>Total Patent Trial and Appeals Fees (Micro Entity)</b>			<b>\$191,770</b>	<b>\$162,025</b>
Patent Petition Fees (Large Entity):				
1462	Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I)	\$400	\$463,200	\$427,200
1463	Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II)	\$200	\$854,800	\$1,032,600
1464	Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III)	\$140	\$1,252,440	\$1,276,140

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
1453	Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding	\$2,000	\$6,240,000	\$6,028,300
1454	Petition for the delayed submission of a priority or benefit claim, or to restore the right of priority or benefit	\$2,000	\$2,930,000	\$2,247,500
1784	Petition to excuse applicant's failure to act within prescribed time limits in an international design application	\$2,000	\$2,000	\$10,000
1783	Petition to convert an international design application to a design application under 35 U.S.C. chapter 16	\$180	\$0	\$0
1455	Filing an application for patent term adjustment	\$200	\$72,600	\$82,600
1456	Request for reinstatement of term reduced	\$400	\$1,600	\$800
1824	Petitions in a reexamination proceeding, except for those specifically enumerated in 37 CFR 1.550(i) and 1.937(d)	\$1,940	\$209,520	\$64,020
1457	Extension of term of patent	\$1,120	\$96,320	\$164,640
1458	Initial application for interim extension (see 37 CFR 1.790)	\$420	\$1,260	\$1,680
1459	Subsequent application for interim extension (see 37 CFR 1.790)	\$220	\$440	\$0
<b>Total Patent Petition Fees (Large Entity)</b>			<b>\$12,124,180</b>	<b>\$11,335,480</b>
Patent Petition Fees (Small Entity):				
2462	Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I)	\$200	\$180,200	\$161,400
2463	Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II)	\$100	\$45,800	\$57,700
2464	Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III)	\$70	\$272,020	\$297,500
2453	Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding	\$1,000	\$3,990,000	\$3,616,300
2454	Petition for the delayed submission of a priority or benefit claim, or to restore the right of priority or benefit	\$1,000	\$1,327,000	\$984,850
2783	Petition to convert an international design application to a design application under 35 U.S.C. chapter 16	\$90	\$0	\$0



<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
2455	Filing an application for patent term adjustment	\$200	\$10,600	\$10,600
2456	Request for reinstatement of term reduced	\$400	\$1,200	\$800
2784	Petition to excuse applicant's failure to act within prescribed time limits in an international design application	\$1,000	\$2,000	\$0
2824	Petitions in a reexamination proceeding, except for those specifically enumerated in 37 CFR 1.550(i) and 1.937(d)	\$970	\$5,820	\$2,910
2457	Extension of term of patent	\$1,120	\$4,480	\$8,960
2458	Initial application for interim extension (see 37 CFR 1.790)	\$420	\$0	\$0
2459	Subsequent application for interim extension (see 37 CFR 1.790)	\$220	\$0	\$440
<b>Total Patent Petition Fees (Small Entity)</b>			<b>\$5,839,120</b>	<b>\$5,141,460</b>
Patent Petition Fees (Micro Entity):				
3462	Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I)	\$100	\$21,700	\$23,500
3463	Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II)	\$50	\$2,300	\$4,100
3464	Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III)	\$35	\$7,945	\$7,945
3453	Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding	\$500	\$451,000	\$730,950
3454	Petition for the delayed submission of a priority or benefit claim, or to restore the right of priority or benefit	\$500	\$85,000	\$115,500
3783	Petition to convert an international design application to a design application under 35 U.S.C. chapter 16	\$45	\$0	\$0
3455	Filing an application for patent term adjustment	\$200	\$400	\$600
3456	Request for reinstatement of term reduced	\$400	\$0	\$400
3784	Petition to excuse applicant's failure to act within prescribed time limits in an international design application	\$500	\$0	\$0

Fee Code	Fee Title	Fee Rate	President's Budget Plan Collections	Actual Collections
3824	Petitions in a reexamination proceeding, except for those specifically enumerated in 37 CFR 1.550(i) and 1.937(d)	\$485	\$0	\$0
3457	Extension of term of patent	\$1,120	\$0	\$0
3458	Initial application for interim extension (see 37 CFR 1.790)	\$420	\$0	\$0
3459	Subsequent application for interim extension (see 37 CFR 1.790)	\$220	\$0	\$0
<b>Total Patent Petition Fees (Micro Entity)</b>			<b>\$568,345</b>	<b>\$882,995</b>
PCT Fees - National Stage (Large Entity):				
1631	Basic National Stage Fee	\$300	\$22,556,700	\$21,970,720
1641	National Stage Search Fee - U.S. was the ISA	\$140	\$342,440	\$331,540
1642	National Stage Search Fee - search report prepared and provided to USPTO	\$520	\$36,494,120	\$34,975,320
1632	National Stage Search Fee - all other situations	\$660	\$1,452,000	\$2,189,460
1633	National Stage Examination Fee - all other situations	\$760	\$56,832,040	\$55,409,640
1614	Claims - extra independent (over three)	\$460	\$7,085,380	\$6,400,420
1615	Claims - extra total (over 20)	\$100	\$8,835,700	\$7,518,740
1616	Claims - multiple dependent	\$820	\$798,680	\$495,000
1617	Search fee, examination fee or oath or declaration after the date of commencement of the national stage	\$140	\$3,675,840	\$3,375,820
1618	English translation after thirty months from priority date	\$140	\$224,280	\$226,660
1681	National Stage Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$400	\$2,044,000	\$2,466,890
<b>Total PCT Fees - National Stage (Large Entity)</b>			<b>\$140,341,180</b>	<b>\$135,360,210</b>
PCT Fees - National Stage (Small Entity):				
2631	Basic National Stage Fee	\$150	\$3,311,250	\$3,662,095
2641	National Stage Search Fee - U.S. was the ISA	\$70	\$284,130	\$351,090
2642	National Stage Search Fee - search report prepared and provided to USPTO	\$260	\$4,522,440	\$4,626,345

## Appendix VI

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
2632	National Stage Search Fee - all other situations	\$330	\$190,740	\$420,900
2633	National Stage Examination Fee - all other situations	\$380	\$8,345,560	\$9,125,115
2614	Claims - extra independent (over three)	\$230	\$1,348,030	\$1,341,770
2615	Claims - extra total (over 20)	\$50	\$2,927,850	\$2,678,446
2616	Claims - multiple dependent	\$410	\$243,540	\$159,140
2617	Search fee, examination fee or oath or declaration after the date of commencement of the national stage	\$70	\$797,300	\$794,850
2618	English translation after thirty months from priority date	\$70	\$62,720	\$70,000
2681	National Stage Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$200	\$468,200	\$647,400
<b>Total PCT Fees - National Stage (Small Entity)</b>			<b>\$22,501,760</b>	<b>\$23,877,151</b>
PCT Fees - National Stage (Micro Entity):				
3631	Basic National Stage Fee	\$75	\$113,625	\$116,920
3641	National Stage Search Fee - U.S. was the ISA	\$35	\$12,740	\$9,460
3642	National Stage Search Fee - search report prepared and provided to USPTO	\$130	\$130,390	\$138,650
3632	National Stage Search Fee - all other situations	\$165	\$24,750	\$32,625
3633	National Stage Examination Fee - all other situations	\$190	\$281,770	\$289,370
3614	Claims - extra independent (over three)	\$115	\$38,985	\$24,870
3615	Claims - extra total (over 20)	\$25	\$60,825	\$50,000
3616	Claims - multiple dependent	\$205	\$13,120	\$9,420
3617	Search fee, examination fee or oath or declaration after the date of commencement of the national stage	\$35	\$13,755	\$10,780
3618	English translation after thirty months from priority date	\$35	\$2,660	\$2,730
3681	National Stage Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$100	\$5,500	\$1,900
<b>Total PCT Fees - National Stage (Micro Entity)</b>			<b>\$698,120</b>	<b>\$686,725</b>

