

Trademark Public Advisory Committee (TPAC) financial management update

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April 28, 2023



UNITED STATES
PATENT AND TRADEMARK OFFICE ®

Agenda

- FY 2023 status
- FY 2024 budget
- On the horizon

FY 2023 financial status

The end of year trademark operating reserve is projected to be \$183.5M, which is above the minimum operating reserve level of \$120M

<i>\$ in millions</i>	Patents	Trademarks	USPTO
USPTO FY 2023 appropriation level	\$ 3,711.3	\$ 542.1	\$ 4,253.4
Update to fee revenue estimate	(81.5)	(66.5)	(148.1)
Projected end-of-year fee revenue	3,629.8	475.6	4,105.3
Operating reserve and other revenue ^{1/}	821.7	217.6	1,039.3
PTFRF reprogramming	23.5	8.2	31.6
Total FY 2023 estimated funds available	4,475.0	701.3	5,176.3
Total estimated end-of-year spending	(3,588.3)	(517.8)	(4,106.1)
Estimated end of year operating reserve	\$ 886.7	\$ 183.5	\$ 1,070.2

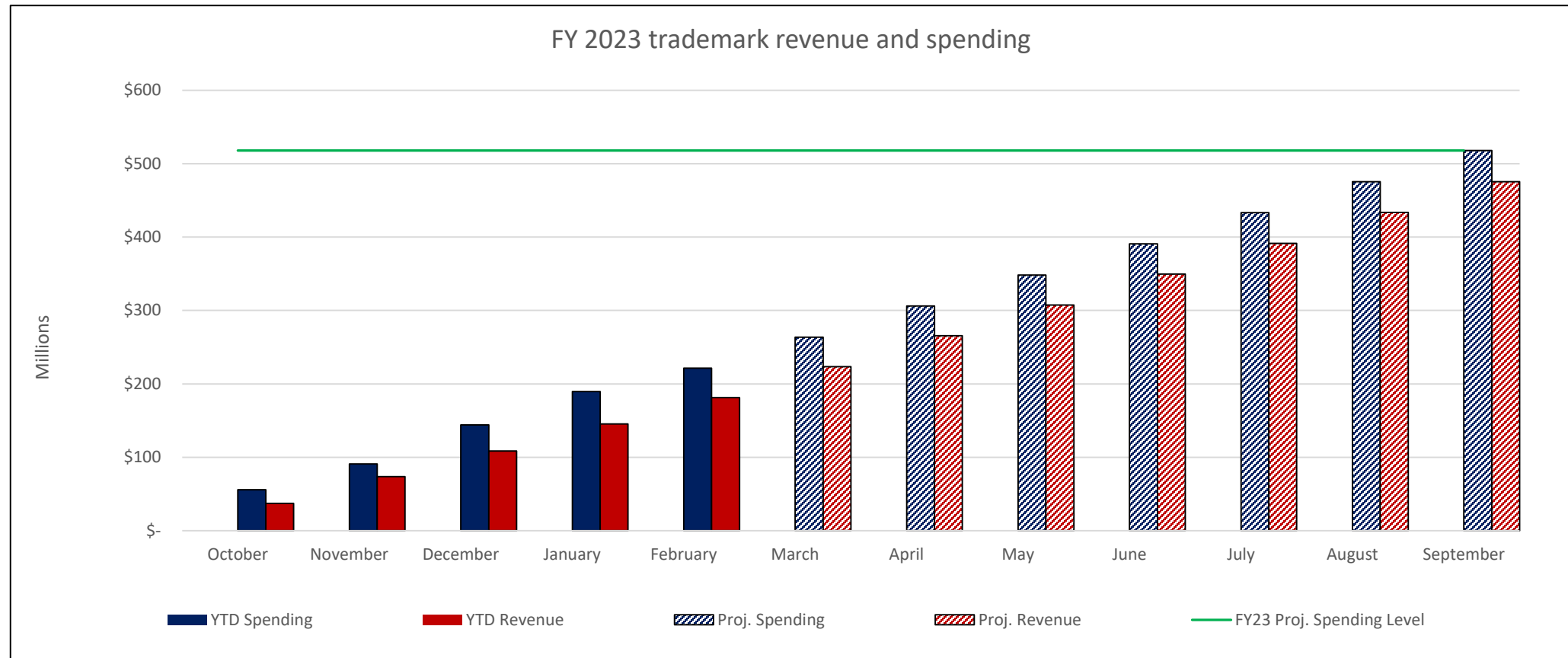
^{1/} This line reflects the beginning-of-year operating reserve balance plus estimated other revenue and deducts the OIG transfer of \$2.45M as required per our appropriation. Other revenue includes recoveries, parking fees, reimbursements, and expenditure refunds.

