

U.S. Patent and Trademark Office

Fiscal Year 2022 Congressional Justification

May 2021

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**DEPARTMENT OF COMMERCE
 UNITED STATES PATENT AND TRADEMARK OFFICE
 Budget Estimates, Fiscal Year 2022
 Congressional Justification
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INTRODUCTION

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Description/Scope of Responsibilities

The United States Patent and Trademark Office (USPTO or 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 Patents organization is under the management of the Commissioner for Patents, and the Trademarks organization is under the management of the Commissioner for Trademarks. The Commissioners each enter into an annual performance agreement with the Secretary of Commerce that 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, timely patent and trademark examination and review proceedings to produce stable, reliable, and predictable intellectual property (IP) rights; guiding IP policy and improving IP rights protection; and delivering IP information and education across America and worldwide. Two distinct business lines, Patents and Trademarks, administer the patent and trademark laws that provide protection to inventors and businesses for their inventions and brands and encourage innovation and entrepreneurship in the United States through the preservation, classification, and dissemination of patent and trademark information. Issuing patents and registering trademarks, as well as providing domestic and global leadership on IP issues, are inherently governmental functions, with no private sector alternatives to carry out these activities. However, the USPTO routinely assesses its functions and relies heavily on the private sector for those aspects of its operations that are not inherently governmental, such as contracting to third parties the processing of the administrative aspects of the patent and trademark examination processes, as well as certain mission-support activities.

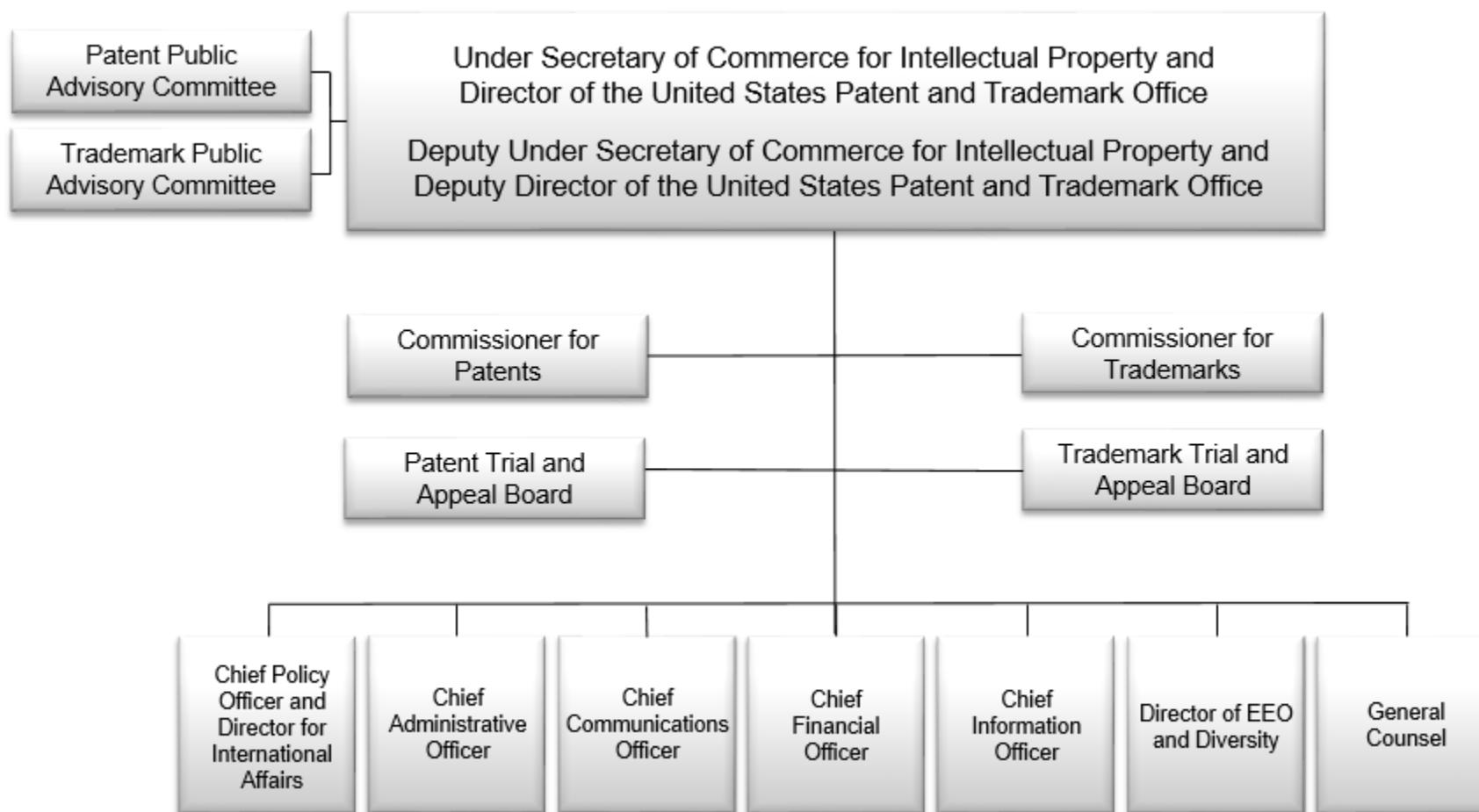
In fiscal year (FY) 2022, the USPTO expects to employ 13,723 federal employees, including patent examiners, trademark examining attorneys, computer scientists, attorneys, and administrative staff. Employee engagement is a core component of the Office's business strategy, as it contributes to the recruitment 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 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.

The USPTO is headquartered in Alexandria, Virginia, and has four regional offices in Detroit, Michigan; Denver, Colorado; San Jose, California; and Dallas, Texas, as well as an Eastern Regional Outreach Office based at the headquarters.

The USPTO's legislative authorities are included in Exhibit 32/33.

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



**Department of Commerce
U.S. Patent and Trademark Office
Budget Estimates, Fiscal Year 2022
Executive Summary**

The USPTO’s FY 2022 President’s Budget Submission (Budget) seeks \$3.994 billion in spending authority to fund the agency’s FY 2022 budgetary requirements (\$3.550 billion for patents and \$444 million for trademarks), which include 13,723 positions and provide for a transfer of \$2 million to DOC’s Office of Inspector General (OIG). User fee collections of \$4,058 million, comprised of \$3,608 million in patent fees and \$450 million in trademark fees, and \$52 million in other income, will offset total spending. The appropriation request is based on spending requirements, not fee collections; this is a change from prior requests in which the appropriation was based on fee collections. This results in an estimated deposit of \$65 million into the Patent and Trademark Fee Reserve Fund (PTFRF) and \$52 million into the USPTO operating reserves (ORs), resulting in a net appropriation of \$0 for the USPTO.

| USPTO Operating Levels FY 2020-2022 | | | |
|---|---------|---------|---------|
| (\$ in millions) | FY 2020 | FY 2021 | FY 2022 |
| Operating Reserve Opening Balance | 510 | 513 | 531 |
| Total Projected Fee Collections and Other Income | 3,724 | 3,617 | 4,111 |
| Fee Collections (Prior Spending Authority) | 3,683 | 3,564 | 4,058 |
| Other income | 41 | 52 | 52 |
| Total Spending (i.e. Budgetary Requirements)* (FY 2022 Spending Authority) | 3,518 | 3,830 | 3,994 |
| Funding to (+) and from (-) Operating Reserve | 3 | 18 | 52 |
| Operating Reserve Ending Balance | 513 | 531 | 583 |
| Over/(Under) Total Optimal Level | (458) | (530) | (525) |
| PTFRF Opening Balance | 29 | 231 | 0 |
| Funding to (+) and from (-) PTFRF | 203 | (231) | 65 |
| PTFRF Ending Balance | 231 | 0 | 65 |
| Authorized Positions | 13,525 | 13,510 | 13,723 |

*Spending includes a transfer of \$2 million to the DOC Office of the Inspector General.

The Budget is predicated on workload demand and fee collection estimates derived from production and workload models and global and domestic indicators of economic and IP activity that inform the USPTO’s projections of application filings and patent and trademark renewals. The ORs discussed below, combined with the ability to access and spend all fees collected timely and the authority to adjust fees via the regulatory process, allow the Office to mitigate operational impacts caused by changes in the global IP environment and economic volatility. In FY 2022, demand for serialized (original) patent applications is forecasted to increase by 1.5%, whereas trademark workloads are expected to decrease by 11.4%.

As a fully fee-funded agency, and consistent with standard private sector practices, the USPTO maintains ORs for both Patents and Trademarks to provide optimal resources to preserve planned operational capacity when the revenue stream or funding availability is uncertain; to operate 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) (35 U.S.C. § 42(c)), as extended by the Study of Underrepresented Classes Chasing Engineering and Science Success (SUCCESS) Act of 2018; having full and timely access to all fees collected; and growing ORs to optimal levels will enable the Office to shield mission-critical operations from potential economic or financial disruptions.

The outyear estimates provided in this Budget include both patent and trademark fee adjustments. The patent fee collection estimates reflect adjustments to patent-related fees that were published on August 3, 2020, in the final rule “Setting and Adjusting Patent Fees During FY 2020” and were effective on October 2, 2020. The trademark fee collection estimates reflect adjustments to trademark-related fees that were published on November 17, 2020, in the final rule “Trademark Fee Adjustment” and were effective on January 2, 2021, as well as preliminary estimates of fees that will be collected through new activities and proceedings resulting from the USPTO’s implementation of the Trademark Modernization Act of 2020 (TMA). Full access to estimated collections provides the Office with the resources needed to continue the to meet demand-driven workload requirements.

The Budget supports: issuing reliable, predictable, and high-quality 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. For more information, refer to [Appendix VIII](#) of the Budget.

The Budget also includes an adjustment to the methodology by which the USPTO’s user fee collections are appropriated. In recent years, the Budget requested spending authority (i.e., appropriation) for the USPTO equal to estimated user fee collections. The FY 2022 Budget requests spending authority equal to estimated budgetary requirements. This adjustment maintains the reprogramming process by which USPTO can access funds in excess of appropriations. For more information on the ORs, refer to [Patent and Trademark Businesses: Five-Year Horizon](#).

| Patent and Trademark Fee Reserve Fund Balances | | | | | | | |
|--|------------|----------|-----------|------------|------------|------------|------------|
| <i>(\$ in millions)</i> | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
| Patent - PTFRF Ending Balance | 215 | 0 | 58 | 119 | 229 | 337 | 472 |
| Trademark - PTFRF Ending Balance | 16 | 0 | 7 | 8 | 17 | 43 | 88 |
| Total: - PTFRF Ending Balance | 232 | 0 | 65 | 127 | 246 | 380 | 560 |

Budget Highlights

The USPTO’s FY 2022 budgetary requirements are \$3,994 million, which is \$164 million above FY 2021 budgetary requirements of \$3,830 million, representing \$175 million of prescribed inflation/adjustments to base and \$11 million in program change decreases. With this requested level of funding PTO will be able to hire approximately 500 patent examiners (roughly 113 over attrition levels) and 50 trademark examining attorneys (roughly 20 over attrition levels), along with production support, to align examination capacity with incoming workload and inventory levels. By focusing resources on priority areas and broader efficiency gains, IT spending will be slightly below FY 2021 levels through the budget horizon as a result of a smaller contract footprint through prioritization of IT work, validating acquisition strategies and recompeting major IT contracts to ensure value is commensurate with price, and beginning to reap the benefits of transitioning to the Cloud

and consolidating Data Centers where possible. The Budget will support the continuation of stabilization and modernization efforts in the Office's business systems and the IT infrastructure supporting those systems. Included among these IT investments are the resources needed to support the Trademark Modernization Act and additional resources to keep pace with emerging business, legislative, and judicial needs as well as technology standards.

Technical Transfer

DOC is proposing to transfer two projects and related funding out of the Working Capital Fund to the Departmental Management Salaries and Expense Account as part of its annual review to properly align and account for programs and costs. This transfer executes the USPTO's portion of the DOC transfer.

Performance

For current Government Performance and Results Act (GPRA) targets please see the FY 2022/2020 Annual Performance Plan and Report.

Adjustments

Inflationary Adjustments

The USPTO's FY 2022 base includes a total of \$4,003.0 million and 13,254 FTE/13,510 positions to account for the full funding requirement for inflationary adjustments to current programs for USPTO activities. This includes the estimated 2022 civilian pay raise of 2.7% as well as inflationary increases for labor and non-labor activities, including benefits, service contracts, utilities, regional office lease payments, and rent charges from the General Services Administration.

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 Office's two business lines and primary revenue sources: Patents and Trademarks. Given the uncertainty in both fee collection estimates and budgetary requirements in the five-year forecast, 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 private sector entities, the USPTO maintains reserve balances to mitigate uncertainty and financial risks. The USPTO has two types of reserve funding: internal ORs and fees held in deposit in the PTFRF. The USPTO's internal ORs are comprised of appropriated, but unspent, prior year fee collections; they are immediately available for use to help the agency manage its cash flow or to supplement annual spending plans if needs arise (within reprogramming limitations). The USPTO manages the ORs within a range of acceptable balances. Minimum planning targets are assessed annually and are intended to address cash flow management and immediate minor unplanned changes in the economic or operating environments as the Office builds its ORs to their optimal levels. The OR targets, which are reviewed at least biennially, are established based on an assessment of the likelihood and severity of impacts from an array of risk factors, including: the broader economic and fiscal climates; uncertainty surrounding changes in IP policy, laws, and regulations; forecast uncertainty; the balance of the USPTO's fee structure; the ratio of fixed and variable costs; and the potential for unplanned operating requirements. The Office plans to grow its ORs to optimal levels, which allows the Office to shield mission-critical operations from potential economic or financial disruptions.

Contributions are made to the PTFRF when actual fee collections exceed the annual amount appropriated. Fee collections held in the PTFRF require congressional notification through the reprogramming process before they can be spent by the USPTO.

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 improving the timeliness of examinations. Ensuring the 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.

Based on current economic forecasts, the USPTO anticipates that serialized (original) filings will fall by 3.7% in FY 2021, a significant change from the 2.0% growth projected in the FY 2021 Budget. From that lower base, this Budget projects a gradual recovery, with 1.5% growth in serialized filings in FY 2022, increasing gradually to 2.0% in FY 2023 and leveling out at 3.0% from FY 2024 through FY 2026. All patent budgetary requirements and fee estimates are calculated based on these assumptions. The Office remains focused on managing patent term adjustment (PTA) goals by hiring 2,700 new patent examiners (for a net growth of about 700) from FY 2022 through FY 2026 (see Figure 1(a)). This will allow the organization to improve performance over the budget planning horizon.

The staffing plan provides the human capital required to address increasing workloads and balance pendency targets within the framework of the PTA examination timeframes. PTA was established by the American Inventors Protection Act of 1999 and provides for day-for-day adjustment of a 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 require the USPTO to: issue an office action within 14 months after application filing, respond to a reply or an appeal within four months after the reply was filed or the appeal was taken, act on an application within four months after a decision by the Patent Trial and Appeal Board (PTAB) or a decision by a federal court, issue a patent within four months after payment of an issue fee, and issue a patent within 36 months from the filing date of an application.

In the ongoing efforts to improve certainty and timeliness, the Office will continue to closely monitor inventory and application filing levels and calibrate the examination capacity to reduce PTA while optimizing the issuance of reliable, predictable, and consistent patents. Changes to planned hiring levels or other assumptions will change projected results.

Figure 1(a) - Patent Performance Outlook
Change in Patent Applications, Inventory, and Examiners

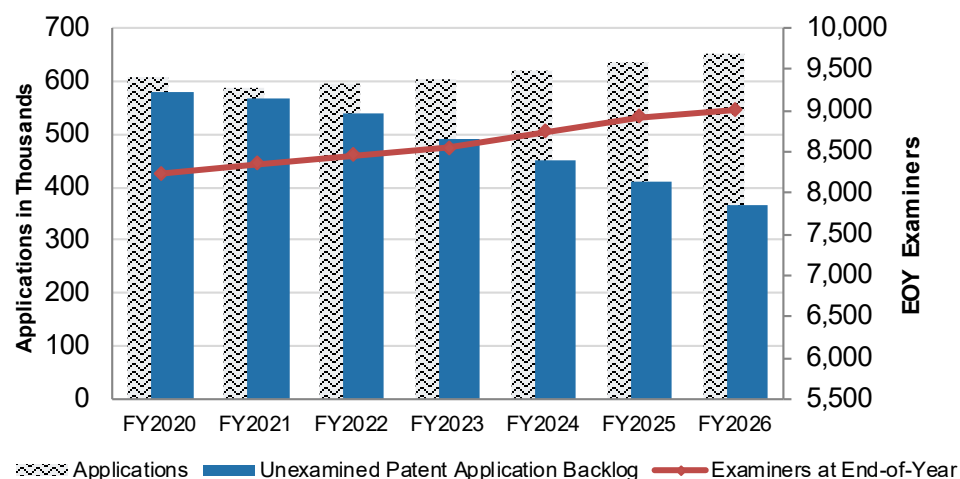


Figure 1(b) - Patent Performance Outlook (Continued)

| Utility, Plant and Reissue | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|--|---------|---------|---------|---------|---------|---------|---------|
| UPR Applications | 609,155 | 588,700 | 594,600 | 602,200 | 618,100 | 634,700 | 652,200 |
| Growth Rate | -1.9% | -3.4% | 1.0% | 1.3% | 2.6% | 2.7% | 2.7% |
| Serialized Applications | 450,900 | 434,400 | 440,900 | 449,700 | 463,200 | 477,100 | 491,400 |
| Serialized Growth Rate | 0.7% | -3.7% | 1.5% | 2.0% | 3.0% | 3.0% | 3.0% |
| Production Units | 589,900 | 585,200 | 598,300 | 609,500 | 621,700 | 634,400 | 653,400 |
| Performance Measures | | | | | | | |
| Total PTA Compliance - All Mailed Actions (Percent) | 83% | 84% | 85% | 84% | 87% | 90% | 91% |
| Total PTA Compliance - Remaining Inventory (Percent) | 88% | 86% | 87% | 89% | 91% | 92% | 94% |
| Examiners at End-of-Year | 8,233 | 8,344 | 8,449 | 8,550 | 8,737 | 8,917 | 9,005 |

To achieve the performance commitments shown above and in the Budget and Performance at a Glance 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

| (\$ in millions) | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Operating Reserve Opening Balance | 383 | 397 | 341 | 386 | 432 | 477 | 522 |
| Total Projected Fee Collections and Other Income | 3,358 | 3,144 | 3,654 | 3,707 | 3,818 | 3,893 | 3,992 |
| Fee Collections (Prior Spending Authority) | 3,325 | 3,098 | 3,608 | 3,661 | 3,772 | 3,847 | 3,946 |
| Other income | 33 | 45 | 45 | 45 | 45 | 45 | 45 |
| Total Spending (i.e. Budgetary Requirements)* (Spending Authority FY 2022-FY 2026) | 3,153 | 3,415 | 3,550 | 3,600 | 3,663 | 3,739 | 3,811 |
| Funding to (+) and from (-) Operating Reserve | 14 | (56) | 45 | 45 | 45 | 45 | 45 |
| Operating Reserve Ending Balance | 397 | 341 | 386 | 432 | 477 | 522 | 568 |
| Over/(Under) 3 Months Optimal Level | (391) | (513) | (501) | (468) | (439) | (412) | (385) |
| PTFRF Opening Balance | 25 | 215 | 0 | 58 | 119 | 229 | 337 |
| Funding to (+) and from (-) PTFRF | 191 | (215) | 58 | 61 | 109 | 109 | 135 |
| PTFRF Ending Balance | 215 | 0 | 58 | 119 | 229 | 337 | 472 |

*The budgetary requirements for each fiscal year include an annually appropriated transfer to the DOC OIG

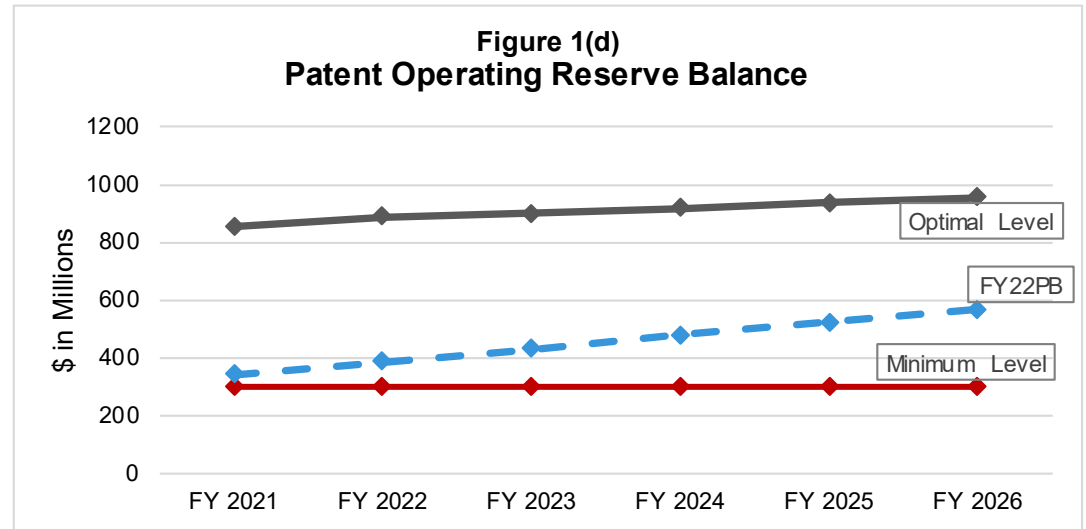
A report showing the allocation of budgetary requirements to the Patent and Trademark Business Lines for FY 2020 through FY 2026 is included in [Appendix II](#)

Projected Fee Collections: Due to the lag between research and development and the filing of patent applications, along with additional lags before international patent applicants pursue protection in the United States, changes in economic activity do not usually immediately affect patent filings. As such, the impacts of the COVID-19 pandemic on patent activity were slower to materialize in FY 2020 and will continue to affect the agency through FY 2021 and into FY 2022. As noted above, serialized patent application filings are projected to decline in FY 2021, followed by measured growth over the planning horizon, as the economy recovers from the shock of the global health crisis. The filing growth projections have a direct impact on fee collections.

The patent fee collection estimates also include recent adjustments to patent-related fees. The final rule “Setting and Adjusting Patent Fees During Fiscal Year 2020” was published August 3, 2020, and the new fees went into effect on October 2, 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.

Budgetary Requirements (the annual estimated operating requirements, excluding deposits in the OR): Patents’ budgetary requirements will increase at a 3.1% compound annual growth rate (CAGR) through FY 2026 compared to the FY 2020 level. This growth includes both inflationary increases and additional capacity to address workload requirements.

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 Patents business line, a minimum planning level of approximately \$300 million—just over one month’s operating expenses—has been established for FY 2021 and FY 2022. The USPTO has established a budget requirement to reach optimal OR levels, defined as three months of operating requirements (see Figure 1(d)). The latest assessment of the Patents OR optimal level 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 Patents business line and potential changes in the legal, judicial, and policy environments. This equates to \$888 million in FY 2022.



The OR level exceeded the minimum target starting at the end of FY 2020 as the USPTO absorbed cost increases, continued investments in mission-critical areas, and held funds in reserve to manage the timing of certain acquisitions. These projections are based on point-in-time estimates and assumptions that are subject to change. A number of risks could materialize over the next several years (e.g., re-competitions of workload and other major contracts, decreases in revenue, 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, so it would be precipitous to prepare for a future downward fee adjustment at this time. Per USPTO policy, the Office will consider adjusting fees when the Patents OR balance is projected to exceed the optimal level by more than 10% for at least two consecutive years.

Trademark Business: Five-Year Horizon

The USPTO is committed to maintaining high-quality examination of trademark applications with a continued focus on timeliness.

Historically, trademark application filings have exhibited a correlation with the general state of the economy as measured by the growth of the Gross Domestic Product and venture capital, and have been sensitive to economic volatility, reacting quickly to economic fluctuations. The FY 2022 projections build off of a tumultuous FY 2020 and FY 2021. The USPTO experienced a pandemic-related reduction of trademark application filings during the second quarter of FY 2020 that, at the time, looked likely to continue, causing the agency to defer examining attorney hires and reduce its operating tempo. This was followed by an unexpected and extreme surge of filings in the fourth

quarter fueled in part by the government's recovery response, which has continued into the beginning of FY 2021, resulting in both FY 2020 actual application filings and projected FY 2021 filings being substantially higher than previously projected. A slight correction in trademark filings is expected in FY 2022 in response to the FY 2020 and FY 2021 filing surge, before historical positive growth resumes from a lower base than previously projected, as shown in Figure 2(b). While this forecast still has considerable uncertainty, given the anticipated filings, the Trademarks organization currently expects to maintain a steady increase in examiner attorney staffing levels for the next few years, as demonstrated in figure 2(a).

For over a decade, first action pendency has been maintained between 2.5 and 3.5 months. However, the USPTO entered FY 2021 with a considerable backlog of unexamined applications, as a result of the rapid recovery in trademark filings experienced in FY 2020. Given this, first action pendency targets will be set between 2.5 and 4.5 months in FY 2021 and FY 2022 before returning to historical levels by FY 2025. The pendency adjustment is a recognition that the unprecedented surge and backlog will take several quarters to absorb. The agency is looking at options to add short-term, marginal capacity to more quickly address the high inventory levels. Similar to the approach deployed in the USPTO's Patents business line in recent years, the agency is strategically calibrating and monitoring its hiring plan.

In addition, the TMA sets forth a series of initiatives to improve and strengthen the accuracy and integrity of the federal trademark register. With the implementation of the TMA set for early FY 2022, the USPTO has begun identifying additional resources and costs related to the development and execution of the new provisions, specifically in the IT systems and examination areas.

Figure 2(a) - Trademark Performance Outlook

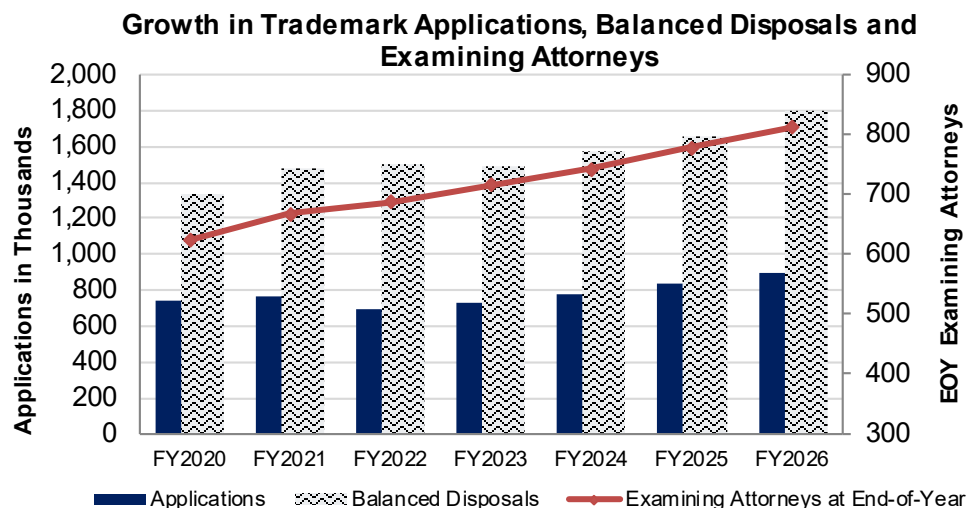


Figure 2(b) - Trademark Performance Outlook (Continued)

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Applications | 738,112 | 789,000 | 699,000 | 726,000 | 775,000 | 834,000 | 898,000 |
| Growth Rate | 9.6% | 6.9% | -11.4% | 3.9% | 6.7% | 7.6% | 7.7% |
| Balanced Disposals | 1,333,400 | 1,475,000 | 1,507,700 | 1,489,600 | 1,567,200 | 1,657,362 | 1,799,078 |
| Performance Measures | | | | | | | |
| Avg. First Action Pendency (Months) | 3 | 2.5 - 4.5 | 2.5 - 4.5 | 2.5 - 4.0 | 2.5 - 4.0 | 2.5 - 3.5 | 2.5 - 3.5 |
| Avg. Total Pendency (Months) | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 |
| Examining Attorneys at End-of-Year | 624 | 667 | 687 | 716 | 743 | 778 | 812 |

The 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

| | (\$ in millions) | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|---|------------------|---------|---------|---------|---------|---------|---------|---------|
| Operating Reserve Opening Balance | | 127 | 116 | 190 | 197 | 204 | 212 | 219 |
| Total Projected Fee Collections and Other Income | | 366 | 473 | 457 | 468 | 489 | 516 | 549 |
| Fee Collections (Prior Spending Authority) | | 358 | 466 | 450 | 461 | 481 | 509 | 542 |
| Other income | | 8 | 7 | 7 | 7 | 7 | 7 | 7 |
| Total Spending (i.e. Budgetary Requirements)* (Spending Authority FY 2022- FY 2026) | | 365 | 415 | 444 | 460 | 472 | 484 | 497 |
| Funding to (+) and from (-) Operating Reserve | | (11) | 74 | 7 | 7 | 7 | 7 | 7 |
| Operating Reserve Ending Balance | | 116 | 190 | 197 | 204 | 212 | 219 | 226 |
| Over/(Under) 6 Months Optimal Level | | (67) | (17) | (24) | (26) | (24) | (23) | (22) |
| PTFRF Opening Balance | | 4 | 16 | 0 | 7 | 8 | 17 | 43 |
| Funding to (+) and from (-) PTFRF | | 12 | (16) | 7 | 1 | 9 | 25 | 45 |
| PTFRF Ending Balance | | 16 | 0 | 7 | 8 | 17 | 43 | 88 |

*The budgetary requirements for each fiscal year include an annually appropriated transfer to the DOC OIG
A report showing the allocation of budgetary requirements to the Patent and Trademark Business Lines for FY 2020 through FY 2026 is included in [Appendix II](#).

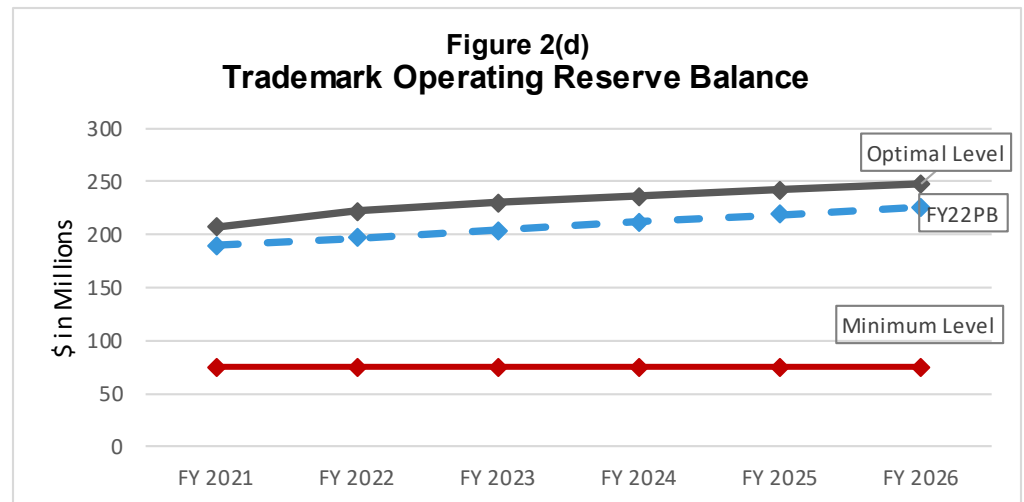
Projected Fee Collections: Trademark application filings are projected to increase by 6.9% in FY 2021, followed by a decline of 11.4% in FY 2022 and growth rates ranging from 3.9% to 7.7% over the remainder of the planning horizon. Filings grew faster than expected in FY 2020 and are expected to continue growing in FY 2021 due in part to the economic stimulus provided by the United States Congress as well as a surge in filings from China. The projected decline in FY 2022 and lower out-year projections reflect filing levels returning to their long-term growth pattern. The filing growth projections have a direct impact on fee collections.

The trademark fee collection estimates include adjustments to trademark-related fees that went into effect on January 2, 2021. The President’s Budget for FY 2021 assumed that these fees would take effect in August 2020; however, with the onset of the pandemic, the USPTO listened to feedback from stakeholder groups regarding the timing of the planned fee adjustments and deliberately delayed adjusting fees until early signs of an economic recovery emerged. The final rule “Trademark Fee Adjustment” was published on November 17, 2020, and incorporated additional feedback provided by the public. 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.

The trademark fee collections estimates also include upcoming fee adjustments in response to the TMA, which will increase trademark revenue by \$3 million to \$5 million per year once fully implemented. The TMA was signed into law on December 27, 2020, and will be implemented by December 27, 2021.

Budgetary Requirements (the annual estimated operating requirements, excluding deposits in the OR): While a slowdown in filings is anticipated in in FY 2022, increases in new application filings are expected to return, although at a somewhat lower rate compared to historical growth patterns, and increase by about 160,000 applications (classes) by FY 2026 compared to FY 2020, or a 3.3% CAGR. To keep pace with the incremental workloads and to support business development and the implementation of new and improved IT systems, the Trademarks organization will increase the number of examining attorneys and support personnel. Total annual Trademarks budgetary requirements are projected to increase at a 5.3% CAGR through FY 2026 compared to the FY 2020 level. This reflects both inflationary increases and continued investments to improve Trademarks’ business effectiveness.

Trademarks Operating Reserve: The USPTO has established a budget requirement to reach optimal OR levels, defined as six months of operating requirements (see Figure 2(d)). This requirement is based on the USPTO’s 2019 assessment of the optimal OR targets relative to the financial risk environment. The Trademarks business has higher risk resulting from: (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 is collected from application and related filings relative to renewals, and (c) the relative size of the trademark program and the comparatively high ratio of mission-support services to direct program expenses. The annual assessment of the minimum planning level, performed in 2020, resulted in a continuation of the \$75 million minimum reserve level, established for FY 2021 and FY 2022.



The Trademarks OR is estimated to stay above the minimum level throughout the planning horizon. It is the USPTO's policy to examine the contributing factors and determine whether there is a need to adjust fee rates if the estimated Trademarks OR exceeds the optimal level by 25% for two consecutive years, which this Budget does not project. The recent economic downturn and recovery have resulted in higher levels of uncertainty in the revenue forecast. The Office will continue to reassess the revenue forecast as the contours of the long-term recovery are better understood.