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
PCT Fees - International Stage (Large Entity):				
1601	Transmittal fee	\$240	\$9,112,080	\$8,517,360
1602	Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16)	\$2,080	\$16,051,360	\$16,078,120
1604	Supplemental search fee when required, per additional invention	\$2,080	\$834,080	\$678,080
1621	Transmitting application to Intl. Bureau to act as receiving office	\$240	\$97,200	\$121,920
1605	Preliminary examination fee - U.S. was the ISA	\$600	\$227,400	\$189,600
1606	Preliminary examination fee - U.S. was not the ISA	\$760	\$183,920	\$142,120
1607	Supplemental examination fee per additional invention	\$600	\$2,400	\$1,800
1619	Late payment fee	var	\$100,000	\$110,141
1624	Suspense Account for PCT Payments		\$0	\$1,532
1627	Late Filing of Sequence Listing	\$300	\$72,600	\$44,400
<b>Total PCT Fees - International Stage (Large Entity)</b>			<b>\$26,681,040</b>	<b>\$25,885,073</b>
PCT Fees - International Stage (Small Entity):				
2601	Transmittal fee	\$120	\$1,975,440	\$2,250,000
2602	Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16)	\$1,040	\$12,042,160	\$14,315,600
2604	Supplemental search fee when required, per additional invention	\$1,040	\$608,400	\$522,080
2621	Transmitting application to Intl. Bureau to act as receiving office	\$120	\$35,520	\$34,680
2605	Preliminary examination fee - U.S. was the ISA	\$300	\$113,100	\$134,100
2606	Preliminary examination fee - U.S. was not the ISA	\$380	\$20,900	\$24,700
2607	Supplemental examination fee per additional invention	\$300	\$9,000	\$1,500
2619	Late payment fee	var	\$0	\$1,655
2627	Late Filing of Sequence Listing	\$150	\$22,050	\$86,550
<b>Total PCT Fees - International Stage (Small Entity)</b>			<b>\$14,826,570</b>	<b>\$17,370,865</b>
PCT Fees - International Stage (Micro Entity):				
3601	Transmittal fee	\$60	\$69,360	\$65,400

Fee Code	Fee Title	Fee Rate	President's Budget Plan Collections	Actual Collections
3602	Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16)	\$520	\$571,480	\$579,280
3604	Supplemental search fee when required, per additional invention	\$520	\$40,560	\$30,680
3621	Transmitting application to Intl. Bureau to act as receiving office	\$60	\$2,580	\$2,280
3605	Preliminary examination fee - U.S. was the ISA	\$150	\$9,450	\$10,650
3606	Preliminary examination fee - U.S. was not the ISA	\$190	\$1,710	\$570
3607	Supplemental examination fee per additional invention	\$150	\$0	\$600
3619	Late payment fee	var	\$0	\$3,142
3627	Late Filing of Sequence Listing	\$75	\$1,200	\$600
<b>Total PCT Fees - International Stage (Micro Entity)</b>			<b>\$696,340</b>	<b>\$693,202</b>
Hague International Design Application Fees (Large Entity):				
1781	Transmittal Fee	\$120	\$12,600	\$9,720
1791	International Design Application First Part U.S. Designation Fee	\$960	\$1,675,200	\$956,320
1792	(Part II Designation Fee) Issue Fee Paid Through the International Bureau in an International Design Application	\$700	\$111,300	\$205,620
9981	Exchange Rate Gains for Hague Transactions	var	\$0	\$35,575
9989	Suspense Account for Hague Transactions	var	\$0	\$0
<b>Total Hague International Design Application Fees (Large Entity)</b>			<b>\$1,799,100</b>	<b>\$1,207,235</b>
Hague International Design Application Fees (Small Entity):				
2781	Transmittal Fee	\$60	\$1,920	\$3,120
2791	International Design Application First Part U.S. Designation Fee	\$480	\$252,480	\$182,940
2792	(Part II Designation Fee) Issue Fee Paid Through the International Bureau in an International Design Application	\$350	\$26,250	\$37,370
<b>Total Hague International Design Application Fees (Small Entity)</b>			<b>\$280,650</b>	<b>\$223,430</b>
Hague International Design Application Fees (Micro Entity):				
3781	Transmittal Fee	\$30	\$240	\$210

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
3791	International Design Application First Part U.S. Designation Fee	\$240	\$32,880	\$25,630
3792	(Part II Designation Fee) Issue Fee Paid Through the International Bureau in an International Design Application	\$175	\$2,800	\$11,340
<b>Total Hague International Design Application Fees (Micro Entity)</b>			<b>\$35,920</b>	<b>\$37,180</b>
Patent Service Fees:				
8001	Printed copy of patent w/o color, delivery by USPS, USPTO Box, or electronic means	\$3	\$83,700	\$93,471
8005	Patent Application Publication (PAP)	\$3	\$300	\$381
8003	Printed copy of plant patent in color	\$15	\$4,845	\$2,625
8004	Color copy of patent (other than plant patent) containing a color drawing	\$25	\$25	\$0
8007	Copy of patent application as filed	\$35	\$1,949,955	\$1,916,285
8010	Individual application documents, other than application as filed, per document	\$25	\$10,475	\$7,975
8013	Copy of office records, except copies of applications as filed	\$25	\$153,300	\$199,350
8014	For assignment records, abstract of title and certification, per patent	\$35	\$860,475	\$834,515
8904	Library service	\$50	\$2,150	\$2,132
8016	Uncertified statement re status of maintenance fee payments		\$0	\$0
8017	Copy of non-U.S. document	\$25	\$25	\$0
8020	International type search report	\$40	\$0	\$0
8901	REPS	var	\$70,930	\$49,193
8902	Self-service copy charge, per page		\$0	-\$182
8021	Recording each patent assignment, agreement or other paper, per property - if not submitted electronically	\$50	\$126,550	\$45,250
8022	Publication in Official Gazette	\$25	\$5,875	\$4,050
8023	Labor charges for services, per hour or fraction thereof		\$0	-\$40
8026	Handling fee for incomplete or improper application	\$130	\$47,060	\$32,370
8051	Copy Patent File Wrapper, Paper Medium, Any Number of Sheets	\$280	\$214,200	\$109,760