Totals shown may differ due to rounding.



FY 2023 trademark funding current status

Operating reserves sustain operations as spending outpaces revenue

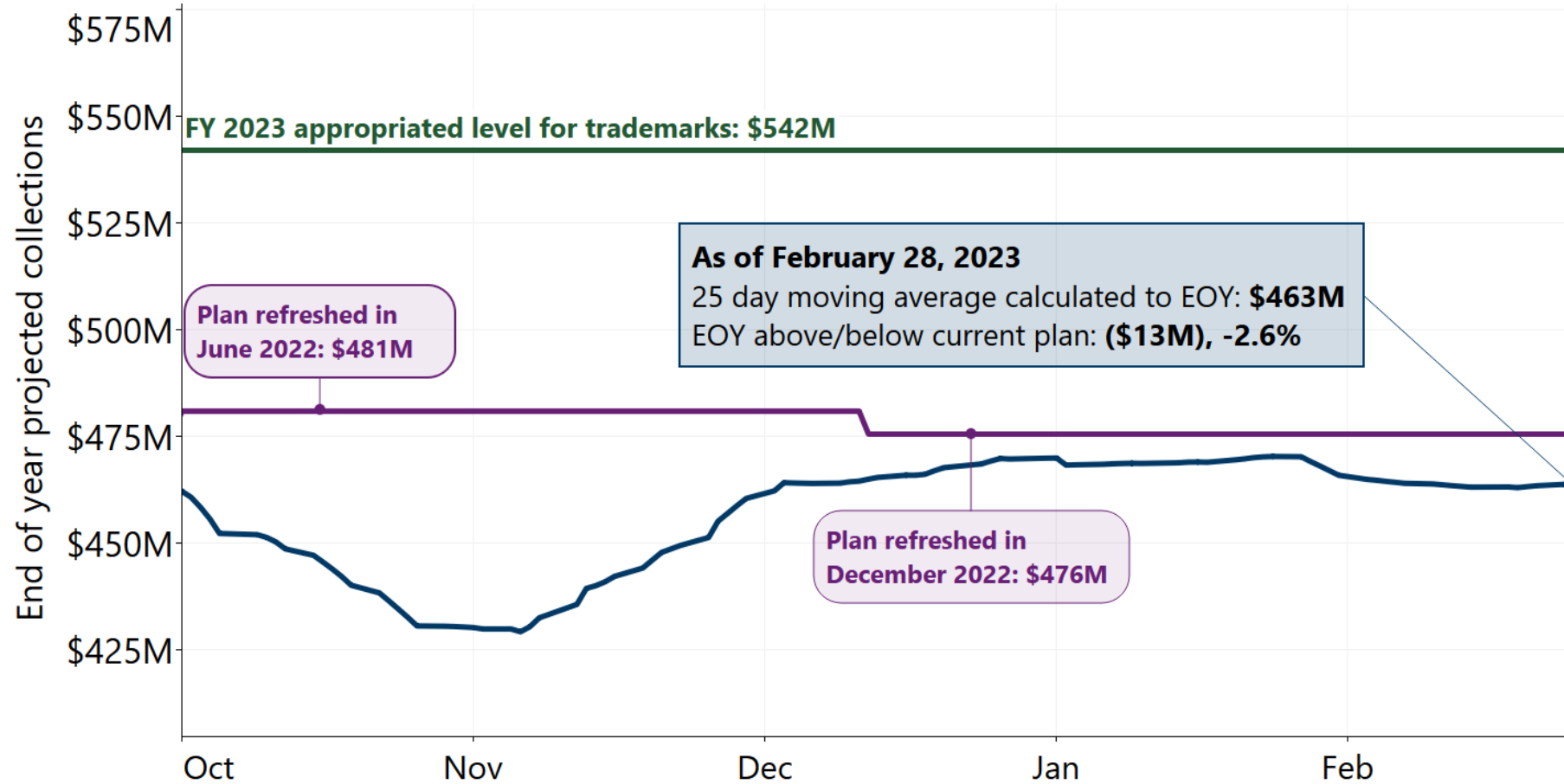


*Spending includes commitments and obligations.