FY 2021—Crosswalk From the Amount Enacted in the FY 2021 President's Budget to the Current Operating Level

The chart below provides a crosswalk between the FY 2021 operating levels and the amounts enacted from the FY 2021 President's Budget. As a fully fee-funded agency, the FY2021 USPTO's appropriation is based on the estimated annual fee collections as displayed in the table below. As such, the Office continuously evaluates fee estimates to reflect the most accurate and up-to-date information available. Using historic data trends and various economic factors to inform workload and fee projections, patent application filing estimates dropped by 6.9%, and patent fee collections decreased by 4.7%, or \$153 million, while trademark collections increased 4.8%, or \$21 million, between the FY 2021 enacted level vs. FY 2021 current operating level. Meanwhile, aggregate budgetary requirements decreased by \$44 million, or 1.1%, resulting in an overall \$11 million increase to the projected OR balance for FY 2021. Detailed assumptions used for the fee collections can be found in [Appendix V](#), and further information on changes to budgetary requirements and related performance can be found in [Appendix I](#).

| <i>\$ in Millions</i> | Patents | | Trademarks | | Total | |
|---|-----------------|-----------------------------|-----------------|-----------------------------|-----------------|-----------------------------|
| | FY 2021 Enacted | FY 2021 EOY Operating Level | FY 2021 Enacted | FY 2021 EOY Operating Level | FY 2021 Enacted | FY 2021 EOY Operating Level |
| Reserve Opening Balance | 587 | 612 | 72 | 132 | 658 | 745 |
| Fee Collections (appropriation/authority) | 3,251 | 3,098 | 445 | 466 | 3,695 | 3,564 |
| Other income | 34 | 45 | 6 | 7 | 41 | 53 |
| Total Available Balance | 3,872 | 3,756 | 522 | 605 | 4,394 | 4,361 |
| Spending (i.e., Budget Req.) | (3,455) | (3,415) | (419) | (415) | (3,874) | (3,830) |
| Reserve Ending Balance | 417 | 341 | 103 | 190 | 520 | 531 |

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TOTAL BUDGET AND FINANCING

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

Activity: Departmental Management Salaries and Expenses Account
Subactivity: Departmental Management Salaries and Expenses Account Transfer to

| Object Class | FY21 Enacted | FY22 Transfer | FY22 Base |
|--|-------------------------|--------------------------|----------------------|
| 11.1 Full-time permanent compensation | 0 | 0 | 0 |
| 11.3 Other than full-time permanent | 0 | 0 | 0 |
| 11.5 Other personnel compensation | 0 | 0 | 0 |
| 11.8 Special personnel services payments | 0 | 0 | 0 |
| 11.9 Total personnel compensation | 0 | 0 | 0 |
| 12 Civilian personnel benefits | 0 | 0 | 0 |
| 13 Benefits for former personnel | 0 | 0 | 0 |
| 21 Travel and transportation of persons | 0 | 0 | 0 |
| 22 Transportation of things | 0 | 0 | 0 |
| 23 Rent, communications, and utilities | 0 | 0 | 0 |
| 23.1 Rental payments to GSA | 0 | 0 | 0 |
| 23.2 Rental Payments to others | 0 | 0 | 0 |
| 23.3 Communications, utilities and misc charges | 0 | 0 | 0 |
| 24 Printing and reproduction | 0 | 0 | 0 |
| 25.1 Advisory and assistance services | 0 | 0 | 0 |
| 25.2 Other services from non-Federal sources | 0 | 0 | 0 |
| 25.3 Other goods and services from Federal sources | 0 | (197) | (197) |
| 25.4 Operation and maintenance of facilities | 0 | 0 | 0 |
| 25.5 Research and development contracts | 0 | 0 | 0 |
| 25.6 Medical care | 0 | 0 | 0 |
| 25.7 Operation and maintenance of equipment | 0 | 0 | 0 |
| 25.8 Subsistence and support of persons | 0 | 0 | 0 |
| 26 Supplies and materials | 0 | 0 | 0 |
| 31 Equipment | 0 | 0 | 0 |
| 32 Lands and structures | 0 | 0 | 0 |
| 33 Investments and loans | 0 | 0 | 0 |
| 41 Grants, subsidies and contributions | 0 | 0 | 0 |
| 42 Insurance claims and indemnities | 0 | 0 | 0 |
| 43 Interest and dividends | 0 | 0 | 0 |
| 44 Refunds | 0 | 0 | 0 |
| 99 Total obligations | 0 | (197) | (197) |

**Department of Commerce
U.S. Patent and Trademark Office
FY 2022 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 |
|-------------------|-----------------------|---|--|-----------|------------------|
| | Salaries and Expenses | Mission Support Program | Miscellaneous General Expense (MGE) | 0 | 12,687 |
| USPTO-83 | Salaries and Expenses | Trademark Program | Trademark Examining | 33 | 5,920 |
| USPTO-52 | Salaries and Expenses | Mission Support Program | Financial Management Services | 12 | 4,392 |
| USPTO-81 | Salaries and Expenses | Trademark Program | Trademark Information Resources | 7 | 2,824 |
| USPTO-53 | Salaries and Expenses | Mission Support Program | Executive Direction and Communications | 2 | 1,541 |
| USPTO-81 | Salaries and Expenses | Trademark Program | Trademark Trial and Appeals | 5 | 707 |
| USPTO-53 | Salaries and Expenses | Intellectual Property Policy Protection and Enforcement Program | Global Intellectual Property Academy (GIPA) | 2 | 478 |
| USPTO-67 | Salaries and Expenses | Mission Support Program | Human Resources Management and Administrative Services | 4 | 402 |
| USPTO-82 | Salaries and Expenses | Patent Program | Patent Trial and Appeals | - | 385 |
| USPTO-38 | | | | | |
| | Subtotal, Increases | | | 65 | 29,337 |

Decreases

| Page No. In CJ | Appropriations | Budget Program | Title of Decrease | Positions | Budget Authority |
|-------------------|-----------------------|-------------------------|---|-----------|------------------|
| | Salaries and Expenses | Mission Support Program | IT Infrastructure and IT Support Services | 0 | (33,919) |
| USPTO-83 | Salaries and Expenses | Patent Program | Patent Information Resources | 1 | (3,796) |
| USPTO-39 | | | | | |

| Page No. In CJ | Appropriations | Budget Program | Title of Increase | Positions | Budget Authority |
|-------------------|-----------------------|---|---|-----------|------------------|
| | Salaries and Expenses | Mission Support Program | Mission Support Information Resources | 1 | (1,871) |
| USPTO-82 | Salaries and Expenses | Intellectual Property Policy Protection and Enforcement Program | Policy, External Affairs and Administrative Support | 3 | (467) |
| USPTO-67 | Salaries and Expenses | Patent Program | Patent Examining | 143 | (278) |
| USPTO-36 | Salaries and Expenses | Mission Support Program | Legal Services | 0 | (79) |
| USPTO-82 | Salaries and Expenses | Intellectual Property Policy Protection and Enforcement Program | IPR Attaché Program | 0 | (41) |
| USPTO-67 | | | | | |
| | Subtotal, Decreases | | | 148 | (40,450) |

Terminations

| Page No. In CJ | Appropriations | Budget Program | Title of Termination | Positions | Budget Authority |
|-------------------|------------------------|-------------------------|----------------------|-----------|------------------|
| | | No Program Terminations | | | |
| | Subtotal, Terminations | | | | |

Department of Commerce
U.S. Patent and Trademark Office
FY 2022 TRANSFER SUMMARY TABLE
(Dollar amounts in thousands)
(Grouped by Title of Transfer, Largest to Smallest)

| Page No. In CJ | Appropriations | Budget Program | Title of Transfer | Positions | Budget Authority |
|-------------------|-----------------------|-------------------------|--|-----------|---------------------|
| | Salaries and Expenses | Mission Support Program | Transfer from DOC WCF to DOC Departmental Management Salaries and Expenses Account for Program Management and GAO/IG Audit Liaison | 0 | (197) |
| Total, Transfers | | | | - | (197) |

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

| | Positions | FTE | Budget Authority | Total Obligations |
|--|-----------|--------|------------------|-------------------|
| 2021 Enacted | 13,510 | 13,064 | | 3,828,100 |
| 2022 Adjustments to base: | | | | |
| Plus: Restoration of recoveries/unobligated balances | | | | |
| Plus: Inflationary adjustments to base | - | 190 | | 174,865 |
| 2022 Base | 13,510 | 13,254 | | 4,002,964 |
| plus: 2022 Program changes | 213 | 134 | | (11,114) |
| F2022 Estimate | 13,723 | 13,388 | | 3,991,851 |

| Comparison by activity/subactivity with totals by activity | | 2020 Actual | | 2021 Enacted | | 2022 Base | | 2022 Estimate | | Increase/(Decrease) from 2022 Base | |
|---|-----------|----------------|-------------|-----------------|-------------|--------------|-------------|------------------|-------------|---------------------------------------|----------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Patents | Pos./Obl. | 12,006 | 3,105,043 | 11,926 | 3,352,708 | 11,926 | 3,497,562 | 12,085 | 3,483,355 | 159 | (14,206) |
| | FTE | 11,132 | | 11,554 | | 11,699 | | 11,789 | | 91 | |
| Trademarks | Pos./Obl. | 1,304 | 344,312 | 1,357 | 390,397 | 1,357 | 414,823 | 1,405 | 417,323 | 48 | 2,499 |
| | FTE | 1,200 | | 1,306 | | 1,344 | | 1,382 | | 38 | |
| IP Policy Protection and Enforcement | Pos./Obl. | 215 | 66,200 | 227 | 84,995 | 227 | 90,579 | 233 | 91,173 | 6 | 593 |
| | FTE | 166 | | 204 | | 211 | | 216 | | 5 | |
| Total Obligations | Pos./Obl. | 13,525 | 3,515,555 | 13,510 | 3,828,100 | 13,510 | 4,002,964 | 13,723 | 3,991,851 | 213 | (11,114) |
| | FTE | 12,497 | | 13,064 | | 13,254 | | 13,388 | | 134 | |
| Adjustments for: | | | | | | | | | | | |
| Offsetting Fee Collections | | | (3,682,564) | | (3,564,161) | | (4,058,410) | | (4,058,410) | | - |
| Other Income / Recoveries | | | (40,999) | | (52,500) | | (52,500) | | (52,500) | | - |
| Unobligated balance, start of year: | | | | | | | | | | | - |
| Operating Reserve Balance | | | (509,893) | | (512,758) | | (531,203) | | (531,203) | | |
| PTFRF Balance | | | (28,740) | | (231,883) | | | | | | |
| Unobligated balance, end of year: | | | | | | | | | | | |
| Operating Reserve Balance | | | 512,758 | | 531,203 | | 572,589 | | 583,703 | | 11,114 |
| PTFRF Balance | | | 231,883 | | - | | 64,560 | | 64,560 | | |
| Total Budget Authority | | | (2,000) | | (2,000) | | (2,000) | | (2,000) | | (0) |
| Financing from transfers | | | | | | | | | | | |
| Transfer from other accounts (-) | | | - | | - | | - | | - | | - |
| Transfer to other accounts (+) | | | 2,000 | | 2,000 | | 2,000 | | 2,000 | | - |
| Appropriation | | | (0) | | - | | - | | 0 | | (0) |

Total FY 2022 USPTO budget request level of \$3,993,851,000 equals Total Obligations of \$3,991,851,000 plus \$2,000,000 for DOC IG Transfer.

*Transfer to DOC Office of the Inspector General

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

| | | 2022 | | 2023 | | 2024 | | 2025 | | 2026 | |
|--------------------------------------|-----------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|
| | | Estimate | | Estimate | | Estimate | | Estimate | | Estimate | |
| Comparison by activity: | | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Patents | Pos./Obl. | 12,085 | 3,483,355 | 12,202 | 3,529,123 | 12,405 | 3,591,894 | 12,597 | 3,666,902 | 12,686 | 3,738,699 |
| | FTE | 11,789 | | 11,923 | | 12,077 | | 12,276 | | 12,415 | |
| Trademarks | Pos./Obl. | 1,405 | 417,323 | 1,452 | 431,937 | 1,490 | 443,629 | 1,538 | 455,216 | 1,581 | 467,910 |
| | FTE | 1,382 | | 1,427 | | 1,468 | | 1,513 | | 1,559 | |
| IP Policy Enforcement and Protection | Pos./Obl. | 233 | 91,173 | 235 | 96,912 | 237 | 97,567 | 237 | 98,398 | 237 | 99,044 |
| | FTE | 216 | | 223 | | 225 | | 225 | | 225 | |
| Total Obligations | Pos./Obl. | 13,723 | 3,991,851 | 13,889 | 4,057,973 | 14,132 | 4,133,091 | 14,372 | 4,220,515 | 14,504 | 4,305,653 |
| | FTE | 13,388 | | 13,572 | | 13,770 | | 14,015 | | 14,200 | |
| Adjustments for: | | | | | | | | | | | |
| Offsetting Fee Collections | | | (4,058,410) | | (4,122,722) | | (4,253,649) | | (4,356,336) | | (4,487,955) |
| Other Income / Recoveries | | | (52,500) | | (52,500) | | (52,500) | | (52,500) | | (52,500) |
| Unobligated balance, start of year: | | | | | | | | | | | |
| Operating Reserve Balance | | | (531,203) | | (583,703) | | (636,203) | | (688,703) | | (741,203) |
| PTFRF Balance | | | - | | (64,560) | | (127,309) | | (245,867) | | (379,689) |
| Unobligated balance, end of year: | | | | | | | | | | | |
| Operating Reserve Balance | | | 583,703 | | 636,203 | | 688,703 | | 741,203 | | 793,703 |
| PTFRF Balance | | | 64,560 | | 127,309 | | 245,867 | | 379,689 | | 559,990 |
| Total Budget Authority | | | (2,000) | | (2,000) | | (2,000) | | (2,000) | | (2,000) |
| Financing from transfers | | | | | | | | | | | |
| Transfer from other accounts (-) | | | - | | - | | - | | - | | - |
| Transfer to other accounts* (+) | | | 2,000 | | 2,000 | | 2,000 | | 2,000 | | 2,000 |
| Appropriation | | | (0) | | (0) | | (0) | | (0) | | 0 |

Total FY2022 USPTO budget request level of \$3,993,851,000 equals Total Obligations of \$3,991,851,000 plus \$2,000,000 for DOC IG Transfer.

*Transfer to DOC Office of the Inspector General

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

| | FY 2020 Actual | FY 2021 Enacted | FY 2022 Base | FY 2022 Estimate | Increase / Decrease from 2022 Base |
|---|-------------------|--------------------|-----------------|---------------------|---------------------------------------|
| Total Obligations | 3,515,555 | 3,828,100 | 4,002,964 | 3,991,851 | (11,114) |
| Offsetting collections from: | | | | | |
| Federal funds | - | - | - | - | - |
| Trust funds | - | - | - | - | - |
| Non-Federal sources (User Fee Collections) | (3,682,564) | (3,564,161) | (4,058,410) | (4,058,410) | - |
| Other Income | (3,796) | (6,500) | (6,500) | (6,500) | - |
| Recoveries | (37,203) | (46,000) | (46,000) | (46,000) | - |
| Unobligated balance, start of year | (538,632) | (744,641) | (531,203) | (531,203) | - |
| Unobligated balance, transferred | - | - | - | - | - |
| Unobligated balance, end of year | 744,641 | 531,203 | 637,148 | 648,262 | 11,114 |
| Unobligated balance, expiring | - | - | - | - | - |
| Budget Authority | (2,000) | (2,000) | (2,000) | (2,000) | 0 |
| Financing: | | | | | |
| Transfer from other accounts (-) | - | - | - | - | - |
| Transfer to other accounts* (+) | 2,000 | 2,000 | 2,000 | 2,000 | - |
| Appropriation | 0 | 0 | 0 | 0 | 0 |
| *DOC OIG Transfer | | | | | |

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

| | <u>FTE</u> | <u>Amount</u> |
|--|------------|----------------|
| Technical Transfer to Departmental Management Salary and Expenses | - | (197) |
| Adjustments | - | - |
| Financing | - | - |
| <u>Other Changes:</u> | | |
| 2021 Pay raise | | 5,862 |
| 2022 Pay raise | | 47,482 |
| Full-year cost in 2022 of positions financed for part-year in 2021 | 190 | 29,905 |
| Other Compensation Adjustments | | 37,043 |
| Change in compensable days | | - |
| Civil Service Retirement System (CSRS) | | - |
| Federal Employees Retirement System (FERS) | | 17,503 |
| Thrift Savings Plan (TSP) | | - |
| Federal Insurance Contribution Act (FICA) - OASDI | | 438 |
| Health insurance | | 3,208 |
| Employee Compensation Fund | | (79) |
| Post-Retirement Benefits to OPM | | 8,857 |
| Travel | | 144 |
| Rental payments to GSA | | 2,770 |
| GSA Furniture and IT Program (FIT) | | 5 |
| Working Capital Fund, Departmental Management | | 373 |
| National Archives and Records Administration (NARA) | | (33) |
| General Pricing Level Adjustment | | 22,140 |
| Continuous Diagnostics and Mitigation (CDM) charges | | 628 |
| Telecommunications Services – Enterprise Infrastructure Services (EIS) | | (350) |
| Enterprise Services | | - |
| Commerce Business System (CBS) | | - |
| Federal Protective Service | | (834) |
| Subtotal, other changes | <u>190</u> | <u>175,062</u> |
| Total, adjustments to base | <u>190</u> | <u>174,865</u> |

PATENT PROGRAM

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

Activity: Patent Program

| | | 2020 Actual | | 2021 Enacted | | 2022 Base | | 2022 Estimate | | Increase/Decrease from 2022 Base | |
|----------------------------------|----------|----------------|-----------|-----------------|-----------|--------------|-----------|------------------|-----------|-------------------------------------|----------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Patent Examining | Pos./Obl | 10,394 | 2,197,886 | 10,334 | 2,304,237 | 10,329 | 2,393,335 | 10,472 | 2,393,057 | 143 | (278) |
| | FTE | 9,718 | | 10,070 | | 10,107 | | 10,183 | | 76 | |
| Patent Trial and Appeals | Pos./Obl | 415 | 84,608 | 420 | 87,362 | 420 | 100,313 | 420 | 100,698 | - | 385 |
| | FTE | 377 | | 377 | | 420 | | 420 | | - | |
| Patent Information Resources | Pos./Obl | 193 | 151,155 | 196 | 164,120 | 199 | 169,970 | 200 | 166,174 | 1 | (3,796) |
| | FTE | 169 | | 188 | | 199 | | 200 | | 1 | |
| Subtotal Direct | Pos./Obl | 11,002 | 2,433,649 | 10,950 | 2,555,719 | 10,948 | 2,663,618 | 11,092 | 2,659,929 | 144 | (3,689) |
| | FTE | 10,265 | | 10,635 | | 10,727 | | 10,803 | | 77 | |
| Mission Support Goal - Allocated | Pos./Obl | 1,004 | 671,393 | 975 | 796,989 | 978 | 833,944 | 993 | 823,426 | 15 | (10,517) |
| | FTE | 867 | | 920 | | 972 | | 986 | | 14 | |
| Total | Pos./Obl | 12,006 | 3,105,043 | 11,926 | 3,352,708 | 11,926 | 3,497,562 | 12,085 | 3,483,355 | 159 | (14,206) |
| | FTE | 11,132 | | 11,554 | | 11,699 | | 11,789 | | 91 | |

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

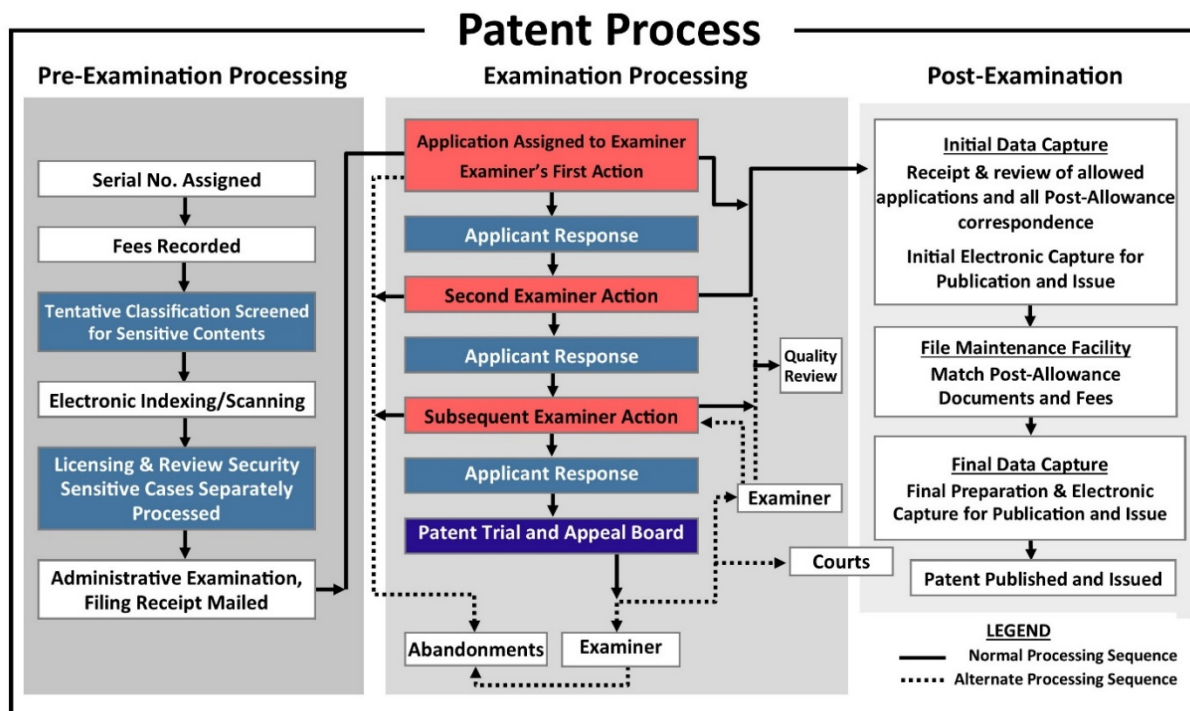
Activity: Patent Program

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.

Base Program

The Patent Program consists of the activities of the Patent Examination function as well as the 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 2022 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 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> | | | | | |
|----------------------------------|-----------|--------------------------------------|-----------|-----------|-----------|-----------|-----------|
| | | 2020 | | 2021 | | 2022 | |
| | | Actual | | Enacted | | Base | |
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Patent Examining | Pos./Obl. | 10,394 | 2,197,886 | 10,334 | 2,304,237 | 10,329 | 2,393,335 |
| | FTE | 9,718 | | 10,070 | | 10,107 | |
| Patent Trial and Appeals | Pos./Obl. | 415 | 84,608 | 420 | 87,362 | 420 | 100,313 |
| | FTE | 377 | | 377 | | 420 | |
| Patent Information Resources | Pos./Obl. | 193 | 151,155 | 196 | 164,120 | 199 | 169,970 |
| | FTE | 169 | | 188 | | 199 | |
| Mission Support Goal - Allocated | Pos./Obl. | 1,004 | 671,393 | 975 | 796,989 | 978 | 833,944 |
| | FTE | 867 | | 920 | | 972 | |
| Total | Pos./Obl. | 12,006 | 3,105,043 | 11,926 | 3,352,708 | 11,926 | 3,497,562 |
| | FTE | 11,132 | | 11,554 | | 11,699 | |

Patent Examining

For FY 2022, 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 PTA, and improve patent quality.

Patent Pre-Examination Processing: \$64.1 million and 136 Positions.

The patent application process begins upon receipt by the USPTO, which marks the onset of the pre-examination stage. In FY 2022, the office anticipates receiving 440,900 serialized applications ((594,600) total utility, plant, and reissue applications), representing a 1.0% growth rate 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% 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: \$2,199.8 million and 10,093 Positions.

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 2022, the Office will require resources to support the 598,300 UPR production units estimated for this fiscal year generated by staffing over 8,400 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: \$129.3 million and 102 Positions.

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 2022 estimate of 335,900 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 over the last decade is expected to continue in this Budget. From the beginning of FY 2010 through the end of FY 2020, first action pendency was reduced from 25.7 months to 14.8 months; total pendency was reduced from 35.3 months to 23.3 months; and the unexamined UPR inventory was reduced from 718,885 to 577,146. 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 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 2022, nearly 7,100 incoming appeals are projected in current workload requirements. The FY 2022 base

resources fund the legal staffing and support needed to meet statutory requirements, aligning capacity with projected workloads to continuously meet objectives. 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, PTA 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
Salaries and Expenses
PATENT PROGRAM
PROGRAM CHANGES FOR 2022**
(Dollar amounts in thousands)

| | | 2022 Base | | 2022 Estimate | | Increase/Decrease from 2022 base | |
|----------------------------------|-----------|-----------|-----------|---------------|-----------|-------------------------------------|---------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Patent Examining | Pos./Obl. | 10,329 | 2,393,335 | 10,472 | 2,393,057 | 143 | (278) |
| | FTE | 10,107 | | 10,183 | | 76 | |
| Patent Examiner New Hires | Pos./Obl. | | | | | 143 | 1,729 |
| | FTE | | | | | 76 | |
| Overtime / Production Incentives | Pos./Obl. | | | | | - | 7,544 |
| | FTE | | | | | - | |
| Workload Processing Contracts | Pos./Obl. | | | | | - | (9,552) |
| | FTE | | | | | - | |
| Patent Trial and Appeals | Pos./Obl. | 420 | 100,313 | 420 | 100,698 | - | 385 |
| | FTE | 420 | | 420 | | - | |
| Patent Information Resources | Pos./Obl. | 199 | 169,970 | 200 | 166,174 | 1 | (3,796) |
| | FTE | 199 | | 200 | | 1 | |
| Direct Total, Patent Program | Pos./Obl. | 10,948 | 2,663,618 | 11,092 | 2,659,929 | 144 | (3,689) |
| | FTE | 10,727 | | 10,803 | | 77 | |

**Department of Commerce
U.S. Patent and Trademark Office
PATENT PROGRAM
INCREASES FOR 2022 - 2026**
(Dollar amounts in thousands)

| | | 2022 | | 2023 | | 2024 | | 2025 | | 2026 | |
|-------------------------------------|-----------|--------------------------------|---------|--------------------------------|----------|--------------------------------|----------|--------------------------------|----------|--------------------------------|----------|
| | | Increase/Decrease Personnel | Amount | Increase/Decrease Personnel | Amount | Increase/Decrease Personnel | Amount | Increase/Decrease Personnel | Amount | Increase/Decrease Personnel | Amount |
| Patent Examining | Pos./Obl. | 143 | (278) | 252 | (16,684) | 455 | (3,182) | 647 | 19,254 | 736 | 40,878 |
| | FTE | 76 | | 199 | | 353 | | 550 | | 692 | |
| Patent Examiner New Hires | Pos./Obl. | 143 | 1,729 | 252 | 2,181 | 455 | 9,009 | 647 | 22,938 | 736 | 34,053 |
| | FTE | 76 | | 199 | | 353 | | 550 | | 692 | |
| Overtime / Production Incentives | Pos./Obl. | - | 7,544 | - | 9,799 | - | 11,439 | - | 13,632 | - | 16,058 |
| | FTE | - | | - | | - | | - | | - | |
| Workload Processing Contracts | Pos./Obl. | - | (9,552) | - | (28,664) | - | (23,630) | - | (17,317) | - | (9,232) |
| | FTE | - | | - | | - | | - | | - | |
| Patent Trial and Appeals | Pos./Obl. | - | 385 | - | 85 | - | 34 | - | (20) | - | (66) |
| | FTE | - | | - | | - | | - | | - | |
| Patent Information Resources | Pos./Obl. | 1 | (3,796) | 1 | (6,412) | 1 | (8,994) | 1 | (11,640) | 1 | (14,309) |
| | FTE | 1 | | 1 | | 1 | | 1 | | 1 | |
| Direct Total, Patent Program | Pos./Obl. | 144 | (3,689) | 253 | (23,011) | 456 | (12,143) | 648 | 7,594 | 737 | 26,503 |
| | FTE | 77 | | 200 | | 354 | | 551 | | 693 | |

Sub-Activity: Patent Examining

Patent Examining (-\$.3 million and 76 FTE/143 Positions): In FY 2022, 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 PTA. 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 timeliness measures based on the PTA timeframes, which will reduce the need for patent term adjustments, and also give all applicants greater certainty of the timeliness of their own cases.

Assuming planned hiring, workload, and productivity levels in FY 2021 and FY 2022, these program requirements collectively will enable the Patent Program to:

- Address the 440,900 new serialized applications (total UPR – 594,600) expected to be filed in FY 2022 (1.5% above the projected FY 2021 level);
- Reduce the current unexamined UPR inventory to approximately 537,200 in FY 2022;
- Provide timely examination of patent applications by increasing total PTA compliance for all mailed actions to 85% in FY 2022; and
- Increase total PTA compliance for all remaining inventory to 87% in FY 2022.

| Performance Measures | 2022 | 2023 | 2024 | 2025 | 2026 |
|--|-------|----------|---------|--------|--------|
| Total PTA Compliance – all mailed actions (percent) with increase | 85 | 84 | 87 | 90 | 91 |
| Total PTA Compliance - all mailed actions (percent) without increase | 84 | 84 | 85 | 86 | 85 |
| Outyear Costs: | | | | | |
| Direct Obligations | (278) | (16,684) | (3,182) | 19,254 | 40,878 |
| FTE | 76 | 199 | 353 | 550 | 692 |
| Positions | 143 | 252 | 455 | 647 | 736 |

Patent Examiner New Hires. In FY 2022, 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 1.5% in FY 2022 and gradually increase to 2.0% by FY 2023, then to 3.0% in FY 2024 - 2026. 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 500 annual examiner hires for FY 2022 through FY 2023 and 600 annual hires for FY 2024 through FY 2025, and 500 annual hires in FY 2026, offset by approximately 400 attritions, each year. The production model takes into consideration this revised incoming work as well as the revised output of examiners. The careful calibration between quality, workload and hires will enable the USPTO to continue making progress on its patent PTA targets.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|-------|-------|-------|--------|--------|
| Outyear Costs: | | | | | |
| Direct Obligations | 1,729 | 2,181 | 9,009 | 22,938 | 34,053 |
| FTE | 76 | 199 | 353 | 550 | 692 |
| Positions | 143 | 252 | 455 | 647 | 736 |

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 employee benefits. Funding the full amount of examiner overtime is essential to achieving PTA and inventory goals. Overtime’s inherent flexibility allows the Patent organization to more easily expand its production capacity while maintaining optimal staffing levels.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|-------|-------|--------|--------|--------|
| Outyear Costs: | | | | | |
| Direct Obligations | 7,544 | 9,799 | 11,439 | 13,632 | 16,058 |
| 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 nonrecurring increase in FY21 as a result of contract transition costs incurred in FY 2021 that are not continued in the outyears, partially offset by the increased level in workload required due to the increase in patent applications.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|---------|----------|----------|----------|---------|
| Outyear Costs: | | | | | |
| Direct Obligations | (9,552) | (28,664) | (23,630) | (17,317) | (9,232) |
| FTE | 0 | 0 | 0 | 0 | 0 |
| Positions | 0 | 0 | 0 | 0 | 0 |

Sub-Activity: Patent Trials and Appeals

PTAB Production and AIA Workload (\$0.4 million and 0 FTE/0 Positions) – In FY 2022-FY 2026, 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.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|------|------|------|------|------|
| Outyear Costs: | | | | | |
| Direct Obligations | 385 | 85 | 34 | (20) | (66) |
| FTE | 0 | 0 | 0 | 0 | 0 |
| Positions | 0 | 0 | 0 | 0 | 0 |

| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| | Actual | Actual | | | | | | |
| APPEALS | | | | | | | | |
| Incoming Appeals (Ex Parte Appeals), | 7,326 | 6,900 | 7,000 | 7,100 | 7,100 | 7,200 | 7,200 | 7,200 |
| Appeals Disposed (Ex Parte Appeals Decision Unit, for FY20 and forward is 1.3 per Decision) | 9,778 | 8,058 | 9,867 | 7,844 | 7,240 | 6,986 | 6,837 | 6,837 |
| Appeal Inventory/Backlog (Ex Parte Appeals) | 8,678 | 7,519 | 4,652 | 3,908 | 3,768 | 3,982 | 4,345 | 4,708 |
| Pendency of Decided Appeals in months (Ex Parte Appeals), | 15 | 15 | 12 | 11 | 11 | 11 | 12 | 12 |
| Board Months of Inventory | 14 | 13 | 8 | 7 | 6 | 7 | 7 | 8 |
| AIA TRIAL | | | | | | | | |
| AIA Petitions Filed | 1,471 | 1,514 | 1,500 | 1,525 | 1,525 | 1,550 | 1,550 | 1,550 |
| Pendency of Decided Trial Months, Estimated | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| AIA Petitions Disposed | 1,742 | 1,458 | 1,511 | 1,543 | 1,520 | 1,533 | 1,545 | 1,550 |
| ADMINISTRATIVE PATENT JUDGES | | | | | | | | |
| Total APJs (incl. Executive APJs and reflect attrition) | 279 | 266 | 254 | 244 | 239 | 234 | 234 | 234 |

Sub-Program: Patent Information Resources

Patent Business Projects (-\$3.8 million and 1 FTE/1 Position) – The following will receive additional attention:

- **Patent Administrative Center:** Provide high availability IT patent systems; and provide improved sequence listings through compliance with bio-sequence standards.
- **Patent Business & Content Management System:** Improve the resiliency of product components.
- **Patent Center:** Exceed internal user and public expectations of data quality; and exceed internal user and public expectations of system resiliency.
- **Patent Data and Analytics:** Support use of data and analytic tools to respond to fast paced policy and legal changes.
- **Patent Exam Center:** Complete implementation of TRP (time, routing, and new PAP–based on CPC); complete rollout of Search to all examiners; and make artificial intelligence (AI) tools available to Examiners for use in decision making.
- **Patent Public API:** Allow public users to search USPTO.gov for patent applications.
- **PTAB Center:** Exceed internal user and public expectations of data quality.

Additional information on planned IT activities for the Patent Program can be found in the IT Portfolio narrative in Appendix III to this Budget.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|---------|---------|---------|----------|----------|
| Outyear Costs: | | | | | |
| Direct Obligations | (3,796) | (6,412) | (8,994) | (11,640) | (14,309) |
| FTE | 1 | 1 | 1 | 1 | 1 |
| Positions | 1 | 1 | 1 | 1 | 1 |

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: Patent Program
 Program Change:

| <u>Full-time permanent</u> Title: | Grade | Number | Annual Salary | Total Salaries |
|--------------------------------------|---------|--------|---------------|----------------|
| Patent Examiner | 5 | 4 | 60,497 | 241,988 |
| Patent Examiner | 7 | 316 | 74,929 | 23,677,523 |
| Patent Examiner | 9 | 199 | 82,982 | 16,513,338 |
| Patent Examiner | 11 | 1 | 93,000 | 93,000 |
| Patent Attritions | Various | (386) | 102,031 | (39,384,043) |
| Patent Examiner Support Positions | Various | 10 | 76,636 | 766,361 |
| Total | | 144 | | 1,908,167 |
| Less lapse | 47% | (67) | | (625,968) |
| Total full-time permanent (FTE) | | 77 | | 1,282,199 |
| 2022 Pay Adjustment (2.7%) | | | | 34,621 |
| | | | | 1,316,820 |

Personnel Data Summary

| | |
|---------------------------------|-----|
| Full-Time Equivalent Employment | |
| Full-time permanent | 77 |
| Other than full-time permanent | - |
| Total FTE | 77 |
| Authorized Positions: | |
| Full-time permanent | 144 |
| Other than full-time permanent | - |
| Total Positions | 144 |

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

Activity: Patent Program

| Object Class | 2020 Actual | 2021 Enacted | 2022 Base | 2022 Estimate | Increase/Decrease from 2022 base |
|--|----------------|-----------------|--------------|------------------|-------------------------------------|
| 11 Personnel compensation | | | | | |
| 11.1 Full-time permanent | 1,333,034 | 1,381,539 | 1,437,660 | 1,438,977 | 1,317 |
| 11.3 Other than full-time permanent | - | - | - | - | - |
| 11.5 Other personnel compensation | 128,547 | 140,330 | 140,719 | 148,263 | 7,544 |
| 11.8 Special personnel services payments | - | - | - | - | - |
| 11.9 Total personnel compensation | 1,461,581 | 1,521,869 | 1,578,379 | 1,587,240 | 8,861 |
| 12 Civilian personnel benefits | 466,410 | 500,112 | 540,449 | 540,945 | 495 |
| 13 Benefits for former personnel | - | - | - | - | - |
| 21 Travel and transportation of persons | 526 | 2,091 | 2,132 | 2,112 | (21) |
| 22 Transportation of things | 34 | 47 | 48 | 48 | 0 |
| 23.1 Rental payments to GSA | - | - | - | - | - |
| 23.2 Rental payments to others | 5 | 27 | 28 | 28 | (0) |
| 23.3 Communications, utilities and miscellaneous charges | 1,525 | 1,964 | 2,003 | 1,983 | (19) |
| 24 Printing and reproduction | 179,367 | 183,028 | 186,689 | 181,737 | (4,952) |
| 25.1 Advisory and assistance services | 54,968 | 53,346 | 54,413 | 54,547 | 135 |
| 25.2 Other services | 91,996 | 85,312 | 87,019 | 86,618 | (400) |
| 25.3 Purchases of goods & services from Gov't accounts | 403 | 154 | 157 | 156 | (1) |
| 25.4 Operation and maintenance of facilities | 48 | 49 | 50 | 51 | 0 |
| 25.5 Research and development contracts | - | - | - | - | - |
| 25.6 Medical care | - | - | - | - | - |
| 25.7 Operation and maintenance of equipment | 18,210 | 36,591 | 37,323 | 30,331 | (6,992) |
| 25.8 Subsistence and support of persons | - | - | - | - | - |
| 26 Supplies and materials | 39,819 | 42,705 | 43,559 | 45,430 | 1,872 |
| 31 Equipment | 3,595 | 4,833 | 4,930 | 4,986 | 56 |
| 32 Lands and structures | - | - | - | - | - |
| 33 Investments and loans | - | - | - | - | - |
| 41 Grants, subsidies and contributions | - | - | - | - | - |
| 42 Insurance claims and indemnities | 30 | - | - | - | - |
| 43 Interest and dividends | 3 | 0 | 0 | 0 | 0 |
| 44 Refunds | 1,949 | 2,000 | 2,040 | 2,000 | (40) |
| 99 Total obligations | 2,320,467 | 2,434,129 | 2,539,218 | 2,538,211 | (1,007) |

TRADEMARK PROGRAM

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

Activity: Trademark Program

| | | 2020 Actual | | 2021 Enacted | | 2022 Base | | 2022 Estimate | | Increase/Decrease from 2022 Base | |
|--|----------|----------------|---------|-----------------|---------|--------------|---------|------------------|---------|-------------------------------------|---------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Trademark Examining | Pos./Obl | 955 | 166,854 | 971 | 183,456 | 971 | 195,354 | 1,004 | 201,274 | 33 | 5,920 |
| | FTE | 890 | | 946 | | 956 | | 986 | | 29 | |
| Trademark Appeals and Inter Partes Proceedings | Pos./Obl | 82 | 15,196 | 83 | 16,578 | 83 | 18,664 | 88 | 19,372 | 5 | 707 |
| | FTE | 72 | | 79 | | 83 | | 86 | | 3 | |
| Trademark Information Resources | Pos./Obl | 76 | 45,613 | 97 | 46,491 | 96 | 50,305 | 103 | 53,129 | 7 | 2,824 |
| | FTE | 72 | | 87 | | 98 | | 102 | | 4 | |
| Subtotal Direct | Pos./Obl | 1,113 | 227,664 | 1,151 | 246,525 | 1,150 | 264,323 | 1,195 | 273,775 | 45 | 9,451 |
| | FTE | 1,034 | | 1,111 | | 1,138 | | 1,174 | | 36 | |
| Mission Support Goal - Allocated | Pos./Obl | 192 | 116,674 | 207 | 143,872 | 207 | 150,500 | 209 | 143,548 | 3 | (6,952) |
| | FTE | 165 | | 194 | | 206 | | 208 | | 3 | |
| Total | Pos./Obl | 1,304 | 344,338 | 1,357 | 390,397 | 1,357 | 414,823 | 1,405 | 417,323 | 48 | 2,499 |
| | FTE | 1,200 | | 1,306 | | 1,344 | | 1,382 | | 38 | |

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

Activity: 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. 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.