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
8052	Copy Patent File Wrapper, Electronic Medium, Any Size	\$55	\$179,300	\$142,835
8053	Additional Fee For Overnight Delivery	\$40	\$6,400	\$20,200
8054	Additional Fee For Expedited Service	\$160	\$112,000	\$67,040
8055	Copy of Patent Grant Single-Page TIFF Images		\$52,000	\$0
8056	Copy of Patent Grant Full-Text W/Embedded Images, Patent Application Publication Single-Page TIFF Images, or Patent Application Publication Full-Text W/Embedded Images		\$78,000	\$0
8057	Copy of Patent Bibliographic Extract and Other DVD (Optical Disc) Products	\$50	\$4,000	\$0
8058	Copy of U.S. Patent Custom Data Extracts	\$100	\$3,700	\$0
8059	Copy of Selected Technology Reports, Miscellaneous Technology Areas	\$30	\$1,800	\$0
<b>Total Patent Service Fees</b>			<b>\$3,967,065</b>	<b>\$3,527,211</b>
Patent Enrollment Fees:				
9001	Application fee (non-refundable)	\$100	\$303,100	\$262,800
9010	For test administration by commercial entity	\$200	\$561,000	\$478,800
9011	For test administration by the USPTO	\$450	\$2,700	\$0
9003	Registration to practice or grant of limited recognition under §11.9(b) or (c)	\$200	\$234,400	\$206,000
9025	Registration to practice for change of practitioner type	\$100	\$32,700	\$32,600
9005	Certificate of good standing as an attorney or agent	\$40	\$11,760	\$36,560
9006	Certificate of good standing as an attorney or agent, suitable for framing	\$50	\$1,150	\$1,250
9012	Review of decision by the Director of Enrollment and Discipline under §11.2(c)	\$400	\$2,800	\$2,000
9013	Review of decision of the Director of Enrollment and Discipline under §11.2(d)	\$400	\$800	\$400
9020	Delinquency fee for annual fee	\$50	\$550	\$50

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
9004	Reinstatement to practice	\$200	\$10,600	\$6,200
9014	Application fee for person disciplined, convicted of a felony or certain misdemeanors under §11.7(h)	\$1,600	\$17,600	\$17,600
9024	Unspecified other services, excluding labor	var	\$830	\$9,225
9026	Grant of Limited Recognition Under §11.9(B) or (C)	\$200	\$12,000	\$1,600
9027	Establish OED Information System Customer Interface Account (Id & Password) - Performed by OED	\$70	\$1,120	\$560
9028	Roster Maintenance In OED Information System Customer Interface (Change Of Address) - Performed by OED	\$70	\$70,000	\$38,990
9029	Registration Examination Review Session	\$450	\$2,250	\$450
90EE	Disciplinary Proceeding		\$0	\$0
<b>Total Patent Enrollment Fees</b>			<b>\$1,265,360</b>	<b>\$1,095,085</b>
Finance Service Fees:				
9202	Service charge for below minimum balance	\$25	\$44,500	\$34,919
9101	Processing each payment refused or charged back	\$50	\$34,200	\$11,190
9209	Partial Service Charge for Closing a Deposit Account	var	\$990	\$12,011
<b>Total Finance Service Fees</b>			<b>\$79,690</b>	<b>\$58,120</b>
<b>Trademarks</b>				
Application Filings:				
6001	Application for registration, per international class (paper filing)	\$600	\$0	\$62,400
6006	Dividing an application, per new application (file wrapper) created	\$200	\$3,800	\$200
6008	Additional fee for application that doesn't meet TEAS Plus filing requirements, per class	\$125	\$16,000	\$4,875
7001	Application for registration, per international class (electronic filing, TEAS application)	\$400	\$2,737,600	\$2,274,400
7006	Dividing an application, per new application (file wrapper) created	\$100	\$383,100	\$475,600



## Appendix VI

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
7007	Application for registration, per international class (electronic filing, TEAS Plus application)	\$225	\$63,232,425	\$62,512,875
7008	Additional fee for application that doesn't meet TEAS Plus filing requirements, per class	\$125	\$378,625	\$441,250
7009	Application for registration, per international class (electronic filing, TEAS RF application)	\$275	\$94,988,575	\$97,139,075
7931	Application Fee Filed at WIPO	\$400	\$24,748,800	\$23,775,200
7933	Subsequent Designation Fee Filed at WIPO	\$400	\$2,152,000	\$1,570,325
<b>Total Application Filings</b>			<b>\$188,640,925</b>	<b>\$188,256,200</b>
Maintaining Exclusive Rights:				
6201	Application for renewal under §9, per class	\$500	\$114,000	\$74,700
6203	Additional fee for filing renewal application during grace period, per class	\$200	\$2,200	\$1,800
6204	Correcting a deficiency in a renewal application	\$200	\$0	\$0
6205	Filing §8 affidavit, per class	\$225	\$94,050	\$66,750
6206	Additional fee for filing §8 affidavit during grace period, per class	\$200	\$8,600	\$6,800
6207	Correcting a deficiency in a §8 affidavit	\$200	\$2,200	\$1,800
6208	Filing §15 affidavit, per class	\$300	\$56,400	\$17,700
6210	Publication of mark under §12(c), per class	\$200	\$0	\$0
6211	Issuing new certificate of registration	\$200	\$1,400	\$0
6212	Certificate of correction, registrant's error	\$200	\$600	\$0
6213	Filing disclaimer to registration	\$200	\$0	\$0
6214	Filing amendment to registration	\$200	\$4,000	-\$200
6215	Filing §71 affidavit, per class		\$0	\$0
6216	Filing §71 affidavit grace period, per class		\$0	\$0
7201	Application for renewal under §9, per class	\$300	\$31,366,200	\$29,618,100
7203	Additional fee for filing renewal application during grace period, per class	\$100	\$1,020,400	\$1,034,100
7204	Correcting a deficiency in a renewal application	\$100	\$30,100	\$27,500

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
7205	Filing §8 affidavit, per class	\$125	\$26,538,125	\$26,299,900
7206	Additional fee for filing §8 affidavit during grace period, per class	\$100	\$2,189,800	\$2,296,900
7207	Correcting a deficiency in a §8 affidavit	\$100	\$164,000	\$238,000
7208	Filing §15 affidavit, per class	\$200	\$19,099,200	\$19,262,800
7210	Publication of mark under §12(c), per class	\$100	\$0	\$100
7211	Issuing new certificate of registration	\$100	\$300	\$5,800
7212	Certificate of correction, registrant's error	\$100	\$523,300	\$553,400
7213	Filing disclaimer to registration	\$100	\$0	\$100
7214	Filing amendment to registration	\$100	\$18,100	\$20,200
7215	Filing §71 affidavit, per class		\$150	\$0
7216	Filing §71 affidavit grace period, per class		\$0	\$0
<b>Total Maintaining Exclusive Rights</b>			<b>\$81,233,125</b>	<b>\$79,526,250</b>
Intent to Use/Use Fees:				
6002	Filing an Amendment to Allege Use under §1(c), per class	\$200	\$3,800	\$1,800
6003	Filing a Statement of Use under §1(d)(1), per class	\$200	\$25,200	\$7,400
6004	Filing a Request for a Six-month Extension of Time for Filing a Statement of Use under §1(d)(1), per class	\$225	\$0	\$10,800
7002	Filing an Amendment to Allege Use under §1(c), per class	\$100	\$951,600	\$916,300
7003	Filing a Statement of Use under §1(d)(1), per class	\$100	\$11,541,100	\$12,267,500
7004	Filing a Request for a Six-month Extension of Time for Filing a Statement of Use under §1(d)(1), per class	\$125	\$33,398,125	\$36,678,275
<b>Total Intent to Use/Use Fees</b>			<b>\$45,919,825</b>	<b>\$49,882,075</b>
Madrid Protocol Fees:				
6901	Certifying an International application based on single application or registration, per class	\$200	\$4,400	\$5,200
6902	Certifying an International application based on more than one basic application or registration, per class	\$250	\$5,000	\$0

