

**UNITED STATES
PATENT AND TRADEMARK OFFICE**



USPTO budget update

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Patent Public Advisory Committee quarterly meeting

UNITED STATES
PATENT AND TRADEMARK OFFICE

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Agenda

- FY 2020 status
- FY 2021 status
- FY 2022 budget
- Fee rulemaking

FY 2020 status:

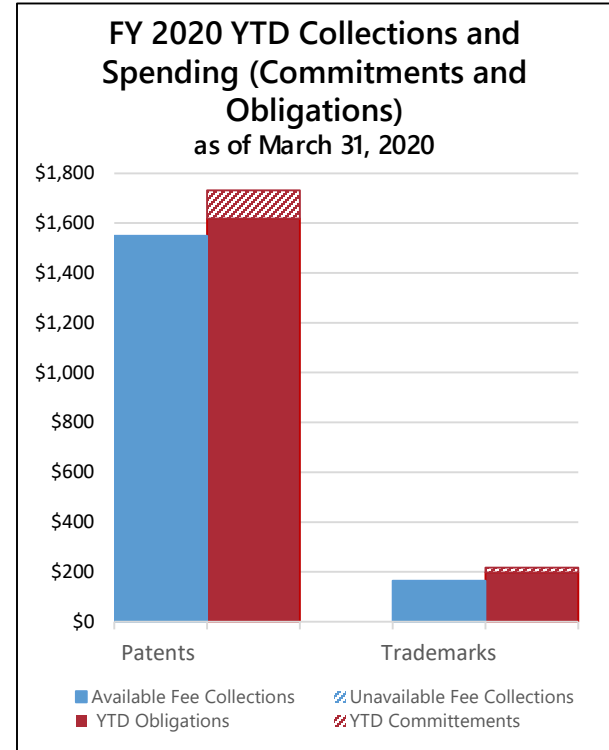
Patent financial outlook

- **Fee collection revenues**
 - USPTO fee collection revenues are highly correlated with gross domestic product.
 - FY 2020 Q2 estimates GDP contraction of -14% to -30% and diminished expectations for the remainder of FY 2020.
 - Patent revenues forecasts are between \$3.0B and \$3.1B.
- **Expenses**
 - Patent expenses are \$3.2B in FY 2020 and \$3.45B in FY 2021.
 - The agency is reviewing requirements to assess if patents expenses should be reduced in response to revenue risks.
- **Patent Reserve**
 - The Patent Reserve is currently \$361M.

