

# The United States Patent and Trademark Office

## Citizen Centric Report

October 1, 2011 – September 30, 2012



The USPTO was created as a separate entity in 1802.

### Agency Objectives

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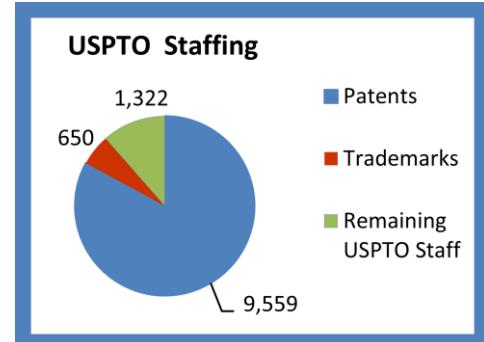
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#### Agency Mission

Fostering innovation, competitiveness and economic growth, domestically and abroad to deliver high quality and timely examination of patent and trademark applications, guiding domestic and international intellectual property policy, and delivering intellectual property information and education worldwide, with a highly skilled, diverse workforce.

As a part of the Department of Commerce (DOC), the USPTO is uniquely situated to support the accomplishment of the Department's mission to **create the conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship**. The agency is led by the Under Secretary of Commerce for Intellectual Property and Director of the USPTO who consults with the Patent Public Advisory Committee and the Trademark Public Advisory Committee. The Public Advisory Committees ([www.uspto.gov/about/advisory/](http://www.uspto.gov/about/advisory/)) for the USPTO were created by statute. The Advisory Committees consist of citizens of the United States chosen to represent the interests of the diverse users of the USPTO.

The USPTO has two major components, the Patents organization and the Trademarks organization, which are teamed with several other supporting units. The agency is headquartered in Alexandria, Virginia, with one satellite office in Detroit, Michigan.



The USPTO administers the laws relevant to patents and trademarks and advises the Secretary of Commerce, the President of the United States, and the administration on patent, trademark, and copyright protection, and trade-related aspects of intellectual property. These activities give innovators, businesses, and entrepreneurs the protection and encouragement they need to turn their creative ideas into tangible products, and also provide protection for their inventions and trademarks.

### America Invents Act

#### Agency Vision

Leading the Nation and the World in Intellectual Property Protection and Policy.

President Obama signed the Leahy-Smith America Invents Act (AIA) (Pub. L. No. 112-29) into law on September 16, 2011. This sweeping reform introduced some of the biggest changes to the patent system in almost 200 years. Since its enactment, the USPTO has worked diligently to implement the AIA's statutory requirements to improve patent quality, reduce the backlog of patent applications, reduce domestic and global patenting costs for U.S companies, provide greater certainty in patent rights, and offer effective alternatives to costly and complex litigation.

## How Have We Progressed

PERFORMANCE HIGHLIGHTS	FY 2012 Target	FY 2012 Actual	FY 2011 Target	FY 2011 Actual
Average Number of Months From Filing Until Initial Determination of the Patentability of an Invention	22.6	21.9	23.0	28.0
Average Number of Months to Obtain a Patent	34.7	32.4	34.5	33.7
The Percentage of Patents Applications Found to be Compliant With Applicable Rules and Laws	95.6% - 96.7%	96.6%	95.6% - 96.5%	95.4%
The Percentage of Office Actions Prior to Allowance or Rejection Found to be Compliant with Applicable Rules and Laws	94.6% - 96.0%	95.9%	94.6% - 95.6%	95.2%
Patent Applications Filed Electronically	96.0%	97.1%	92.0%	93.1%
Average Number of Months Before Trademark Review is Initiated	2.5 to 3.5	3.2	2.5 to 3.5	3.1
Average Number of Months to Obtain a Trademark	12.0	10.2	12.5	10.5
The Percentage of First Office Actions Consistent with the Quality Standards established by the Trademark Organization	95.5%	96.2%	95.5%	96.5%
The Percentage of Final Office Actions Consistent with the Quality Standards established by the Trademark Organization	97.0%	97.1%	97.0%	97.0%
Trademark Applications Processed Electronically	74.0%	77.0%	68.0%	73.0%

A **patent** for an invention is the grant of a property right to the inventor.

A **trademark** is a word, name, symbol, or device that is used in trade with goods to indicate the source of the goods and to distinguish them from the goods of others.