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
6903	Transmitting a Request to Record an Assignment or restriction under 7.23 or 7.24	\$200	\$2,000	\$400
6904	Filing a Notice of Replacement, per class	\$200	\$0	\$0
6907	Transmitting a subsequent designation	\$200	\$0	\$0
6908	Correcting a deficiency in an affidavit under 71 of the Act	\$200	\$0	\$0
7901	Certifying an International application based on single application or registration, per class	\$100	\$1,541,800	\$1,522,500
7902	Certifying an International application based on more than one basic application or registration, per class	\$150	\$377,550	\$316,650
7903	Transmitting a Request to Record an Assignment or restriction under 7.23 or 7.24	\$100	\$0	\$600
7904	Filing a Notice of Replacement, per class	\$100	\$400	\$400
7907	Transmitting a subsequent designation	\$100	\$194,900	\$149,600
7908	Correcting a deficiency in an affidavit under 71 of the Act	\$100	\$19,300	\$14,200
6905	Filing an affidavit under 71 of the Act, per class	\$225	\$0	\$3,375
6906	Surcharge for filing affidavit under 71 of the Act during grace period, per class	\$200	\$0	\$400
7905	Filing an affidavit under 71 of the Act, per class	\$125	\$2,503,000	\$2,001,750
7906	Surcharge for filing affidavit under 71 of the Act during grace period, per class	\$100	\$360,100	\$279,600
<b>Total Madrid Protocol Fees</b>			<b>\$5,008,450</b>	<b>\$4,294,675</b>

## Trademark Trial and Appeal Board:

6401	Petition for cancellation, per class	\$500	\$0	\$0
6402	Notice of opposition, per class	\$500	\$8,000	\$3,000
6403	Ex parte appeal, per class	\$300	\$7,200	\$4,800
7401	Petition for cancellation, per class	\$400	\$1,574,800	\$1,532,800
7402	Notice of opposition, per class	\$400	\$4,593,200	\$4,227,000
7403	Ex parte appeal, per class	\$200	\$1,141,600	\$969,000
6404	Filing a request for an extension of time to file a notice of opposition under §2.102(c)(1)(ii) or (c)(2)	\$200	\$49,200	\$0

Fee Code	Fee Title	Fee Rate	President's Budget Plan Collections	Actual Collections
6405	Filing a request for an extension of time to file a notice of opposition under §2.102(c)(3)	\$300	\$30,300	\$0
7404	Filing a request for an extension of time to file a notice of opposition under §2.102(c)(1)(ii) or (c)(2)	\$100	\$1,207,100	\$1,086,500
7405	Filing a request for an extension of time to file a notice of opposition under §2.102(c)(3)	\$200	\$985,400	\$629,800
<b>Total Trademark Trial and Appeal Board</b>			<b>\$9,596,800</b>	<b>\$8,452,900</b>
Other Trademark Fees:				
6991	Recordal application fee	\$20	\$620	\$580
6992	Renewal application fee	\$20	\$800	\$660
6993	Late fee for renewal application	\$20	\$80	\$200
6994	Application fee for reactivation of insignia, per request	\$20	\$80	\$140
6999	Trademark Unassigned Fees	var	\$2,970	\$10,503
7932	Renewal Fee Filed at WIPO	\$300	\$2,966,400	\$2,351,100
9990	International Bureau Unassigned Fees	var	\$0	-\$5,600
8501	Printed copy of registered mark, delivery by USPS, USPTO Box, or electronic means	\$3	\$300	\$198
8503	Certified copy of registered mark, with title and/or status, regular service	\$15	\$106,620	\$89,940
8504	Certified copy of registered mark, with title and/or status, expedited local service	\$30	\$58,320	\$45,570
8507	Certified copy of trademark application as filed	\$15	\$357,885	\$302,775
8508	Certified or uncertified copy of trademark-related file wrapper and contents	\$50	\$53,050	\$44,750
8513	Certified or uncertified copy of trademark document, unless otherwise provided	\$25	\$10,750	\$13,375
8514	For assignment records, abstracts of title and certification per registration	\$25	\$14,500	\$20,150
8521	Recording trademark assignment, agreement or other paper, first mark per document	\$40	\$1,742,480	\$1,855,040
8522	For second and subsequent marks in the same document	\$25	\$6,282,550	\$6,116,425

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Plan Collections</u>	<u>Actual Collections</u>
8523	Labor charges for services, per hour or fraction thereof		\$200	\$0
8524	Unspecified other services, excluding labor		\$380	\$0
8531	Trademark Computer Records		\$0	\$0
8901	REPS	var	\$1,130	\$1,156
8902	Self Service Copy Charge, per Page	\$0.25	\$0	-\$4
8904	Annual Library Subscription	\$50	\$1,600	\$2,118
8533	Additional fee for overnight delivery	\$40	\$0	\$1,000
8534	Additional fee for expedited service	\$160	\$0	\$13,120
<b>Total Other Trademark Fees</b>			<b>\$11,600,715</b>	<b>\$10,863,196</b>

Trademark Processing Fees:

6005	Petitions to the Director (Paper Correspondence)	\$200	\$7,600	\$8,200
7005	Petitions to the Director (Electronic Correspondence)	\$100	\$2,585,000	\$2,611,400
<b>Total Trademark Processing Fees</b>			<b>\$2,592,600</b>	<b>\$2,619,600</b>

Finance Service Fees:

9101	Processing Each Payment Refused or Charged Back	\$50	\$3,400	\$1,260
9202	Service Charge for Below Minimum Balance on Deposit Accounts	\$25	\$4,450	\$3,931
9209	Partial service charge for closing a deposit account	var	\$100	\$1,352
<b>Total Finance Service Fees</b>			<b>\$7,950</b>	<b>\$6,543</b>

# APPENDIX VII – 2018-2022 USPTO STRATEGIC PLAN FRAMEWORK



## United States Patent and Trademark Office STRATEGIC FRAMEWORK

### THE USPTO MISSION

Fostering innovation, competitiveness and job growth in the United States by conducting high quality and timely patent and trademark examination and review proceedings in order to produce reliable and predictable intellectual property rights; guiding intellectual property policy, and improving intellectual property rights protection; and delivering intellectual property information and education worldwide.