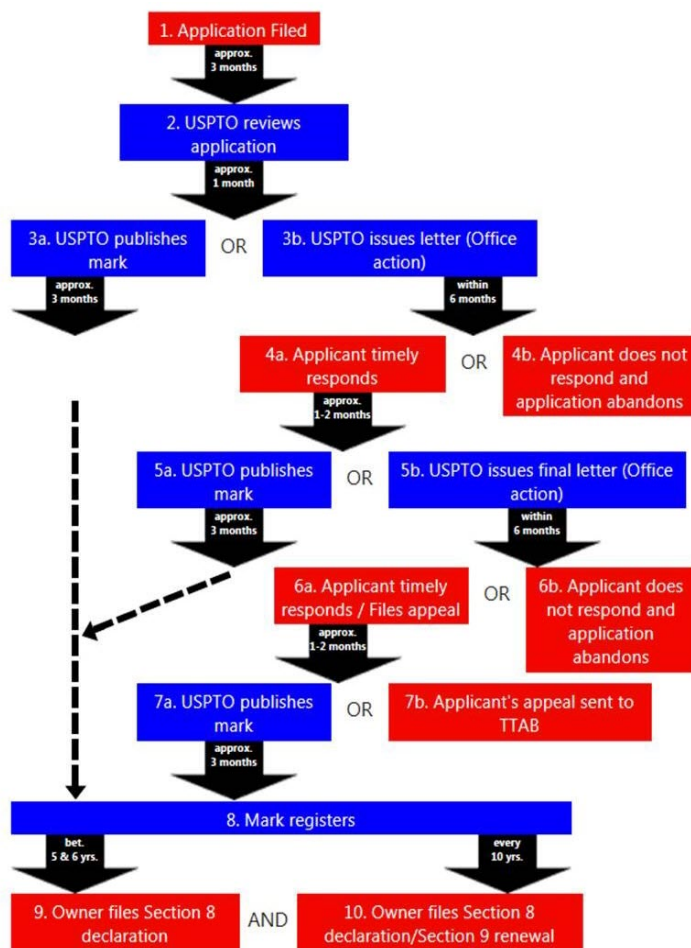
Statement of Operating Objectives

The Trademark objectives include:

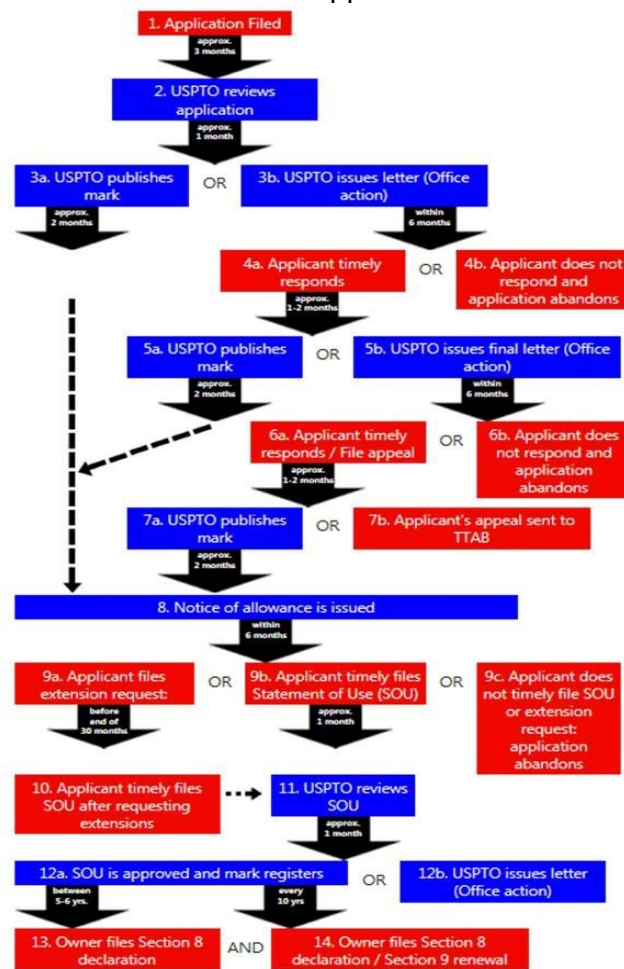
- Optimize Trademark Application Pendency
- Issue High Quality Trademarks
- Foster Business Effectiveness
- Enhance Operations of Trademark Trial and Appeal Board (TTAB)

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 | | 2020 Actual | | 2021 Enacted | | 2022 Base | |
|----------------------------------|-----------|-------------|---------|--------------|---------|-----------|---------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| TrademarkExamining | Pos./Obl. | 955 | 166,854 | 971 | 183,456 | 971 | 195,354 |
| | FTE | 890 | | 946 | | 956 | |
| TrademarkTrial and Appeals | Pos./Obl. | 82 | 15,196 | 83 | 16,578 | 83 | 18,664 |
| | FTE | 72 | | 79 | | 83 | |
| TrademarkInformation Resources | Pos./Obl. | 76 | 45,613 | 97 | 46,491 | 96 | 50,305 |
| | FTE | 72 | | 87 | | 98 | |
| Mission Support Goal - Allocated | Pos./Obl. | 192 | 116,674 | 207 | 143,872 | 207 | 150,500 |
| | FTE | 165 | | 194 | | 206 | |
| Total | Pos./Obl. | 1,304 | 344,338 | 1,357 | 390,397 | 1,357 | 414,823 |
| | FTE | 1,200 | | 1,306 | | 1,344 | |

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 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: \$11.5 million and 68 Pos.

More than 99% of trademark applications for registration of a mark are currently filed electronically, and more than 89% are processed electronically from receipt to final disposition. With the recent implementation of mandatory electronic filing (MEF), processing will also be fully electronic as soon as some pending applications are handled. 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. 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. Input processing also encompasses the processing of international applications filed under the Madrid Protocol.

Examination Processing: \$178.2 million and 873 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 a 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. Registration occurs 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: \$4.5 million and 34 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 modernizing trademark IT to support future needs. 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 stakeholders across the USPTO.

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 or 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 2022**
(Dollar amounts in thousands)

| | | 2022 Base | | 2022 Estimate | | Increase/Decrease from 2022 base | |
|---------------------------------|-----------|-----------|---------|---------------|---------|-------------------------------------|--------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Trademark Examining | Pos./Obl. | 971 | 193,354 | 1,004 | 201,274 | 33 | 5,920 |
| | FTE | 956 | | 986 | | 29 | |
| Trademark Trial and Appeals | Pos./Obl. | 83 | 18,664 | 88 | 19,372 | 5 | 707 |
| | FTE | 83 | | 86 | | 3 | |
| Trademark Information Resources | Pos./Obl. | 96 | 50,305 | 103 | 53,129 | 7 | 2,824 |
| | FTE | 98 | | 102 | | 4 | |
| Direct Total, Trademark Program | Pos./Obl. | 1,150 | 264,323 | 1,195 | 273,775 | 45 | 9,451 |
| | FTE | 1,138 | | 1,174 | | 36 | |

**Department of Commerce
U.S. Patent and Trademark Office
TRADEMARK PROGRAM
PROGRAM CHANGES FOR 2022 - 2026**
(Dollar amounts in thousands)

| | | 2022 | | 2023 | | 2024 | | 2025 | | 2026 | |
|--|-----------|--------------------------------|--------------|--------------------------------|---------------|--------------------------------|---------------|--------------------------------|---------------|--------------------------------|---------------|
| | | Increase/Decrease Personnel | Amount | Increase/Decrease Personnel | Amount | Increase/Decrease Personnel | Amount | Increase/Decrease Personnel | Amount | Increase/Decrease Personnel | Amount |
| Trademark Examining | Pos./Obl. | 33 | 5,920 | 76 | 10,805 | 111 | 14,728 | 155 | 19,293 | 194 | 25,230 |
| | FTE | 29 | | 65 | | 104 | | 145 | | 187 | |
| Trademark Trial and Appeals | Pos./Obl. | 5 | 707 | 7 | 1,662 | 9 | 2,224 | 11 | 2,797 | 13 | 3,382 |
| | FTE | 3 | | 7 | | 9 | | 11 | | 13 | |
| Trademark Information Resources | Pos./Obl. | 7 | 2,824 | 9 | 1,247 | 11 | 566 | 13 | (369) | 13 | (1,151) |
| | FTE | 4 | | 8 | | 9 | | 10 | | 12 | |
| Direct Total, Trademark Program | | 45 | 9,451 | 92 | 13,715 | 131 | 17,519 | 179 | 21,721 | 220 | 27,461 |
| | | 36 | | 80 | | 122 | | 166 | | 212 | |

Sub-Activity: Trademark Examining

Trademark Examining (+\$5.9 million and 29 FTE/33 Positions): The USPTO requires an increase of \$5.9 million and 33 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 USPTO has established trademark examiner hiring plans of 50 annual examiner hires for FY 2022, 40 annual hires for FY 2023 through FY 2024, and 50 annual hires for FY 2025 through FY 2026, offset by approximately 30 attritions, each year. Additional contractual services will be needed in areas such as examination surge contractor support and the Anti-Counterfeit Campaign-National Crime Prevention Council. 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 first action pendency below 4.5 months, providing 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 3.9 to 7.7% year over year), existing inventories, and examination capacity. As mentioned earlier, first action pendency has been maintained between 2.5 and 3.5 months but with the unforeseen post pandemic surge in filings and the current backlog of unexamined cases, first action pendency will be set between 2.5 and 4.5 months in FY 2021 and FY 2022 before going back to its historical level by FY 2025. The pendency adjustment is a recognition that the unprecedented surge and backlog will take several quarters to absorb and that hiring cannot address a sudden surge that is likely to be followed by a correction. 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. There are challenges 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.

| Performance Measures | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|-----------|-----------|-----------|-----------|-----------|
| First Action Pendency (months) with increase | 2.5 – 4.5 | 2.5 – 4.0 | 2.5 – 4.0 | 2.5 – 3.5 | 2.5 – 3.5 |
| First Action Pendency (months) without increase | 5.6 | 6.1 | 6.9 | 8.3 | 10.1 |
| Outyear Costs: | | | | | |
| Direct Obligations | 5,920 | 10,805 | 14,728 | 19,293 | 25,230 |
| FTE | 29 | 65 | 104 | 145 | 187 |
| Positions | 33 | 76 | 111 | 155 | 194 |

Sub-Activity: Trademark Appeals and Trial Proceedings

TTAB Staffing (+\$0.7 million and 3 FTE/5 Positions): The USPTO requires an increase of \$0.7 million and 5 positions to handle projected workload increases in ex parte appeals and trial cases in FY 2022 and to right-size its business support operations. The request includes one new administrative trademark judge and one new interlocutory attorney to manage the growth in TTAB workload, which follows directly from increased trademark application filings. The request also includes three business support positions, which will enable the TTAB to improve its predictive analytics and workload planning, enhance the quality of its stakeholder outreach, and position the Board to manage the increasing requirements of a growing organization. These additional resources will ensure that the Board can continue to conduct timely and high quality appeals and trial cases.

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 | 2022 | 2023 | 2024 | 2025 | 2026 |
|--|-------|-------|-------|-------|-------|
| Final Decision Pendency with increase | 10-12 | 10-12 | 10-12 | 10-12 | 10-12 |
| Final Decision Pendency without increase | 15-17 | 16-18 | 17-19 | 18-20 | 19-21 |
| Pendency for Trials with increase | 13-15 | 13-15 | 13-15 | 13-15 | 13-15 |
| Pendency for Trials without increase | 16-18 | 17-19 | 18-20 | 19-21 | 20-22 |
| Direct Obligations | 707 | 1,662 | 2,224 | 2,797 | 3,382 |
| FTE | 3 | 7 | 9 | 11 | 13 |
| Positions | 5 | 7 | 9 | 11 | 13 |

Sub-Activity: Trademark Information Resources

Trademark Information Resources (+\$2.8 million and 4 FTE/7 Positions): The USPTO requires an increase of \$2.6 million and 4 FTE for the Trademark Product Line. After having shifted resources to focus on stabilizing legacy systems in FY 2020, the USPTO will renew its focus on modernization in FY 2021 and FY 2022, leveraging accomplishments to date and emphasizing the customer experience, artificial intelligence, and machine learning. Additional planned IT activities for the Trademark Program can be found in the IT Portfolio narrative in Appendix III to this Budget.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|-------|-------|------|-------|---------|
| Outyear Costs: | | | | | |
| Direct Obligations | 2,824 | 1,247 | 566 | (369) | (1,151) |
| FTE | 4 | 8 | 9 | 10 | 12 |
| Positions | 7 | 9 | 11 | 13 | 13 |

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
TRADEMARK PROGRAM
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Trademark Program

Full-time permanent

| Title: | Grade | Number | Annual Salary | Total Salaries |
|--|---------|-----------|---------------|------------------|
| TM Examiner Attorney | 11 | 50 | 80,025 | 4,001,267 |
| TM Supervisory Attorney | 15 | 2 | 158,543 | 317,085 |
| TM Technical Info Specialist | 9 | 1 | 60,129 | 60,129 |
| TM ID Staff Attorney | 15 | 1 | 144,128 | 144,128 |
| TM Staff Attorney | 15 | 2 | 158,543 | 317,085 |
| TM TAC Info Specialist | 12 | 1 | 87,198 | 87,198 |
| TM TAC Ombudsman | 13 | 1 | 103,690 | 103,690 |
| TM Program Analyst | 13 | 1 | 103,690 | 103,690 |
| TM Staff Attorney | 15 | 2 | 144,128 | 288,256 |
| TM Program Analyst | 13 | 1 | 103,690 | 103,690 |
| TM Biz Intelligence Analyst/Program Analyst | 14 | 1 | 122,529 | 122,529 |
| TM Strat Plan/Process Improvement Specialist | 15 | 1 | 144,128 | 144,128 |
| TM Program Manager | 15 | 1 | 144,128 | 144,128 |
| TM Business Analyst | 14 | 2 | 122,529 | 245,058 |
| TM Business Operations Specialist | 14 | 2 | 122,529 | 245,058 |
| TM Desktop/Audio | 12 | 1 | 87,198 | 87,198 |
| TM Attritions | Various | (30) | 117,517 | 120,484 |
| TTAB Administrative Trademark Judge (ATJ) | AD | 1 | 183,315 | 183,315 |
| Interlocutory Attorney (IA) | 15 | 1 | 172,508 | 172,508 |
| Business Intelligence Analyst (BIA) | 14 | 1 | 162,362 | 162,362 |
| Management and Program Analyst | 12 | 2 | 115,552 | 231,104 |
| Total | | <u>45</u> | | <u>3,649,101</u> |
| less Lapse | 20% | <u>9</u> | | <u>(712,420)</u> |
| Total full-time permanent (FTE) | | <u>36</u> | | <u>2,936,681</u> |
| 2022 Pay Adjustment (2.7%) | | | | <u>75,427</u> |
| | | | | <u>3,012,107</u> |

Personnel Data Summary

Full-Time Equivalent Employment

Full-time permanent

Other than full-time permanent

Total FTE

Number

36

-

36

Authorized Positions:

Full-time permanent

Other than full-time permanent

Total Positions

45

-

45

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

Activity: Trademark Program

| Object Class | 2020 Actual | 2021 Enacted | 2022 Base | 2022 Estimate | Increase/Decrease from 2022 base |
|--|----------------|-----------------|--------------|------------------|-------------------------------------|
| 11 Personnel compensation | | | | | |
| 11.1 Full-time permanent | 130,846 | 140,423 | 151,166 | 154,178 | 3,012 |
| 11.3 Other than full-time permanent | - | - | - | - | - |
| 11.5 Other personnel compensation | 10,778 | 15,120 | 14,760 | 14,791 | 31 |
| 11.8 Special personnel services payments | - | - | - | - | - |
| 11.9 Total personnel compensation | 141,624 | 155,542 | 165,926 | 168,969 | 3,043 |
| 12 Civilian personnel benefits | 44,439 | 48,700 | 55,070 | 56,182 | 1,112 |
| 13 Benefits for former personnel | - | - | - | - | - |
| 21 Travel and transportation of persons | 56 | 213 | 217 | 221 | 4 |
| 22 Transportation of things | 4 | 5 | 5 | 5 | (1) |
| 23.1 Rental payments to GSA | - | - | - | - | - |
| 23.2 Rental payments to others | 0 | 3 | 3 | 153 | 150 |
| 23.3 Communications, utilities and miscellaneous charges | 1 | 1 | 1 | 5 | 4 |
| 24 Printing and reproduction | 23 | 23 | 23 | 99 | 76 |
| 25.1 Advisory and assistance services | 464 | 1,431 | 1,460 | 2,451 | 992 |
| 25.2 Other services | 3,019 | 3,486 | 3,556 | 2,969 | (587) |
| 25.3 Purchases of goods & services from Gov't accounts | 0 | 526 | 537 | 476 | (61) |
| 25.4 Operation and maintenance of facilities | 5 | 5 | 5 | 5 | 0 |
| 25.5 Research and development contracts | - | - | - | - | - |
| 25.6 Medical care | - | - | - | - | - |
| 25.7 Operation and maintenance of equipment | 551 | 2,089 | 2,130 | 5,295 | 3,164 |
| 25.8 Subsistence and support of persons | - | - | - | - | - |
| 26 Supplies and materials | 2,705 | 2,549 | 2,600 | 2,500 | (100) |
| 31 Equipment | 359 | 990 | 1,010 | 1,033 | 23 |
| 32 Lands and structures | - | - | - | - | - |
| 33 Investments and loans | - | - | - | - | - |
| 41 Grants, subsidies and contributions | - | - | - | - | - |
| 42 Insurance claims and indemnities | - | - | - | - | - |
| 43 Interest and dividends | - | - | - | - | - |
| 44 Refunds | 140 | 162 | 165 | 125 | (40) |
| 99 Total obligations | 193,390 | 215,725 | 232,708 | 240,488 | 7,780 |

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INTELLECTUAL PROPERTY POLICY, ENFORCEMENT AND PROTECTION PROGRAM

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

Activity: IP Policy, Enforcement and Protection Program

| | | 2020 Actual | | 2021 Enacted | | 2022 Base | | 2022 Estimate | | Increase/Decrease from 2022 Base | |
|--|----------|----------------|--------|-----------------|--------|--------------|--------|------------------|--------|-------------------------------------|--------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Policy, External Affairs and Administrative Support | | | 22,215 | 106 | 29,512 | 106 | 32,269 | 109 | 31,802 | 3 | (467) |
| | Pos./Obl | 106 | | | | | | | | | |
| | FTE | 86 | | 101 | | 106 | | 109 | | 3 | |
| Global Intellectual Property Academy (GIPA) | | | 3,079 | 19 | 3,827 | 19 | 4,426 | 21 | 4,904 | 2 | 478 |
| | Pos./Obl | 19 | | | | | | | | | |
| | FTE | 14 | | 17 | | 16 | | 17 | | 1 | |
| IP Attaché Program | | | 13,128 | 3 | 14,612 | 3 | 14,916 | 3 | 14,876 | - | (41) |
| | Pos./Obl | 3 | | 3 | | 3 | | 3 | | - | |
| | FTE | 3 | | 3 | | 3 | | 3 | | - | |
| IP P,E&P Information Resources | | | 903 | - | 617 | - | 617 | - | 617 | - | - |
| | Pos./Obl | - | | - | | - | | - | | - | |
| | FTE | - | | - | | - | | - | | - | |
| Subtotal Direct | | | 39,325 | 128 | 48,568 | 128 | 52,228 | 133 | 52,199 | 5 | (30) |
| | Pos./Obl | 128 | | 128 | | 128 | | 133 | | 5 | |
| | FTE | 103 | | 121 | | 125 | | 129 | | 4 | |
| Mission Support Goal - Allocated | | | 26,875 | 99 | 36,427 | 99 | 38,351 | 100 | 38,974 | 1 | 623 |
| | Pos./Obl | 87 | | 99 | | 99 | | 100 | | 1 | |
| | FTE | 62 | | 82 | | 87 | | 88 | | 1 | |
| Total | | | 66,200 | 227 | 84,995 | 227 | 90,579 | 233 | 91,173 | 6 | 593 |
| | Pos./Obl | 215 | | 227 | | 227 | | 233 | | 6 | |
| | FTE | 166 | | 204 | | 211 | | 216 | | 5 | |

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

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.

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 three 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 IPPE&P advocates 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 | | 2020 | | 2021 | | 2022 | |
|---|-----------|-----------|--------|-----------|--------|-----------|--------|
| | | Actual | | Enacted | | Base | |
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Policy, External Affairs and Administrative Support | Pos./Obl. | 106 | 22,215 | 106 | 29,512 | 106 | 32,269 |
| | FTE | 86 | | 101 | | 106 | |
| Global Intellectual Property Academy (GIPA) | Pos./Obl. | 19 | 3,079 | 19 | 3,827 | 19 | 4,426 |
| | FTE | 14 | | 17 | | 16 | |
| IP Attaché Program | Pos./Obl. | 3 | 13,128 | 3 | 14,612 | 3 | 14,916 |
| | FTE | 3 | | 3 | | 3 | |
| IP P,E&P Information Resources | Pos./Obl. | - | 903 | - | 617 | - | 617 |
| | FTE | - | | - | | - | |
| Mission Support Goal - Allocated | Pos./Obl. | 87 | 26,875 | 99 | 36,427 | 99 | 38,351 |
| | FTE | 62 | | 82 | | 87 | |
| Total | Pos./Obl. | 215 | 66,200 | 227 | 84,995 | 227 | 90,579 |
| | FTE | 166 | | 204 | | 211 | |

IP Policy, Enforcement and Protection Base Program

For FY 2022, 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. As a WTO member, the United States 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 IP5¹, 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 one year 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

¹ 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 BIC (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 (IP) Attaché Program

The IP 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 2022, the IP Attaché Program will have 14 IP attaché positions and 13 established Posts in the following countries: Rio de Janeiro, Brazil; New Delhi, India; Beijing, Shanghai, and Guangzhou, China; Bangkok, Thailand; Lima, Peru; Brussels, Belgium; Mexico City, Mexico; Kyiv, Ukraine; Abu Dhabi, United Arab Emirates; Johannesburg, South Africa; and Geneva, Switzerland. The IP Attaché Program is closely aligned with and supports achievement of USPTO's mission, the IPPE&P strategic goal. The IP attachés bring unique technical IP expertise and experience to their posts. Attachés have helped influence laws, regulations, and IP practices in their host countries. As of FY 2021 four IP attachés were elevated to the diplomatic rank of Counselor at the U.S. embassies and missions where they serve. The four attaché posts that received the elevated ranking of Counselor serve Beijing, China; Brussels, Belgium; New Delhi, India; and Mexico City, Mexico. The elevated diplomatic ranking will provide these Counselors with increased access to their respective Ambassadors and to senior foreign government officials, allowing USPTO to more effectively accomplish its objectives overseas. 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 2022**
(Dollar amounts in thousands)

Activity: Intellectual Property Policy, Enforcement & Protection

| | | 2022 Base | | 2022 Estimate | | Increase/Decrease from 2022 base | |
|--|-----------|-----------|--------|---------------|--------|-------------------------------------|--------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Policy, External Affairs and Administrative Support | Pos./Obl. | 106 | 32,269 | 109 | 31,802 | 3 | (467) |
| | FTE | 106 | | 109 | | 3 | |
| Global Intellectual Property Academy (GIPA) | Pos./Obl. | 19 | 4,426 | 21 | 4,904 | 2 | 478 |
| | FTE | 16 | | 17 | | 1 | |
| IP Attaché Program | Pos./Obl. | 3 | 14,916 | 3 | 14,876 | - | (41) |
| | FTE | 3 | | 3 | | - | |
| IP P,E&P Information Resources | Pos./Obl. | - | 617 | - | 617 | - | - |
| | FTE | - | | - | | - | |
| Direct Total, Intellectual Property Policy, Enforcement, and Protection Program | Pos./Obl. | 128 | 52,228 | 133 | 52,199 | 5 | (30) |
| | FTE | 125 | | 129 | | 4 | |

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
PROGRAM CHANGES FOR 2022 - 2026**
(Dollar amounts in thousands)

Activity: Intellectual Property
Policy, Enforcement &
Protection

| | | 2022 | | 2023 | | 2024 | | 2025 | | 2026 | |
|---|-----------|--------------------------------|--------|--------------------------------|--------|--------------------------------|--------|--------------------------------|--------|--------------------------------|--------|
| | | Increase/Decrease Personnel | Amount | Increase/Decrease Personnel | Amount | Increase/Decrease Personnel | Amount | Increase/Decrease Personnel | Amount | Increase/Decrease Personnel | Amount |
| Policy, External Affairs and Administrative Support | Pos./Obl. | 3 | (467) | 5 | (498) | 7 | (380) | 7 | (454) | 7 | (627) |
| | FTE | 3 | | 2 | | 2 | | 2 | | 2 | |
| Global Intellectual Property Academy (GIPA) | Pos./Obl. | 2 | 478 | 2 | 2,316 | 2 | 2,296 | 2 | 2,275 | 2 | 2,254 |
| | FTE | 1 | | 2 | | 2 | | 2 | | 2 | |
| IPR Attaché Program | Pos./Obl. | - | (41) | - | 2,025 | - | 1,585 | - | 1,290 | - | 988 |
| | FTE | - | | - | | - | | - | | - | |
| IP P,E&P Information Resources | Pos./Obl. | - | - | - | - | - | - | - | - | - | - |
| | FTE | - | | - | | - | | - | | - | |
| Direct Total, Intellectual Property Policy, Enforcement, and Protection Program | Pos./Obl. | 5 | (30) | 7 | 3,843 | 9 | 3,501 | 9 | 3,111 | 9 | 2,615 |
| | FTE | 4 | | 4 | | 4 | | 4 | | 4 | |

Sub-Activity: Policy, External Affairs and Administrative Support

IP Policy Activities (-\$0.5 million and 3 FTE/ 3 positions) – This request will continue to support hiring necessary staff to continue managing increasing workload in the area of policy activities, supported by a recent workforce assessment, including the additional funding needed to support existing bilateral and multi-lateral agreements in the outyears.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|-------|-------|-------|-------|-------|
| Outyear Costs: | | | | | |
| Direct Obligations | (467) | (498) | (380) | (454) | (627) |
| FTE | 3 | 2 | 2 | 2 | 2 |
| Positions | 3 | 5 | 7 | 7 | 7 |

Sub-Activity: Global Intellectual Property Academy (GIPA)

IP Policy Activities (+\$0.5 million and 1 FTE/ 2 positions) – An increased level of funding is required in FY 2022 and beyond to continue operations and restore staffing levels in support of existing GIPA program activities such as the Department of State MOU. The outyear increases to funding for this agreement will expand GIPA programs, which assists in providing training to 7,000 people through over 140 programs, covering stakeholders from over 80 countries.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|------|-------|-------|-------|-------|
| Outyear Costs: | | | | | |
| Direct Obligations | 478 | 2,316 | 2,296 | 2,275 | 2,254 |
| FTE | 1 | 2 | 2 | 2 | 2 |
| Positions | 2 | 2 | 2 | 2 | 2 |

Sub-Activity: IP Attaché Program

IP Policy Activities (-\$0.04 million) – This request will continue to support the expansion of the attaché program by two additional postings that will be fully operational by FY 2023. 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.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|------|-------|-------|-------|------|
| Outyear Costs: | | | | | |
| Direct Obligations | (41) | 2,025 | 1,585 | 1,290 | 988 |
| FTE | 0 | 0 | 0 | 0 | 0 |
| Positions | 0 | 0 | 0 | 0 | 0 |

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

Activity: Intellectual Property Policy, Enforcement and Protection Program

| <u>Full-time permanent</u> Title: | <u>Grade</u> | <u>Number</u> | <u>Annual Salary</u> | <u>Total Salaries</u> |
|--------------------------------------|--------------|---------------|--------------------------|---------------------------|
| Attorney Advisor | 14 | 3 | 138,866 | 416,598 |
| IT/AV Specialist | 13 | 2 | 117,517 | 235,033 |
| Total | | 5 | | 651,631 |
| less Lapse | 20% | (1) | | (117,517) |
| Total full-time permanent (FTE) | | 4 | | 534,114 |
| 2022 Pay Adjustment (2.7%) | | | | 14,421 |
| Total | | | | 541,912 |
| <u>Personnel Data</u> | | | | |
| Full-Time Equivalent Employment | | | | |
| Full-time permanent | | 4 | | |
| Other than full-time permanent | | - | | |
| Total FTE | | 4 | | |
| <u>Authorized Positions:</u> | | | | |
| Full-time permanent | | 5 | | |
| Other than full-time permanent | | - | | |
| Total Positions | | 5 | | |

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

Activity: Intellectual Property Policy, Enforcement and Protection Program

| Object Class | 2020 Actual | 2021 Enacted | 2022 Base | 2022 Estimate | Increase/Decrease from 2022 base |
|--|----------------|-----------------|---------------|------------------|-------------------------------------|
| 11 Personnel compensation | | | | | |
| 11.1 Full-time permanent | 15,050 | 17,552 | 19,408 | 19,950 | 542 |
| 11.3 Other than full-time permanent | - | - | - | - | - |
| 11.5 Other personnel compensation | 844 | 933 | 1,027 | 1,055 | 28 |
| 11.8 Special personnel services payments | - | - | - | - | - |
| 11.9 Total personnel compensation | <u>15,894</u> | <u>18,484</u> | <u>20,434</u> | <u>21,004</u> | <u>570</u> |
| 12 Civilian personnel benefits | 5,019 | 5,680 | 6,915 | 7,110 | 195 |
| 13 Benefits for former personnel | - | - | - | - | - |
| 21 Travel and transportation of persons | 321 | 995 | 1,015 | 1,698 | 683 |
| 22 Transportation of things | 0 | 1 | 1 | - | (1) |
| 23.1 Rental payments to GSA | - | - | - | - | - |
| 23.2 Rental payments to others | 0 | 26 | 27 | 27 | 1 |
| 23.3 Communications, utilities and miscellaneous charges | - | - | - | 1 | 1 |
| 24 Printing and reproduction | 3 | 4 | 4 | 5 | 1 |
| 25.1 Advisory and assistance services | 253 | 231 | 236 | 236 | - |
| 25.2 Other services | 3,094 | 3,752 | 3,827 | 4,141 | 314 |
| 25.3 Purchases of goods & services from Gov't accounts | 12,863 | 14,844 | 15,141 | 15,442 | 301 |
| 25.4 Operation and maintenance of facilities | - | - | - | - | - |
| 25.5 Research and development contracts | - | - | - | - | - |
| 25.6 Medical care | - | - | - | - | - |
| 25.7 Operation and maintenance of equipment | 365 | 906 | 924 | 486 | (438) |
| 25.8 Subsistence and support of persons | - | - | - | - | - |
| 26 Supplies and materials | 414 | 712 | 726 | 793 | 67 |
| 31 Equipment | 110 | 132 | 135 | 216 | 81 |
| 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 | <u>38,336</u> | <u>45,766</u> | <u>49,383</u> | <u>51,159</u> | <u>1,775</u> |

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MISSION SUPPORT PROGRAM

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

Activity: Mission Support Program

| | | 2020 | | 2021 | | 2022 | | 2022 | | Increase/Decrease | |
|---|----------|-----------|---------|-----------|---------|-----------|-----------|-----------|-----------|-------------------|----------|
| | | Actual | | Enacted | | Base | | Estimate | | from 2022 Base | |
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Executive Direction and Communications | Pos./Obl | 99 | 13,286 | 102 | 20,739 | 102 | 22,733 | 104 | 24,274 | 2 | 1,541 |
| | FTE | 61 | | 77 | | 84 | | 85 | | 1 | |
| Financial Management Services | Pos./Obl | 143 | 30,026 | 147 | 34,067 | 147 | 36,142 | 159 | 40,534 | 12 | 4,392 |
| | FTE | 129 | | 144 | | 147 | | 159 | | 12 | |
| Human Resource Management and Administrative Services | Pos./Obl | 264 | 53,604 | 273 | 59,157 | 273 | 64,190 | 277 | 64,591 | 4 | 402 |
| | FTE | 241 | | 268 | | 272 | | 276 | | 3 | |
| Legal Services | Pos./Obl | 137 | 27,569 | 136 | 31,168 | 136 | 33,502 | 136 | 33,423 | - | (79) |
| | FTE | 124 | | 132 | | 136 | | 136 | | - | |
| Mission Support Information Resources | Pos./Obl | 120 | 65,118 | 124 | 77,507 | 123 | 80,115 | 124 | 78,244 | 1 | (1,871) |
| | FTE | 104 | | 115 | | 123 | | 124 | | 1 | |
| IT Infrastructure and IT Support Services | Pos./Obl | 520 | 370,418 | 498 | 475,618 | 502 | 494,686 | 502 | 460,767 | - | (33,919) |
| | FTE | 435 | | 460 | | 502 | | 502 | | - | |
| Miscellaneous General Expense | Pos./Obl | - | 254,896 | - | 279,033 | - | 291,427 | - | 304,114 | - | 12,687 |
| | FTE | - | | - | | - | | - | | - | |
| Total | Pos./Obl | 1,282 | 814,917 | 1,281 | 977,288 | 1,283 | 1,022,794 | 1,302 | 1,005,948 | 19 | (16,846) |
| | FTE | 1,095 | | 1,196 | | 1,264 | | 1,282 | | 18 | |
| Mission Support Goal - Allocation: | | | | | | | | | | | |
| Patent Program | Pos./Obl | 1,004 | 671,393 | 975 | 796,989 | 978 | 833,944 | 993 | 823,426 | 15 | (10,517) |
| | FTE | 867 | | 920 | | 972 | | 986 | | 14 | |
| Trademark Program | Pos./Obl | 192 | 116,648 | 207 | 143,872 | 207 | 150,500 | 209 | 143,548 | 3 | (6,952) |
| | FTE | 165 | | 194 | | 206 | | 208 | | 3 | |
| IPPP&E Program | Pos./Obl | 87 | 26,875 | 99 | 36,427 | 99 | 38,351 | 100 | 38,974 | 1 | 623 |
| | FTE | 62 | | 82 | | 87 | | 88 | | 1 | |
| Total Mission Support Goal Allocation | Pos./Obl | 1,282 | 814,917 | 1,281 | 977,288 | 1,283 | 1,022,794 | 1,302 | 1,005,948 | 19 | (16,846) |
| | FTE | 1,095 | | 1,196 | | 1,264 | | 1,282 | | 18 | |

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

Goal Statement

The Mission Support program's 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.