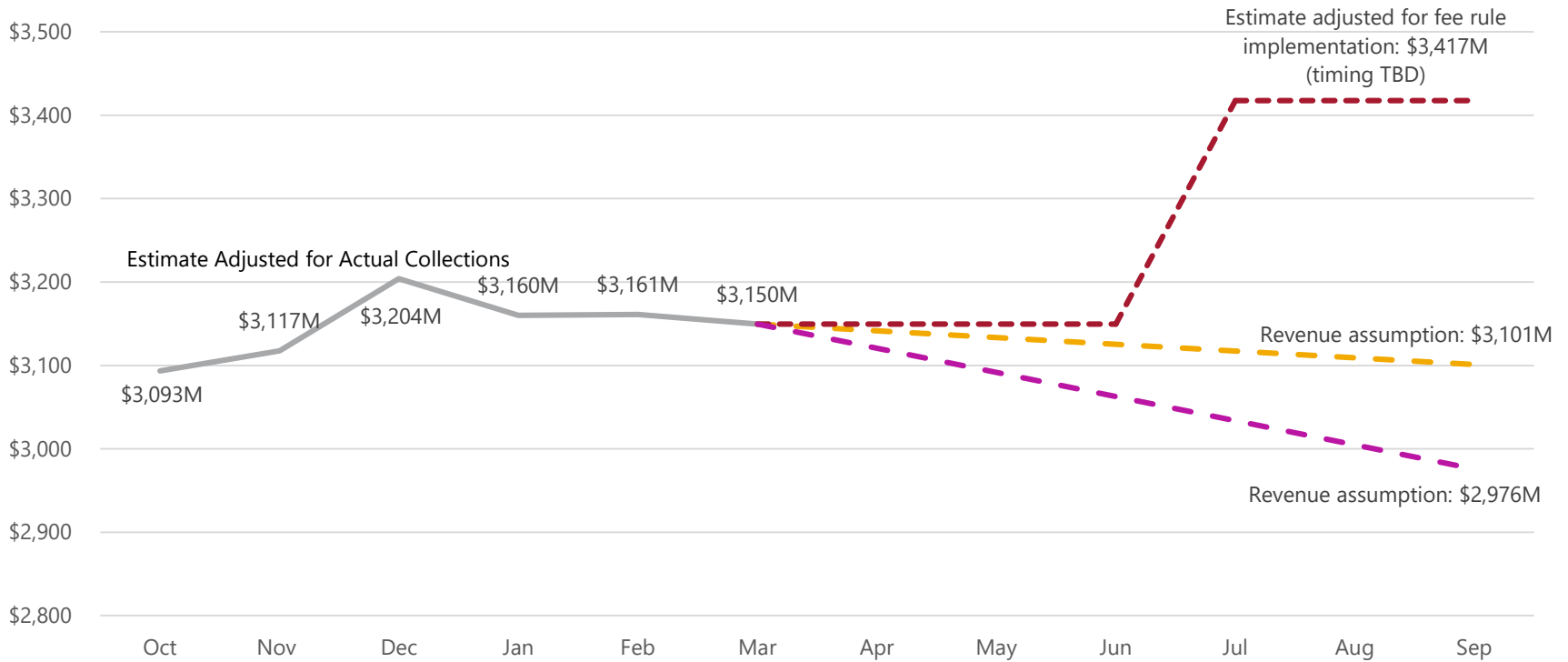


FY 2020 status: year to date

- As of March 31, 2020, year to date:
 - Planned fee collections: \$1,726.3M
 - Patents: 1,548.0M Trademarks: \$178.3M
 - Actual fee collections: \$1,712.9M
 - Patents: \$1,548.6M, Trademarks: \$164.3M
 - Actual spending: \$1,949.0M
 - Patents: \$1,731.9M Trademarks: \$217.1M



FY 2020 status: Patent fee estimate



FY 2020 status: USPTO fee relief – options and constraints

- The President signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) on March 27, 2020.
- CARES Act provides the USPTO Director authority to defer deadlines and fee payments.
- USPTO implemented targeted relief for Patents and Trademarks.
- Patents Current Relief (issued March 31):
 - Broad relief for small and micro entities, and limited relief for large entities.
 - With 100% participation, relief would be up to \$19.5M/week (\$163.5M through May 31st).

FY 2020 status: Patent CARES Act Fee Relief Analysis

- Anticipated impact of the targeted relief on fee revenue is a revenue reduction of up to \$19.5M per week.
 - Filings: up to \$3.0M/week
 - RCE Fees: up to \$4.3M/week
 - Issue Fees: up to \$6.5M/week
 - Extension of Time Fees: up to \$2.5M/week
 - Maintenance Fees: up to \$2.4M/week
 - Patent Trial and Appeal Board: up to \$546.9K/week
 - Petition and Misc. Fees: up to \$225.5K/week

FY 2020 status: spending

- The USPTO is conducting a thorough spending review of its FY 2020 requirements. The objective is to:
 - Evaluate agency priorities
 - Ensure operating reserve balance are sufficient to mitigate revenue reduction risks
- The agency is:
 - Assessing where spending reduction and delays could occur
 - Closely monitoring daily fee collections and spending

FY 2021 status

- **Requirements:**
 - FY 2020 spending reductions and deferrals, as well as revisions to anticipated fee collections, may require the USPTO to review and update budget assumptions for FY 2021.
- **Appropriation process for FY 2021:**
 - The House and Senate CJS subcommittee appropriation hearings occurred on March 4, 2020 and March 5, 2020 respectively.
 - Both hearings focused on other bureaus within the Department of Commerce

FY 2022 budget

- The USPTO is in the planning stages for the FY 2022 OMB budget submission.
 - The process will consider the impacts of fee and budget changes to FY 2020 and how it will impact FY 2021, FY 2022, and outyear requirements.
- The PACs and DOC will receive a draft to review in late August 2020.
- The final document is scheduled to be submitted to OMB in early September 2020.

Fee rulemaking

- Next step: Publish the final rule in the Federal Register.
- USPTO's Director will make a decision on the effective date of the fee changes at a later time.



Thank you!

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