### THE USPTO VISION

Leading the nation and the world in intellectual property

### STRATEGIC GOALS

- Goal I:** Optimize Patent Quality and Timeliness
- Goal II:** Optimize Trademark Quality and Timeliness
- Goal III:** Provide Domestic and Global Leadership to Improve Intellectual Property Policy, Enforcement, and Protection Worldwide
- Mission Support Goal:** Deliver Organizational Excellence

GOAL I: OPTIMIZE PATENT QUALITY AND TIMELINESS			
Objective 1: Optimize Patent Application Pendency	Objective 2: Issue Highly Reliable Patents	Objective 3: Foster Innovation Through Business Effectiveness	Objective 4: Enhance Operations of the Patent Trial and Appeal Board (PTAB)
Initiatives	Initiatives	Initiatives	Initiatives
<ul style="list-style-type: none"> <li>A. Optimize pendency and examination timeframes.</li> <li>B. Align production capacity with incoming workload.</li> <li>C. Leverage value obtained from international work products.</li> <li>D. Identify and offer additional prosecution options.</li> </ul>	<ul style="list-style-type: none"> <li>A. Increase examiners' ability to obtain the best prior art during examination.</li> <li>B. Improve content, delivery, and timeliness of technical and legal training to achieve more predictable outcomes.</li> <li>C. Use patent quality data to identify areas for improvement to achieve more consistent outcomes.</li> <li>D. Refine production standards to achieve patent quality expectations and goals.</li> <li>E. Enhance transparency and communication of quality metrics.</li> </ul>	<ul style="list-style-type: none"> <li>A. Enhance patent customer experience.</li> <li>B. Optimize development and delivery of information technology (IT) tools for internal users of patent systems to ensure they have the tools that they need for a thorough search and examination.</li> <li>C. Enhance IT interfaces available to external users of patent systems.</li> <li>D. Improve searchable access to domestic and international patent application files, including to prior art and office actions.</li> <li>E. Retain and leverage nationwide talent.</li> <li>F. Document and standardize best practices to facilitate succession planning.</li> <li>G. Coordinate outreach efforts across the Patent organization and evaluate the impact of these efforts on the patent ecosystem.</li> </ul>	<ul style="list-style-type: none"> <li>A. Resolve appeals and inter partes matters in a timely manner.</li> <li>B. Streamline procedures and standards where feasible and appropriate to ensure balance and predictability.</li> <li>C. Emphasize overall written quality, well-supported reasoning of orders and opinions, and decisional consistency.</li> <li>D. Increase internal and external engagement on PTAB operations to promote understanding.</li> <li>E. Develop and enhance tools to promote transparency and enable increased use of operational data.</li> <li>F. Retain and leverage nationwide talent.</li> </ul>

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GOAL II: OPTIMIZE TRADEMARK QUALITY AND TIMELINESS			
Objective 1: Optimize Trademark Application Pendency	Objective 2: Issue High-Quality Trademarks	Objective 3: Foster Business Effectiveness	Objective 4: Enhance Operations of the Trademark Trial and Appeal Board (TTAB)
<b>Initiatives</b>	<b>Initiatives</b>	<b>Initiatives</b>	<b>Initiatives</b>
<ul style="list-style-type: none"> <li>A. Align production capacity with incoming workload and inventory.</li> <li>B. Work with customers to develop pendency goals that increase examination efficiency, maintain an optimal pendency level, and meet the expectations of the intellectual property (IP) community.</li> <li>C. Optimize pendencies for all types of actions throughout the trademark process.</li> </ul>	<ul style="list-style-type: none"> <li>A. Continually improve quality measurements.</li> <li>B. Provide targeted training (including legal training and education) to address quality issues.</li> <li>C. Leverage analytics to drive training, process improvements, and consistency.</li> <li>D. Leverage state-of-the-art technologies that support high-quality examination and registration.</li> </ul>	<ul style="list-style-type: none"> <li>A. Develop innovative recruitment strategies for staffing trademark positions.</li> <li>B. Develop leadership programs for succession planning, knowledge management, and employee engagement.</li> <li>C. Develop the workforce to support IT modernization.</li> <li>D. Focus IT efforts on improving efficiencies in core business operations.</li> <li>E. Enhance the customer experience.</li> <li>F. Explore artificial and business intelligence to assist trademark customers.</li> <li>G. Partner with customers to define and address needs.</li> </ul>	<ul style="list-style-type: none"> <li>A. Resolve appeals and inter partes matters in a timely manner.</li> <li>B. Streamline processes and procedures where feasible and appropriate, and ensure procedural predictability.</li> <li>C. Emphasize overall written quality, well-supported reasoning of orders and opinions, and decisional consistency.</li> <li>D. Maintain increased internal and external engagement on TTAB operations to promote customer understanding of process and procedure.</li> <li>E. Document clear and comprehensive business requirements to facilitate enhancement of legacy IT systems and prepare for next generation IT systems.</li> <li>F. Retain and leverage nationwide talent.</li> </ul>

GOAL III: PROVIDE DOMESTIC AND GLOBAL LEADERSHIP TO IMPROVE INTELLECTUAL PROPERTY (IP) POLICY, ENFORCEMENT, AND PROTECTION WORLDWIDE	
Objective 1: Provide Leadership and Education on Domestic IP Policy and Awareness	Objective 2: Provide Leadership and Education on International IP Policy and Awareness
<b>Initiatives</b>	<b>Initiatives</b>
<ul style="list-style-type: none"> <li>A. Provide domestic policy formulation and guidance on key issues in all fields of IP enforcement and protection.</li> <li>B. Engage other U.S. government agencies, stakeholders, and Congress on legislation that improves the IP system.</li> <li>C. Provide domestic education on IP at all levels, including to stakeholders, the public, and state and local communities.</li> <li>D. Provide input to ongoing court considerations on key IP issues.</li> <li>E. Advocate for the value of IP as a critical driver of innovation and creativity.</li> </ul>	<ul style="list-style-type: none"> <li>A. Provide international policy formulation and guidance on key issues in all fields of IP enforcement and protection.</li> <li>B. Provide leadership, support, and advice to the administration in negotiating and monitoring compliance with IP agreements and IP provisions in trade agreements.</li> <li>C. Lead administration efforts at the World Intellectual Property Organization and other international organizations to improve IP enforcement, protection, and cooperation worldwide.</li> <li>D. Engage other governments to improve their IP enforcement and protection, including by providing education and capacity building.</li> <li>E. Work with Congress on matters pertaining to international agreements and their implementation.</li> <li>F. Work with the administration to improve IP enforcement and protection in countries of interest, including through the IP Attaché Program.</li> <li>G. Advocate for the value of IP as a critical driver of innovation and creativity.</li> </ul>