FY 2023 trademark revenue

Fee collections are trending below plan

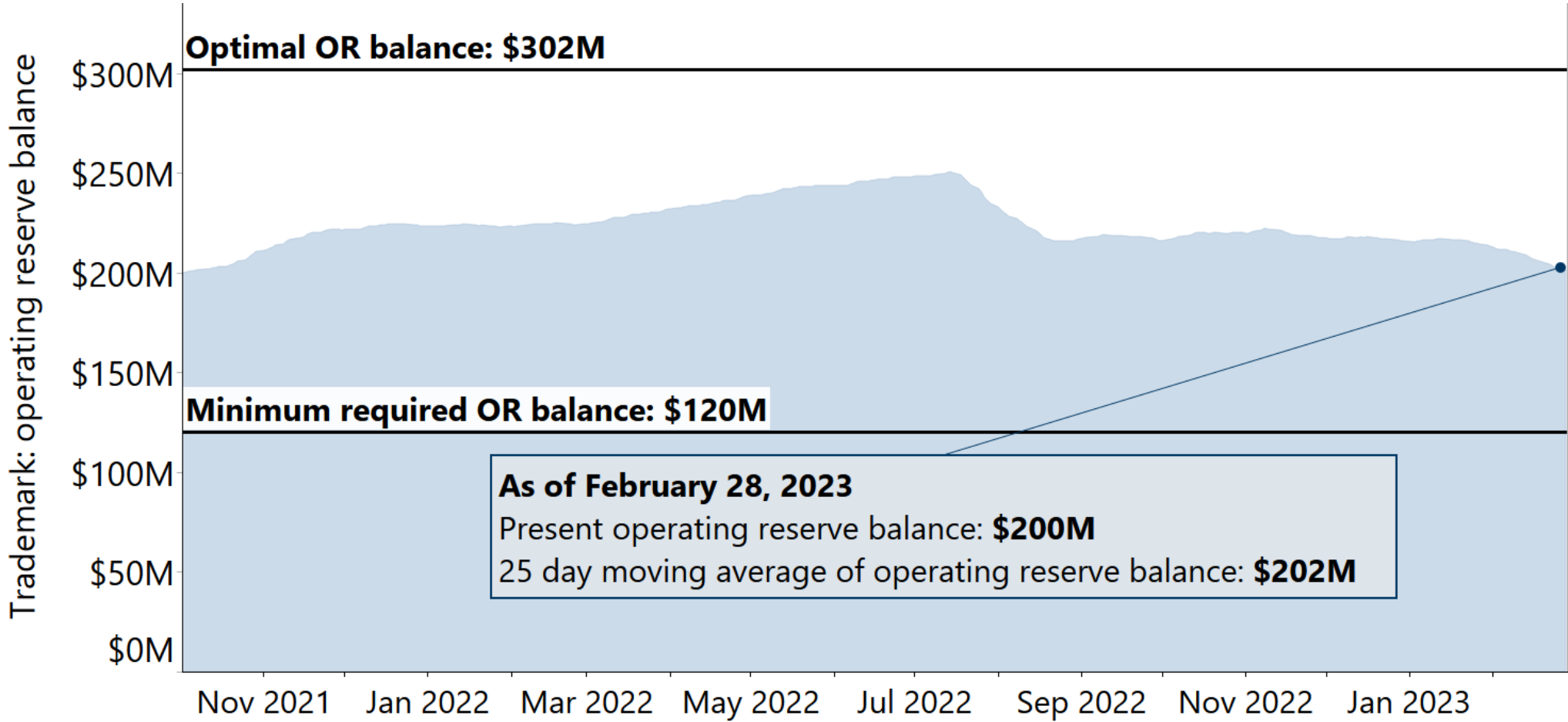


The current plan is based on an updated FY 2023 working estimate refreshed in December 2022.*

* As reflected in the FY 2024 President's budget.