**Did you know...**  
that the USPTO granted 270,258 patents in fiscal year 2012?

**Did you know...**  
that the USPTO registered 182,761 trademarks in fiscal year 2012?

The above performance metrics are used to measure actions taken in line with the USPTO 2010-2015 Strategic Plan, which is designed to strengthen the capacity of the USPTO by focusing on a specific set of goals and the steps we must take to reach those goals, as follows:

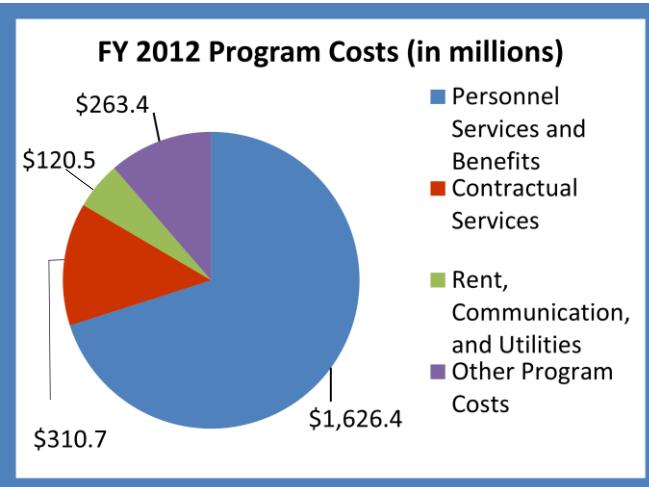
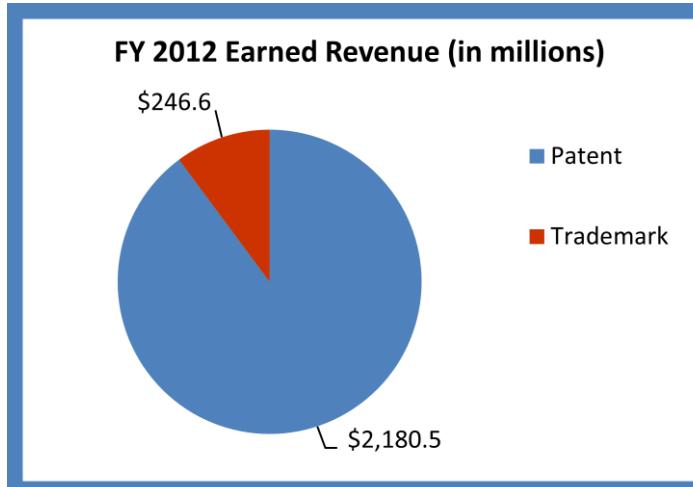
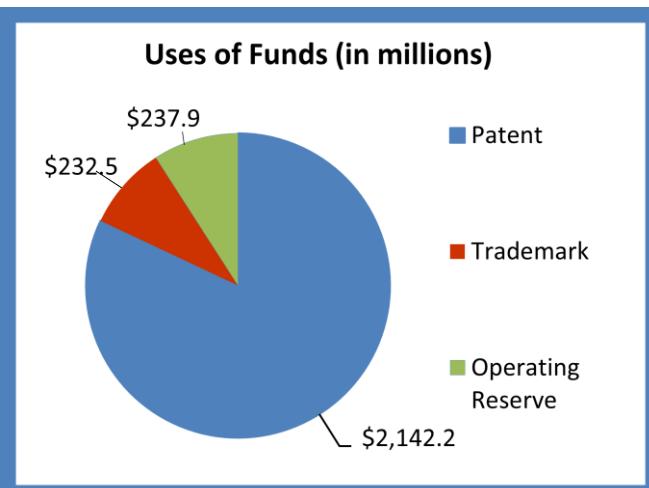
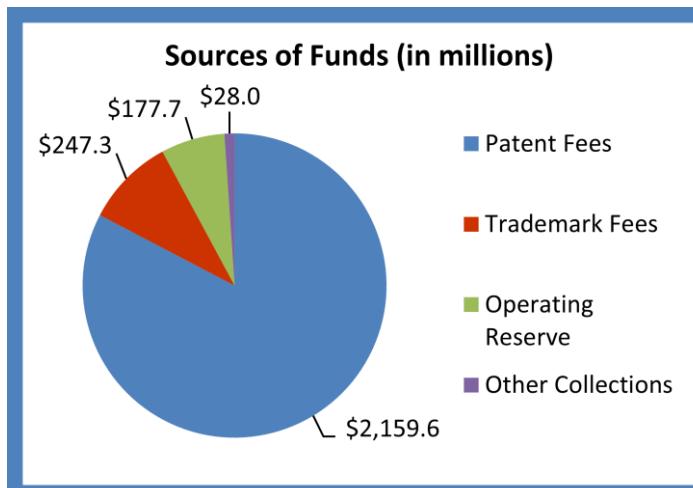
- Provide timely examination of patent applications; reduce the average time to first office action for patent applications to 10 months (average time from filing until an examiner's initial determination on patentability), and average total pendency to 20 months (average time from filing until the application is issued as a patent or abandoned)
- Improve quality of patent examination
- Improve/enhance patent appeal and post-grant processes
- Optimize trademark quality and maintain pendency
- Demonstrate global leadership in all aspects of IP policy development
- Improve information technology infrastructure and tools
- Implement a sustainable funding model for operations
- Improve relations with employees and stakeholders