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 | | 2020 Actual | | 2021 Enacted | | 2022 Base | |
|---|----------|----------------|---------|-----------------|---------|--------------|-----------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Executive Direction and Communications | Pos./Obl | 99 | 13,286 | 102 | 20,739 | 102 | 22,733 |
| | FTE | 61 | | 77 | | 84 | |
| Financial Management Services | Pos./Obl | 143 | 30,026 | 147 | 34,067 | 147 | 36,142 |
| | FTE | 129 | | 144 | | 147 | |
| Human Resource Management and Administrative Services | Pos./Obl | 264 | 53,604 | 273 | 59,157 | 273 | 64,190 |
| | FTE | 241 | | 268 | | 272 | |
| Legal Services | Pos./Obl | 137 | 27,569 | 136 | 31,168 | 136 | 33,502 |
| | FTE | 124 | | 132 | | 136 | |
| Mission Support | Pos./Obl | 120 | 65,118 | 124 | 77,507 | 123 | 80,115 |
| Information Resources | FTE | 104 | | 115 | | 123 | |
| IT Infrastructure and IT Support Services | Pos./Obl | 520 | 370,418 | 498 | 475,618 | 502 | 494,686 |
| | FTE | 435 | | 460 | | 502 | |
| Miscellaneous General Expense | Pos./Obl | - | 254,896 | - | 279,033 | - | 291,427 |
| | FTE | - | | - | | - | |
| Total | Pos. | 1,282 | 814,917 | 1,281 | 977,288 | 1,283 | 1,022,794 |
| | FTE/Obl | 1,095 | | 1,196 | | 1,264 | |

Mission Support Program

For FY 2022, the USPTO base totals \$1,022.8 million and 1,264 FTE/1,283 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 2022, 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 the

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 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 by applying 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 2020, these activities have enabled the USPTO to earn an unqualified audit opinion on its annual financial statements for 28 consecutive years and the Association of Government Accountants' Certificate of Excellence in Accountability Reporting award for 18 consecutive years.

Human Resource Management and Administrative Services

In FY 2022, 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.
- Supporting the recruitment, development, and retention of 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, 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. OED also 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 new ways of governing, 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 2022**
(Dollar amounts in thousands)

| | | 2022 Base | | 2022 Estimate | | Increase/Decrease from 2022 base | |
|--|-----------|-----------|-----------|---------------|-----------|-------------------------------------|----------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Executive Direction and Communications | Pos./Obl. | 102 | 22,733 | 104 | 24,274 | 2 | 1,541 |
| | FTE | 84 | | 85 | | 1 | |
| Financial Management Services | Pos./Obl. | 147 | 36,142 | 159 | 40,534 | 12 | 4,392 |
| | FTE | 147 | | 159 | | 12 | |
| Human Resources Management and Administrative Services | Pos./Obl. | 273 | 64,190 | 277 | 64,591 | 4 | 402 |
| | FTE | 272 | | 276 | | 3 | |
| Legal Services | Pos./Obl. | 136 | 33,502 | 136 | 33,423 | - | (79) |
| | FTE | 136 | | 136 | | - | |
| Mission Support Information Resources | Pos./Obl. | 123 | 80,115 | 124 | 78,244 | 1 | (1,871) |
| | FTE | 123 | | 124 | | 1 | |
| IT Infrastructure and IT Support Services | Pos./Obl. | 502 | 494,686 | 502 | 460,767 | - | (33,919) |
| | FTE | 502 | | 502 | | - | |
| Miscellaneous General Expense (MGE) | Pos./Obl. | - | 291,427 | - | 304,114 | - | 12,687 |
| | FTE | - | | - | | - | |
| Direct Total, Mission Support Program | Pos./Obl. | 1,283 | 1,022,794 | 1,302 | 1,005,948 | 19 | (16,846) |
| | FTE | 1,264 | | 1,282 | | 18 | |

**Department of Commerce
U.S. Patent and Trademark Office
MISSION SUPPORT PROGRAM
PROGRAM CHANGES FOR 2022 - 2026**
(Dollar amounts in thousands)

| | | 2022 | | 2023 | | 2024 | | 2025 | | 2026 | |
|--|-------------------------|-----------------------------|-----------------|-----------------------------|-----------------|-----------------------------|-----------------|-----------------------------|-----------------|-----------------------------|-----------------|
| | | 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./Ob. FTE | 2 1 | 1,541 | 2 2 | 1,462 | 2 2 | 1,319 | 2 2 | 1,174 | 2 2 | 1,026 |
| Financial Management Services | Pos./Ob. FTE | 12 12 | 4,392 | 17 17 | 5,028 | 17 17 | 4,882 | 17 17 | 5,039 | 17 17 | 4,889 |
| Human Resources Management and Administrative Services | Pos./Ob. FTE | 4 3 | 402 | 6 5 | 628 | 6 6 | 473 | 6 6 | 129 | 6 6 | (221) |
| Legal Services | Pos./Ob. FTE | - - | (79) | - - | (159) | - - | (241) | - - | (325) | - - | (410) |
| Mission Support Information Resources | Pos./Ob. FTE | 1 1 | (1,871) | 1 1 | (2,990) | 1 1 | (4,143) | 1 1 | (5,319) | 1 1 | (6,519) |
| IT Infrastructure and IT Support Services | Pos./Ob. FTE | - - | (33,919) | - - | (40,969) | - - | (49,638) | - - | (58,499) | - - | (67,629) |
| Miscellaneous General Expense (MGE) | Pos./Ob. FTE | - - | 12,687 | - - | 6,643 | - - | (2,639) | - - | (6,332) | - - | (10,100) |
| Direct Total, Mission Support Program | Pos./Ob. FTE | 19 18 | (16,846) | 26 25 | (30,358) | 26 26 | (49,986) | 26 26 | (64,133) | 26 66 | (78,965) |

Sub-Activity: Executive Direction and Communication

Chief Communication Office Outreach (+\$1.5 million, 1 FTE/2 Positions)– This request will fund 2 public affairs specialists to expand the quantity, quality, and depth of messaging on the importance of the American system of IP protection being delivered to the public through regional and local media, with an emphasis on services and programming coming from the regional offices to audiences within these regions. This program change will also support the 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.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|-------|-------|-------|-------|-------|
| Outyear Costs: | | | | | |
| Direct Obligations | 1,541 | 1,462 | 1,319 | 1,174 | 1,026 |
| FTE | 1 | 2 | 2 | 2 | 2 |
| Positions | 2 | 2 | 2 | 2 | 2 |

Sub-Activity: Financial Management Services

Office of the Chief Financial Officer Staff (+\$4.4 million, 12 FTE/12 Positions)– In FY 2022 funds are required to increase staff by 12 positions including 8 positions in the Office of Procurement and 4 positions in the Office of Planning and Budget. The procurement positions will enable the OCFO to implement the recommendations of a recent customer experience assessment as well as recommendations from an ongoing workforce assessment to improve the office capacity and operations. As a fully-fee funded agency, the Office is highly dependent on accurate and timely projections of revenue and future spending requirements, as well as dedicated resources for multi-year fee reviews and fee setting efforts. The 4 positions in the Office of Planning and Budget will serve to better align the USPTO’s capacity with the steadily growing demand for fee-related initiatives and budget analytics. Without the additional capacity, the USPTO will be challenged to provide in-depth analysis of financial trends and scenarios that are needed to ensure the Office’s ongoing financial sustainability.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|-------|-------|-------|-------|-------|
| Outyear Costs: | | | | | |
| Direct Obligations | 4,392 | 5,028 | 4,882 | 5,039 | 4,889 |
| FTE | 12 | 17 | 17 | 17 | 17 |
| Positions | 12 | 17 | 17 | 17 | 17 |

Sub-Activity: Human Resource Management and Administrative Services

Administrative Services Staff (+\$0.4 million 3 FTE/4 Positions) – This request will fund the conversion of 4 contractors to 2 Federal Program Analysts to serve as Paperwork Reduction Act (PRA) and Privacy Act (PA) Specialists. In addition to securing Federal personnel for these important, Federally mandated functions, which often involve policymaking, this approach will result in \$700 thousand in annual cost savings. Also, two new positions are requested to support the enterprise-wide shift in how the USPTO prioritizes, plans, and manages IT. These positions will enable the Office of the Chief Administrative Officer to dedicate accountable resources to perform the planning and oversight needed to support its two IT products—People Management and Property and Facilities Management. The shift to Agile teams, led by resources with deep knowledge of business needs, aims to yield better vendor accountability and increased business value via streamlined IT solutions and potential long-term costs savings.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|------|------|------|------|-------|
| Outyear Costs: | | | | | |
| Direct Obligations | 402 | 628 | 473 | 129 | (221) |
| FTE | 3 | 5 | 6 | 6 | 6 |
| Positions | 4 | 6 | 6 | 6 | 6 |

Sub-Activity: Legal Services

Hiring Legal Services Staff (-\$.08 million) – This request will continue to support the existing disciplinary workload standards for all legal services in the Office, providing the resources necessary to continue administering legal programs, as well as additional outreach efforts.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|------|-------|-------|-------|-------|
| Outyear Costs: | | | | | |
| Direct Obligations | (79) | (159) | (241) | (325) | (410) |
| FTE | 0 | 0 | 0 | 0 | 0 |
| Positions | 0 | 0 | 0 | 0 | 0 |

Sub-Activity: Mission Support Information Resources

Mission Support Information Resources (-\$1.9 million and 1 FTE/1 position): This request will fund Mission-supporting IT with noted focus on General Counsel, the Chief Communications Officer, and Financial Management Systems.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|---------|---------|---------|---------|---------|
| Outyear Costs: | | | | | |
| Direct Obligations | (1,871) | (2,990) | (4,143) | (5,319) | (6,519) |
| FTE | 1 | 1 | 1 | 1 | 1 |
| Positions | 1 | 1 | 1 | 1 | 1 |

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 (-\$33.9 million): IT spending will be slightly below FY 2021 levels through the budget horizon as a result of a smaller contract footprint through prioritization of IT work, validating acquisition strategies and re-competing major IT contracts to ensure value is commensurate with price, and beginning to reap the benefits of transitioning to the Cloud and consolidating Data Centers where possible. This request will continue to fund a total of \$460.8 million and 502 positions for its FY 2022 IT infrastructure. USPTO replaces servers, laptop and workstation peripherals (e.g., printers and monitors), phone systems, and audio visual/teleconference infrastructure on a regular basis. This rolling replacement approach, which will continue in FY 2022, is an industry best practice that ensures that USPTO equipment is current and without the technical risks and inefficiencies associated with older models and versions. Additionally, this approach facilitates workload leveling year-over-year, which simplifies staffing, acquisition, and budgeting efforts.

These activities support the objective to optimize speed, quality, and cost-effective IT delivery to achieve business value.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|----------|----------|----------|----------|----------|
| Outyear Costs: | | | | | |
| Direct Obligations | (33,919) | (40,969) | (49,638) | (58,499) | (67,629) |
| 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

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

Improvements to Cross-Cutting Services/MGE (\$12.7 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. Funds are required in FY 2022 to:

- The USPTO’s Detroit regional office lease expires in 2022. The USPTO and GSA have determined relocating into federally owned space is in the best interest of the USPTO moving forward for the nexus to stakeholders, security enhancements, and cost savings. Construction estimates are approximately \$7.2M with GSA’s required building "shell" costs of \$2.1M and the USPTO’s portion of \$5.1M. An additional \$1.8M is requested for the associated move and IT and furniture costs. Once the initial tenant improvement costs have been fully amortized, lower annual rent payments will result in a cost savings to the Agency.
- Complete security related campus improvement projects costing \$4.3M including to the Physical Access Control System (PACS) that provides security via cameras and replace the PIV enrollment station equipment.
- Funding for the buildout of agile team floor space and outfit the Patent Training Academies with flexible, space-saving workstations and task chairs.

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|--------|-------|---------|---------|----------|
| Outyear Costs: | | | | | |
| Direct Obligations | 12,687 | 6,643 | (2,639) | (6,332) | (10,100) |
| FTE | 0 | 0 | 0 | 0 | 0 |
| Positions | 0 | 0 | 0 | 0 | 0 |

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

Activity: Mission Support Program

Subactivity:

Program Change:

Full-time permanent

| Title: | Grade | Number | Annual Salary | Total Salaries |
|---|-------|--------|---------------|----------------|
| Public Affairs Specialists | 11 | 2 | 82,450 | 164,901 |
| Economist/Statistician | 14 | 2 | 138,866 | 277,732 |
| Budget Analyst | 14 | 1 | 138,866 | 138,866 |
| Budget Analyst | 13 | 1 | 110,603 | 110,603 |
| Management & Program Analyst | 13 | 1 | 117,517 | 117,517 |
| Contract Specialist | 12 | 7 | 98,826 | 691,785 |
| Tech Lead | 13 | 1 | 117,517 | 117,517 |
| Paperwork Reduction and Privacy Act Specialists | 12 | 2 | 101,495 | 202,990 |
| PERSEC Senior Security Specialist | 13 | 1 | 120,689 | 117,517 |
| PERSEC Security Specialist | 12 | 1 | 98,826 | 98,826 |
| Total | | 19 | | 2,032,916 |
| less Lapse | 7% | (1) | | (133,159) |
| Total full-time permanent (FTE) | | 18 | | 1,899,756 |
| 2022 Pay Adjustment (2.7%) | | | | 40,202 |
| | | | | 1,939,958 |

Personnel Data Summary

| | | | | |
|---------------------------------|--|----|--|--|
| Full-Time Equivalent Employment | | | | |
| Full-time permanent | | 18 | | |
| Other than full-time permanent | | - | | |
| Total FTE | | 18 | | |
| Authorized Positions: | | | | |
| Full-time permanent | | 19 | | |
| Other than full-time permanent | | - | | |
| Total Positions | | 19 | | |

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

Activity: Mission Support Program

| Object Class | 2020 Actual | 2021 Enacted | 2022 Base | 2022 Estimate | Increase/Decrease from 2022 base |
|--|----------------|-----------------|--------------|------------------|-------------------------------------|
| 11 Personnel compensation | | | | | |
| 11.1 Full-time permanent | 144,269 | 155,640 | 169,846 | 171,786 | 1,940 |
| 11.3 Other than full-time permanent | - | - | - | - | - |
| 11.5 Other personnel compensation | 8,275 | 9,899 | 10,469 | 10,579 | 111 |
| 11.8 Special personnel services payments | - | - | - | - | - |
| 11.9 Total personnel compensation | 152,544 | 165,538 | 180,314 | 182,365 | 2,051 |
| 12 Civilian personnel benefits | 146,978 | 159,055 | 176,719 | 177,463 | 744 |
| 13 Benefits for former personnel | - | - | - | - | - |
| 21 Travel and transportation of persons | 570 | 3,865 | 3,942 | 2,915 | (1,027) |
| 22 Transportation of things | 299 | 359 | 367 | 232 | (134) |
| 23.1 Rental payments to GSA | 91,645 | 97,761 | 99,716 | 98,739 | (977) |
| 23.2 Rental payments to others | 15,818 | 18,668 | 19,042 | 18,970 | (71) |
| 23.3 Communications, utilities and miscellaneous charges | 19,646 | 24,434 | 24,923 | 20,746 | (4,177) |
| 24 Printing and reproduction | 310 | 215 | 220 | 228 | 9 |
| 25.1 Advisory and assistance services | (6,109) | 4,223 | 4,307 | 5,133 | 826 |
| 25.2 Other services | 44,349 | 31,881 | 32,518 | 35,242 | 2,723 |
| 25.3 Purchases of goods & services from Gov't accounts | 30,754 | 38,474 | 39,244 | 51,424 | 12,181 |
| 25.4 Operation and maintenance of facilities | 7,559 | 22,074 | 22,516 | 23,392 | 876 |
| 25.5 Research and development contracts | - | - | - | - | - |
| 25.6 Medical care | - | - | - | - | - |
| 25.7 Operation and maintenance of equipment | 323,633 | 305,639 | 311,752 | 301,010 | (10,742) |
| 25.8 Subsistence and support of persons | - | - | - | - | - |
| 26 Supplies and materials | 2,089 | 2,606 | 2,658 | 2,594 | (64) |
| 31 Equipment | (15,167) | 105,273 | 107,378 | 86,509 | (20,869) |
| 32 Lands and structures | 892 | - | - | - | - |
| 33 Investments and loans | - | - | - | - | - |
| 41 Grants, subsidies and contributions | - | - | - | - | - |
| 42 Insurance claims and indemnities | 55 | - | - | - | - |
| 43 Interest and dividends | 39 | 24 | 24 | 24 | - |
| 44 Refunds | - | - | - | - | - |
| 99 Total obligations | 815,905 | 980,090 | 1,025,640 | 1,006,988 | (18,651) |

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)

| Object Class | 2020 Actual | 2021 Enacted | 2022 Base | 2022 Estimate | Increase/Decrease from 2022 base |
|--|----------------|-----------------|--------------|------------------|-------------------------------------|
| 11.1 Salaries | 1,630,006 | 1,702,937 | 1,786,398 | 1,793,209 | 6,811 |
| 11.5 Other personnel compensation | 148,808 | 166,691 | 167,460 | 175,173 | 7,713 |
| 11.9 Total personnel compensation | 1,778,814 | 1,869,627 | 1,953,858 | 1,968,382 | 14,524 |
| 12.1 Civilian personnel benefits | 665,103 | 716,351 | 782,142 | 784,689 | 2,546 |
| 13 Benefits to Former Employees | - | - | - | - | 0 |
| 21 Travel and transportation of persons | 1,473 | 7,194 | 7,337 | 6,945 | (392) |
| 22 Transportation of things | 338 | 412 | 420 | 285 | (135) |
| 23.1 Rental payments to GSA | 91,645 | 97,761 | 99,716 | 98,739 | (977) |
| 23.2 Rental payments to others | 15,824 | 18,724 | 19,099 | 19,178 | 79 |
| 23.3 Commun., util., and misc. charges | 21,173 | 26,399 | 26,927 | 22,736 | (4,191) |
| 24 Printing and reproduction | 179,702 | 183,270 | 186,936 | 182,070 | (4,866) |
| 25.1 Advisory and assistance services | 49,575 | 59,230 | 60,415 | 62,368 | 1,952 |
| 25.2 Other services from non-federal sources | 142,758 | 124,431 | 126,919 | 128,999 | 2,080 |
| 25.3 Other goods and services from federal sources | 44,020 | 53,998 | 55,078 | 67,498 | 12,420 |
| 25.4 Operation and maintenance of facilities | 7,612 | 22,128 | 22,571 | 23,448 | 877 |
| 25.7 Operation and maintenance of equipment | 380,626 | 374,765 | 382,260 | 368,786 | (13,474) |
| 26 Supplies and materials | 45,028 | 48,571 | 49,543 | 51,318 | 1,775 |
| 31 Equipment | 88,757 | 223,052 | 227,514 | 204,262 | (23,252) |
| 32 Land and Structures | 892 | - | - | - | 0 |
| 4x Insurance claims, indemnities, and refunds | 2,215 | 2,186 | 2,229 | 2,149 | (80) |
| 99.9 Total Obligations | 3,515,555 | 3,828,100 | 4,002,964 | 3,991,851 | (11,114) |
| Fee Collections | (3,682,564) | (3,564,161) | (4,058,410) | (4,058,410) | 0 |
| Less prior year other income/recoveries | (40,999) | (52,500) | (52,500) | (52,500) | 0 |
| Less prior year unobligated balance | (538,632) | (744,641) | (531,203) | (531,203) | 0 |
| Less end year unobligated balance | 744,641 | 531,203 | 637,148 | 648,262 | 11,114 |
| Total Budget Authority | (2,000) | (2,000) | (2,000) | (2,000) | (0) |
| Personnel Data | | | | | |
| Full-Time equivalent Employment | 12,497 | 13,064 | 13,254 | 13,388 | 134 |
| Positions | 13,525 | 13,510 | 13,510 | 13,723 | 213 |

**Department of Commerce
U.S. Patent and Trademark Office
PATENT BUSINESS LINE BY OBJECT CLASS**

(Dollar amounts in thousands)

| Object Class | 2020 Actual | 2021 Enacted | 2022 Base | 2022 Estimate | Increase/Decrease from 2022 base |
|--|----------------|-----------------|--------------|------------------|-------------------------------------|
| 11.1 Salaries | 1,468,236 | 1,526,441 | 1,595,859 | 1,599,176 | 3,317 |
| 11.5 Other personnel compensation | 136,246 | 149,353 | 150,309 | 157,966 | 7,657 |
| 11.9 Total personnel compensation | 1,604,482 | 1,675,795 | 1,746,168 | 1,757,141 | 10,973 |
| 12.1 Civilian personnel benefits | 600,691 | 645,066 | 701,672 | 702,926 | 1,254 |
| 13 Benefits to Former Employees | - | - | - | - | 0 |
| 21 Travel and transportation of persons | 1,215 | 5,955 | 6,074 | 5,766 | (308) |
| 22 Transportation of things | 283 | 339 | 346 | 250 | (96) |
| 23.1 Rental payments to GSA | 80,217 | 85,299 | 87,004 | 86,152 | (853) |
| 23.2 Rental payments to others | 13,848 | 16,366 | 16,694 | 16,640 | (53) |
| 23.3 Commun., util., and misc. charges | 18,689 | 22,663 | 23,117 | 19,655 | (3,461) |
| 24 Printing and reproduction | 179,636 | 183,207 | 186,871 | 181,928 | (4,943) |
| 25.1 Advisory and assistance services | 49,700 | 56,769 | 57,905 | 58,730 | 825 |
| 25.2 Other services from non-federal sources | 132,532 | 114,438 | 116,726 | 119,031 | 2,304 |
| 25.3 Other goods and services from federal sources | 34,769 | 42,874 | 43,732 | 54,674 | 10,942 |
| 25.4 Operation and maintenance of facilities | 6,678 | 19,490 | 19,880 | 20,652 | 773 |
| 25.7 Operation and maintenance of equipment | 314,353 | 311,035 | 317,256 | 299,966 | (17,290) |
| 26 Supplies and materials | 41,860 | 45,355 | 46,263 | 48,127 | 1,865 |
| 31 Equipment | 69,428 | 186,744 | 190,479 | 174,784 | (15,695) |
| 32 Land and Structures | 780 | - | - | - | 0 |
| 4x Insurance claims, indemnities, and refunds | 2,064 | 2,021 | 2,061 | 2,021 | (40) |
| 99.9 Total Obligations | 3,151,224 | 3,413,416 | 3,562,247 | 3,548,444 | (13,802) |
| Fee Collections | (3,324,840) | (3,098,390) | (3,608,269) | (3,608,269) | - |
| Less prior year other income/recoveries | (32,743) | (45,350) | (45,350) | (45,350) | - |
| Less prior year unobligated balance | (407,954) | (612,499) | (341,001) | (341,001) | - |
| Less end year unobligated balance | 612,499 | 341,001 | 430,552 | 444,354 | 13,802 |
| Total Budget Authority | (1,814) | (1,822) | (1,822) | (1,822) | 0 |
| Personnel Data | | | | | |
| Full-Time equivalent Employment | 11,250 | 11,702 | 11,852 | 11,946 | 94 |
| Positions | 12,160 | 12,092 | 12,092 | 12,256 | 163 |

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

| Object Class | 2020 Actual | 2021 Enacted | 2022 Base | 2022 Estimate | Increase/Decrease from 2022 base |
|--|----------------|-----------------|--------------|------------------|-------------------------------------|
| 11.1 Salaries | 161,770 | 176,495 | 190,539 | 194,034 | 3,494 |
| 11.5 Other personnel compensation | 12,562 | 17,337 | 17,151 | 17,207 | 57 |
| 11.9 Total personnel compensation | 174,332 | 193,833 | 207,690 | 211,241 | 3,551 |
| 12.1 Civilian personnel benefits | 64,412 | 71,285 | 80,470 | 81,763 | 1,292 |
| 13 Benefits to Former Employees | - | - | - | - | 0 |
| 21 Travel and transportation of persons | 258 | 1,238 | 1,263 | 1,179 | (84) |
| 22 Transportation of things | 55 | 73 | 74 | 35 | (39) |
| 23.1 Rental payments to GSA | 11,428 | 12,462 | 12,712 | 12,587 | (125) |
| 23.2 Rental payments to others | 1,976 | 2,358 | 2,405 | 2,537 | 132 |
| 23.3 Commun., util., and misc. charges | 2,484 | 3,735 | 3,810 | 3,080 | (730) |
| 24 Printing and reproduction | 66 | 64 | 65 | 142 | 77 |
| 25.1 Advisory and assistance services | (125) | 2,461 | 2,511 | 3,638 | 1,127 |
| 25.2 Other services from non-federal sources | 10,226 | 9,993 | 10,193 | 9,969 | (224) |
| 25.3 Other goods and services from federal sources | 9,251 | 11,124 | 11,346 | 12,824 | 1,478 |
| 25.4 Operation and maintenance of facilities | 933 | 2,638 | 2,691 | 2,795 | 104 |
| 25.7 Operation and maintenance of equipment | 66,273 | 63,730 | 65,004 | 68,819 | 3,815 |
| 26 Supplies and materials | 3,168 | 3,216 | 3,280 | 3,191 | (90) |
| 31 Equipment | 19,329 | 36,308 | 37,035 | 29,478 | (7,557) |
| 32 Land and Structures | 112 | - | - | - | 0 |
| 4x Insurance claims, indemnities, and refunds | 151 | 165 | 168 | 128 | (40) |
| 99.9 Total Obligations | 364,331 | 414,684 | 440,717 | 443,406 | 2,689 |
| Fee Collections | (357,725) | (465,771) | (450,141) | (450,141) | - |
| Less prior year other income/recoveries | (8,256) | (7,150) | (7,150) | (7,150) | - |
| Less prior year unobligated balance | (130,678) | (132,143) | (190,201) | (190,201) | - |
| Less end year unobligated balance | 132,143 | 190,201 | 206,597 | 203,908 | (2,689) |
| Total Budget Authority | (186) | (178) | (178) | (178) | 0 |
| Personnel Data | | | | | |
| Full-Time equivalent Employment | 1,247 | 1,362 | 1,402 | 1,442 | 40 |
| Positions | 1,365 | 1,418 | 1,418 | 1,467 | 50 |

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
JUSTIFICATION OF PROPOSED LANGUAGE CHANGES**

1...[\$3,695,295,000] \$3,993,851,000
...[2021] 2022
...[2022] 2023

2. *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:

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
APPROPRIATION LANGUAGE AND CODE CITATION**

FY 2022

Salaries and Expenses

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, ~~\$3,695,295,000~~ \$3,993,851,000, 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 ~~2024~~ 2022, so as to result in a fiscal year ~~2024~~ 2022 appropriation from the general fund estimated at \$0: *Provided further*, That during fiscal year ~~2024~~ 2022, should the total amount of such offsetting collections be less than ~~\$3,695,295,000~~ \$3,993,851,000, this amount shall be reduced accordingly: *Provided further*, That any amount received in excess of ~~\$3,695,295,000~~ \$3,993,851,000 in fiscal year ~~2024~~ 2022 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 505 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 the budget of the President submitted for fiscal year ~~2024~~ 2022 under section 1105 of title 31, United States Code, shall include within amounts provided under this heading for necessary expenses of the USPTO any increases that are expected to result from an increase promulgated through rule or regulation in offsetting collections of fees and surcharges assessed and collected by the USPTO under any law in either fiscal year ~~2024~~ 2022 or fiscal year ~~2022~~ 2023: *Provided further*, That from amounts provided herein, not to exceed \$13,500 shall be made available in fiscal year ~~2024~~ 2022 for official reception and representation expenses: *Provided further*, That in fiscal year ~~2024~~ 2022 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, notwithstanding any other provision of law, all fees and surcharges assessed and collected by USPTO are available for USPTO only pursuant to section 42(c) of title 35, United States Code, as amended by section 22 of the Leahy-Smith America Invents Act (Public Law 112-29): *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.

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
U.S. Patent and Trademark Office
Salaries and Expenses
ADVISORY AND ASSISTANCE SERVICES**

| | 2020 Actual | 2021 Enacted | 2022 Estimate |
|---|----------------|-----------------|------------------|
| Patent Cooperation Treaty (PCT) outsourcing | 36,476 | 35,838 | 36,755 |
| Patent Classification services | 8,356 | 8,523 | 8,693 |
| IT consulting services | 3,331 | 2,903 | 3,780 |
| Other | 1,413 | 11,967 | 13,139 |
| Total | 49,575 | 59,230 | 62,368 |

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**

| | 2020 Actual | 2021 Enacted | 2022 Estimate |
|--------------|----------------|-----------------|------------------|
| Periodicals | 42,422 | 42,422 | 45,333 |
| Pamphlets | 0 | 0 | 0 |
| Audiovisuals | 0 | 0 | 0 |
| Total | 42,422 | 42,422 | 45,333 |

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 76,000 electronic journals, 406,000 electronic books and 83,000 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**

| | 2020 Actual | 2021 Enacted | 2022 Estimate |
|---------------------------------|----------------|-----------------|------------------|
| Average ES Salary with Benefits | 225,706 | 239,621 | 242,892 |
| Average GS Grade | 13 | 13 | 13 |
| Average GS Salary with Benefits | 176,104 | 177,805 | 185,420 |

**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 | OIG-21-010-A |
| Report Title | USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract |
| Issue Date | 11/19/2020 |
| Recommendation Number | 1 |
| Recommendation | Strengthen requirements for documentation of significant decisions and changes to milestones for key procurement actions, such as submission of procurement request package and release of solicitation. |
| Action(s) Planned | 1-a) Review two existing procurement policies, Procurement Memorandum (PM) 2020-05, "Acquisition Package Requirements," and PM 2017-01, "Procurement Review and Approval Requirements and Procedures," to determine whether they will need to be modified to improve file documentation requirements. Dependency: None |
| Action Status (Planned, In-Progress, or Complete) | 1-a) Complete |
| Target Completion Date | 1-a) 12/8/20 |
| Recommendation Status (Planned, In-Progress, or Complete) | Complete |

| | |
|---|---|
| Report Number | OIG-21-010-A |
| Report Title | USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract |
| Issue Date | 11/19/2020 |
| Recommendation Number | 2 |
| Recommendation | Establish specific conditions and justifications that govern the use of alternative competition methods in the Patent and Trademark Acquisition Guidelines (PTAG). |
| Action(s) Planned | 2-a) Review recently released Government Accountability Office (GAO) decision, "CGI Federal, Inc; Ascendant Services, LLC." Determine whether this decision warrants updated agency guidance on the use of PTAG 6.1.1, "Alternative Competition Method." Dependency: None 2-b) Review two existing procurement policies, PM 2016-02, "Documentation Requirements for Limiting Competition," and PM 2013-06, "Publicizing Contract Actions in Accordance With the Federal Acquisition Regulations (FAR)," and the revised PTAG to ensure they adequately justify the use of the agency's alternative competition methods and align with the principles of the recently released GAO decision referenced in 2-a. Dependency: 2-a |
| Action Status (Planned, In-Progress, or Complete) | 2-a) Complete 2-b) In-Progress |
| Target Completion Date | 2-a) 4/30/21 2-b) 5/31/21 |
| Recommendation Status (Planned, In-Progress, or Complete) | In-Progress |

| | |
|---|--|
| Report Number | OIG-21-010-A |
| Report Title | USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract |
| Issue Date | 11/19/2020 |
| Recommendation Number | 3 |
| Recommendation | Develop policies and procedures to restrict the use of bridge contracts, including adequate justification for use and length of bridge contracts, management review and approval of contract and extensions, and planned actions to award a follow-on contract. |
| Action(s) Planned | 3-a) Issue a new policy to restrict the period of performance for orders to no more than 12 months after the expiration date of the base indefinite delivery vehicle to discourage the use of bridge contracts. Dependency: None 3-b) Review existing PM 2016-02, "Documentation Requirements for Limiting Competition," to ensure clear guidance is provided to the acquisition community on how to adequately document the extension to an existing vehicle on a noncompetitive basis, and to ensure timely, collaborative acquisition planning is carried out effectively. Update PM 2016-02 where needed following the review. Dependency: None |
| Action Status (Planned, In-Progress, or Complete) | 3-a) Complete 3-b) Complete |
| Target Completion Date | 3-a) 8/28/20 3-b) 12/8/20 |
| Recommendation Status (Planned, In-Progress, or Complete) | Complete |

| | |
|---|--|
| Report Number | OIG-21-010-A |
| Report Title | USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract |
| Issue Date | 11/19/2020 |
| Recommendation Number | 4 |
| Recommendation | Revise PTAG to consider past performance when awarding task orders under SDI-NG Bridge and follow-on contracts. |
| Action(s) Planned | <p>4-a) Review existing PM 2020-04, "Guidance Regarding Options at the USPTO," to confirm that it clearly articulates how to consider past performance for follow-on contracts. Dependency: None</p> <p>4-b) Review existing PM 2020-02, "Implementation of Contractor Performance Assessment Reporting System (CPARS)," to confirm that it allows for effective use of past performance information by the acquisition community by requiring formal documentation of past performance against expired contracts. Dependency: None</p> <p>4-c) If the reviews conducted in 4-a or 4-b reveal that either of these policies, or components thereof, are in conflict with, or duplicative of, the FAR, rescind the applicable policy and direct employees to comply with the relevant portions of the FAR, or issue a revised policy. Dependency: 4-a and 4-b</p> |
| Action Status (Planned, In-Progress, or Complete) | <p>4-a) Complete</p> <p>4-b) Complete</p> <p>4-c) Complete</p> |
| Target Completion Date | <p>4-a) 12/8/20</p> <p>4-b) 9/10/20</p> <p>4-c) 3/31/21</p> |
| Recommendation Status (Planned, In-Progress, or Complete) | Complete |

| | |
|---|---|
| Report Number | OIG-21-010-A |
| Report Title | USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract |
| Issue Date | 11/19/2020 |
| Recommendation Number | 5 |
| Recommendation | Revise the Acquisition File Documentation form to document consideration of vendor performance prior to exercise of option periods. |
| Action(s) Planned | 5-a) The agency will review and update existing PM 2014-02, "Acquisition File Documentation," to incorporate changes to the form necessitated by reviews and revisions to other OP policies referenced in this Plan of Action and Milestones. Dependency: 2-b, 3-a, 3-b, 4-c |
| Action Status (Planned, In-Progress, or Complete) | 5-a) In-Progress |
| Target Completion Date | 5-a) 7/30/21 |
| Recommendation Status (Planned, In-Progress, or Complete) | In-Progress |

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|---|---|
| Report Number | OIG-21-010-A |
| Report Title | USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract |
| Issue Date | 11/19/2020 |
| Recommendation Number | 6 |
| Recommendation | Revise the Contractor Performance Assessment Rating System policy to ensure that it complies with requirements of the Federal Acquisition Regulation (FAR). |
| Action(s) Planned | 6-a) Review the existing PM 2020-02, "Implementation of Contractor Performance Assessment Reporting System (CPARS)," to assess its compliance with the FAR. Determine whether revisions are necessary. Dependency: None 6-b) If the review determines that revisions are necessary, revise PM 2020-02 or rescind the policy if it is in conflict with the FAR. Dependency: 6-a |
| Action Status (Planned, In-Progress, or Complete) | 6-a) Complete 6-b) Complete |
| Target Completion Date | 6-a) 9/10/20 6-b) 3/31/21 |
| Recommendation Status (Planned, In-Progress, or Complete) | Complete |

| | |
|---|---|
| Report Number | OIG-21-010-A |
| Report Title | USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract |
| Issue Date | 11/19/2020 |
| Recommendation Number | 7 |
| Recommendation | Modify policies, procedures, and related staff training materials on vendor performance monitoring to clarify the purpose and requirements for each of USPTO's performance monitoring tools. |
| Action(s) Planned | 7-a) Update OCIO-POL-29, "Vendor Performance Information Policy," to clarify the purpose of and relationship between the Office of the Chief Information Officer's (OCIO) vendor performance monitoring tools and the CPARS. Dependency: 6-b 7-b) Update staff training materials and conduct refresher training on the requirements of each performance tool reflective of the latest policy guidance issued by both OCIO and the OP. Dependency: Completion of 7-a |
| Action Status (Planned, In-Progress, or Complete) | 7-a) In-Progress 7-b) In-Progress |
| Target Completion Date | 7-a) 5/15/21 7-b) 5/30/21 |
| Recommendation Status (Planned, In-Progress, or Complete) | In-Progress |

| | |
|---|--|
| Report Number | OIG-21-010-A |
| Report Title | USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract |
| Issue Date | 11/19/2020 |
| Recommendation Number | 8 |
| Recommendation | Ensure vendor performance monitoring tools are able to document and report vendor performance information in accordance with USPTO policies and the FAR. |
| Action(s) Planned | 8-a) Retire Sprint Review Tool Dependency: None 8-b) Conduct an analysis to determine whether the value of integrating the Task Order Insight Tool and the Performance Spotlight Tool outweighs the cost. Dependency: None 8-c) If the analysis determines the benefits exceed the cost, integrate the Task Order Insight Tool and the Performance Spotlight Tool into a single tool that complies with USPTO policies and the FAR. If the analysis determines that costs are prohibitive relative to benefits, retire both the Sprint Review and Performance Spotlight tools and modify the Task Order Insight Tool to comply with USPTO policies and the FAR. Dependency: 8-b |
| Action Status (Planned, In-Progress, or Complete) | 8-a) Complete 8-b) Complete 8-c) In-Progress |
| Target Completion Date | 8-a) 12/30/20 8-b) 1/30/21 8-c) 6/1/21 |
| Recommendation Status (Planned, In-Progress, or Complete) | In-Progress |