FY 2023 trademark operating reserve

The operating reserve balance is \$80M above minimum level



FY 2024 budget: revenue highlights

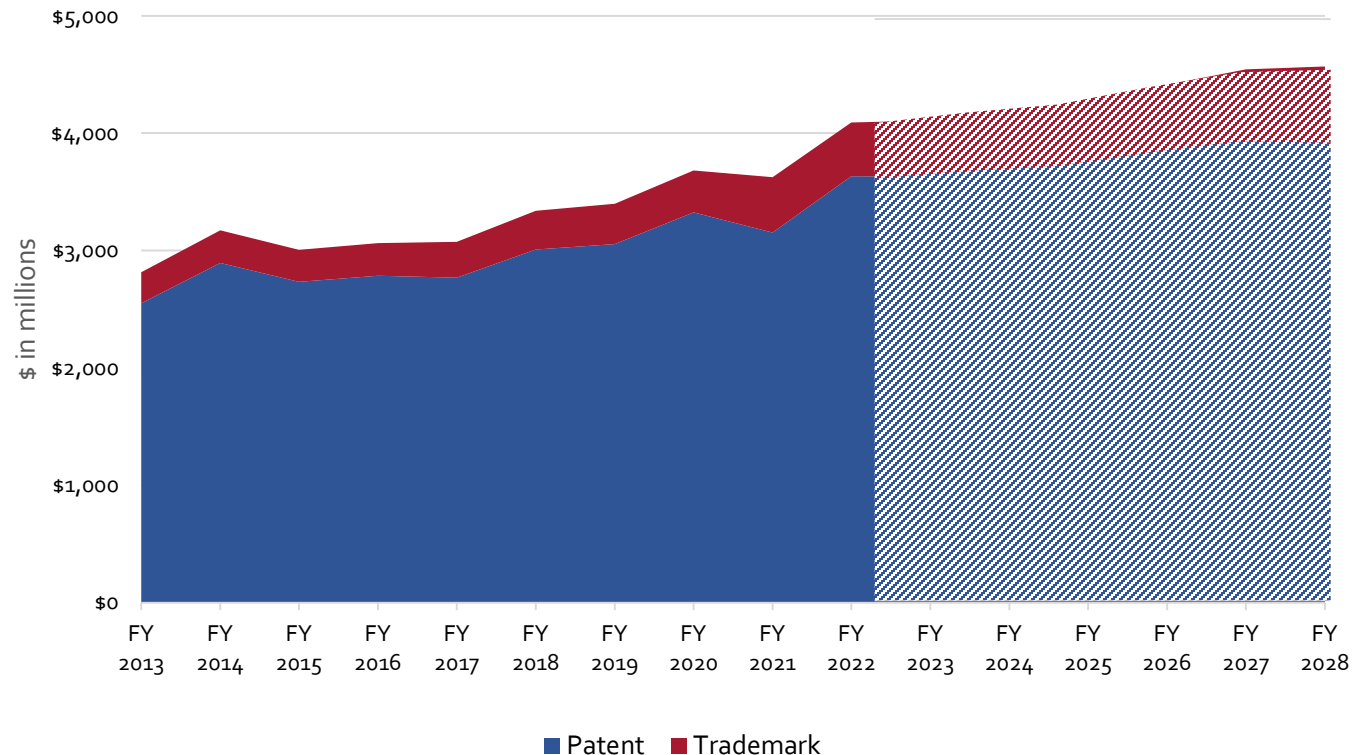
Total revenue is expected to increase year over year

FY 2024 USPTO total revenue (projected)

\$4,254M

- \$4,196M fee collections (\$3,696M patents; \$500M trademarks)
- \$58M other income (e.g., reimbursements)
- Fee projections reflect data, trends, updated production models, and assumptions for patent and trademark fees contained in the FY 2024 President's budget