MISSION SUPPORT GOAL: DELIVER ORGANIZATIONAL EXCELLENCE			
Objective 1. Enhance Human Capital Management and Foster Employee Engagement	Objective 2. Optimize Speed, Quality, and Cost-Effectiveness of Information Technology (IT) Delivery to Achieve Business Value	Objective 3. Ensure Financial Sustainability to Facilitate Effective USPTO Operations	Objective 4. Enhance the USPTO's Interactions with Internal and External Stakeholders and with the Public at Large
<b>Initiatives</b>	<b>Initiatives</b>	<b>Initiatives</b>	<b>Initiatives</b>
<ul style="list-style-type: none"> <li>A. Optimize performance culture.</li> <li>B. Leverage best practices to attract, recruit, and retain an engaged, diverse, mission focused, and talented workforce.</li> <li>C. Optimize workspace to meet workforce needs.</li> <li>D. Continue to strengthen our telework environment.</li> <li>E. Enhance leadership capabilities to better develop, sustain, lead, and foster engagement and advocacy in the agency's diverse workforce.</li> <li>F. Identify and deploy an engagement strategy that ensures all employees understand how their work relates to the USPTO mission.</li> </ul>	<ul style="list-style-type: none"> <li>A. Involve the business unit experts in the IT acquisition source selection process.</li> <li>B. Refine the agency-wide IT prioritization process.</li> <li>C. Foster IT innovation from our highly skilled workforce.</li> <li>D. Maintain effective legacy systems during transition to their retirement.</li> <li>F. Establish agency-wide data governance.</li> <li>F. Strengthen the IT development and implementation lifecycle.</li> </ul>	<ul style="list-style-type: none"> <li>A. Maintain the authority for fee setting.</li> <li>B. Obtain authority to spend all fees collected.</li> <li>C. Ensure that the USPTO fee structure continuously meets the needs of the intellectual property (IP) environment of the future.</li> <li>D. Optimize the management of financial resources.</li> <li>E. Achieve optimal value from resources deployed to support USPTO operations.</li> </ul>	<ul style="list-style-type: none"> <li>A. Strengthen relationships with the Department of Commerce, Office of Management and Budget, other federal agencies, and Congress.</li> <li>B. Foster a culture across the USPTO for providing outstanding customer experience.</li> <li>C. Foster relationships with internal and external stakeholders.</li> <li>D. Meet customer needs by timely delivery of IP information and education to support and encourage growth of an innovation-based economy.</li> <li>E. Strengthen the public's understanding of IP, including increasing the public's knowledge of how IP, and the product and services that USPTO offers, support our innovation-based economy.</li> </ul>

## Appendix VIII – FY 2020 ANNUAL PERFORMANCE PLAN AND REPORT BACK UP

### Overview of Bureau Accomplishments

The following strategic goals and objectives apply to USPTO via the DOC FY 2018-2022 Strategic Plan:

SO 1.3: Patent Reliability and Timeliness— In January 2019, the USPTO issued revised guidance on subject matter eligibility to clarify the lines of what is an abstract idea. This revised guidance has brought improved consistency to distinguishing patent eligible subject matter and subject matter falling within a judicial exception and increased the predictability of subject matter eligibility analysis. An additional focus of the USPTO is to improve our patent examiners' ability to identify the best prior art and promote compact prosecution. Identifying the best prior art is necessary to issue patents with appropriately scoped claims that can withstand challenges. Locating the best prior art can at times be challenging due to the ever-accelerating publication of prior art and the many ways in which prior art can be accessed. The USPTO is working on numerous efforts to help examiners locate the best prior art, including increased training on proper search techniques and strategies, providing additional resources to examiners, piloting new processes such as collaborative search efforts within the USPTO as well as in working with foreign IP offices to help improve searching skills, and exploring new technologies, such as artificial intelligence (AI) to assist with locating and retrieving prior art.

SO 1.3: Trademark Exceptional Office Action – The USPTO's Trademarks organization is committed to improving the quality of trademark application examination and ensuring that all examiners have the knowledge, and skills to perform their jobs well. To raise the bar, the Trademark organization instituted its Exceptional Office Action initiative. It emphasizes comprehensive excellence in office actions and expands upon the existing first and final action standards for correct decision-making.

SO 1.3: IP Training – The USPTO trains foreign officials and U.S. stakeholders on best practices in intellectual protection and enforcement. USPTO's Global IP Academy (GIPA) trained over 9,000 people in FY 2019, more than doubling its annual target of 4,500. Training recipients included domestic IP rights owners and users and foreign officials (e.g. patent, trademark, and copyright officials; judges; prosecutors; police; customs officials; and IP policymakers).

SO 3.1: Advances in Intellectual Property Rights - Cooperative agreements designed to improve IP systems and enhance enforcement of rights, were concluded with the IP office in Indonesia and the Customs Organization in Oceania. In addition, progress



continues on concluding similar agreements with the IP offices in Taiwan, Tunisia, Eurasia, Mexico, and Bhutan. Work plans with the IP offices in the Philippines and Vietnam are in place.

### **Planned Actions for FY 2021**

USPTO – Patents; The USPTO is taking many actions to achieve patent reliability and timeliness by bringing processes that support patent examination into better alignment with the USPTO’s goals. These actions revise the time allotted for the examination of patent applications, the process for assigning applications to examiners (application routing), and the evaluation of examiner performance of patent examining duties via the examiner performance appraisal plan. Full implementation of these updates will occur at the beginning of FY 2021.

USPTO – Trademarks; New application filings are expected to increase by about 203,000 application classes by FY 2025 compared to FY 2019. To keep pace with the workload and support business development and implementation of new and improved IT systems, the Trademark organization will increase the number of examining attorneys.

USPTO – Office of Policy & International Affairs (OPIA); Training Stakeholders and Foreign Nationals: Continue to provide training that promotes the protection and enforcement of IP of American innovators and creators on both the domestic and international levels.

## **Analysis of Performance Indicators**

### **Explanation of Trends**

USPTO – Patents; USPTO Patent pendency targets have been met or exceeded consistently with the exception of the average first action pendency. The USPTO is a fee funded agency however, if USPTO is not appropriated our full fee amount it may impact our targets.

USPTO – Trademarks; USPTO Trademarks pendency and quality targets have been met or exceeded for 14th consecutive years. The USPTO is a fee funded agency however, if USPTO is not appropriated our full fee amount it may impact our targets.

USPTO – OPIA; USPTO IP training and protection targets are consistently met. The USPTO is a fee funded agency however, if USPTO is not appropriated our full fee amount it may impact our targets.

### **Explanation of Targets for FY 2020 and FY 2021**

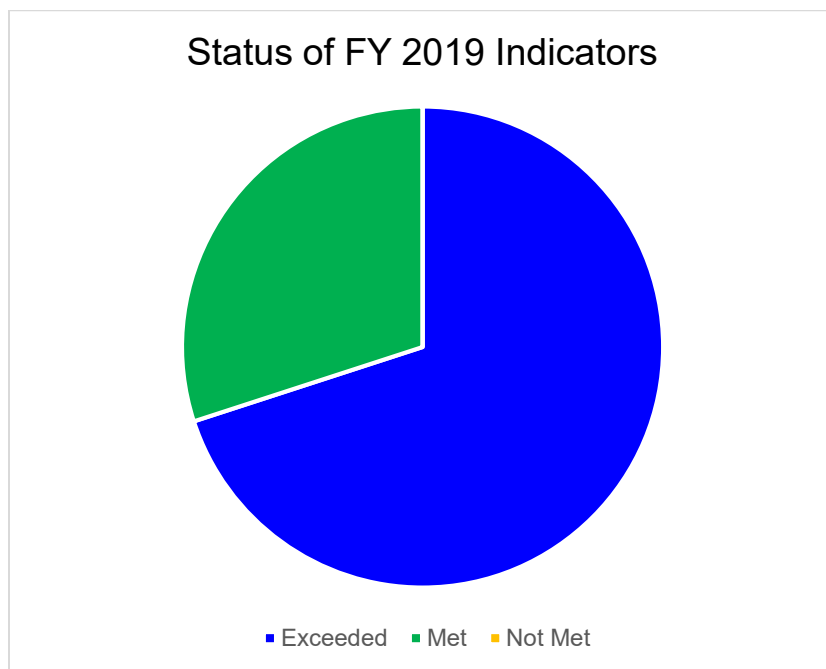
USPTO targets will stay fairly consistent for FY 2020 and FY 2021. However, the USPTO is a fee funded agency therefore if the USPTO is not appropriated our full fee amount it may impact our targets.