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|---|--|
| Report Number | OIG-21-010-A |
| Report Title | USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract |
| Issue Date | 11/19/2020 |
| Recommendation Number | 9 |
| Recommendation | Develop a comprehensive vendor performance evaluation report that aggregates vendor performance information from Vendor Management Division tools and other sources as appropriate. |
| Action(s) Planned | 9-a) Develop a comprehensive vendor performance evaluation report or dashboard that aggregates vendor performance information in the OCIO's Vendor Management Division vendor performance monitoring tools. Dependency: 8-c |
| Action Status (Planned, In-Progress, or Complete) | 9-a) In-Progress |
| Target Completion Date | 9-a) 5/15/21 |
| Recommendation Status (Planned, In-Progress, or Complete) | In-Progress |

| | |
|---|---|
| Report Number | OIG-20-045-A |
| Report Title | USPTO Needs to Improve Its Small Business Contracting Practices |
| Issue Date | 9/1/2020 |
| Recommendation Number | 2 |
| Recommendation | Ensure contract specialists perform and appropriately document small business set-aside reviews. |
| Action(s) Planned | 2-a) Rescind PM 2018-02, Small Business Set-Aside Review Process, and replace it with a PM titled "Small Business Program Policy and Procedures." The PM will incorporate instructions on routing the CD 570, Small Business Coordination Form, through the USPTO's eAcquisition System and will outline the proper documentation to be included in the contract file. 2-b) Provide eAcquisition training for the CD 570 coordination. Dependency: Completion of step 1-a: Distribution of the PM titled "Small Business Program Policy and Procedures." |
| Action Status (Planned, In-Progress, or Complete) | 2-a) Complete 2-b) Complete |
| Target Completion Date | 2-a) 11/30/20 2-b) 2/15/21 |
| Recommendation Status (Planned, In-Progress, or Complete) | Complete |

| | |
|---|---|
| Report Number | OIG-20-045-A |
| Report Title | USPTO Needs to Improve Its Small Business Contracting Practices |
| Issue Date | 9/1/2020 |
| Recommendation Number | 3 |
| Recommendation | Ensure HUBZone small business consideration is included in its annual acquisition forecasting activities and marketing efforts to maximize contracting opportunities. |
| Action(s) Planned | <p>3-a) Provide annual training on market research and the utilization of the USPTO's Small Business Database and the Small Business Administration's Dynamic Small Business Search. Dependency: Completion of step 1-a: Distribution of the PM titled "Small Business Program Policy and Procedures." 3-b) Conduct an Industry Day/Capabilities briefing with emphasis on HUBZone Small Businesses. 3-c) The SBS will work with the Operational Division Chiefs and Procurement Liaisons (PLs) to identify requirements early in the OP procurement planning process that can be set aside for HUBZone small businesses. 3-d) Provide the OP with small business status on a weekly basis. 3-e) The Acting Director of the OP has established a practice of stressing the importance of achieving the USPTO's small business goals at the monthly staff meetings. 3-f) The SBS has established a practice of providing HUBZone capability statements directly to COs and PLs. 3-g) The SBS will attend two outreach events to expand the USPTO's industry base (with emphasis on HUBZones).</p> |
| Action Status (Planned, In-Progress, or Complete) | <p>3-a) Complete 3-b) In-Progress 3-c) Complete 3-d) Complete 3-e) Complete 3-f) Complete 3-g) Complete</p> |
| Target Completion Date | <p>3-a) 3/30/21 3-b) 5/27/21 3-c) 1/30/21 3-d) Completed prior to issuance of report 3-e) Completed prior to issuance of report 3-f) 10/15/20 3-g) 10/30/20</p> |
| Recommendation Status (Planned, In-Progress, or Complete) | In-Progress |

| | |
|---|---|
| Report Number | OIG-20-045-A |
| Report Title | USPTO Needs to Improve Its Small Business Contracting Practices |
| Issue Date | 9/1/2020 |
| Recommendation Number | 4 |
| Recommendation | Ensure the Office of Procurement uses FAAPS and establishes clear lines of communication between the Office of Procurement, small business specialists, and contracting specialists for all procurement requests. |
| Action(s) Planned | <p>4-a) Create an internal Procurement Plan data collection instrument to collect all data elements required by the Forecasting and Advanced Acquisition Planning System (FAAPS). The USPTO is the only bureau within the Department of Commerce that has a different financial management system, (Momentum), which does not interface with FAAPS. Accordingly, DOC sent an email to the USPTO in 2014, exempting USPTO from utilizing FAAPS. However, the USPTO has created an internal Procurement Plan that includes all the data elements required by FAAPS in addition to USPTO-specific data elements. The USPTO will work with DOC to determine a mutually agreeable date for submission of the USPTO consolidated procurement plan to DOC.</p> <p>4-b) Use the Procurement Plan to stress and reinforce collaboration between acquisition staff and program offices on the procurement planning process to achieve small business goals.</p> <p>4-c) Using advanced tools, OP leadership will identify additional small business opportunities with each program office to increase small business participation at the USPTO.</p> |
| Action Status (Planned, In-Progress, or Complete) | <p>4-a) Complete</p> <p>4-b) Complete</p> <p>4-c) Complete</p> |
| Target Completion Date | <p>4-a) Completed prior to issuance of report</p> <p>4-b) 3/30/21</p> <p>4-c) 3/30/21</p> <p>4-c) 9/30/23</p> |
| Recommendation Status (Planned, In-Progress, or Complete) | In-Progress |

| | |
|---|---|
| Report Number | OIG-20-030-A |
| Report Title | Deficiencies in USPTO's Backup and Restoration Process Could Delay Recovery of Critical Applications in the Event of a System Failure and Adversely Affect Its Mission |
| Issue Date | 6/16/2020 |
| Recommendation Number | 1 |
| Recommendation | Implement recommendations outlined in NIST SP 800-34 to ensure that all contingency planning documentation contains the necessary components, including, but not limited to, recovery objectives. |
| Action(s) Planned | 1-a) Define the following recovery objectives for PCAPS to be included in the PCAPS Contingency Plans: - Maximum Tolerable Downtime - Recovery Time Objective - Recovery Point Objective |
| Action Status (Planned, In-Progress, or Complete) | 1-a) Complete |
| Target Completion Date | 1-a) 8/31/20 |
| Recommendation Status (Planned, In-Progress, or Complete) | Complete |

| | |
|---|--|
| Report Number | OIG-20-030-A |
| Report Title | Deficiencies in USPTO's Backup and Restoration Process Could Delay Recovery of Critical Applications in the Event of a System Failure and Adversely Affect Its Mission |
| Issue Date | 6/16/2020 |
| Recommendation Number | 2 |
| Recommendation | Establish a documented process that ensures contingency plan testing includes functional testing that entails simulations of actual system disruption or failure, and that all required participants are involved with contingency plan testing. |
| Action(s) Planned | 2-a) Update the PCAPS Contingency Plans to establish a documented process for functional testing based on simulations of actual system disruption or failure. 2-b) Update PCAPS Contingency Plans to ensure participation from all required participants, including the OCIO Service Desk, OS Operation Section, Database Services Branch, and Platform Service Branch during contingency plan testing. 2-c) Update PCAPS Contingency Plans to align with NIST SP 800-34: Contingency Planning Guide for Federal Information Systems. Any missing/additional sections will be added/removed to ensure the contingency planning documentation is complete and reflects participation from critical stakeholders, including adding a list of recovery objectives and revised processes for functional testing. Dependency: Corrective Actions 1-a, 2-a, 2-b. |
| Action Status (Planned, In-Progress, or Complete) | 2-a) Complete 2-b) Complete 2-c) Complete |
| Target Completion Date | 2-a) 6/26/20 2-b) 6/26/20 2-c) 8/31/20 |
| Recommendation Status (Planned, In-Progress, or Complete) | Complete |

| | |
|---|--|
| Report Number | OIG-20-030-A |
| Report Title | Deficiencies in USPTO's Backup and Restoration Process Could Delay Recovery of Critical Applications in the Event of a System Failure and Adversely Affect Its Mission |
| Issue Date | 6/16/2020 |
| Recommendation Number | 3 |
| Recommendation | Ensure that appropriate backup logs are delivered to the CIO Command Center and backup failures are flagged for review while also establishing a process to alert appropriate personnel who can promptly rectify any failures. |
| Action(s) Planned | 3-a) Ensure that a current alerting process for backup failures is in place and working properly. 3-b) Ensure all PCAPS database servers are monitored and alerting is in place. 3-c) Review and update database backup process documentation to ensure necessary alerting and prompt resolution of backup failures. 3-d) Implement a process wherein the Enterprise Backup Team sends backup failure alerts to C3 (CIO Command Center) for rectification and resolution. |
| Action Status (Planned, In-Progress, or Complete) | 3-a) Complete 3-b) Complete 3-c) Complete 3-d) Complete |
| Target Completion Date | 3-a) 6/26/20 3-b) 8/31/20 3-c) 8/31/20 3-d) 8/31/20 |
| Recommendation Status (Planned, In-Progress, or Complete) | Complete |

| | |
|---|---|
| Report Number | OIG-20-030-A |
| Report Title | Deficiencies in USPTO's Backup and Restoration Process Could Delay Recovery of Critical Applications in the Event of a System Failure and Adversely Affect Its Mission |
| Issue Date | 6/16/2020 |
| Recommendation Number | 4 |
| Recommendation | Make a determination whether the \$4 million in potential monetary benefits that we have identified in this report that is currently allocated for the Boyers alternate site can be used more efficiently. |
| Action(s) Planned | 4-a) Issue a Request for Quotes (RFQ) for data center relocation and modernization. The RFQ seeks a vendor to contribute to and facilitate automation, orchestration, DevSecOps, and self-provisioning data center characteristics for the primary, disaster recovery sites, and Cloud hosted services. The RFQ will help the USPTO determine whether to relocate the current alternate processing site in Boyers to a new co-location data center site. 4-b) Make a determination about whether awarding a contract to a vendor per the scope of the RFQ described in 4-a represents a more efficient use of funds than what we currently allocate for the Boyers alternate site. |
| Action Status (Planned, In-Progress, or Complete) | 4-a) Complete 4-b) Complete |
| Target Completion Date | 4-a) 6/30/20 4-b) 9/30/20 |
| Recommendation Status (Planned, In-Progress, or Complete) | Complete |

| | |
|---|--|
| Report Number | OIG-20-030-A |
| Report Title | Deficiencies in USPTO's Backup and Restoration Process Could Delay Recovery of Critical Applications in the Event of a System Failure and Adversely Affect Its Mission |
| Issue Date | 6/16/2020 |
| Recommendation Number | 5 |
| Recommendation | Establish a detailed plan for the replacement of legacy systems and software applications, including milestones and deadlines, and enforce the plan in a manner that holds appropriate personnel accountable. |
| Action(s) Planned | 5-a) Establish a plan to replace or retire legacy PCAPS systems and software applications, which will include milestones and scheduled completion dates. The PCAPS owner will approve the final plan prior to implementation and review the plan at regular intervals to maintain accountability for completion. |
| Action Status (Planned, In-Progress, or Complete) | 5-a) Complete |
| Target Completion Date | 5-a) 9/30/20 |
| Recommendation Status (Planned, In-Progress, or Complete) | Complete |

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.

Nothing to Report.

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 | OIG-19-014-A |
| Report Title | Inadequate Management of Active Directory Puts USPTO's Mission at Significant Cyber Risk |
| Issue Date | 6/13/2019 |
| Recommendation Number | 4 |
| Recommendation | Ensure PIV card technology compatibility with on-going and future system development for USPTO next-generation applications, and |
| Target Implementation Date | 9/30/2023 |
| Reason No Final Action Taken or Action Not Recommended Taken | <p>It was determined that some of the corrective actions related to this recommendation would require longer than others to complete. Per the OIG's suggestion, USPTO added sub-actions to their Plan of Actions and Milestones to separate corrective actions related to recommendation #4, which would require more time than others. Corrective actions 4a and 4c have a target completion date of 9/30/2023. They are listed below:</p> <p>4-a) For systems identified in 4-a) that are not retiring, USPTO plans to isolate these legacy systems to a separate authentication point which will require significant planning, coordination and resources from many different critical partners.</p> <p>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.</p> |
| Closure Request Pending (Yes/No) | 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. <https://www.oig.doc.gov/OIGPublications/SAR-2020-09.pdf>

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APPENDICES

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

FY 2022 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 displays the USPTO's multi-year planning activities that includes updates to prior year budget estimates. Current budget planning must take into consideration prior year actual circumstances and anticipated future year actions. For example, the budgetary requirements shown in the 2021 Enacted column reflect a decrease of \$44 million or 1.1% for FY 2021 from the FY 2021 President's Budget. Primarily as a result of the 2020 pandemic, estimated Patent applications filing levels dropped by 6.9% and Patent fee collections decreased by 4.7% or \$152 million while estimated FY 2021 Trademark fee levels increased 4.8% or \$21 million, between the FY 2021 President's Budget estimate and the Enacted for FY 2021. The FY 2021 decrease in incoming work level projections resulted in a reduction of roughly 508 positions and other resources needed, partially offset by an increase of \$16 million or 2.2% increase in the timing of it spending primarily as a result of IT acquisitions originally planned for FY 2020 that will now be executed in FY 2021. Consequently, FY 2022 and out year estimates on the BPAG Chart builds off of the FY 2021 Enacted levels 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. It then identifies the budget requirements needed to meet these performance targets and the fee collections and operating reserves needed to fund those requirements. 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 2022 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 2022 and the out years, along with the projected fee collections and operating reserve activity.

USPTO Budget and Performance-at-a-Glance

| <i>(Dollars in thousands)</i> | FY 2020 Actual | FY 2021 President's Budget | FY 2021 Enacted | FY 2022 President's Budget | FY 2023 Estimate | FY 2024 Estimate | FY 2025 Estimate | FY 2026 Estimate |
|--|---------------------------|---|----------------------------|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| USPTO GOAL 1: OPTIMIZE PATENT QUALITY AND TIMELINESS | | | | | | | | |
| Budget Requirement Amount | 3,105,043 | 3,395,728 | 3,352,708 | 3,483,355 | 3,529,123 | 3,591,894 | 3,666,902 | 3,738,699 |
| Full-Time Equivalent Employment | 11,132 | 11,959 | 11,554 | 11,789 | 11,923 | 12,077 | 12,276 | 12,415 |
| Utility, Plant and Reissue (UPR) Applications Filed | 609,155 | 632,100 | 588,700 | 594,600 | 602,200 | 618,100 | 634,700 | 652,200 |
| UPR Applications Filed – Percent Change Over Previous FY | -1.9% | 0.0% | -3.4% | 1.0% | 1.3% | 2.6% | 2.7% | 2.7% |
| Total PTA Compliance - Mailed Actions (Percent) | 82% | 15.4% | 82% | 84% | 86% | 88% | 90% | 91% |
| Total PTA Compliance - Remaining Inventory (Percent) | 88% | 23.9% | 88% | 90% | 91% | 93% | 93% | 94% |
| UPR Examiners On-Board at End-of-Year | 8,233 | 8,780 | 8,344 | 8,449 | 8,550 | 8,737 | 8,917 | 9,005 |
| UPR First Actions | 574,600 | 606,900 | 585,200 | 610,000 | 633,300 | 646,100 | 659,300 | 679,100 |
| UPR Disposals | 603,200 | 579,400 | 585,200 | 586,600 | 585,600 | 597,300 | 609,500 | 627,800 |
| UPR Units of Production | 589,900 | 591,000 | 585,200 | 598,300 | 609,500 | 621,700 | 634,400 | 653,400 |
| Obligation Cost Per Patent Production Unit ¹ | 5,184 | 5,846 | 5,836 | 5,934 | 5,906 | 5,892 | 5,893 | 5,833 |
| UPR Issues | 362,700 | 321,100 | 339,100 | 335,900 | 336,600 | 341,500 | 348,800 | 359,100 |
| UPR Unexamined Patent Application Backlog | 577,146 | 571,600 | 566,800 | 537,200 | 491,700 | 449,000 | 409,300 | 366,900 |
| Forward Looking First Action Pendency/UPR (Months) | 15.9 | 14.7 | 14.7 | 13.3 | 11.9 | 10.7 | 10.7 | 9.5 |
| USPTO GOAL 2: OPTIMIZE TRADEMARK QUALITY AND TIMELINESS | | | | | | | | |
| Budget Requirement Amount | 344,312 | 394,524 | 390,397 | 417,323 | 431,937 | 443,629 | 455,216 | 467,910 |
| FTE | 1,200 | 1,356 | 1,306 | 1,382 | 1,427 | 1,468 | 1,513 | 1,559 |

| | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Applications Received (Includes Extra Classes) | 738,112 | 710,000 | 789,000 | 699,000 | 726,000 | 775,000 | 834,000 | 898,000 |
| Applications Received – Percent Change Over Previous FY | 9.6% | 2.6% | 6.9% | -11.4% | 3.9% | 6.7% | 7.6% | 7.7% |
| Exceptional Office Action rate | 51.0% | 48.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% |
| First Action Compliance Rate | 95.7% | 95.5% | 95.5% | 95.5% | 95.5% | 95.5% | 95.5% | 95.5% |
| Final Compliance Rate | 98.1% | 97.0% | 97.0% | 97.0% | 97.0% | 97.0% | 97.0% | 97.0% |
| Average First Action Pendency (Months) | 3 | 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 |
| Average Total Pendency (Months) Excluding Suspended and Inter Partes Proceedings | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Balanced Disposals | 1,333,400 | 1,434,400 | 1,475,000 | 1,507,700 | 1,489,600 | 1,567,200 | 1,657,362 | 1,799,078 |
| Office Disposals | 609,900 | 650,200 | 676,000 | 692,600 | 674,500 | 707,600 | 749,000 | 811,500 |
| Obligation Cost Per Trademark Disposal ¹ | 598 | 645 | 614 | 640 | 682 | 667 | 646 | 612 |
| Examining Attorneys On-Board at End-of-Year | 624 | 684 | 667 | 687 | 716 | 743 | 778 | 812 |
| USPTO GOAL 3: PROVIDE DOMESTIC AND GLOBAL LEADERSHIP TO IMPROVE INTELLECTUAL PROPERTY POLICY, ENFORCEMENT, AND PROTECTION WORLDWIDE | | | | | | | | |
| Budget Requirement Amount | 66,200 | 82,114 | 84,995 | 91,173 | 96,912 | 97,567 | 98,398 | 99,044 |
| FTE | 166 | 195 | 204 | 216 | 223 | 225 | 225 | 225 |
| 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 for advancing IP rights; · Institutional improvements of IP enforcement entities · Improvements in IP laws and regulations · Establishment of government-to-government cooperative mechanisms | 100.00% | 66.00% | 66.00% | 66.00% | 66.00% | 66.00% | 66.00% | 66.00% |
| Number of people, including foreign government officials and U.S. stakeholders, trained on best practices to protect and enforce intellectual property | 10,688 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Amounts not Supporting Goals ² | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| USPTO Budgetary Requirements | 3,517,555 | 3,874,366 | 3,830,100 | 3,993,851 | 4,059,973 | 4,135,091 | 4,222,515 | 4,307,653 |
| FTE | 12,498 | 13,510 | 13,064 | 13,388 | 13,573 | 13,771 | 14,015 | 14,200 |

| | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Fee Collections | 3,682,564 | 3,695,295 | 3,564,161 | 4,058,410 | 4,122,722 | 4,253,649 | 4,356,336 | 4,487,955 |
| Other Income/Recoveries | 40,999 | 40,500 | 52,500 | 52,500 | 52,500 | 52,500 | 52,500 | 52,500 |
| | | | | | | | | |
| Total Unobligated balance ³ : Patents | 612,499 | 416,754 | 341,001 | 444,354 | 551,153 | 705,597 | 859,497 | 1,040,241 |
| Total Unobligated balance ³ : Trademarks | 132,143 | 102,894 | 190,201 | 203,908 | 212,359 | 228,973 | 261,395 | 313,451 |

¹ Budget requirements are used to calculate the results.

² Amounts transferred to the Department of Commerce Office of the Inspector General.

³ Unobligated balance includes funds in the Operating Reserve Balance and PTFRF

APPENDIX II – ALLOCATION OF BUDGETARY REQUIREMENTS TO PATENT AND TRADEMARK BUSINESS LINES

Department of Commerce
U.S. Patent and Trademark Office
PROGRAM AND PERFORMANCE: TOTAL OBLIGATIONS
(Direct Obligations amounts in thousands)

| Sub-Activity: | 2020 | | | 2021 | | | 2022 | | |
|---|------------------|------------------|----------------|------------------|------------------|----------------|------------------|------------------|----------------|
| | Total | Patents | Trademarks | Total | Patents | Trademarks | Total | Patents | Trademarks |
| Patent Examining | 2,197,886 | 2,197,886 | | 2,304,237 | 2,304,237 | | 2,393,057 | 2,393,057 | |
| Patent Trial and Appeals | 84,608 | 84,608 | | 87,362 | 87,362 | | 100,698 | 100,698 | |
| Patent Information Resources | 151,155 | 151,155 | | 164,120 | 164,120 | | 166,174 | 166,174 | |
| Trademark Examining | 166,854 | | 166,854 | 183,456 | | 183,456 | 201,274 | | 201,274 |
| Trademark Appeals and Inter Partes Proceedings | 15,196 | | 15,196 | 16,578 | | 16,578 | 19,372 | | 19,372 |
| Trademark Information Resources | 45,614 | | 45,614 | 46,491 | | 46,491 | 53,129 | | 53,129 |
| Policy, External Affairs and Administrative Support | 22,215 | 14,716 | 7,499 | 29,512 | 19,680 | 9,832 | 31,802 | 21,136 | 10,666 |
| Global Intellectual Property Academy (GIPA) | 3,079 | 1,930 | 1,149 | 3,827 | 2,733 | 1,094 | 4,904 | 3,503 | 1,401 |
| IPR Attaché Program | 13,128 | 8,177 | 4,952 | 14,612 | 9,437 | 5,174 | 14,876 | 9,608 | 5,268 |
| IP P,E&P Information Resources | 903 | 583 | 320 | 617 | 410 | 207 | 617 | 410 | 207 |
| Executive Direction and Communications | 13,286 | 11,413 | 1,873 | 20,739 | 17,800 | 2,940 | 24,274 | 20,829 | 3,445 |
| Financial Management Services | 30,026 | 24,440 | 5,586 | 34,067 | 26,803 | 7,264 | 40,534 | 32,128 | 8,406 |
| Human Resource Management and Administrative Services | 53,604 | 48,007 | 5,598 | 59,157 | 52,648 | 6,509 | 64,591 | 57,527 | 7,065 |
| Legal Services | 27,569 | 22,858 | 4,711 | 31,168 | 25,439 | 5,728 | 33,423 | 27,294 | 6,129 |
| Management Information Resources | 65,118 | 13,024 | 52,094 | 77,507 | 15,501 | 62,005 | 78,244 | 15,649 | 62,595 |
| IT Infrastructure and IT Support Services | 370,418 | 346,686 | 23,732 | 475,618 | 440,048 | 35,569 | 460,767 | 430,937 | 29,830 |
| Miscellaneous General Expense | 254,896 | 225,742 | 29,154 | 279,033 | 247,196 | 31,837 | 304,114 | 269,495 | 34,619 |
| Total | 3,515,555 | 3,151,224 | 364,331 | 3,828,100 | 3,413,416 | 414,684 | 3,991,851 | 3,548,444 | 443,406 |

Department of Commerce
U.S. Patent and Trademark Office
PROGRAM AND PERFORMANCE: TOTAL OBLIGATIONS
(Direct Obligations amounts in thousands)

| Sub-Activity: | 2023 | | | 2024 | | | 2025 | | | 2026 | | |
|---|------------------|------------------|----------------|------------------|------------------|----------------|------------------|------------------|----------------|------------------|------------------|----------------|
| | Total | Patents | Trademarks | Total | Patents | Trademarks | Total | Patents | Trademarks | Total | Patents | Trademarks |
| Patent Examining | 2,431,047 | 2,431,047 | | 2,489,210 | 2,489,210 | | 2,554,517 | 2,554,517 | | 2,616,441 | 2,616,441 | |
| Patent Trial and Appeals | 101,296 | 101,296 | | 102,227 | 102,227 | | 103,164 | 103,164 | | 104,119 | 104,119 | |
| Patent Information Resources | 166,630 | 166,630 | | 167,180 | 167,180 | | 167,655 | 167,655 | | 168,175 | 168,175 | |
| Trademark Examining | 212,104 | | 212,104 | 221,694 | | 221,694 | 230,275 | | 230,275 | 240,174 | | 240,174 |
| Trademark Appeals and Inter Partes Proceedings | 21,271 | | 21,271 | 22,285 | | 22,285 | 23,314 | | 23,314 | 24,362 | | 24,362 |
| Trademark Information Resources | 52,574 | | 52,574 | 52,944 | | 52,944 | 53,070 | | 53,070 | 53,367 | | 53,367 |
| Policy, External Affairs and Administrative Support | 32,677 | 21,705 | 10,972 | 33,339 | 22,141 | 11,198 | 33,742 | 22,407 | 11,335 | 34,013 | 22,587 | 11,426 |
| Global Intellectual Property Academy (GIPA) | 6,974 | 4,982 | 1,993 | 7,016 | 5,011 | 2,005 | 7,057 | 5,041 | 2,017 | 7,099 | 5,070 | 2,029 |
| IPR Attaché Program | 17,236 | 11,132 | 6,103 | 17,093 | 11,040 | 6,053 | 17,100 | 11,045 | 6,055 | 17,108 | 11,050 | 6,058 |
| IP P,E&P Information Resources | 617 | 410 | 207 | 617 | 410 | 207 | 617 | 410 | 207 | 617 | 410 | 207 |
| Executive Direction and Communications | 24,626 | 21,131 | 3,495 | 24,789 | 21,271 | 3,518 | 24,952 | 21,411 | 3,541 | 25,117 | 21,553 | 3,564 |
| Financial Management Services | 42,852 | 34,054 | 8,798 | 43,180 | 34,316 | 8,864 | 43,810 | 34,829 | 8,980 | 44,140 | 35,093 | 9,046 |
| Human Resource Management and Administrative Services | 66,340 | 59,070 | 7,270 | 67,114 | 59,749 | 7,365 | 67,623 | 60,201 | 7,422 | 68,136 | 60,657 | 7,479 |
| Legal Services | 33,844 | 27,641 | 6,203 | 34,144 | 27,888 | 6,256 | 34,446 | 28,136 | 6,310 | 34,751 | 28,388 | 6,364 |
| Management Information Resources | 78,467 | 15,693 | 62,774 | 78,715 | 15,743 | 62,972 | 78,964 | 15,793 | 63,171 | 79,216 | 15,843 | 63,373 |
| IT Infrastructure and IT Support Services | 463,192 | 431,875 | 31,318 | 463,590 | 432,015 | 31,575 | 463,973 | 431,701 | 32,272 | 464,252 | 431,651 | 32,601 |
| Miscellaneous General Expense | 306,225 | 271,462 | 34,764 | 307,955 | 273,157 | 34,798 | 316,235 | 280,645 | 35,590 | 324,567 | 288,182 | 36,385 |
| Total | 4,057,973 | 3,598,127 | 459,846 | 4,133,091 | 3,661,357 | 471,734 | 4,220,515 | 3,736,956 | 483,559 | 4,305,653 | 3,809,219 | 496,434 |

Appendix III - 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 \$758.9 million in FY 2022 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).

Of the \$758.9 million in FY 2022, \$545.1 million is associated with operational activities as displayed in Figure 3. Operations and Maintenance (Ops) funds are required to stabilize and 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, data center operations, storage, server, and software maintenance, desktop hardware replacement, telecommunications, and IT support for the nationwide workforce program and the Regional Offices.

The remaining \$213.7 million is allocated for IT Development, Modernization, and Enhancement (DME) efforts. These resources are grouped together in recognition that future success for the USPTO core mission depends upon transparent and continuous funding for IT modernization.

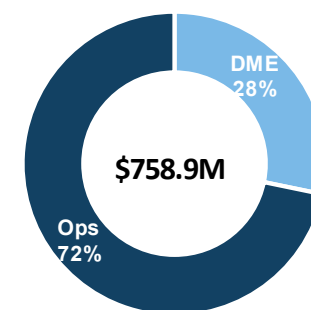
IT Stabilization and Modernization

The USPTO continues to mature its engagement in the multi-year focused effort known as "IT Stabilization, Modernization, and New Ways of Working", which aims to re-assess vulnerabilities, future plans, and decision making and oversight processes for the full spectrum of the planned and ongoing IT efforts. The USPTO has reviewed and prioritized planned work to ensure mission critical systems are dependable and resilient. After examining the nexus of mission changes, the Agency concluded:

- USPTO has seen the number of patent and trademark applications almost triple over the last two decades – from a little over half of a million filings in 1999 compared to over 1.3 million applications submitted in 2019 — which creates pressure on aging IT assets.
- 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.

Figure #3

FY22 IT Ops and DME



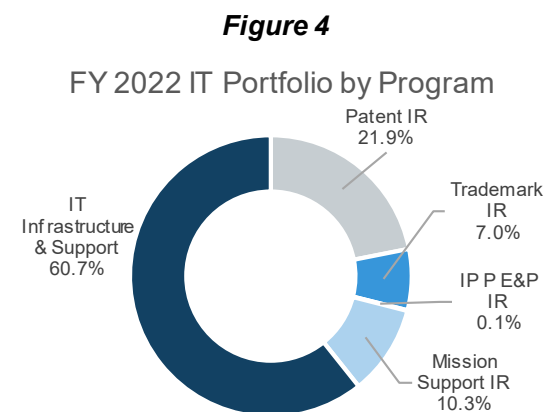
- As workload demand and complexity continue to increase, the USPTO must have a mature and modern technological foundation to support the mission of the agency.

The USPTO is focusing its IT efforts on the following IT themes :

- Improve processes and tools to securely capture, collect, store, and manage authoritative data as an enterprise asset (e.g., establish data strategy, transition to cloud, reduce duplication).
- Integrate advanced analytics, artificial intelligence, machine learning and automation to improve processing, increase quality and efficiency of operations, and improve decision making.
- Obtain and maintain efficient and effective technologies to create a robust critical business infrastructure that supports internal business operations, ensures compliance and legal sufficiency, and proactively responds to cybersecurity threats.
- Achieve and maintain resiliency for critical applications through stabilization and modernization (e.g., decouple systems, update versions, and transition to cloud-based systems).
- Create appropriate and seamless customer experiences across internal and external customers, including simplifying and standardizing business operations and work flow processes at the right level of segmentation (e.g., Business Units, individual inventors, law firms, corporations, patent examiners, PTAB and TTAB attorneys, etc.).
- Standardize tools and processes for communication and collaboration to connect the USPTO community and communicate with the broader stakeholder (including help desk, surveys, websites, and social media).

Total USPTO IT Portfolio by Program

Funding is allocated by USPTO budget program in FY 2021 through FY 2026 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 support of the previously discussed IT themes across an organizing principle known as the USPTO IT Product Catalog. The IT Product Catalog is composed of four product lines: Patent Product Line, Trademark Product Line, Enterprise Business Product Line, and Enterprise Infrastructure Product Line. Each product line contains several products, or value streams organized around a specific functionality or common customer base.



| <i>(Dollars in millions)</i> | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Patent IR | 151.2 | 164.1 | 166.2 | 166.6 | 167.2 | 167.7 | 168.2 |
| Trademark IR | 45.6 | 46.5 | 53.1 | 52.6 | 52.9 | 53.1 | 53.4 |
| IP PP&E IR | 0.9 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Mission Support IR | 65.1 | 77.5 | 78.2 | 78.5 | 78.7 | 79.0 | 79.2 |
| Mission Support - IT Infrastructure and IT Support Services | 370.4 | 475.6 | 460.8 | 463.2 | 463.6 | 464.0 | 464.3 |
| TOTAL | 633.2 | 764.4 | 758.9 | 761.5 | 763.0 | 764.3 | 765.6 |

PATENT IR PROGRAM

The mission of the Patent IR Program, or Patent Product Line, is to deliver stabilization, modernization and innovation to provide superior products and services to enhance the Patent community. Multi-year objectives, which align to the overarching IT themes, include:

- Exceed internal user and public expectations of system resiliency
- Exceed internal user and public expectations of data quality
- Adapt systems to modern workforce management
- Incorporate fast-paced policy/legal changes into products
- Evolve to a high-functioning product line
- Ensure “adequate security throughout the product life-cycle”

Within the Patent Product Line, this budget request seeks funding for the following patent product:

- Provide high availability patent IT systems; and provide improved sequence listings through compliance with bio-sequence standards.
- Improve the resiliency of product components.
- Exceed internal user and public expectations of data quality; and exceed internal user and public expectations of system resiliency.
- Support use of data and analytic tools to respond to fast paced policy and legal changes.
- Complete implementation of TRP (time, routing, and new PAP–based on CPC); complete rollout of Search to all examiners; and make artificial intelligence tools available to examiners for use in decision making.
- Allow public users to search USPTO.gov for patent applications.
- Exceed PTAB internal user and public expectations of data quality.

TRADEMARK IR PROGRAM

The mission of the Trademark IR Program, or Trademark Product Line, is to leverage information technology to optimize and enhance trademark and TTAB operations. Multi-year objectives, which align to the overarching IT themes, include:

- Stabilize Trademark and TTAB legacy systems.
- Issue and maintain high quality trademarks.
- Modernize the IT solution to optimize Trademark application pendency and TTAB operations.

Within the Trademark Product Line, specific objectives as part of this budget request are provided below. These objectives reflect a sizeable deferment of TM development in FY 2020_a mitigation plan due to the uncertainty of economic conditions during FY 2020 and that was not restored based on anticipated FY 2021 funding levels:

- Continue stabilization effort, which includes system and server upgrades.
- Add features and functionality to identity proof, authorize and authenticate users.
- Utilize AI tools to increase the efficiency and accuracy of the examination process.
- Create a modernized solution for internal and external users to conduct Trademark and TTAB processing.

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

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's IT efforts align to the Enterprise Business Product Line. 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 of 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 IR PROGRAM

The Mission Support IR Program, captured in the Enterprise Business Product Line (EBPL), provides reliable, useful, and economical IT services while operating with transparency and an enterprise focus on securing the best possible results for the agency and its stakeholders. Multi-year objectives, which align to the overarching IT themes, include:

- Leverage IT as an asset to decrease the agency's total cost for performing business functions.
- Find efficiencies and consolidate IT components to achieve cost savings.
- Measure – and improve – customer satisfaction with services and components provided by EBPL.
- Create the robust critical business infrastructure envisioned in USPTO's IT themes.

Within the Enterprise Business Product Line, specific objectives as part of this budget request include:

- Respond to internal and external stakeholder requests via:
 - Electronic Signature capability in People Management product
 - Improvements to eDiscovery in the Legal Tools product
 - Improved contractor performance monitoring through USPTO's eAcquisition component of the Financial Management product.
 - Automated Clearing House (ACH) replenishment of deposit accounts in the Fee Management product.
 - Continued work on internet, intranet, social media, and crowdsourcing capability as part of the Communications and Customer Experience product.
- Continue to evolve USPTO's data governance model, data management tools, and analytics tools within the Data and Analytics product.
- Leverage data – “enter once; use repeatedly” and robotic processing automation (RPA) across multiple products.