Complete discussions of the above performance metrics can be found in the 2012 Performance and Accountability report located at [www.uspto.gov/annualreport](http://www.uspto.gov/annualreport) in the Management Discussion and Analysis section.

These performance metrics were designed as a part of the USPTO 2010-2015 Strategic Plan. Input was solicited from our employees and stakeholders to assure that the agency operates under the best measures of performance.

## Finances and Budget

The USPTO operates on fees for patents and trademarks.  
No taxpayer dollars are used for agency operations.



The USPTO financial management process ensures that management decision-making information is dependable, internal controls over financial reporting are effective, and that compliance with laws and regulations is maintained. The issuance of the financial statements is a component of the USPTO's objective to continually improve the accuracy and usefulness of its financial management information. Complete financial information can be found in the 2012 Performance and Accountability report located at [www.uspto.gov/annualreport](http://www.uspto.gov/annualreport) in the Management Discussion and Analysis section.

The USPTO received an unqualified (clean) audit opinion from the independent public accounting firm of KPMG LLP on its fiscal year 2012 financial

statements. This is the 20th consecutive year that the USPTO received a clean opinion. Our unqualified audit opinion provides independent assurance to the public that the information presented in the USPTO financial statements is fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. In addition, KPMG LLP reported no material weaknesses in the USPTO's internal control, and no instances of non-compliance with laws and regulations affecting the financial statements.

The audit opinion can be found in the 2012 Performance and Accountability report located at [www.uspto.gov/annualreport](http://www.uspto.gov/annualreport) in the Financial section.

## Management Challenges and What's Ahead

The distance between innovation and the marketplace is shrinking. Said another way, innovation is moving more quickly from creation to manufacture and distribution. Intellectual property is a necessary instrument for innovators and businesses to capture value as ideas move to the marketplace. In performing its mission—quality examination and disposition of patents and trademarks—the USPTO faces significant challenges.

The America Invents Act (AIA) will promote innovation and job creation by improving patent quality, clarifying patent rights, reducing the application backlog, and offering effective alternatives to costly patent litigation. It also significantly moves the USPTO toward a more sustainable funding model (fee setting authority). Implementation of the Act's provisions presents numerous challenges and the USPTO looks forward to actively engaging stakeholders to ensure that implementation is accomplished in a proper and timely manner.

We continue to focus on addressing our challenges to:

1. Build and focus on improvements
2. Manage and execute to goals
3. Continue to move to an electronic workplace
4. Strengthen global intellectual property rights systems
5. Complete implementation of a sustainable funding model
6. Improve human capital management
7. Create information technology enterprise architecture and tools that support mission-critical business and programmatic requirements

Complete workload information can be found in the 2012 Performance and Accountability report located at [www.uspto.gov/annualreport](http://www.uspto.gov/annualreport) in the Other Accompanying Information section.

**Did you know...**  
of all 50 states,  
California received the  
most issued patents in  
fiscal year 2012?

**Did you know...**  
of all foreign countries,  
Japan received the  
most issued patents in  
fiscal year 2012?

**Did you know...**  
of all foreign countries,  
Canada received the  
most registered  
trademarks in fiscal  
year 2012?

**Did you know...**  
of all 50 states,  
Delaware received the  
most registered  
trademarks in fiscal  
year 2012?

We would like to hear from you. Please let us know what you think about this report by emailing [PARmail@uspto.gov](mailto:PARmail@uspto.gov)



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**2012 Performance and Accountability Report**  
[www.uspto.gov/annualreport](http://www.uspto.gov/annualreport)