### **Evolution of the Performance Indicators**

USPTO 's performance is predicated on workload demand and fee collection estimates derived from production and workload models and global and domestic indicators of economic activity which provide unique risks. USPTO strives for increased accuracy when predicting workload and fee estimates. Further, USPTO uses performance indicator reviews to monitor the progress and implementation of its goals and objectives while also using it to keep employees and stakeholders informed.

### **Performance Data Validation and Verification**

USPTO conducts verification and validation of performance measures periodically to ensure quality, reliability, and credibility. At the beginning of each fiscal year, and at various points throughout the reporting or measurement period, sampling techniques and sample counts are reviewed and adjusted to ensure that data are statistically reliable for making inferences about the population as a whole.

**Summary of Performance Indicators****Performance Indicators**

All indicator tables should be organized in order of Strategic Objective.

Criteria to assess indicator “Status” are: Exceeded (over 100% of target); Met (90%-100% of target); Not Met (below 90% of target). Status calculations have been inconsistent in the past so make sure to use these defined criteria.

Strategic Objective	Indicator	FY 2019 Target	FY 2019 Actual	Status
1.3	Number of people, including foreign government officials and U.S. stakeholders, trained on best practices to protect and enforce intellectual property	4,500	9,854	Exceeded
1.3	Patent Average First Action Pendency (Months)	14.7	14.7	Met
1.3	Patent Average Total Pendency (Months)	24.0	23.8	Exceeded
1.3	Patent First Action Completed Within 14 Months (Percent)	47.0	45.0	Exceeded
1.3	Trademark Average First Action Pendency (Months)	2.5-3.5	2.6	Met
1.3	Trademark Average Total Pendency (Months)	12.0	9.3	Exceeded
1.3	Trademark First Action Compliance Rate (Percent)	95.5	96.4	Exceeded
1.3	Trademark Final Compliance Rate (Percent)	97.0	97.4	Exceeded
1.3	Trademark Exceptional Office Action (Percent)	45.0	54.5	Exceeded
3.1	<p>Percentage of prioritized countries for which intellectual property country teams have made progress on at least 3 of the 4 performance criteria:</p> <ul style="list-style-type: none"> <li>a. Institutional improvements of IP office administration for advancing IP rights;</li> <li>b. Institutional improvements of IP enforcement entities;</li> <li>c. Improvements in IP laws and regulations; and</li> <li>d. Establishment of government-to-government cooperative mechanisms.</li> </ul>	66	66	Met

**All Performance Indicators**

Provide FY 2019 actuals (where possible), make edits to FY 2020 targets, and set FY 2021 targets.

Indicator	<b>Number of people, including foreign government officials and U.S. stakeholders, trained on best practices to protect and enforce intellectual property</b>						
Strategic Goal	1.0 Accelerate American Leadership						
Objective	1.3 Strengthen Intellectual Property Protection						
Program Activity Name	Patents/Trademarks						
Indicator Class	Current/Recurring						
Type	Output						
Source	<a href="https://www.uspto.gov/learning-and-resources/global-intellectual-property-academy">https://www.uspto.gov/learning-and-resources/global-intellectual-property-academy</a>						
Description	The Global Intellectual Property Academy (GIPA) offers training programs on protection, utilization and enforcement of IP rights, patents, trademarks, and copyrights. It is through the GIPA training programs that the USPTO is instrumental in achieving its objectives of advancing IP right policies and halting IP theft.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	6,300	5,000	5,000	5,000	4,500	5,000	5,000
Actual	5,283	4,975	4,134	7,242	9,854		
Status*	Not Met	Met	Not Met	Exceeded	Exceeded		

Indicator	<b>Patent Average First Action Pendency (Months)</b>						
Strategic Goal	1.0 Accelerate American Leadership						
Objective	1.3 Strengthen Intellectual Property Protection						
Program Activity Name	Patents						
Indicator Class	Current/Recurring						
Type	Outcome						
Source	<a href="https://www.uspto.gov/dashboards/patents/main.dashxml">https://www.uspto.gov/dashboards/patents/main.dashxml</a>						
Description	This measure indicates the average time from the Utility, Plant and Reissue (UPR) application filing date to the date of mailing the First Office action. The measure is based on a three-month rolling time period. This is one of the two primary measures to track timeliness in the Patent organization.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	15.7	14.8	14.8	15.4	14.7	16.1	16.2
Actual	17.3	16.2	16.3	15.8	14.7		
Status*	Not Met	Not Met	Not Met	Not Met	Met		

Indicator	<b>Patent Average Total Pendency (Months)</b>						
Strategic Goal	1.0 Accelerate American Leadership						
Objective	1.3 Strengthen Intellectual Property Protection						
Program Activity Name	Patents						
Indicator Class	Current/Recurring						
Type	Outcome						
Source	<a href="https://www.uspto.gov/dashboards/patents/main.dashxml">https://www.uspto.gov/dashboards/patents/main.dashxml</a>						
Description	Patent total pendency is the average time in months for a complete review of a UPR patent application, from the filing date to issue or abandonment of the application. The measure is based on a three-month rolling time period. This is one of the two primary measures to track timeliness in the Patent organization. Requests for Continued Examination (RCEs) are not included.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	26.4	25.4	24.8	25.0	24.0	23.7	23.9
Actual	26.6	25.3	24.2	23.8	23.8		
Status*	Met	Exceeded	Exceeded	Exceeded	Exceeded		

Indicator	<b>Patent First Action Completed Within 14 Months (Percent)</b>						
Strategic Goal	1.0 Accelerate American Leadership						
Objective	1.3 Strengthen Intellectual Property Protection						
Program Activity Name	Patents						
Indicator Class	Current/Recurring						
Type	Outcome						
Source	<a href="https://www.uspto.gov/dashboards/patents/main.dashxml">https://www.uspto.gov/dashboards/patents/main.dashxml</a>						
Description	The patent term adjustment provisions (35 USC 154) of the patent act require the USPTO to mail a First Office action in each utility and plant application within 14 months of filing, with failure to do so resulting in the term of the patent being extended commensurate with the delay. This metric tracks the percentage of First Office actions in the given fiscal year which were in fact mailed within 14 months of the application's filing date.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	0.0	0.0	0.0	47.0	47.0	39.0	39.0
Actual	35.0	40.0	39.0	44.0	45.0		
Status*	n/a	n/a	n/a	Exceeded	Exceeded		