IT INFRASTRUCTURE

The mission of the IT Infrastructure Program, or Enterprise Infrastructure Product Line (EIPL), is to provide essential technologies and services that are progressively better, faster, and cheaper, to USPTO staff and customers while increasing the security, availability and resilience of the USPTO operational enterprise. This Product Line does so through exceptional research, design, testing, procuring, implementing, integrating, operating, maintaining and supporting the critical infrastructure of our internal and externally facing products. Additionally, EIPL continually advances customer service and user experience by measuring, anticipating and addressing enterprise needs, and leading rapid change to support dynamic business requirements, statutory obligations and USPTO priorities.

Multi-year objectives, which align to the overarching IT themes, include:

- *Stabilize*
 - Eliminate critical and high security POAMs
 - Upgrade infrastructure, hardware, and software to current versions
 - Reduce technical debt
- *Advance*
 - Improve Failover / Resiliency by testing on a quarterly basis
 - Implement “Must Do” changes (security updates, waive dates / fees; compliance)
- *Modernize*
 - Invest in a modern infrastructure (e.g., Cloud First solutions)
 - Establish data governance and a federated model; enhance public dissemination options

As we continue to align our work to critical themes and priorities, the USPTO expects improved business continuity, strengthened IT security, and a modernized infrastructure that will deliver higher performance.

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 Mission Support Program. For additional information about government-wide IT spending, please see the U.S. IT Dashboard at <https://itdashboard.gov/>.

APPENDIX IV – MULTI-YEAR PLANNING BY BUSINESS LINE

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 USPTO's multi-year planning and budgeting requires an in-depth understanding of its financial position, including cost drivers and revenue, financial and operational responsibilities and contingencies, and policy and economic environments 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, internal influences that affect the productivity of the USPTO workforce and external influences that affect the demand for patent and trademark services and products have a significant impact on the USPTO's efforts to fulfill its mission. Further, the production work completed by the USPTO's employees generates future revenue essential for the USPTO to operate effectively and meet the needs of the American people.

The USPTO provides five-year requirements and funding estimates in annual budget documents. The USPTO has taken steps to mitigate risk by establishing and maintaining operating reserves to facilitate execution of multi-year plans. The USPTO fee setting authority has allowed the USPTO to maintain multi-year plans and 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.

The USPTO conducted a biennial review of fees, costs, and revenues beginning in 2017, and concluded that patent fee adjustments were necessary to provide the resources needed to improve patent operations. A final rule, "Setting and Adjusting Patent Fees during Fiscal Year 2020," was published August 3, 2020 following two years of collaboration with stakeholders and the public on fee adjustments. The fee adjustments will help provide the USPTO with a sufficient amount of aggregate revenue to recover the aggregate cost of patent operations in future years (based on current projections) and allow the USPTO to continue progress towards achieving strategic goals.

The USPTO conducted another biennial review of fees, costs, and revenues beginning in 2019, and concluded that trademark fee adjustments were also necessary. A final rule, "Trademark Fee Adjustment," was published November 17, 2020 following over a year of collaboration with stakeholders and the public on fee adjustments. The fee adjustments will help address increasing costs and provide necessary resources for Trademark operations.

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 while ensuring the fee schedule continuously meets the needs of the IP environment of the future. 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. The USPTO's operating reserves enable the office to mitigate this risk. For instance, in 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 was able to remain open using funds available from the operating reserves. This allowed the USPTO to continue operations, thus preventing a significant degradation in service levels, such as patent pendency time frames. This example provides an ongoing, 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 USPTO 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. In FY 2020, the agency was able to withstand workload and fee collection volatility resulting from the economic impacts of the global pandemic and provide relief from certain fee-related deadlines (CARES Act relief) by making manageable adjustments to spending plans and leveraging the operating reserve balances of both business lines.

The USPTO recognizes that the optimal operating reserve sizes may change over time. This could be due to economic volatility and variability in filings and revenue collections, changes to external and internal enterprise risk, or operational reasons. Therefore, the USPTO annually assesses risks, including cash flow and any planned use of the operating reserve funds, as part of the budget process and in accordance with the office's operating reserve policy; this is used to determine the minimum level of reserves necessary to shield core operations against known and routine financial risks in the short-term (i.e., over a two year horizon).

An existing healthy reserve for the Trademarks business line over the past eight 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, especially in the current uncertain economic environment. Therefore, in addition to fee collections estimates presented in the budget—which are considered to be the most likely estimates—the USPTO also looks at 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 USPTO services and products are dependent upon many factors, including economic activity and application filing and IP rights renewal behaviors 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 4.8 percent in FY 2021 (rebounding from a 5.9 percent decline in FY 2020) and 2.2 percent in FY 2022 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, such as with the current uncertain economic environment. 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 updated patent fee schedule took effect on October 2, 2020 and the updated trademark fee schedule took effect on January 2, 2021.

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 2022 estimated patent fee collections include collections for applications filed in FY 2022, as well as work processed in FY 2022 (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 also have out-year impacts because fewer applications filed decreases the total possible production outputs, which, assuming no change in allowance rates or renewal rates, would lead to fewer issue and maintenance fee payments in future years.

Patent fee collections are estimated to be \$3,608 million for FY 2022 excluding \$45 million in other income. These projections are based on assumptions that serialized (new) patent filings will have a growth rate of 1.5 percent and requests for continued

examination (RCEs) will decline by 0.4 percent. However, serialized filings could range from 3.6 percent decline to 6.6 percent growth, and RCEs could range from 5.4 percent decline to 4.6 percent growth. The combined impacts of these potential variances could affect fee collections by up to \$50.6 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 \$8.9 million in either direction. Patent maintenance fee payments are expected to see slightly lower renewal rates as the economy recovers from the impacts of the global pandemic. 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 \$50 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, and considered more volatile than patent application filings.

Trademark fee collections are estimated to be \$450 million in FY 2022, excluding \$7 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 filings will decline by 11.4 percent in FY 2022, representing a correction to the long-term trend in filing levels following strong growth at the end of FY 2020 and in FY 2021. The risk assessment considered growth ranging from negative 16.4 percent to negative 6.4 percent and found that collections would be impacted by up to \$13.0 million in either direction in FY 2022. Variance in filing growth rates also has impacts on future years, as the work is processed and granted trademarks become due for renewal. Additionally, fees for maintaining exclusive rights make up a significant portion of trademark fee collections, and even small variations in renewal rates could impact fee collections by up to \$10 million.

FEE RATE ASSUMPTIONS

The patent fee collection estimates included in this budget reflect adjustments to patent-related fees detailed in a final rule published in the Federal Register on August 3, 2020. The USPTO first shared an initial proposal to adjust patent-related fees with the public and the PPAC on August 8, 2018. The PPAC held a hearing for public comments on the proposal September 6, 2018. On July 31, 2019, the 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 USPTO received and incorporated public comments when determining final fee adjustments. The USPTO 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 included in this budget reflect adjustments to trademark-related fees detailed in a final rule published in the Federal Register on November 17, 2020. The USPTO first shared with the public and the TPAC an initial proposal to adjust trademark-related fees on August 28, 2019. The TPAC held a hearing for public comments on the proposal September 23, 2019. On June 19, 2020, the USPTO published a NPRM that considered the comments received from the public hearing and the views presented in the TPAC Fee Setting Report. After the publishing of the NPRM, the USPTO received and incorporated public comments when determining final fee adjustments. 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.

The trademark fee collection estimates included in this budget also reflect the impacts of an upcoming fee rulemaking in response to the Trademark Modernization Act of 2020 (TMA). The TMA contains, among other things, the latest in a series of initiatives to improve and strengthen the accuracy and integrity of the federal trademark register. The TMA provides new procedures to challenge applications and registrations with inaccurate claims of use. These new procedures will help U.S. businesses make better informed marketing and branding decisions regarding their trademarks. The TMA was signed into law on December 27, 2020, and will be implemented by December 27, 2021.

Continued Assessment of Estimates. The USPTO monitors the economic environment carefully, especially in the current uncertain environment, 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 V – USPTO Fees - Change from FY 2021 PB to FY 2022 PB

In comparison to the FY 2021 President’s Budget (PB), in the FY 2022 PB, aggregate projected fee collections for the patent business line have decreased, while projected fee collections for the trademark business line are approximately the same for FY 2021, but have decreased for FY 2022 and beyond.

The decreased patent revenue is the result of FY 2020 actual data and trends, updated business unit production workload models, and revised assumptions for fee proposals. FY 2020 patent fee collections were impacted by the pandemic, and this is expected to continue to impact future fee collections. Due to the lag between research and development and the filing of patent applications, along with time differences in when international patent applications pursue protection in the United States, changes in economic activity impact patent applications and related activity over multiple years. Additionally, due to economic uncertainty surrounding the pandemic, the patent fee rule, which was expected to take effect in July 2020, was delayed, with the new fee rates taking effect October 2, 2020. While the new fee rates are in place for virtually all of FY 2021, the timing of the fee rule led to a shift in the timing of some fee payments. Patent holders are eligible to submit maintenance fee payments up to six months prior to the due date, and many patent holders took advantage of this by paying their maintenance fees before the fee rates increased. This shifted fee collections that would otherwise have been expected in FY 2021 into the last few weeks of FY 2020.

The economic uncertainty surrounding the pandemic also led to delays in implementing the trademark fee rule with it taking effect January 2, 2021, rather than late August 2020 as previously expected. However, the reduction to trademark revenue from this delay is offset by increased filing assumptions for FY 2021. Trademark application filings grew faster than expected in FY 2020, and are expected to continue growing in FY 2021 due in part to economic stimulus provided by the United States Congress as well as a surge in filings from China. Filings are projected to decline in FY 2022, representing a correction to the long-term trend in filing levels following strong growth in FY 2020 and FY 2021, then return to their long-term growth pattern. This lowered projected trademark fee collections in each year from FY 2022 through FY 2025.

| Fiscal Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Patents | \$3,098,390,409 | \$3,608,269,490 | \$3,661,397,162 | \$3,772,273,206 | \$3,847,327,443 | \$3,946,435,696 |
| Trademarks | \$465,770,573 | \$450,140,661 | \$461,324,980 | \$481,375,733 | \$509,009,001 | \$541,519,219 |
| Grand Total | \$3,564,160,982 | \$4,058,410,151 | \$4,122,722,143 | \$4,253,648,940 | \$4,356,336,444 | \$4,487,954,914 |

The following tables compare the projected fee collections, in millions, from the FY 2022 PB to the projected fee collections from the FY 2021 PB. The FY 2021 PB only included projections through FY 2025, therefore FY 2026 is not included in the comparison.

| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------------------|---------|---------|---------|---------|---------|
| Total USPTO Collections | | | | | |
| FY 2021 PB | \$3,695 | \$4,181 | \$4,242 | \$4,380 | \$4,470 |
| FY 2022 PB | \$3,564 | \$4,058 | \$4,123 | \$4,254 | \$4,356 |
| Difference | (\$131) | (\$122) | (\$119) | (\$126) | (\$114) |
| Patents | | | | | |
| FY 2021 PB | \$3,251 | \$3,709 | \$3,744 | \$3,861 | \$3,931 |
| FY 2022 PB | \$3,098 | \$3,608 | \$3,661 | \$3,772 | \$3,847 |
| Difference | (\$152) | (\$100) | (\$83) | (\$89) | (\$84) |
| Trademarks | | | | | |
| FY 2021 PB | \$445 | \$472 | \$498 | \$519 | \$539 |
| FY 2022 PB | \$466 | \$450 | \$461 | \$481 | \$509 |
| Difference | \$21 | (\$22) | (\$37) | (\$38) | (\$30) |

The table below shows, by category, the actual fee collections from FY 2020, along with FY 2021 and FY 2022 projected fee collections from the FY 2021 PB and the FY 2022 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 2022 PB and the changes since the FY 2021 PB.

| (Dollars in Millions) | FY 2020 | FY 2021 | | | FY 2022 | | |
|-------------------------------------|---|--|---|--|--|--|---|
| | Actuals | FY 2021 PB Working Estimate | FY 2022 PB Working Estimate | Increase/ (Decrease) | FY 2021 PB Working Estimate | FY 2022 PB Working Estimate | Increase/ (Decrease) |
| Patents | | | | | | | |
| Filing (with Excess Claims) | \$888.3 | \$962.9 | \$888.8 | (\$74.0) | \$962.0 | \$904.3 | (\$57.7) |
| Post Allowance Fees | \$330.9 | \$362.8 | \$362.6 | (\$0.2) | \$364.2 | \$376.9 | \$12.7 |
| Maintenance | \$1,663.2 | \$1,413.4 | \$1,357.4 | (\$56.0) | \$1,856.0 | \$1,826.6 | (\$29.4) |
| PCT | \$207.4 | \$227.9 | \$223.6 | (\$4.4) | \$236.7 | \$233.5 | (\$3.2) |
| Extensions of Time | \$110.5 | \$124.0 | \$109.7 | (\$14.4) | \$124.4 | \$107.9 | (\$16.5) |
| Other Patent Fees | \$142.9 | \$159.7 | \$156.3 | (\$3.3) | \$165.4 | \$159.1 | (\$6.3) |
| Total Patent Fee Collections | \$3,343.4 | \$3,250.7 | \$3,098.4 | (\$152.4) | \$3,708.6 | \$3,608.3 | (\$100.3) |
| Trademarks | | | | | | | |
| Application Filings | \$202.9 | \$235.4 | \$265.9 | \$30.6 | \$247.6 | \$230.4 | (\$17.2) |
| Maintaining Exclusive Rights | \$76.4 | \$115.6 | \$95.1 | (\$20.6) | \$126.8 | \$104.6 | (\$22.2) |
| Other Trademark Fees | \$79.4 | \$93.5 | \$104.8 | \$11.2 | \$97.7 | \$115.1 | \$17.4 |
| Trademarks | \$358.7 | \$444.6 | \$465.8 | \$21.2 | \$472.1 | \$450.1 | (\$22.0) |
| USPTO Fee Collections | \$3,702.2 | \$3,695.3 | \$3,564.2 | (\$131.1) | \$4,180.7 | \$4,058.4 | (\$122.3) |
| Estimation Assumptions | | | | | | | |
| Patent Filings: | Filings growth rate -1.9% (609,155 UPR filings, 158,248 RCEs) | Filings growth rate 0.0% (632,105 UPR filings, 163,820 RCEs) | Filings growth rate -3.4% (588,739 UPR filings, 154,387 RCEs) | 43,366 fewer UPR filings, 9,433 fewer RCEs | Filings growth rate 1.7% (642,729 UPR filings, 167,420 RCEs) | Filings growth rate 1.0% (594,583 UPR filings, 153,715 RCEs) | 48,146 fewer UPR filings, 13,705 fewer RCEs |
| Issue and Publication: | Patents Printed of 362,701 | Patents Printed of 321,099 | Patents Printed of 339,125 | 18,026 more patents printed | Patents Printed of 322,337 | Patents Printed of 335,856 | 13,519 more patents printed |
| Trademark Filings | Filings growth rate 9.6% (738,112 filings) | Filings growth rate 2.6% (710,000 filings) | Filings growth rate 6.9% (789,000 filings) | 79,000 more filings | Filings growth rate 5.4% (748,000 filings) | Filings growth rate -11.4% (699,000 filings) | 49,000 fewer filings |

Proposed Fee Changes:

- The FY 2022 PB includes patent fee adjustments, which will increase patent revenue by nearly \$300 million annually, once fully implemented. A final rule, which incorporated public comments, was published August 3, 2020, with most changes taking effect October 2, 2020.
 - The proposed patent fee adjustments changed slightly since the publication of the FY 2021 PB, but the fee collections impact of those changes was relatively minor.
 - The effective date for the fee changes had a larger impact on FY 2020 actual collections and FY 2021 projected collections. The FY 2021 PB assumed the fees would take effect July 10, 2020, while the actual effective date was October 2, 2020. Because patent holders are eligible to submit maintenance fee payments up to six months prior to the due date, many patent holders took advantage of this and paid their maintenance fees before the fee rates increased. During the last few weeks of FY 2020, there was a surge in maintenance fee payments in advance of the fee rule effective date. The USPTO estimates that in the absence of a fee rule, approximately \$266 million in FY 2020

maintenance fee payments would have normally been paid in FY 2021, closer to the due dates for those payments.

The accelerated payments are not extra payments or payments above USPTO planned costs, they are simply a shift in payment timing that crossed fiscal years. This led to lower projected FY 2021 collections.

- The FY 2022 PB also includes trademark fee adjustments, which will increase trademark revenue by \$77 million to \$93 million per year once fully implemented. A final rule, which incorporated public comments, was published November 17, 2020, with most changes taking effect January 2, 2021.
 - The FY 2021 PB assumed the fees would take effect August 29, 2020, with the new fees in place for all of FY 2021. Instead, the actual effective date of January 2, 2021 means that fees were collected at the lower rates for the first quarter of FY 2021.
- Both sets of 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 these updated fee structures will provide USPTO with sufficient resources to support patent and trademark operations and related services. More information on the details of the fee rules is available at <https://www.uspto.gov/about-us/performance-and-planning/fee-setting-and-adjusting>.
- The FY 2022 PB also includes upcoming trademark fee adjustments, in response to the Trademark Modernization Act of 2020 (TMA), which will increase trademark revenue by \$3 million to \$5 million per year once fully implemented. The TMA was signed into law on December 27, 2020, and will be implemented by December 27, 2021.

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 2021 total utility, plant, and reissue (UPR) filings are estimated at 588,739, decreasing 3.4 percent from 609,155 filings in FY 2020. This follows a 1.9 percent decrease from FY 2019 to FY 2020. The decrease in FY 2020 was primarily due to an 8.5 percent decline in RCEs. Serialized (new) filings increased by 0.7 percent; this was lower than expected, in part due to the pandemic, but reflects continued demand for intellectual property rights.
- Total UPR filings are estimated to be 594,583 (1.0 percent growth) in FY 2022.
- Serialized (non-RCE) filings growth is estimated to decline 3.7 percent in FY 2021, then increase by 1.5 percent in FY 2022, 2.0 percent in FY 2023, and 3.0 percent in FY 2024 and beyond. While serialized filings increased in FY 2020, the projected FY 2021 decline reflects lagged impacts of the pandemic. Due to the lag between research and development and the filing of patent applications, along with time differences in when international patent applications pursue protection in the United States, changes in economic activity impact patent applications and related activity over multiple years. The FY 2021 PB estimated serialized growth ranging from 1.0 percent to 2.5 percent annually. While the updated estimates have higher growth rates in the out years, this will just help recover from the slower than expected FY 2020 growth and the projected FY 2021 decline; the projected number of serialized filings is lower each year than estimated in the FY 2021 PB.

Patent 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 60.2 percent in FY 2021, 60.4 percent in FY 2022, and between 60.5 percent and 60.9 percent from FY 2023 through FY 2026. This is slightly below the 60.8 percent rate that occurred in FY 2020, but higher than the 58.3 to 58.5 percent that was previously forecast for FY 2021 and beyond.
- Total patents printed are forecasted to decrease 6.5 percent to 339,125 in FY 2021 from 362,701 in FY 2020. The estimate then decreases in FY 2022 to 335,856, a change of -1.0 percent. However, total patents printed are expected to increase in FY 2023 and beyond.
- Total allowances are forecasted to decrease from 366,404 in FY 2020 to 352,286 in FY 2021, a change of -3.9 percent. FY 2022 is expected to increase 0.5 percent (to 354,152) and then see a slight increase of 0.1 percent (to 354,403) in FY 2023. Total allowances are expected to continue growing in the out-years, as total disposals increase in FY 2024 through FY 2026.

Patent 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 2020 PB, based on recent trends. Renewal rates fell in FY 2020, likely due to economic uncertainty surrounding the pandemic. It is assumed that renewal rates will continue to be lower through FY 2022, then recover.
 - For first stage renewals, it is assumed that for large entities 84.7 percent of eligible patents will be renewed in FY 2021 and beyond. This compares to assumed renewal rates of 85.3 percent in the FY 2021 PB.
 - For second stage renewals it is assumed that for large entities 77.6 percent of eligible patents will be renewed in FY 2021 and beyond. This compares to assumed renewal rates of 77.7 percent in the FY 2021 PB.
 - For third stage renewals it is assumed that for large entities 63.9 percent of eligible patents will be renewed in FY 2021 and 63.1 percent in FY 2022, then continue a recent trend of declining slightly each year (62.6 percent in FY 2023, 62.0 percent in FY 2024, 61.3 percent in FY 2025, and 60.5 percent in FY 2026). This compares to assumed renewal rates ranging from 66.3 percent to 64.7 percent in the FY 2021 PB.
 - In all cases, the assumed renewal rates for small and micro entities follow similar patterns, but the large entity rates are reported as they have the most significant impact on fee collections.
- As previously mentioned, some maintenance fee collections that would otherwise have been expected in FY 2021 were collected in FY 2020 due to the effective date of patent fee adjustments.

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 are similar to those for the patent application filings category, but through a different filing process.
- Compared to the FY 2021 PB, in the FY 2022 PB projected PCT fee collections are 1.9 percent lower in FY 2021 and 1.3 percent lower in FY 2022 due to the same factors discussed as driving application filing fee collections.

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 2021 PB assumed this would continue in FY 2020. However, there were even fewer extensions requested in FY 2020 than expected.
- The FY 2022 PB assumes lower rates of requests for extensions of time, lowering projected collections, and decreased application filing estimates also decrease extension of time fee collections. In total, collections in this category are forecasted to be 11.6 percent (\$14.4 million) lower in FY 2021 and 13.3 percent (\$16.5 million) lower in FY 2022, compared to the FY 2021 PB.

Trademark Application Filings

- After a slow start to FY 2020, trademark application filings grew 9.6 percent in FY 2020, which was faster than expected. It is projected that filings will grow by 6.9 in FY 2021. The strong FY 2020 and expected FY 2021 growth is due in part to economic stimulus provided by the United States Congress. Filings are projected to decline by 11.4 percent in FY 2022, then return to their long-term growth pattern.
- Compared to the FY 2021 PB, projections for total registrations have increased for FY 2021 and FY 2022, following the increased growth rates for FY 2020 and FY 2021. The updated production model estimates 425,500 registrations in FY 2021 (up from 413,800) and 435,100 in FY 2022 (up from 433,300).

Maintaining Exclusive Trademark Rights

- In order to maintain trademark rights, fees must be paid six years after issue, ten years after issue, and then every ten years after that. Collections of maintaining exclusive rights fees vary from year to year based both on the number of trademarks issued in the past (i.e. the number available to be renewed) and the rate at which trademark owners decide to renew their trademarks.
- Projections for trademark renewals have decreased from the FY 2021 PB to account for recent behavior. Recent analysis has indicated that the likelihood of renewing a trademark is highly correlated with a number of factors, including the nationality of the applicant, the number of trademarks held by the applicant, and whether or not the application is prepared with the help of legal counsel. In addition, the characteristics of incoming applications have been trending towards a larger percentage filed by

those types of applicants who are less likely to renew. Therefore, the percentage of trademarks that will be renewed is projected to decline over the forecast period.

- Fee collections for maintaining exclusive rights are projected to continue to grow, due to an increase in the number of live registrations, but the lowered expectations for the rates of renewal mean that the projected fee collections are lower than were estimated in the FY 2021 PB.

APPENDIX VI – USPTO Estimated and Actual Fees and Assumptions

| <i>(Dollars in Millions)</i> | FY 2019 | | FY 2020 | |
|---|--|---|--|---|
| | Actual | President's Budget | Revised Working Estimate | Actual |
| Date of Projection | September 2019 | February 2019 | February 2020 | September 2020 |
| Total USPTO Fee Collections | \$3,399 | \$3,451 | \$3,769 | \$3,702 |
| Total Patent Fee Collections | \$3,055 | \$3,095 | \$3,400 | \$3,343 |
| Total Trademark Fee Collections | \$344 | \$356 | \$369 | \$359 |
| Major Patent Fee Collections: | | | | |
| Filing (with Excess Claims) | \$914 | \$876 | \$925 | \$888 |
| Post Allowance Fees | \$327 | \$293 | \$332 | \$331 |
| Maintenance | \$1,346 | \$1,431 | \$1,662 | \$1,663 |
| PCT | \$204 | \$210 | \$213 | \$207 |
| Extensions of Time | \$125 | \$130 | \$122 | \$111 |
| Other | \$139 | \$154 | \$148 | \$143 |
| Major Trademark Fee Collections: | | | | |
| Application Filing | \$188 | \$194 | \$197 | \$203 |
| Post Allowance Fees | \$80 | \$88 | \$90 | \$76 |
| Maintenance | \$76 | \$74 | \$81 | \$79 |
| Assumptions Used to Develop Fee Collection Estimates | | | | |
| Filing Growth Rates: | Patent serialized filings growth rate 4.9% (447,976 filings). Patent RCE filings growth rate 0.9% (172,825 filings). Trademark filings growth rate 5.4% (673,233 filings). | Patent serialized filings growth rate 1.0% (437,667 filings). Patent RCE filings growth rate -1.6% (173,491 filings). Trademark filings growth rate 3.7% (703,000 filings). | Patent serialized filings growth rate 2.5% (459,103 filings). Patent RCE filings growth rate 0.2% (173,299 filings). Trademark filings growth rate 2.8% (692,000 filings). | Patent serialized filings growth rate 0.7% (450,907 filings). Patent RCE filings growth rate -8.5% (158,248 filings). Trademark filings growth rate 9.6% (738,112 filings). |
| Patent Issue: | Patents printed of 338,600 | Patents Printed of 313,300 | Patents Printed of 335,489 | Patents printed of 362,701 |
| Patents Fee Adjustments: | Fee rates based on Patents Final Rule published November 2017 with a fee effective date of January 16, 2018. | Fee rates assumed patent fee proposals with effective date of January 1, 2021 (not impacting FY 2020 collections). | Fee rates assumed patent fee proposals with effective date of July 10, 2020. | Patents Final Rule published August 2020 with effective date of October 2, 2020 did not impact fee rates paid in FY 2020, but increased FY 2020 collections due to accelerated payments in advance of the rule. |
| Trademarks Fee Adjustments: | N/A | N/A | Fee rates assumed trademarks fee proposals with effective date of August 29, 2020. | Trademarks Final Rule published November 2020 with effective date of January 2, 2021 did not impact fee rates paid in FY 2020. |

| | FY 2020 | FY 2021 | FY 2022 |
|---|---|--|--|
| | <i>(Dollars in Millions)</i> Actual | Revised Working Estimate | President's Budget Working Estimate |
| Date of Projection | September 2020 | February 2021 | February 2021 |
| Total USPTO Fee Collections | \$3,702 | \$3,564 | \$4,058 |
| Total Patent Fee Collections | \$3,343 | \$3,098 | \$3,608 |
| Total Trademark Fee Collections | \$359 | \$466 | \$450 |
| Major Patent Fee Collections: | | | |
| Filing (with Excess Claims) | \$888 | \$889 | \$904 |
| Post Allowance | \$331 | \$363 | \$377 |
| Maintenance | \$1,663 | \$1,357 | \$1,827 |
| PCT | \$207 | \$224 | \$234 |
| Extensions of Time | \$111 | \$110 | \$108 |
| Other | \$143 | \$156 | \$159 |
| Major Trademark Fee Collections: | | | |
| Application Filings | \$203 | \$266 | \$230 |
| Maintaining Exclusive Rights | \$76 | \$95 | \$105 |
| Other | \$79 | \$105 | \$115 |
| Assumptions Used to Develop Fee Collection Estimates | | | |
| Filing Growth Rates: | Patent serialized filings growth rate 0.7% (450,907 filings) Patent RCE filings growth rate -8.5% (158,248 filings) Trademark filings growth rate 9.6% (738,112 filings) | Patent serialized filings growth rate -3.7% (434,352 filings) Patent RCE filings growth rate -2.4% (154,387 filings) Trademark filings growth rate 6.9% (789,000 filings) | Patent serialized filings growth rate 1.5% (440,867 filings) Patent RCE filings growth rate -0.4% (153,715 RCEs) Trademark filings growth rate -11.4% (699,000 filings) |
| Patent Issue: | Patents Printed of 362,701 | Patents Printed of 339,125 | Patents Printed of 335,856 |
| Patent Fee Adjustments: | Patents Final Rule published August 2020 with effective date of October 2, 2020 did not impact fee rates paid in FY 2020, but increased FY 2020 collections due to accelerated payments in advance of the rule. | Patents Final Rule published August 2020 with effective date of October 2, 2020. Higher rates in effect for FY 2021, but decreased FY 2021 collections due to accelerated payments in advance of the rule being received in FY 2020. | Patents Final Rule published August 2020 with effective date of October 2, 2020. |
| Trademark Fee Adjustments: | Trademarks Final Rule published November 2020 with effective date of January 2, 2021 did not impact fee rates paid in FY 2020. | Trademarks Final Rule published November 2020 with effective date of January 2, 2021. | Trademarks Final Rule published November 2020 with effective date of January 2, 2021. |

APPENDIX VII – FY 2020 Fee Report

| <u>Fee Code</u> | <u>Fee Title</u> | <u>Fee Rate</u> | <u>President's Budget Planned Fee Collections</u> | <u>Actual Fee Collections</u> |
|--|---|-----------------|---|-----------------------------------|
| Patents Fee Summary: | | | | |
| | Patent Application Filing Fees | | \$883,916,100 | \$888,337,505 |
| | Patent Post Allowance Fees | | \$298,088,510 | \$330,940,814 |
| | Patent Maintenance Fees | | \$1,342,425,043 | \$1,663,203,180 |
| | Patent Extension of Time Fees | | \$131,599,950 | \$110,548,595 |
| | Patent Trial and Appeals Fees | | \$84,115,015 | \$67,934,325 |
| | Post Issuance Fees | | \$12,992,920 | \$13,704,835 |
| | Patent Cooperation Treaty (PCT) Fees | | \$202,274,303 | \$207,449,046 |
| | Hague International Design Application Fees | | \$1,854,400 | \$2,903,173 |
| | Patent Petition Fees | | \$16,047,200 | \$16,811,435 |
| | Patent Service Fees | | \$3,339,465 | \$3,123,605 |
| | Miscellaneous Patent Fees | | \$34,434,089 | \$37,404,748 |
| | Patent Enrollment Fees | | \$1,038,414 | \$1,006,155 |
| | Finance Service Fees | | \$65,847 | \$49,316 |
| | Total Patents Fees | | \$3,012,191,255 | \$3,343,416,731 |
| Trademarks Fee Summary: | | | | |
| | Application Filings | | \$187,795,325 | \$202,947,425 |
| | Maintaining Exclusive Rights | | \$85,896,375 | \$76,360,500 |
| | Intent to Use/Use Fees | | \$46,186,000 | \$53,264,600 |
| | Madrid Protocol Fees | | \$4,645,800 | \$4,311,250 |
| | Trademark Trial and Appeal Board | | \$8,390,800 | \$8,278,300 |
| | Other Trademark Fees | | \$11,052,164 | \$10,817,189 |
| | Trademark Processing Fees | | \$2,545,000 | \$2,750,400 |
| | Finance Service Fees | | \$7,367 | \$5,291 |
| | Total Trademarks Fees | | \$346,518,831 | \$358,734,955 |
| Total United States Patent and Trademark Office | | | \$3,358,710,086 | \$3,702,151,686 |

Patents

Patent Filing Fees (Large Entity):

| | | | | |
|--|--|----------|----------------------|----------------------|
| 1005 | Provisional application filing fee | \$280 | \$18,058,880 | \$18,202,569 |
| 1011 | Basic filing fee - Utility (electronic filing) | \$300 | \$69,090,000 | \$72,827,779 |
| 1012 | Basic filing fee - Design | \$200 | \$4,297,600 | \$3,606,095 |
| 1013 | Basic filing fee - Plant | \$200 | \$114,600 | \$99,400 |
| 1014 | Basic filing fee - Reissue | \$300 | \$166,500 | \$161,120 |
| 1017 | Basic filing fee - Design (CPA) | \$200 | \$147,200 | \$146,000 |
| 1019 | Basic filing fee - Reissue (CPA) | \$300 | \$600 | -\$600 |
| 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 | \$13,369,600 | \$12,339,320 |
| 1052 | Surcharge - Late provisional filing fee or cover sheet | \$60 | \$108,840 | \$89,880 |
| 1053 | Non-English translation | \$140 | \$219,660 | \$262,920 |
| 1081 | Utility Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$400 | \$5,333,200 | \$6,270,400 |
| 1082 | Design Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$400 | \$49,200 | \$34,400 |
| 1083 | Plant Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$400 | \$5,200 | \$3,600 |
| 1084 | Reissue Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$400 | \$13,600 | \$16,800 |
| 1085 | Provisional Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$400 | \$2,428,000 | \$2,716,800 |
| 1091 | Submission of sequence listings of 300MB to 800MB | \$1,000 | \$8,000 | \$9,000 |
| 1092 | Submission of sequence listings of more than 800MB | \$10,000 | \$20,000 | \$10,000 |
| 1111 | Utility Search Fee | \$660 | \$151,206,660 | \$159,228,780 |
| 1112 | Design Search Fee | \$160 | \$3,521,920 | \$2,974,600 |
| 1113 | Plant Search Fee | \$420 | \$239,820 | \$209,160 |
| 1114 | Reissue Search Fee | \$660 | \$364,320 | \$348,600 |
| 1201 | Independent claims in excess of three | \$460 | \$20,352,700 | \$20,842,300 |
| 1202 | Claims in excess of 20 | \$100 | \$30,190,600 | \$31,752,100 |
| 1203 | Multiple dependent claim | \$820 | \$747,020 | \$686,300 |
| 1204 | Reissue independent claims in excess of three | \$460 | \$287,960 | \$226,820 |
| 1205 | Reissue claims in excess of 20 | \$100 | \$469,800 | \$390,760 |
| 1311 | Utility Examination Fee | \$760 | \$174,819,760 | \$183,976,960 |
| 1312 | Design Examination Fee | \$600 | \$13,230,600 | \$11,170,340 |
| 1313 | Plant Examination Fee | \$620 | \$353,400 | \$308,760 |
| 1314 | Reissue Examination Fee | \$2,200 | \$1,216,600 | \$1,177,040 |
| 1801 | Request for continued examination (RCE) - 1st request (see 37 CFR 1.114) | \$1,300 | \$125,747,700 | \$112,535,800 |
| 1817 | Request for prioritized examination | \$4,000 | \$15,876,000 | \$24,848,000 |
| 1820 | Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114) | \$1,900 | \$80,558,100 | \$68,894,000 |
| Total Patent Filing Fees (Large Entity) | | | \$732,613,640 | \$736,365,803 |

Patents

Patent Filing Fees (Small Entity):

| | | | | |
|------|--|---------|--------------|--------------|
| 2005 | Provisional application filing fee | \$140 | \$10,635,520 | \$10,326,182 |
| 2011 | Basic filing fee - Utility (paper filing) | \$150 | \$119,100 | \$56,397 |
| 2012 | Basic filing fee - Design | \$100 | \$2,039,000 | \$1,776,610 |
| 2013 | Basic filing fee - Plant | \$100 | \$47,200 | \$48,800 |
| 2014 | Basic filing fee - Reissue | \$150 | \$27,900 | \$28,050 |
| 2017 | Basic filing fee - Design (CPA) | \$100 | \$42,200 | \$51,900 |
| 2019 | Basic filing fee - Reissue (CPA) | \$150 | \$300 | \$150 |
| 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 | \$2,987,440 | \$2,630,210 |
| 2052 | Surcharge - Late provisional filing fee or cover sheet | \$30 | \$89,910 | \$74,190 |
| 2053 | Non-English translation | \$70 | \$38,150 | \$44,450 |
| 2081 | Utility Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$200 | \$1,470,200 | \$2,031,600 |
| 2082 | Design Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$200 | \$16,400 | \$19,200 |
| 2083 | Plant Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$200 | \$0 | \$0 |
| 2084 | Reissue Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$200 | \$1,400 | \$400 |
| 2085 | Provisional Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$200 | \$1,505,600 | \$1,764,000 |
| 2091 | Submission of sequence listings of 300MB to 800MB | \$500 | \$1,000 | \$5,000 |
| 2092 | Submission of sequence listings of more than 800MB | \$5,000 | \$0 | \$5,000 |
| 2111 | Utility Search Fee | \$330 | \$25,984,860 | \$27,092,100 |
| 2112 | Design Search Fee | \$80 | \$1,643,280 | \$1,448,820 |
| 2113 | Plant Search Fee | \$210 | \$98,700 | \$102,480 |
| 2114 | Reissue Search Fee | \$330 | \$61,380 | \$61,380 |
| 2201 | Independent claims in excess of three | \$230 | \$3,780,050 | \$3,622,570 |
| 2202 | Claims in excess of 20 | \$50 | \$8,469,700 | \$8,353,083 |
| 2203 | Multiple dependent claim | \$410 | \$224,680 | \$219,310 |
| 2204 | Reissue independent claims in excess of three | \$230 | \$47,380 | \$36,570 |
| 2205 | Reissue claims in excess of 20 | \$50 | \$69,400 | \$78,350 |
| 2311 | Utility Examination Fee | \$380 | \$30,021,900 | \$31,281,620 |
| 2312 | Design Examination Fee | \$300 | \$6,159,300 | \$5,436,670 |
| 2313 | Plant Examination Fee | \$310 | \$144,770 | \$151,590 |
| 2314 | Reissue Examination Fee | \$1,100 | \$201,300 | \$205,700 |
| 2801 | Request for continued examination (RCE) - 1st request (see 37 CFR 1.114) | \$650 | \$16,352,050 | \$15,092,400 |
| 2817 | Request for prioritized examination | \$2,000 | \$10,516,000 | \$11,664,000 |
| 2820 | Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114) | \$950 | \$9,754,600 | \$9,093,400 |

| | | | | |
|--|--|------|----------------------|----------------------|
| 4011 | Basic filing fee - Utility (electronic filing) | \$75 | \$5,902,425 | \$6,194,995 |
| Total Patent Filing Fees (Small Entity) | | | \$138,453,095 | \$138,997,177 |