USPTO total fee collections

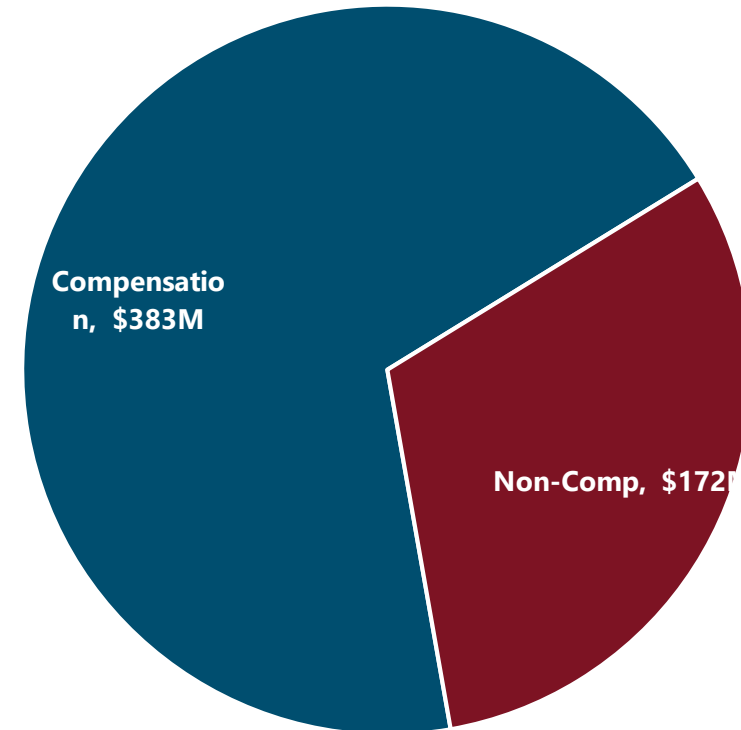


FY 2024 budget: spending highlights

The majority of trademark spending is in compensation costs

- Total USPTO positions: **14,425**
- Total USPTO spending: **\$4.286B**
- Trademark business line spending: **\$555M**
 - 69% compensation costs
 - 31% non-compensation costs

\$555M planned spending



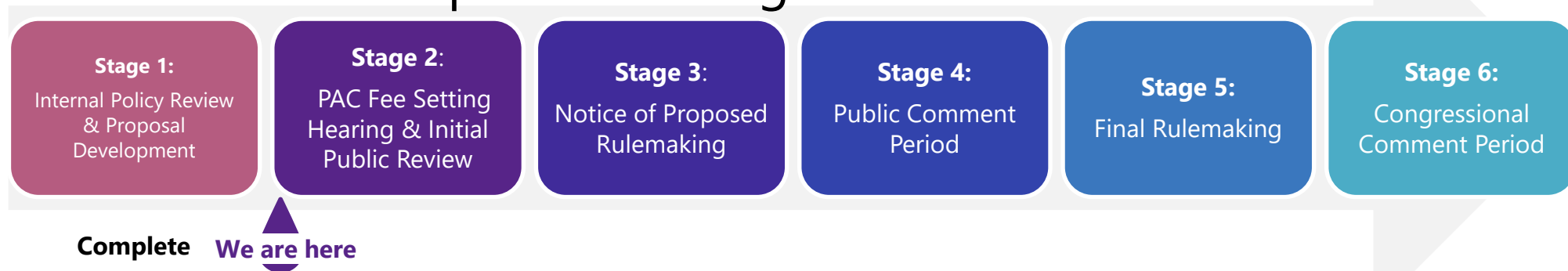
On the horizon

- **FY 2025 budget formulation**
 - Initiated the process to include re-baselining FY 2024 requirements and revenue estimates
 - Submit final budget to Office of Management and Budget (OMB) in September
- **2022-2026 Strategic Plan**
 - USPTO received public comments in February
 - The final document will be released to the public later this spring

On the horizon

The agency is starting a trademark fee setting effort

- USPTO anticipates delivering a fee proposal to the TPAC in May
- The financial outlook in the FY 2024 budget shows that spending for the trademark business line will outpace revenue over the multi-year budget horizon
- TPAC will hold a public hearing



** As a fee-funded agency, the USPTO must periodically assess and adjust fees to ensure our fee collections finance the aggregate costs necessary to register and maintain accurate and reliable trademarks.*



Thank you!

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