Indicator	<b>Trademark Average First Action Pendency (Months)</b>						
Strategic Goal	1.0 Accelerate American Leadership						
Objective	1.3 Strengthen Intellectual Property Protection						
Program Activity Name	Trademarks						
Indicator Class	Current/Recurring						
Type	Outcome						
Source	<a href="https://www.uspto.gov/dashboards/trademarks/main.dashxml">https://www.uspto.gov/dashboards/trademarks/main.dashxml</a>						
Description	This measure reflects the timeliness of the first office action as measured from the date of application filing (or notification date for 66(a) filings) to the first office action in months.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	2.5-3.5	2.5-3.5	2.5-3.5	2.5-3.5	2.5-3.5	2.5-3.5	2.5-3.5
Actual	2.9	3.1	2.7	3.4	2.6		
Status*	Met	Met	Met	Met	Met		

Indicator	<b>Trademark Average Total Pendency (Months)</b>						
Strategic Goal	1.0 Accelerate American Leadership						
Objective	1.3 Strengthen Intellectual Property Protection						
Program Activity Name	Trademarks						
Indicator Class	Current/Recurring						
Type	Outcome						
Source	<a href="https://www.uspto.gov/dashboards/trademarks/main.dashxml">https://www.uspto.gov/dashboards/trademarks/main.dashxml</a>						
Description	This measure reflects the timeliness of the disposal of a trademark application. It is measured from the date of filing to date of registration, abandonment or issuance of a notice of allowance, excluding applications that are suspended, awaiting further action, or involved in inter partes proceedings.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Actual	10.1	9.8	9.5	9.6	9.3		
Status*	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		

Indicator	<b>Trademark First Action Compliance Rate (Percentage)</b>						
Strategic Goal	1.0 Accelerate American Leadership						
Objective	1.3 Strengthen Intellectual Property Protection						
Program Activity Name	Trademarks						
Indicator Class	Current/Recurring						
Type	Outcome						
Source	<a href="https://www.uspto.gov/dashboards/trademarks/main.dashxml">https://www.uspto.gov/dashboards/trademarks/main.dashxml</a>						
Description	This measure is the percentage of applications reviewed meeting the criteria for decision making conducted on random sample of applications including first office actions to determine the soundness of decision-making under the Trademark Act.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	95.5	95.5	95.5	95.5	95.5	95.5	95.5
Actual	96.7	97.1	97.3	96.9	96.4		
Status*	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		

Indicator	<b>Trademark Final Compliance Rate (Percent)</b>						
Strategic Goal	1.0 Accelerate American Leadership						
Objective	1.3 Strengthen Intellectual Property Protection						
Program Activity Name	Trademarks						
Indicator Class	Current/Recurring						
Type	Outcome						
Source	<a href="https://www.uspto.gov/dashboards/trademarks/main.dashxml">https://www.uspto.gov/dashboards/trademarks/main.dashxml</a>						
Description	This measure is the percentage of evaluations meeting the criteria for decision making conducted on a random sample of applications that received a final decision regarding registrability (i.e., registration eligibility) under the Trademark Act either by approval or final refusal.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	97.0	97.0	97.0	97.0	97.0	97.0	97.0
Actual	97.6	97.8	98.3	97.9	97.4		
Status*	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		

Indicator	<b>Trademark Exceptional Office Action (Percent)</b>						
Strategic Goal	1.0 Accelerate American Leadership						
Objective	1.3 Strengthen Intellectual Property Protection						
Program Activity Name	Trademarks						
Indicator Class	Current/Recurring						
Type	Outcome						
Source	<a href="https://www.uspto.gov/dashboards/trademarks/main.dashxml">https://www.uspto.gov/dashboards/trademarks/main.dashxml</a>						
Description	This measure is the percentage of evaluations exceeding the statutory requirement decision making conducted on a random sample of applications that received a first office action regarding registrability under the Trademark Act.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	36.0	40.0	40.0	45.0	45.0	50.0	50.0
Actual	48.3	45.4	45.0	48.0	54.5		
Status*	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		

Indicator	<b>Percentage of prioritized countries for which intellectual property country teams have made progress on at least 3 of the 4 performance criteria:</b> <b>a. Institutional improvements of IP office administration for advancing IP rights;</b> <b>b. Institutional improvements of IP enforcement entities;</b> <b>c. Improvements in IP laws and regulations; and</b> <b>d. Establishment of government-to-government cooperative mechanisms.</b>						
Strategic Goal	3.0 Strengthen U.S. Economic and National Security						
Objective	3.1 Enforce the Nation's Trade Laws and Security Laws						
Program Activity Name	Patents/Trademarks						
Indicator Class	Current/Recurring						
Type	Outcome						
Source	<a href="https://www.uspto.gov/learning-and-resources/global-intellectual-property-academy">https://www.uspto.gov/learning-and-resources/global-intellectual-property-academy</a>						
Description	The Global Intellectual Property Academy (GIPA) offers training programs on protection, utilization and enforcement of IP rights, patents, trademarks, and copyrights. It is through the GIPA training programs that the USPTO is instrumental in achieving its objectives of advancing IP right policies and halting IP theft.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	75	75	75	66	66	66	66
Actual	100	100	100	100	66		
Status*	Exceeded	Exceeded	Exceeded	Exceeded	Met		

Indicator	Patent Statutory Compliance Metrics (Percent)						
Strategic Goal	1.0 Accelerate American Leadership						
Objective	1.3 Strengthen Intellectual Property Protection						
Program Activity Name	Patents						
Indicator Class	Current/Recurring						
Type	Outcome						
Source	<a href="https://www.uspto.gov/dashboards/patents/main.dashxml">https://www.uspto.gov/dashboards/patents/main.dashxml</a>						
Description	This metric measures the degree to which a patent is correctly issued in compliance with all the requirements of Title 35 as well as the relevant case law at the time of issuance. A statutorily compliant office action includes all applicable rejections and any asserted rejection is correct in that the decision to reject is based on sufficient evidence to support a conclusion of unpatentability.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<i>Statute 35 USC 101 (including utility and eligibility)</i>							
Target	0.0	Baseline	93.0-98.0	97.0	97.0	>97.0	TBD
Actual	0.0	97.4	96.5	96.8	97.7		
Status*			Met	Not Met	Met		
<i>Statute 35 USC 102 (prior art compliance)</i>							
Target	0.0	Baseline	90.0-95.0	95.0	95.0	>95.0	TBD
Actual	0.0	95.9	94.4	95.2	94.2		
Status*			Met	Met	Not Met		
<i>Statute 35 USC 103 (prior art compliance)</i>							
Target	0.0	Baseline	88.0-93.0	93.0	93.0	>93.0	TBD
Actual	0.0	90.4	92.4	92.0	89.9		
Status*			Met	Not Met	Not Met		
<i>Statute 35 USC 112 (35 USC 112(a),(b) including (a)/(b) rejections related to 35 USC 112(f))</i>							
Target	0.0	Baseline	87.0-92.0	93.0	93.0	>93.0	TBD
Actual	0.0	93.7	92.6	92.9	91.0		