Patents

Patent Filing Fees (Micro Entity):

| | | | | |
|------|--|-------|-------------|-------------|
| 3005 | Provisional application filing fee | \$70 | \$2,074,310 | \$1,938,830 |
| 3011 | Basic filing fee - Utility (electronic filing) | \$75 | \$1,192,875 | \$1,140,635 |
| 3012 | Basic filing fee - Design | \$50 | \$300,800 | \$449,305 |
| 3013 | Basic filing fee - Plant | \$50 | \$250 | \$350 |
| 3014 | Basic filing fee - Reissue | \$75 | \$675 | \$1,950 |
| 3017 | Basic filing fee - Design (CPA) | \$50 | \$3,350 | \$3,450 |
| 3019 | Basic filing fee - Reissue (CPA) | \$75 | \$75 | \$0 |
| 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 | \$174,840 | \$148,390 |
| 3052 | Surcharge - Late provisional filing fee or cover sheet | \$15 | \$52,875 | \$44,385 |
| 3053 | Non-English translation | \$35 | \$1,085 | \$1,925 |
| 3081 | Utility Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$100 | \$20,500 | \$16,600 |
| 3082 | Design Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$100 | \$100 | \$100 |
| 3085 | Provisional Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$100 | \$22,400 | \$21,400 |
| 3091 | Submission of sequence listings of 300MB to 800MB | \$250 | \$0 | \$750 |
| 3111 | Utility Search Fee | \$165 | \$2,578,125 | \$2,426,355 |
| 3112 | Design Search Fee | \$40 | \$238,360 | \$357,770 |
| 3113 | Plant Search Fee | \$105 | \$420 | \$735 |
| 3114 | Reissue Search Fee | \$165 | \$1,485 | \$4,290 |
| 3201 | Independent claims in excess of three | \$115 | \$177,560 | \$181,000 |
| 3202 | Claims in excess of 20 | \$25 | \$225,075 | \$210,875 |
| 3203 | Multiple dependent claim | \$205 | \$14,145 | \$16,400 |
| 3204 | Reissue independent claims in excess of three | \$115 | \$1,150 | \$920 |
| 3205 | Reissue claims in excess of 20 | \$25 | \$1,800 | \$3,950 |
| 3311 | Utility Examination Fee | \$190 | \$2,975,210 | \$2,802,890 |
| 3312 | Design Examination Fee | \$150 | \$892,650 | \$1,342,235 |
| 3313 | Plant Examination Fee | \$155 | \$775 | \$1,085 |
| 3314 | Reissue Examination Fee | \$550 | \$4,950 | \$13,750 |
| 3801 | Request for continued examination (RCE) - 1st request (see 37 CFR 1.114) | \$325 | \$815,100 | \$752,975 |

| | | | | |
|--|---|---------|---------------------|---------------------|
| 3817 | Request for prioritized examination | \$1,000 | \$773,000 | \$796,000 |
| 3820 | Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114) | \$475 | \$305,425 | \$295,225 |
| Total Patent Filing Fees (Micro Entity) | | | \$12,849,365 | \$12,974,525 |

Patents

Patent Post Allowance Fees (Large Entity):

| | | | | |
|--|---|---------|----------------------|----------------------|
| 1501 | Utility Issue | \$1,000 | \$247,287,407 | \$274,839,860 |
| 1502 | Design Issue | \$700 | \$11,159,462 | \$11,591,300 |
| 1503 | Plant Issue | \$800 | \$527,491 | \$520,840 |
| 1505 | Publication fee for republication | \$300 | \$24,406 | \$28,200 |
| 1506 | Suspense Account for Partial Issue Payments | var | \$4,271 | \$3,574 |
| 1508 | Issue Fee - owed over current fee | var | \$770 | \$0 |
| 1511 | Reissue Issue | \$1,000 | \$402,041 | \$442,000 |
| Total Patent Post Allowance Fees (Large Entity) | | | \$259,405,848 | \$287,425,774 |

Patents

Patent Post Allowance Fees (Small Entity):

| | | | | |
|--|---------------|-------|---------------------|---------------------|
| 2501 | Utility Issue | \$500 | \$31,710,404 | \$35,514,455 |
| 2502 | Design Issue | \$350 | \$4,226,769 | \$4,727,110 |
| 2503 | Plant Issue | \$400 | \$254,096 | \$291,200 |
| 2511 | Reissue Issue | \$500 | \$57,325 | \$62,000 |
| Total Patent Post Allowance Fees (Small Entity) | | | \$36,248,595 | \$40,594,765 |

Patents

Patent Post Allowance Fees (Micro Entity):

| | | | | |
|--|-----------------------------------|-------|--------------------|--------------------|
| 3501 | Utility Issue | \$250 | \$1,984,113 | \$2,196,200 |
| 3502 | Design Issue | \$175 | \$446,520 | \$721,175 |
| 3503 | Plant Issue | \$200 | \$2,510 | \$1,400 |
| 3505 | Publication fee for republication | \$300 | \$256 | \$0 |
| 3511 | Reissue Issue | \$250 | \$668 | \$1,500 |
| Total Patent Post Allowance Fees (Micro Entity) | | | \$2,434,067 | \$2,920,275 |

Patents**Patent Maintenance Fees (Large Entity):**

| | | | | |
|---|---|---------|------------------------|------------------------|
| 1551 | Due at 3.5 years | \$1,600 | \$337,174,764 | \$411,084,800 |
| 1552 | Due at 7.5 years | \$3,600 | \$457,179,139 | \$604,072,800 |
| 1553 | Due at 11.5 years | \$7,400 | \$430,101,146 | \$513,293,600 |
| 1554 | Surcharge - 3.5 year - Late payment within 6 months | \$160 | \$626,458 | \$661,760 |
| 1555 | Surcharge - 7.5 year - Late payment within 6 months | \$160 | \$499,570 | \$474,560 |
| 1556 | Surcharge - 11.5 year - Late payment within 6 months | \$160 | \$291,835 | \$225,280 |
| 1558 | Petition for the delayed payment of the fee for maintaining a patent in force | \$2,000 | \$1,163,342 | \$1,388,000 |
| 1559 | Patent Unassigned Maintenance Fees | var | \$1,500,000 | \$1,108,330 |
| Total Patent Maintenance Fees (Large Entity) | | | \$1,228,536,253 | \$1,532,309,130 |

Patents**Patent Maintenance Fees (Small Entity):**

| | | | | |
|---|---|---------|----------------------|----------------------|
| 2551 | Due at 3.5 years | \$800 | \$36,815,960 | \$40,277,600 |
| 2552 | Due at 7.5 years | \$1,800 | \$38,862,375 | \$49,190,400 |
| 2553 | Due at 11.5 years | \$3,700 | \$31,925,766 | \$34,465,500 |
| 2554 | Surcharge - 3.5 year - Late payment within 6 months | \$80 | \$510,927 | \$524,960 |
| 2555 | Surcharge - 7.5 year - Late payment within 6 months | \$80 | \$260,035 | \$320,400 |
| 2556 | Surcharge - 11.5 year - Late payment within 6 months | \$80 | \$112,823 | \$109,920 |
| 2558 | Petition for the delayed payment of the fee for maintaining a patent in force | \$1,000 | \$1,417,596 | \$1,326,100 |
| Total Patent Maintenance Fees (Small Entity) | | | \$109,905,483 | \$126,214,880 |

Patents**Patent Maintenance Fees (Micro Entity):**

| | | | | |
|---|---|---------|--------------------|--------------------|
| 3551 | Due at 3.5 years | \$400 | \$1,599,224 | \$2,051,200 |
| 3552 | Due at 7.5 years | \$900 | \$1,249,358 | \$1,412,100 |
| 3553 | Due at 11.5 years | \$1,850 | \$930,473 | \$987,900 |
| 3554 | Surcharge - 3.5 year - Late payment within 6 months | \$40 | \$41,274 | \$49,440 |
| 3555 | Surcharge - 7.5 year - Late payment within 6 months | \$40 | \$15,462 | \$17,960 |
| 3556 | Surcharge - 11.5 year - Late payment within 6 months | \$40 | \$7,364 | \$7,720 |
| 3558 | Petition for the delayed payment of the fee for maintaining a patent in force | \$500 | \$140,152 | \$152,850 |
| Total Patent Maintenance Fees (Micro Entity) | | | \$3,983,307 | \$4,679,170 |

Patents

Patent Extension of Time Fees (Large Entity):

| | | | | |
|---|--|-------|---------------------|---------------------|
| 1251 | Extension for response within first month | \$200 | \$17,706,000 | \$14,754,400 |
| 1252 | Extension for response within second month | var | \$22,088,400 | \$17,099,900 |
| 1253 | Extension for response within third month | var | \$43,024,800 | \$33,421,397 |
| 1254 | Extension for response within fourth month | var | \$4,213,000 | \$4,010,798 |
| 1255 | Extension for response within fifth month | var | \$6,228,000 | \$6,789,525 |
| Total Patent Extension of Time Fees (Large Entity) | | | \$93,260,200 | \$76,076,020 |

Patents

Patent Extension of Time Fees (Small Entity):

| | | | | |
|---|--|-------|---------------------|---------------------|
| 2251 | Extension for response within first month | \$100 | \$3,420,800 | \$3,110,600 |
| 2252 | Extension for response within second month | var | \$5,877,600 | \$5,278,574 |
| 2253 | Extension for response within third month | var | \$21,031,500 | \$18,083,256 |
| 2254 | Extension for response within fourth month | var | \$2,664,200 | \$2,572,990 |
| 2255 | Extension for response within fifth month | var | \$3,375,000 | \$3,634,650 |
| Total Patent Extension of Time Fees (Small Entity) | | | \$36,369,100 | \$32,680,070 |

Patents

Patent Extension of Time Fees (Micro Entity):

| | | | | |
|---|--|------|--------------------|--------------------|
| 3251 | Extension for response within first month | \$50 | \$201,150 | \$181,100 |
| 3252 | Extension for response within second month | var | \$357,450 | \$319,033 |
| 3253 | Extension for response within third month | var | \$1,125,250 | \$987,247 |
| 3254 | Extension for response within fourth month | var | \$160,050 | \$160,950 |
| 3255 | Extension for response within fifth month | var | \$126,750 | \$144,175 |
| Total Patent Extension of Time Fees (Micro Entity) | | | \$1,970,650 | \$1,792,505 |

Patents

Patent Trial and Appeal Fees (Large Entity):

| | | | | |
|------|--|---------|--------------|--------------|
| 1401 | Notice of appeal | \$800 | \$13,269,600 | \$10,062,400 |
| 1403 | Request for oral hearing | \$1,300 | \$786,500 | \$539,500 |
| 1404 | Filing a brief in support of an appeal in an inter partes reexamination proceeding | \$2,000 | \$44,000 | \$56,000 |

| | | | | |
|--|---|----------|---------------------|---------------------|
| 1405 | Petitions to the Chief Administrative Patent Judge under 37 CFR 41.3 | \$400 | \$13,600 | \$57,600 |
| 1406 | Inter partes review request fee - Up to 20 claims | \$15,500 | \$25,621,500 | \$22,118,500 |
| 1407 | Inter partes review request of each claim in excess of 20 | \$300 | \$919,800 | \$879,900 |
| 1408 | Post-grant or covered business method review request fee - Up to 20 claims | \$16,000 | \$1,920,000 | \$1,344,000 |
| 1409 | Post-grant or covered business method review request of each claim in excess of 20 | \$375 | \$265,875 | \$155,250 |
| 1412 | Petition for a derivation proceeding | \$400 | \$4,000 | \$400 |
| 1413 | Forwarding an appeal in an application or ex parte reexamination proceeding to the Board | \$2,240 | \$17,006,080 | \$12,293,120 |
| 1414 | Inter partes review post-institution fee - Up to 20 claims | \$15,000 | \$16,440,000 | \$13,318,000 |
| 1415 | Inter partes post-institution request of each claim in excess of 20 | \$600 | \$1,966,800 | \$2,057,000 |
| 1416 | Post-grant or covered business method review post-institution fee - Up to 20 claims | \$22,000 | \$1,320,000 | \$1,364,000 |
| 1417 | Post-grant or covered business method review post-institution request of each claim in excess of 20 | \$825 | \$408,375 | \$460,350 |
| Total Patent Trial and Appeal Fees (Large Entity) | | | \$79,986,130 | \$64,706,020 |

Patents

Patent Trial and Appeals Fees (Small Entity):

| | | | | |
|---|--|---------|--------------------|--------------------|
| 2401 | Notice of appeal | \$400 | \$1,963,200 | \$1,577,200 |
| 2403 | Request for oral hearing | \$650 | \$129,350 | \$83,850 |
| 2404 | Filing a brief in support of an appeal in an inter partes reexamination proceeding | \$1,000 | \$4,000 | \$3,000 |
| 2413 | Forwarding an appeal in an application or ex parte reexamination proceeding to the Board | \$1,120 | \$1,833,440 | \$1,384,440 |
| Total Patent Trial and Appeals Fees (Small Entity) | | | \$3,929,990 | \$3,048,490 |

Patents

Patent Trial and Appeals Fees (Micro Entity):

| | | | | |
|---|--|-------|------------------|------------------|
| 3401 | Notice of appeal | \$200 | \$93,400 | \$83,400 |
| 3403 | Request for oral hearing | \$325 | \$3,575 | \$3,575 |
| 3404 | Filing a brief in support of an appeal in an inter partes reexamination proceeding | \$500 | \$0 | \$1,000 |
| 3413 | Forwarding an appeal in an application or ex parte reexamination proceeding to the Board | \$560 | \$101,920 | \$91,840 |
| Total Patent Trial and Appeals Fees (Micro Entity) | | | \$198,895 | \$179,815 |

Patents

Post Issuance Fees (Large Entity):

| | | | | |
|------|---|----------|-------------|-------------|
| 1811 | Certificate of correction | \$150 | \$1,226,250 | \$1,239,550 |
| 1812 | Ex Parte Reexamination (§ 1.510(a)) Non-streamlined | \$12,000 | \$1,116,000 | \$1,062,000 |
| 1814 | Statutory disclaimer, including terminal disclaimer | \$160 | \$7,108,320 | \$7,529,600 |

| | | | | |
|--|---|----------|--------------------|---------------------|
| 1816 | Processing fee for correcting inventorship in a patent | \$150 | \$45,300 | \$44,010 |
| 1821 | Reexamination independent claims in excess of three and also in excess of the number of such claims in the patent under reexamination | \$460 | \$16,560 | \$17,940 |
| 1822 | Reexamination claims in excess of 20 and also in excess of the number of claims in the patent under reexamination | \$100 | \$38,000 | \$31,400 |
| 1825 | Refused Reexamination Requests | \$3,600 | \$3,600 | \$7,200 |
| 1826 | Request for supplemental examination | \$4,400 | \$70,400 | \$123,200 |
| 1827 | Reexamination ordered as a result of supplemental examination | \$12,100 | \$12,100 | \$205,700 |
| 1828 | Supplemental Examination Document Size Fee - for nonpatent document having between 21 and 50 sheets | \$180 | \$360 | \$3,240 |
| 1829 | Supplemental Examination Document Size Fee - for each additional 50 sheets or a fraction thereof in a nonpatent document | \$280 | \$1,680 | \$840 |
| 1831 | Ex Parte Reexamination (§ 1.510(a)) Streamlined | \$6,000 | \$36,000 | \$132,000 |
| Total Post Issuance Fees (Large Entity) | | | \$9,674,570 | \$10,396,680 |

Patents

Post Issuance Fees (Small Entity):

| | | | | |
|--|---|---------|--------------------|--------------------|
| 2811 | Certificate of correction | \$150 | \$321,450 | \$323,400 |
| 2812 | Ex Parte Reexamination (§ 1.510(a)) Non-streamlined | \$6,000 | \$396,000 | \$156,830 |
| 2814 | Statutory disclaimer, including terminal disclaimer | \$160 | \$2,320,000 | \$2,446,240 |
| 2816 | Processing fee for correcting inventorship in a patent | \$150 | \$19,050 | \$19,350 |
| 2821 | Reexamination independent claims in excess of three and also in excess of the number of such claims in the patent under reexamination | \$230 | \$3,220 | \$7,130 |
| 2822 | Reexamination claims in excess of 20 and also in excess of the number of claims in the patent under reexamination | \$50 | \$12,700 | \$7,700 |
| 2826 | Request for supplemental examination | \$2,200 | \$30,800 | \$22,000 |
| 2827 | Reexamination ordered as a result of supplemental examination | \$6,050 | \$24,200 | \$36,300 |
| 2828 | Supplemental Examination Document Size Fee - for nonpatent document having between 21 and 50 sheets | \$90 | \$90 | \$1,080 |
| 2829 | Supplemental Examination Document Size Fee - for each additional 50 sheets or a fraction thereof in a nonpatent document | \$140 | \$0 | \$140 |
| 2831 | Ex Parte Reexamination (§ 1.510(a)) Streamlined | \$3,000 | \$12,000 | \$141,000 |
| Total Post Issuance Fees (Small Entity) | | | \$3,139,510 | \$3,161,170 |

Patents

Post Issuance Fees (Micro Entity):

| | | | | |
|------|---|---------|----------|----------|
| 3811 | Certificate of correction | \$150 | \$11,550 | \$11,700 |
| 3812 | Ex Parte Reexamination (§ 1.510(a)) Non-streamlined | \$3,000 | \$57,000 | \$3,000 |

| | | | | |
|--|---|---------|------------------|------------------|
| 3814 | Statutory disclaimer, including terminal disclaimer | \$160 | \$108,640 | \$129,760 |
| 3816 | Processing fee for correcting inventorship in a patent | \$150 | \$1,650 | \$1,350 |
| 3821 | Reexamination independent claims in excess of three and also in excess of the number of such claims in the patent under reexamination | \$115 | \$0 | \$0 |
| 3822 | Reexamination claims in excess of 20 and also in excess of the number of claims in the patent under reexamination | \$25 | \$0 | \$75 |
| 3826 | Request for supplemental examination | \$1,100 | \$0 | \$1,100 |
| 3827 | Reexamination ordered as a result of supplemental examination | \$3,025 | \$0 | \$0 |
| 3828 | Supplemental Examination Document Size Fee - for nonpatent document having between 21 and 50 sheets | \$45 | \$0 | \$0 |
| 3829 | Supplemental Examination Document Size Fee - for each additional 50 sheets or a fraction thereof in a nonpatent document | \$70 | \$0 | \$0 |
| 3831 | Ex Parte Reexamination (§ 1.510(a)) Streamlined | \$1,500 | \$0 | \$0 |
| Total Post Issuance Fees (Micro Entity) | | | \$178,840 | \$146,985 |

Patents

PCT Fees - National Stage (Large Entity):

| | | | | |
|---|---|-------|----------------------|----------------------|
| 1614 | Independent claims in excess of three | \$460 | \$6,283,140 | \$5,904,080 |
| 1615 | Claims in excess of 20 | \$100 | \$7,987,000 | \$6,936,280 |
| 1616 | Multiple dependent claim | \$820 | \$498,560 | \$382,080 |
| 1617 | Search fee, examination fee or oath or declaration after the date of commencement of the national stage | \$140 | \$3,599,032 | \$3,510,780 |
| 1618 | English translation after thirty months from priority date | \$140 | \$212,814 | \$192,640 |
| 1631 | Basic National Stage Fee | \$300 | \$22,108,285 | \$22,496,960 |
| 1632 | National Stage Search Fee - all other situations | \$660 | \$1,541,313 | \$2,378,880 |
| 1633 | National Stage Examination Fee - all other situations | \$760 | \$55,892,160 | \$56,781,760 |
| 1641 | National Stage Search Fee - U.S. was the ISA | \$140 | \$296,917 | \$313,120 |
| 1642 | National Stage Search Fee - search report prepared and provided to USPTO | \$520 | \$36,212,549 | \$35,843,320 |
| 1681 | National Stage Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$400 | \$1,916,000 | \$2,551,600 |
| Total PCT Fees - National Stage (Large Entity) | | | \$136,547,770 | \$137,291,500 |

Patents

PCT Fees - National Stage (Small Entity):

| | | | | |
|------|---|-------|-------------|-------------|
| 2614 | Independent claims in excess of three | \$230 | \$1,188,410 | \$1,268,110 |
| 2615 | Claims in excess of 20 | \$50 | \$2,667,600 | \$2,630,300 |
| 2616 | Multiple dependent claim | \$410 | \$126,280 | \$143,150 |
| 2617 | Search fee, examination fee or oath or declaration after the date of commencement of the national stage | \$70 | \$854,860 | \$804,300 |
| 2618 | English translation after thirty months from priority date | \$70 | \$69,025 | \$69,510 |

| | | | | |
|---|---|-------|---------------------|---------------------|
| 2631 | Basic National Stage Fee | \$150 | \$3,559,355 | \$3,832,540 |
| 2632 | National Stage Search Fee - all other situations | \$330 | \$294,161 | \$411,990 |
| 2633 | National Stage Examination Fee - all other situations | \$380 | \$8,853,223 | \$9,503,480 |
| 2641 | National Stage Search Fee - U.S. was the ISA | \$70 | \$324,886 | \$375,130 |
| 2642 | National Stage Search Fee - search report prepared and provided to USPTO | \$260 | \$4,593,496 | \$4,800,880 |
| 2681 | National Stage Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$200 | \$627,800 | \$835,000 |
| Total PCT Fees - National Stage (Small Entity) | | | \$23,159,096 | \$24,674,390 |

Patents

PCT Fees - National Stage (Micro Entity):

| | | | | |
|---|---|-------|------------------|------------------|
| 3614 | Independent claims in excess of three | \$115 | \$34,270 | \$33,465 |
| 3615 | Claims in excess of 20 | \$25 | \$58,500 | \$48,300 |
| 3616 | Multiple dependent claim | \$205 | \$7,995 | \$7,995 |
| 3617 | Search fee, examination fee or oath or declaration after the date of commencement of the national stage | \$35 | \$11,772 | \$9,240 |
| 3618 | English translation after thirty months from priority date | \$35 | \$2,794 | \$2,170 |
| 3631 | Basic National Stage Fee | \$75 | \$118,101 | \$125,255 |
| 3632 | National Stage Search Fee - all other situations | \$165 | \$21,496 | \$39,435 |
| 3633 | National Stage Examination Fee - all other situations | \$190 | \$292,928 | \$300,960 |
| 3641 | National Stage Search Fee - U.S. was the ISA | \$35 | \$9,483 | \$9,630 |
| 3642 | National Stage Search Fee - search report prepared and provided to USPTO | \$130 | \$146,015 | \$142,090 |
| 3681 | National Stage Application Size Fee - for each additional 50 sheets that exceeds 100 sheets | \$100 | \$6,000 | \$5,400 |
| Total PCT Fees - National Stage (Micro Entity) | | | \$709,354 | \$723,940 |

Patents

PCT Fees - International Stage (Large Entity):

| | | | | |
|------|--|---------|--------------|--------------|
| 1601 | Transmittal fee | \$240 | \$8,792,160 | \$8,752,560 |
| 1602 | Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16) | \$2,080 | \$15,040,429 | \$15,934,853 |
| 1604 | Supplemental search fee when required, per additional invention | \$2,080 | \$737,442 | \$603,200 |
| 1605 | Preliminary examination fee - U.S. was the ISA | \$600 | \$189,205 | \$121,800 |
| 1606 | Preliminary examination fee - U.S. was not the ISA | \$760 | \$188,671 | \$129,960 |
| 1607 | Supplemental examination fee per additional invention | \$600 | \$2,070 | \$3,600 |
| 1619 | Late payment fee | var | \$136,302 | \$108,334 |
| 1621 | Transmitting application to Intl. Bureau to act as receiving office | \$240 | \$97,045 | \$102,960 |

| | | | | |
|--|--|-------|---------------------|---------------------|
| 1624 | Suspense Account for PCT Payments | | \$0 | \$80,779 |
| 1627 | Late Furnishing Fee for Providing a Sequence Listing in Response to an Invitation Under PCT Rule 13ter | \$300 | \$104,700 | \$58,200 |
| Total PCT Fees - International Stage (Large Entity) | | | \$25,288,023 | \$25,956,245 |

Patents

PCT Fees - International Stage (Small Entity):

| | | | | |
|--|--|---------|---------------------|---------------------|
| 2601 | Transmittal fee | \$120 | \$2,118,720 | \$2,274,840 |
| 2602 | Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16) | \$1,040 | \$12,998,050 | \$14,868,880 |
| 2604 | Supplemental search fee when required, per additional invention | \$1,040 | \$575,868 | \$625,040 |
| 2605 | Preliminary examination fee - U.S. was the ISA | \$300 | \$145,597 | \$124,500 |
| 2606 | Preliminary examination fee - U.S. was not the ISA | \$380 | \$26,719 | \$17,100 |
| 2607 | Supplemental examination fee per additional invention | \$300 | \$4,485 | \$2,100 |
| 2619 | Late payment fee | var | \$1,450 | \$468 |
| 2621 | Transmitting application to Intl. Bureau to act as receiving office | \$120 | \$32,082 | \$35,280 |
| 2627 | Late Furnishing Fee for Providing a Sequence Listing in Response to an Invitation Under PCT Rule 13ter | \$150 | \$10,500 | \$103,200 |
| Total PCT Fees - International Stage (Small Entity) | | | \$15,913,470 | \$18,122,408 |

Patents

PCT Fees - International Stage (Micro Entity):

| | | | | |
|--|--|-------|------------------|------------------|
| 3601 | Transmittal fee | \$60 | \$65,340 | \$62,640 |
| 3602 | Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16) | \$520 | \$540,748 | \$571,480 |
| 3604 | Supplemental search fee when required, per additional invention | \$520 | \$32,626 | \$31,200 |
| 3605 | Preliminary examination fee - U.S. was the ISA | \$150 | \$10,550 | \$7,500 |
| 3606 | Preliminary examination fee - U.S. was not the ISA | \$190 | \$273 | \$760 |
| 3607 | Supplemental examination fee per additional invention | \$150 | \$690 | \$0 |
| 3619 | Late payment fee | var | \$3,841 | \$1,658 |
| 3621 | Transmitting application to Intl. Bureau to act as receiving office | \$60 | \$1,998 | \$1,800 |
| 3627 | Late Furnishing Fee for Providing a Sequence Listing in Response to an Invitation Under PCT Rule 13ter | \$75 | \$525 | \$525 |
| Total PCT Fees - International Stage (Micro Entity) | | | \$656,591 | \$680,563 |

Patents

Hague International Design Application Fees (Large Entity):

| | | | | |
|------|-----------------|-------|----------|---------|
| 1781 | Transmittal Fee | \$120 | \$10,200 | \$9,960 |
|------|-----------------|-------|----------|---------|

| | | | | |
|---|--|-------|--------------------|--------------------|
| 1791 | International Design Application First Part U.S. Designation Fee | \$960 | \$1,320,000 | \$2,232,760 |
| 1792 | (Part II Designation Fee) Issue Fee Paid Through the International Bureau in an International Design Application | \$700 | \$224,700 | \$180,740 |
| 9981 | Exchange Rate Gains/Losses for Hague Transactions | var | \$0 | \$19,898 |
| 9989 | Suspense Account for Hague Transactions | var | \$0 | \$1,930 |
| Total Hague International Design Application Fees (Large Entity) | | | \$1,554,900 | \$2,445,288 |

Patents

Hague International Design Application Fees (Small Entity):

| | | | | |
|---|--|-------|------------------|------------------|
| 2781 | Transmittal Fee | \$60 | \$1,980 | \$4,680 |
| 2791 | International Design Application First Part U.S. Designation Fee | \$480 | \$218,880 | \$355,100 |
| 2792 | (Part II Designation Fee) Issue Fee Paid Through the International Bureau in an International Design Application | \$350 | \$44,100 | \$52,360 |
| Total Hague International Design Application Fees (Small Entity) | | | \$264,960 | \$412,140 |

Patents

Hague International Design Application Fees (Micro Entity):

| | | | | |
|---|--|-------|-----------------|-----------------|
| 3781 | Transmittal Fee | \$30 | \$180 | \$420 |
| 3791 | International Design Application First Part U.S. Designation Fee | \$240 | \$27,360 | \$36,960 |
| 3792 | (Part II Designation Fee) Issue Fee Paid Through the International Bureau in an International Design Application | \$175 | \$7,000 | \$8,365 |
| Total Hague International Design Application Fees (Micro Entity) | | | \$34,540 | \$45,745 |

Patents

Patent Petition Fees (Large Entity):

| | | | | |
|------|--|---------|-------------|-------------|
| 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 | \$5,578,000 | \$5,458,000 |
| 1454 | Petition for the delayed submission of a priority or benefit claim, or to restore the right of priority or benefit | \$2,000 | \$2,218,000 | \$1,952,000 |
| 1455 | Filing an application for patent term adjustment | \$200 | \$63,200 | \$68,800 |
| 1456 | Request for reinstatement of term reduced | \$400 | \$400 | \$4,000 |
| 1457 | Extension of term of patent | \$1,120 | \$48,160 | \$152,320 |
| 1458 | Initial application for interim extension (see 37 CFR 1.790) | \$420 | \$420 | \$3,780 |
| 1459 | Subsequent application for interim extension (see 37 CFR 1.790) | \$220 | \$220 | \$660 |
| 1462 | Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I) | \$400 | \$366,800 | \$494,000 |
| 1463 | Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II) | \$200 | \$947,600 | \$1,435,200 |
| 1464 | Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III) | \$140 | \$1,088,640 | \$1,357,730 |

| | | | | |
|--|--|---------|---------------------|---------------------|
| 1784 | Petition to excuse applicant's failure to act within prescribed time limits in an international design application | \$2,000 | \$0 | \$2,000 |
| 1824 | Petitions in a reexamination proceeding, except for those specifically enumerated in 37 CFR 1.550(i) and 1.937(d) | \$1,940 | \$29,100 | \$62,080 |
| Total Patent Petition Fees (Large Entity) | | | \$10,340,540 | \$10,990,570 |

Patents

Patent Petition Fees (Small Entity):

| | | | | |
|--|--|---------|--------------------|--------------------|
| 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 | \$3,469,000 | \$3,367,300 |
| 2454 | Petition for the delayed submission of a priority or benefit claim, or to restore the right of priority or benefit | \$1,000 | \$1,089,000 | \$1,048,850 |
| 2455 | Filing an application for patent term adjustment | \$200 | \$11,600 | \$9,600 |
| 2456 | Request for reinstatement of term reduced | \$400 | \$1,600 | -\$800 |
| 2457 | Extension of term of patent | \$1,120 | \$2,240 | \$12,320 |
| 2458 | Initial application for interim extension (see 37 CFR 1.790) | \$420 | \$840 | \$420 |
| 2459 | Subsequent application for interim extension (see 37 CFR 1.790) | \$220 | \$1,320 | -\$220 |
| 2462 | Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I) | \$200 | \$142,800 | \$172,200 |
| 2463 | Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II) | \$100 | \$50,700 | \$61,200 |
| 2464 | Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III) | \$70 | \$251,300 | \$311,570 |
| 2783 | Petition to convert an international design application to a design application under 35 U.S.C. chapter 16 | \$90 | \$90 | \$90 |
| 2784 | Petition to excuse applicant's failure to act within prescribed time limits in an international design application | \$1,000 | \$3,000 | \$0 |
| 2824 | Petitions in a reexamination proceeding, except for those specifically enumerated in 37 CFR 1.550(i) and 1.937(d) | \$970 | \$4,850 | \$14,550 |
| Total Patent Petition Fees (Small Entity) | | | \$5,028,340 | \$4,996,990 |

Patents

Patent Petition Fees (Micro Entity):

| | | | | |
|------|--|-------|-----------|-----------|
| 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 | \$549,000 | \$668,500 |
| 3454 | Petition for the delayed submission of a priority or benefit claim, or to restore the right of priority or benefit | \$500 | \$101,500 | \$119,500 |
| 3455 | Filing an application for patent term adjustment | \$200 | \$1,000 | \$200 |
| 3456 | Request for reinstatement of term reduced | \$400 | \$800 | \$800 |
| 3458 | Initial application for interim extension (see 37 CFR 1.790) | \$420 | \$0 | \$0 |
| 3462 | Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I) | \$100 | \$15,200 | \$22,500 |
| 3463 | Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II) | \$50 | \$2,950 | \$3,300 |
| 3464 | Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III) | \$35 | \$7,385 | \$8,575 |
| 3824 | Petitions in a reexamination proceeding, except for those specifically enumerated in 37 CFR 1.550(i) and 1.937(d) | \$485 | \$485 | \$485 |

| | | | |
|--|--|------------------|------------------|
| Total Patent Petition Fees (Micro Entity) | | \$678,320 | \$823,875 |
|--|--|------------------|------------------|

Patents

Patent Service Fees:

| | | | | |
|----------------------------------|--|-------|--------------------|--------------------|
| 8001 | Printed copy of patent w/o color, delivery by USPS, USPTO Box, or electronic means | \$3 | \$93,432 | \$68,703 |
| 8003 | Printed copy of plant patent in color | \$15 | \$3,270 | \$1,380 |
| 8004 | Color copy of patent (other than plant patent) containing a color drawing | \$25 | \$0 | \$0 |
| 8005 | Patent Application Publication (PAP) | \$3 | \$1,098 | \$15 |
| 8007 | Copy of patent application as filed | \$35 | \$1,759,205 | \$1,662,640 |
| 8010 | Individual application documents, other than application as filed, per document | \$25 | \$9,725 | \$9,300 |
| 8013 | Copy of office records, except copies of applications as filed | \$25 | \$194,200 | \$172,675 |
| 8014 | For assignment records, abstract of title and certification, per patent | \$35 | \$740,810 | \$813,785 |
| 8020 | International type search report | \$40 | \$0 | \$0 |
| 8021 | Recording each patent assignment, agreement or other paper, per property - if not submitted electronically | \$50 | \$43,600 | \$31,800 |
| 8022 | Publication in Official Gazette | \$25 | \$4,925 | \$2,900 |
| 8026 | Handling fee for incomplete or improper application | \$130 | \$40,560 | \$32,890 |
| 8051 | Copy Patent File Wrapper, Paper Medium, Any Number of Sheets | \$280 | \$150,080 | \$106,400 |
| 8052 | Copy Patent File Wrapper, Electronic Medium, Any Size or Provided Electronically | \$55 | \$143,165 | \$125,785 |
| 8053 | Additional Fee for Overnight Delivery | \$40 | \$24,600 | \$29,640 |
| 8054 | Additional Fee for Expedited Service | \$160 | \$75,200 | \$42,720 |
| 8057 | Copy of Patent Technology Monitoring Team (PTMT) Patent Bibliographic Extract and Other DVD (Optical Disc) | \$50 | \$0 | \$0 |
| 8058 | Copy of U.S. Patent Custom Data Extracts | \$100 | \$0 | \$0 |
| 8059 | Copy of Selected Technology Reports, Miscellaneous Technology Areas | \$30 | \$0 | \$0 |
| 8901 | REPS | var | \$53,320 | \$20,909 |
| 8902 | Self-service copy charge, per page | | \$0 | \$0 |
| 8904 | Library service | \$50 | \$2,250 | \$2,063 |
| Total Patent Service Fees | | | \$3,339,465 | \$3,123,605 |

Patents

Miscellaneous Patent Fees (Large Entity):

| | | | | |
|------|---|-------|--------------|--------------|
| 1802 | Request for expedited examination of a design application | \$900 | \$397,800 | \$340,200 |
| 1803 | Request for voluntary publication or republication | \$130 | \$12,610 | \$16,900 |
| 1806 | Submission of an Information Disclosure Statement | \$240 | \$24,508,320 | \$25,104,540 |
| 1807 | Processing fee for provisional applications | \$50 | \$251,250 | \$266,000 |
| 1808 | Other publication processing fee | \$130 | \$7,150 | \$6,500 |
| 1809 | Filing a submission after final rejection (see 37 CFR 1.129(a)) | \$840 | \$30,240 | \$48,720 |

| | | | | |
|---|--|-------|---------------------|---------------------|
| 1810 | For each additional invention to be examined (see 37 CFR 1.129(b)) | \$840 | \$0 | \$1,680 |
| 1818 | Document fee for third-party submissions(see 37 CFR 1.290(f)) | \$180 | \$72,180 | \$67,500 |
| 1819 | Correction of inventorship after first action on merits | \$600 | \$687,600 | \$629,400 |
| 1830 | Processing fee, except in provisional applications | \$140 | \$2,410,240 | \$2,756,740 |
| 1999 | Patent Unassigned Fees | var | \$1,364,419 | \$2,555,748 |
| Total Miscellaneous Patent Fees (Large Entity) | | | \$29,741,809 | \$31,793,928 |

Patents

Miscellaneous Patent Fees (Small Entity):

| | | | | |
|---|--|-------|--------------------|--------------------|
| 2802 | Request for expedited examination of a design application | \$450 | \$220,500 | \$587,250 |
| 2803 | Request for voluntary publication or republication | \$130 | \$1,950 | \$2,210 |
| 2806 | Submission of an Information Disclosure Statement | \$120 | \$3,155,280 | \$3,067,440 |
| 2807 | Processing fee for provisional applications | \$50 | \$152,150 | \$179,700 |
| 2808 | Other publication processing fee | \$130 | \$3,120 | \$5,590 |
| 2809 | Filing a submission after final rejection (see 37 CFR 1.129(a)) | \$420 | \$17,640 | \$38,220 |
| 2810 | For each additional invention to be examined (see 37 CFR 1.129(b)) | \$420 | \$420 | \$420 |
| 2818 | Document fee for third-party submissions(see 37 CFR 1.290(f)) | \$90 | \$11,160 | \$8,910 |
| 2819 | Correction of inventorship after first action on merits | \$300 | \$225,600 | \$228,900 |
| 2830 | Processing fee, except in provisional applications | \$70 | \$763,000 | \$843,360 |
| Total Miscellaneous Patent Fees (Small Entity) | | | \$4,550,820 | \$4,962,000 |

Patents

Miscellaneous Patent Fees (Micro Entity):

| | | | | |
|------|---|-------|----------|-----------|
| 3802 | Request for expedited examination of a design application | \$225 | \$28,800 | \$533,250 |
| 3803 | Request for voluntary publication or republication | \$130 | \$520 | \$390 |

| | | | | |
|---|---|-------|------------------|------------------|
| 3806 | Submission of an Information Disclosure Statement | \$60 | \$46,500 | \$43,500 |
| 3807 | Processing fee for provisional applications | \$50 | \$8,200 | \$8,500 |
| 3808 | Other publication processing fee | \$130 | \$130 | \$130 |
| 3809 | Filing a submission after final rejection (see 37 CFR 1.129(a)) | \$210 | \$420 | \$840 |
| 3819 | Correction of inventorship after first action on merits | \$150 | \$8,100 | \$11,250 |
| 3830 | Processing fee, except in provisional applications | \$35 | \$48,580 | \$50,960 |
| Total Miscellaneous Patent Fees (Micro Entity) | | | \$141,460 | \$648,820 |

Patents

Patent Enrollment Fees:

| | | | | |
|------|--|---------|-----------|-----------|
| 9001 | Application fee (non-refundable) | \$100 | \$244,600 | \$256,700 |
| 9003 | Registration to practice or grant of limited recognition under §11.9(b) or (c) | \$200 | \$196,800 | \$169,200 |
| 9004 | Administrative Reinstatement Fee | \$200 | \$5,600 | \$2,800 |
| 9005 | Certificate of good standing as an attorney or agent | \$40 | \$13,440 | \$11,080 |
| 9006 | Certificate of good standing as an attorney or agent, suitable for framing | \$50 | \$700 | \$950 |
| 9010 | For test administration by commercial entity | \$200 | \$453,200 | \$482,400 |
| 9012 | Review of decision by the Director of Enrollment and Discipline under §11.2(c) | \$400 | \$2,000 | \$1,200 |
| 9013 | Review of decision of the Director of Enrollment and Discipline under §11.2(d) | \$400 | \$0 | \$400 |
| 9014 | Application fee for person disciplined, convicted of a felony or certain misdemeanors under §11.7(h) | \$1,600 | \$14,400 | \$17,600 |
| 9020 | Delinquency fee | \$50 | \$250 | \$150 |

| | | | | |
|-------------------------------------|---|-------|--------------------|--------------------|
| 9024 | Unspecified other services, excluding labor | var | \$22,154 | \$5,645 |
| 9025 | Registration to practice for change of practitioner type | \$100 | \$26,300 | \$25,600 |
| 9026 | On Grant of Limited Recognition Under § 11.9(b) | \$200 | \$1,000 | \$1,600 |
| 9027 | For USPTO-Assisted Recovery of ID or Reset of Password for the Office of Enrollment and Discipline Information System | \$70 | \$0 | -\$70 |
| 9028 | For USPTO-Assisted Change of Address Within the Office of Enrollment and Discipline Information System | \$70 | \$55,720 | \$30,450 |
| 9029 | For USPTO-Administered Review of Registration Examination | \$450 | \$900 | \$450 |
| Total Patent Enrollment Fees | | | \$1,038,414 | \$1,006,155 |

Patents

Finance Service Fees:

| | | | | |
|-----------------------------------|--|------|-----------------|-----------------|
| 9101 | Processing each payment refused or charged back | \$50 | \$17,300 | \$6,864 |
| 9202 | Service charge for below minimum balance | \$25 | \$47,500 | \$0 |
| 9209 | Partial Service Charge for Closing a Deposit Account | var | \$1,047 | \$42,452 |
| Total Finance Service Fees | | | \$65,847 | \$49,316 |

Trademarks

Application Filings:

| | | | | |
|------|--|-------|----------|----------|
| 6001 | Application for registration, per international class (paper filing) | \$600 | \$11,400 | \$19,200 |
| 6008 | Additional fee for application that doesn't meet TEAS Plus or TEAS RF filing requirements, per class | \$125 | \$125 | \$1,000 |

| | | | | |
|----------------------------------|--|-------|----------------------|----------------------|
| 7001 | Application for registration, per international class (electronic filing, TEAS Regular application filed prior to February 15, 2020) | \$400 | \$2,724,400 | \$649,925 |
| 7006 | Dividing an application, per new application (file wrapper) created | \$100 | \$385,000 | \$516,600 |
| 7007 | Application for registration, per international class (electronic filing, TEAS Plus application) | \$225 | \$62,929,125 | \$73,216,350 |
| 7008 | Additional fee for application that doesn't meet TEAS Plus filing requirements, per class | \$125 | \$440,500 | \$410,250 |
| 7009 | Application for registration, per international class (electronic filing, TEAS Standard application) | \$275 | \$94,533,175 | \$103,089,800 |
| 7931 | Application Fee Filed at WIPO | \$400 | \$24,630,000 | \$23,490,375 |
| 7933 | Subsequent Designation Fee Filed at WIPO | \$400 | \$2,141,600 | \$1,553,925 |
| Total Application Filings | | | \$187,795,325 | \$202,947,425 |

Trademarks

Maintaining Exclusive Rights:

| | | | | |
|------|--|-------|--------------|--------------|
| 6201 | Application for renewal under §9, per class | \$500 | \$13,500 | \$13,000 |
| 6203 | Additional fee for filing renewal application during grace period, per class | \$200 | \$400 | \$200 |
| 6205 | Filing §8 affidavit, per class | \$225 | \$9,900 | \$12,150 |
| 6206 | Additional fee for filing §8 affidavit during grace period, per class | \$200 | \$800 | \$1,000 |
| 6207 | Correcting a deficiency in a §8 affidavit | \$200 | \$400 | \$1,200 |
| 6208 | Filing §15 affidavit, per class | \$300 | \$3,600 | \$5,700 |
| 6214 | Filing amendment to registration | \$200 | \$200 | \$400 |
| 7201 | Application for renewal under §9, per class | \$300 | \$31,752,000 | \$27,944,400 |
| 7203 | Additional fee for filing renewal application during grace period, per class | \$100 | \$974,400 | \$988,000 |

| | | | | |
|---|---|-------|---------------------|---------------------|
| 7204 | Correcting a deficiency in a renewal application | \$100 | \$35,500 | \$34,100 |
| 7205 | Filing §8 affidavit, per class | \$125 | \$28,810,875 | \$25,669,650 |
| 7206 | Additional fee for filing §8 affidavit during grace period, per class | \$100 | \$2,251,900 | \$2,271,400 |
| 7207 | Correcting a deficiency in a §8 affidavit | \$100 | \$299,100 | \$259,700 |
| 7208 | Filing §15 affidavit, per class | \$200 | \$21,190,000 | \$18,619,600 |
| 7210 | Publication of mark under §12(c), per class | \$100 | \$0 | \$100 |
| 7211 | Issuing new certificate of registration | \$100 | \$1,200 | \$5,000 |
| 7212 | Certificate of correction, registrant's error | \$100 | \$523,600 | \$515,100 |
| 7213 | Filing disclaimer to registration | \$100 | \$0 | \$0 |
| 7214 | Filing amendment to registration | \$100 | \$29,000 | \$19,800 |
| Total Maintaining Exclusive Rights | | | \$85,896,375 | \$76,360,500 |

Trademarks

Intent to Use/Use Fees:

| | | | | |
|-------------------------------------|--|-------|---------------------|---------------------|
| 6002 | Filing an Amendment to Allege Use under §1(c), per class | \$200 | \$200 | \$200 |
| 6003 | Filing a Statement of Use under §1(d)(1), per class | \$200 | \$1,200 | \$1,000 |
| 6004 | Filing a Request for a Six-month Extension of Time for Filing a Statement of Use under §1(d)(1), per class | \$225 | \$2,475 | \$2,025 |
| 7002 | Filing an Amendment to Allege Use under §1(c), per class | \$100 | \$837,400 | \$855,200 |
| 7003 | Filing a Statement of Use under §1(d)(1), per class | \$100 | \$11,568,600 | \$12,779,300 |
| 7004 | Filing a Request for a Six-month Extension of Time for Filing a Statement of Use under §1(d)(1), per class | \$125 | \$33,776,125 | \$39,626,875 |
| Total Intent to Use/Use Fees | | | \$46,186,000 | \$53,264,600 |

Trademarks

Madrid Protocol Fees:

| | | | | |
|-----------------------------------|---|-------|--------------------|--------------------|
| 6901 | Certifying an International application based on single application or registration, per class | \$200 | \$1,200 | \$1,400 |
| 6903 | Transmitting a Request to Record an Assignment or restriction under §7.23 or §7.24 | \$200 | \$0 | \$900 |
| 6905 | Filing an affidavit under §71 of the Act, per class | \$225 | \$900 | \$200 |
| 7901 | Certifying an International application based on single application or registration, per class | \$100 | \$1,652,700 | \$1,588,400 |
| 7902 | Certifying an International application based on more than one basic application or registration, per class | \$150 | \$348,450 | \$344,100 |
| 7903 | Transmitting a Request to Record an Assignment or restriction under §7.23 or §7.24 | \$100 | \$800 | \$600 |
| 7904 | Filing a Notice of Replacement under §7.28, per class | \$100 | \$200 | \$400 |
| 7905 | Filing an affidavit under §71 of the Act, per class | \$125 | \$2,189,250 | \$1,926,750 |
| 7906 | Surcharge for filing affidavit under §71 of the Act during grace period, per class | \$100 | \$244,600 | \$294,000 |
| 7907 | Transmitting a subsequent designation under §7.21 | \$100 | \$189,800 | \$137,200 |
| 7908 | Correcting a deficiency in an affidavit under §71 of the Act | \$100 | \$17,900 | \$17,300 |
| Total Madrid Protocol Fees | | | \$4,645,800 | \$4,311,250 |

Trademarks

Trademark Trial and Appeal Board:

| | | | | |
|------|--------------------------------------|-------|-------------|-------------|
| 6402 | Notice of opposition, per class | \$500 | \$500 | \$500 |
| 6403 | Ex parte appeal, per class | \$300 | \$600 | \$1,500 |
| 7401 | Petition for cancellation, per class | \$400 | \$1,542,000 | \$1,606,400 |

| | | | | |
|------|---|-------|-------------|-------------|
| 7402 | Notice of opposition, per class | \$400 | \$4,507,200 | \$4,071,600 |
| 7403 | Ex parte appeal, per class | \$200 | \$1,035,600 | \$1,000,800 |
| 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 | \$819,300 | \$976,900 |
| 7405 | Filing a request for an extension of time to file a notice of opposition under §2.102(c)(3) | \$200 | \$485,600 | \$620,600 |

Total Trademark Trial and Appeal Board**\$8,390,800****\$8,278,300****Trademarks**

Other Trademark Fees:

| | | | | |
|------|--|-------|-------------|-------------|
| 6991 | Recordal application fee | \$20 | \$660 | \$320 |
| 6992 | Renewal application fee | \$20 | \$580 | \$400 |
| 6993 | Late fee for renewal application | \$20 | \$140 | \$0 |
| 6994 | Application fee for reactivation of insignia, per request | \$20 | \$60 | \$0 |
| 6999 | Trademark Unassigned Fees | var | \$69,244 | \$3,428 |
| 7932 | Renewal Fee Filed at WIPO | \$300 | \$2,596,500 | \$2,486,300 |
| 8501 | Printed copy of registered mark, delivery by USPS, USPTO Box, or electronic means | \$3 | \$297 | \$0 |
| 8503 | Certified copy of registered mark, with title and/or status, regular service | \$15 | \$112,710 | \$56,355 |
| 8504 | Certified copy of registered mark, with title and/or status, expedited local service | \$30 | \$50,130 | \$31,710 |
| 8507 | Certified copy of trademark application as filed | \$15 | \$346,785 | \$252,900 |
| 8508 | Certified or uncertified copy of trademark-related file wrapper and contents | \$50 | \$48,450 | \$44,950 |
| 8513 | Certified or uncertified copy of trademark document, unless otherwise provided | \$25 | \$8,575 | \$10,500 |

| | | | | |
|-----------------------------------|---|--------|---------------------|---------------------|
| 8514 | For assignment records, abstracts of title and certification per registration | \$25 | \$19,525 | \$12,150 |
| 8521 | Recording trademark assignment, agreement or other paper, first mark per document | \$40 | \$1,698,160 | \$2,009,680 |
| 8522 | For second and subsequent marks in the same document | \$25 | \$6,060,125 | \$5,505,350 |
| 8533 | Additional fee for overnight delivery | \$40 | \$1,880 | \$480 |
| 8534 | Additional fee for expedited service | \$160 | \$35,040 | \$6,720 |
| 8901 | REPS | var | \$1,253 | \$491 |
| 8902 | Self Service Copy Charge, per Page | \$0.25 | \$0 | \$0 |
| 8904 | Library Service | \$50 | \$2,050 | \$2,087 |
| 9990 | International Bureau Unassigned Fees | var | \$0 | \$393,367 |
| Total Other Trademark Fees | | | \$11,052,164 | \$10,817,189 |

Trademarks

Trademark Processing Fees:

| | | | | |
|--|---|-------|--------------------|--------------------|
| 6005 | Petitions to the Director (Paper Correspondence) | \$200 | \$200 | \$3,000 |
| 7005 | Petitions to the Director (Electronic Correspondence) | \$100 | \$2,544,800 | \$2,747,400 |
| Total Trademark Processing Fees | | | \$2,545,000 | \$2,750,400 |

Trademarks

Finance Service Fees:

| | | | | |
|-----------------------------------|--|------|----------------|----------------|
| 9101 | Processing Each Payment Refused or Charged Back | \$50 | \$1,950 | \$736 |
| 9202 | Service Charge for Below Minimum Balance on Deposit Accounts | \$25 | \$5,300 | \$0 |
| 9209 | Partial service charge for closing a deposit account | var | \$117 | \$4,555 |
| Total Finance Service Fees | | | \$7,367 | \$5,291 |

APPENDIX VIII – 2018-2022 USPTO STRATEGIC PLAN FRAMEWORK

| 2018–2022 Strategic Plan | |
|---|--|
| 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. | |
| VISION | |
| Leading the nation and the world in intellectual property | |
| Strategic Goals with Resources Invested | Objectives |
| Goal I: Optimize Patent Quality and Timeliness | Optimize Patent Application Pendency |
| | Issue Highly Reliable Patents |
| | Foster Innovation Through Business Effectiveness |
| | Enhance Operations of the Patent Trial and Appeal Board (PTAB) |
| Goal II: Optimize Trademark Quality and Timeliness | Optimize Trademark Application Pendency |
| | Issue High-Quality Trademarks |
| | Foster Business Effectiveness |
| | Enhance Operations of the Trademark Trial and Appeal Board (TTAB) |
| Goal III: Provide Domestic and Global Leadership to Improve Intellectual Property Policy, Enforcement, and Protection Worldwide | Provide Leadership and Education on Domestic Intellectual Property Policy and Awareness |
| | Provide Leadership and Education on International Intellectual Property Policy and Awareness |
| MISSION SUPPORT GOAL: Achieve Organizational Excellence* | Enhance Human Capital Management and Foster Employee Engagement |
| | Optimize Speed, Quality, and Cost-Effectiveness of Information Technology Delivery to Achieve Business Value |
| | Ensure Financial Sustainability to Facilitate Effective USPTO Operations |
| | Enhance the USPTO's Interaction with Internal and External Stakeholders and the Public at Large |

APPENDIX IX – FY 2021/2022 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 – The USPTO developed a revised patent examiner performance appraisal plan (PAP), which will become effective in October 2020, to ensure better alignment with the USPTO's priorities. The new PAP provides a roadmap for examiners to achieve enhanced quality by requiring certain indicia indicative of exemplary work in the areas of search, clarity of the written prosecution record, and principles of compact prosecution in order to attain higher quality ratings.

SO 1.3: Trademark Quality and Timeliness – 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, Trademarks 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 audiences, including foreign government officials and U.S. stakeholders, on best practices in intellectual property (IP) protection and enforcement. The USPTO's Global IP Academy trained over 10,600 people in FY 2020, exceeding its annual target of 5,000. Training recipients included domestic IP rights holders 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 offices in Saudi Arabia, Brazil, Mexico, and Bhutan. In addition, progress continues on similar agreements with the IP offices in Israel, Laos, Moldova, the Philippines, Taiwan, and Thailand, as well as the African Regional Intellectual Property Organization and the International Criminal Police Organization, among others.

- Discussions continue on an MOU with India's nodal IP agency, the Department for Promotion of Industry and Internal Trade (DPIIT), designed to facilitate cooperation in the field of IP.
- The USPTO continues its active engagement of other patent and trademark offices around the world through the IP5, TM5, and ID5. The IP5 is comprised of the USPTO, the China National Intellectual Property Administration, the European Patent Office, the Japan Patent Office, and the Korean Intellectual Property Office. The TM5 and ID5 are comprised of the USPTO, the China National Intellectual Property Administration, the European Union Intellectual Property Office, the Japan Patent Office, and the Korean Intellectual Property Office. The groups comprise the world's five largest patent and trademark offices and account for about 90% of all patent applications, 80% of all design applications, and half of all trademark applications filed worldwide. The IP5, TM5, and ID5

promote cooperation and collaboration among their members, which exchange information on practices and programs that facilitate increasingly user-friendly and interoperable patent, trademark, and design systems.

- The USPTO continues to actively support the monitoring of compliance with trade agreements, including by participating in reviews of foreign country laws as part of World Trade Organization Trade Policy Reviews and trade agreements such as phase one of the United States-China trade agreement.

Planned Actions for FY 2022

USPTO – Patents: The USPTO is continuing to focus on refined patent timeliness measures based on Patent Term Adjustment (PTA) timeframes, which will reduce the number of patent term adjustments issued and provide applicants with improved predictability. Reducing the number of patent term adjustments issued provides consistently short pendency for all applications, reduces uncertainty in the marketplace, and ensures that patents expire and become available to the public at the statutorily defined time of 20 years from filing. Additionally, the new examiner performance appraisal plan implemented in October 2020 and its effects are continuously being monitored and evaluated. The new examiner performance appraisal plan places emphasis on more thorough patent searches and improved clarity of the patent prosecution record, resulting in higher quality office actions issued by examiners and, therefore, a higher quality of issued patents.

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. Projected filings may be impacted by future volatility resulting from the COVID-19 pandemic.

USPTO – Office of Policy and International Affairs (OPIA): The USPTO continues to provide training for audiences, including foreign government officials and U.S. stakeholders, that promotes the protection and enforcement of the IP of American innovators and creators on both the domestic and international levels.

Analysis of Performance Indicators

Explanation of Trends

Patents: USPTO Patent pendency targets have been met or exceeded. The USPTO is a fee funded agency however, appropriation amounts and fluctuations in demand do impact targets.

Trademarks: USPTO trademark pendency and quality targets have been met or exceeded. The USPTO is a fee funded agency, however, appropriation amounts and fluctuations in demand do impact targets.

OPIA: USPTO IP training and protection targets are consistently met. The USPTO is a fee funded agency, however, so appropriation amounts do impact targets.

Explanation of Targets for FY 2021 and FY 2022

The USPTO targets will generally stay consistent for FY 2021 and FY 2022. However, the USPTO is a fee funded agency, so appropriation amounts do impact targets.

Evolution of the Performance Indicators

The 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, all of which present unique forecasting risks. The USPTO strives for increased accuracy when predicting workload and fee estimates. Furthermore, the USPTO uses performance indicator reviews to monitor the progress and implementation of its goals and objectives while also using these indicators to keep employees and stakeholders informed.

Performance Data Validation and Verification

The 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.

Performance Indicators

| Class | Strategic Objective | Performance Indicator | FY 2016 Actual | FY 2017 Actual | FY 2018 Actual | FY 2019 Actual | FY 2020 Actual | FY 2020 Target | FY 2021 Target | FY 2022 Target |
|-------------------|---------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Current/Recurring | 1.3 | Number of people, including foreign government officials and U.S. stakeholders, trained on best practices to protect and enforce IP | 4,975 | 4,134 | 7,242 | 9,854 | 10,688 | 5,000 | 5,000 | 5,000 |
| Discontinued | 1.3 | Patent average first action pendency (months) | 16.2 | 16.3 | 15.8 | 14.7 | 14.8 | 16.1 | DISC | DISC |
| Discontinued | 1.3 | Patent average total pendency (months) | 25.3 | 24.2 | 23.8 | 23.8 | 23.3 | 23.7 | DISC | DISC |
| Discontinued | 1.3 | Patent first action completed within 14 Months (percentage) | | | 44% | 45% | 43% | 39% | DISC | DISC |
| Current/Recurring | 1.3 | Trademark average first action pendency (months) | 3.1 | 2.7 | 3.4 | 2.6 | 3.0 | 3.0 | 2.5-4.5 | 2.5-4.5 |
| Current/Recurring | 1.3 | Trademark average total pendency (months) | 9.8 | 9.5 | 9.6 | 9.3 | 9.5 | 12 | 12 | 12 |
| Current/Recurring | 1.3 | Trademark first action compliance rate (percentage) | 97.1% | 97.3% | 96.9% | 96.4% | 95.7% | 95.5% | 95.5% | 95.5% |
| Current/Recurring | 1.3 | Trademark final compliance rate (percentage) | 97.8% | 98.3% | 97.9% | 97.9% | 98.1% | 97.0% | 97.0% | 97.0% |
| Current/Recurring | 1.3 | Trademark exceptional office action (percentage) | 45.4% | 45.0% | 48.0% | 54.5% | 51.0% | 50.0% | 50.0% | 50.0% |
| Current/Recurring | 3.1 | Percentage of prioritized countries for which IP country teams have made progress on at least three of the four performance criteria | 100% | 100% | 100% | 66% | 100% | 66% | 66% | 66% |
| Current/Recurring | 1.3 | Patent statutory compliance metrics (percentage), statute 35 U.S.C. 101 (including utility and eligibility) | | 96.5% | 96.8% | 97.7% | 97.7% | 97.0% | 97.0% | TBD |
| Current/Recurring | 1.3 | Patent statutory compliance metrics (percentage), statute 35 U.S.C. 102 (prior art compliance) | | 94.4% | 95.2% | 94.2% | 94.3% | 95.0% | 95.0% | TBD |
| Current/Recurring | 1.3 | Patent statutory compliance metrics (percentage), statute 35 U.S.C. 103 (prior art compliance) | | 92.4% | 92.0% | 98.9% | 88.9% | 93.0% | 93.0% | TBD |
| Current/Recurring | 1.3 | Patent statutory compliance metrics (percentage), statute 35 | | 92.6% | 92.9% | 91.0% | 90.6% | 93.0% | 93.0% | TBD |

| | | | | | | | | | | |
|-----|-----|--|--|-----|-----|-----|-----|-----|-----|-----|
| | | U.S.C. 112 (35 U.S.C. 112(a), (b), including (a)/(b) rejections related to 35 U.S.C. 112(f)) | | | | | | | | |
| New | 1.3 | Total Patent Term Adjustment (PTA) compliance, all mailed actions | | n/a | n/a | n/a | 83% | 81% | 84% | 85% |
| New | 1.3 | Total Patent Term Adjustment (PTA) inventory compliance, remaining inventory | | n/a | n/a | n/a | 88% | 88% | 86% | 87% |

All Performance Indicators

Provide FY 2020 actuals (where possible), make edits to FY 2021 targets, and set FY 2022 targets.

| | | | | | | | |
|-----------------------|---|---------|----------|----------|----------|---------|---------|
| Indicator | Number of people, including foreign government officials and U.S. stakeholders, trained on best practices to protect and enforce IP | | | | | | |
| 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 | https://www.uspto.gov/learning-and-resources/global-intellectual-property-academy | | | | | | |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| Target | 5,000 | 5,000 | 5,000 | 4,500 | 5,000 | 5,000 | 5,000 |
| Actual | 4,975 | 4,134 | 7,242 | 9,854 | 10,688 | | |
| Status | Met | Not Met | Exceeded | Exceeded | Exceeded | | |

| | | | | | | | |
|-----------------------|--|---------|---------|---------|----------|---------|---------|
| Indicator | Patent average first action pendency (months) | | | | | | |
| Strategic Goal | 1.0 Accelerate American Leadership | | | | | | |
| Objective | 1.3 Strengthen Intellectual Property Protection | | | | | | |
| Program Activity Name | Patents | | | | | | |
| Indicator Class | Discontinued | | | | | | |
| Type | Outcome | | | | | | |
| Source | https://www.uspto.gov/dashboards/patents/main.dashxml | | | | | | |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| Target | 14.8 | 14.8 | 15.4 | 14.7 | 16.1 | DISC | DISC |
| Actual | 16.2 | 16.3 | 15.8 | 14.7 | 14.8 | | |
| Status* | Not Met | Not Met | Not Met | Met | Exceeded | | |

| | | | | | | | |
|-----------------------|--|----------|----------|----------|----------|---------|---------|
| Indicator | Patent average total pendency (Months) | | | | | | |
| Strategic Goal | 1.0 Accelerate American Leadership | | | | | | |
| Objective | 1.3 Strengthen Intellectual Property Protection | | | | | | |
| Program Activity Name | Patents | | | | | | |
| Indicator Class | Discontinued | | | | | | |
| Type | Outcome | | | | | | |
| Source | https://www.uspto.gov/dashboards/patents/main.dashxml | | | | | | |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| Target | 25.4 | 24.8 | 25.0 | 24.0 | 23.7 | DISC | DISC |
| Actual | 25.3 | 24.2 | 23.8 | 23.8 | 23.3 | | |
| Status* | Exceeded | Exceeded | Exceeded | Exceeded | Exceeded | | |

| | | | | | | | |
|-----------------------|--|---------|---------|---------|---------|---------|---------|
| Indicator | Patent first action completed within 14 months (percentage) | | | | | | |
| Strategic Goal | 1.0 Accelerate American Leadership | | | | | | |
| Objective | 1.3 Strengthen Intellectual Property Protection | | | | | | |
| Program Activity Name | Patents | | | | | | |
| Indicator Class | Discontinued | | | | | | |
| Type | Outcome | | | | | | |
| Source | https://www.uspto.gov/dashboards/patents/main.dashxml | | | | | | |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| Target | 0.0 | 0.0 | 47.0% | 47.0% | 43.0% | DISC | DISC |
| Actual | 40.0% | 39.0% | 44.0% | 45.0% | 39.0% | | |
| Status* | n/a | n/a | Not Met | Not Met | Not Met | | |

| | | | | | | | |
|-----------------------|--|---------|---------|---------|---------|---------|---------|
| Indicator | Trade mark average first action pendency (months) | | | | | | |
| 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 | https://www.uspto.gov/dashboards/trademarks/main.dashxml | | | | | | |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| Target | 2.5-3.5 | 2.5-3.5 | 2.5-3.5 | 2.5-3.5 | 2.5-3.5 | 2.5-4.5 | 2.5-4.5 |
| Actual | 3.1 | 2.7 | 3.4 | 2.6 | 3.0 | | |
| Status* | Met | Met | Met | Met | Met | | |

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|-----------------------|---|----------|----------|----------|----------|---------|---------|
| Indicator | Trademark average total pendency (months) | | | | | | |
| 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 | https://www.uspto.gov/dashboards/trademarks/main.dashxml | | | | | | |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| Target | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 |
| Actual | 9.8 | 9.5 | 9.6 | 9.3 | 9.5 | | |
| Status* | Exceeded | Exceeded | Exceeded | Exceeded | Exceeded | | |

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|-----------------------|---|----------|----------|----------|----------|---------|---------|
| Indicator | Trade mark first action compliance rate (percentage) | | | | | | |
| 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 | https://www.uspto.gov/dashboards/trademarks/main.dashxml | | | | | | |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| Target | 95.5% | 95.5% | 95.5% | 95.5% | 95.5% | 95.5% | 95.5% |
| Actual | 97.1% | 97.3% | 96.9% | 96.4% | 95.7% | | |
| Status* | Exceeded | Exceeded | Exceeded | Exceeded | Exceeded | | |

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|-----------------------|---|----------|----------|----------|----------|---------|---------|
| Indicator | Trade mark final compliance rate (percentage) | | | | | | |
| 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 | https://www.uspto.gov/dashboards/trademarks/main.dashxml | | | | | | |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| Target | 97.0% | 97.0% | 97.0% | 97.0% | 97.0% | 97.0% | 97.0% |
| Actual | 97.8% | 98.3% | 97.9% | 97.4% | 98.1% | | |
| Status* | Exceeded | Exceeded | Exceeded | Exceeded | Exceeded | | |

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|-----------------------|--|----------|----------|----------|----------|---------|---------|
| Indicator | Trade mark exceptional office action (percentage) | | | | | | |
| 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 | https://www.uspto.gov/dashboards/trademarks/main.dashxml | | | | | | |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| Target | 40.0% | 40.0% | 45.0% | 45.0% | 50.0% | 50.0% | 50.0% |
| Actual | 45.4% | 45.0% | 48.0% | 54.5% | 51.0% | | |
| Status* | Exceeded | Exceeded | Exceeded | Exceeded | Exceeded | | |

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|-----------------------|--|----------|----------|---------|----------|---------|---------|
| Indicator | Percentage of prioritized countries for which IP country teams have made progress on at least three of the four performance criteria: a. Institutional improvements of IP office administration for advancing IP rights; b. Institutional improvements of IP enforcement entities; c. Improvements in IP laws and regulations; and d. Establishment of government-to-government cooperative mechanisms. | | | | | | |
| 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 | https://www.uspto.gov/learning-and-resources/global-intellectual-property-academy | | | | | | |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| Target | 75% | 75% | 66% | 66% | 66% | 66% | 66% |
| Actual | 100% | 100% | 100% | 66% | 100% | | |
| Status* | Exceeded | Exceeded | Exceeded | Met | Exceeded | | |

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|--|---|------------|---------|---------|---------|---------|---------|
| Indicator | Patent statutory compliance metrics (percentage) | | | | | | |
| 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 | https://www.uspto.gov/dashboards/patents/main.dashxml | | | | | | |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| <i>Statute 35 U.S.C. 101 (including utility and eligibility)</i> | | | | | | | |
| Target | Baseline | 93.0-98.0% | 97.0% | 97.0% | >97.0% | 97.0% | TBD |
| Actual | 97.4% | 96.5% | 96.8% | 97.7% | 97.7% | | |
| Status* | n/a | Met | Not Met | Met | Met | | |
| <i>Statute 35 U.S.C. 102 (prior art compliance)</i> | | | | | | | |
| Target | Baseline | 90.0-95.0% | 95.0% | 95.0% | >95.0% | 95.0% | TBD |
| Actual | 95.9% | 94.4% | 95.2% | 94.2% | 94.3% | | |
| Status* | n/a | Met | Met | Not Met | Not Met | | |
| <i>Statute 35 U.S.C. 103 (prior art compliance)</i> | | | | | | | |
| Target | Baseline | 88.0-93.0% | 93.0% | 93.0% | >93.0% | 93.0% | TBD |
| Actual | 90.4% | 92.4% | 92.0% | 89.9% | 88.9% | | |
| Status* | n/a | Met | Not Met | Not Met | Not Met | | |
| <i>Statute 35 U.S.C. 112 (35 U.S.C. 112(a), (b) including, (a)/(b) rejections related to 35 U.S.C. 112(f))</i> | | | | | | | |
| Target | Baseline | 87.0-92.0% | 93.0% | 93.0% | >93.0% | 93.0% | TBD |
| Actual | 93.7% | 92.6% | 92.9% | 91.0% | 90.6% | | |
| Status* | n/a | Met | Not Met | Not Met | Not Met | | |

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|-----------------------|---|---------|---------|---------|----------|---------|---------|
| Indicator | Patents total PTA compliance, all mailed actions | | | | | | |
| Strategic Goal | 1.0 Accelerate American Leadership | | | | | | |
| Objective | 1.3 Strengthen Intellectual Property Protection | | | | | | |
| Program Activity Name | Patents | | | | | | |
| Indicator Class | New | | | | | | |
| Type | Outcome | | | | | | |
| Source | https://www.uspto.gov/dashboards/patents/main.dashxml | | | | | | |
| Description | <p>Patent Term Adjustment (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 PTA. Any positive PTA is offset by any period that an applicant failed to engage in reasonable efforts to conclude prosecution.</p> <p>This measure reports the PTA for all mailed actions.</p> | | | | | | |
| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| Target | n/a | n/a | n/a | n/a | 81% | 84% | 85% |
| Actual | n/a | n/a | n/a | n/a | 83% | | |
| Status* | n/a | n/a | n/a | n/a | Exceeded | | |

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|-----------------------|--|---------|---------|---------|---------|---------|---------|
| Indicator | Patents total PTA compliance, remaining inventory | | | | | | |
| Strategic Goal | 1.0 Accelerate American Leadership | | | | | | |
| Objective | 1.3 Strengthen Intellectual Property Protection | | | | | | |
| Program Activity Name | Patents | | | | | | |
| Indicator Class | New | | | | | | |
| Type | Outcome | | | | | | |
| Source | https://www.uspto.gov/dashboards/patents/main.dashxml | | | | | | |
| Description | <p>Patent Term Adjustment (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 PTA. Any positive PTA is offset by any period that an applicant failed to engage in reasonable efforts to conclude prosecution.</p> <p>This measure reports the PTA for all remaining inventory.</p> | | | | | | |
| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| Target | n/a | n/a | n/a | n/a | 88% | 86% | 87% |
| Actual | n/a | n/a | n/a | n/a | 88% | | |
| Status* | n/a | n/a | n/a | n/a | Met | | |