FY 2010 Status

Mid-year Execution Review currently underway

Current Plans:

- Patent Examiners – Hire 250 Experienced IP Professionals
- Support Units – Limited to Attrition Replacements
- Production OT funding
- PCT Outsourcing funding

Fee collection estimate $146 - $232 million above appropriation
# FY 2010 Fee Estimates and Assumptions
For the Period Ending February 28, 2010

## Assumptions Used to Develop Fee Collection Estimates

<table>
<thead>
<tr>
<th>(Dollars in Millions)</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>FY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Estimate</td>
<td>September 2009</td>
<td>July 2009</td>
<td>December 2009</td>
</tr>
<tr>
<td>Total USPTO Fee Collections</td>
<td>$1,875</td>
<td>$1,887</td>
<td>$2,003</td>
</tr>
<tr>
<td>Projected Unavailable Fee Collections</td>
<td>$116</td>
<td>$146</td>
<td>$146</td>
</tr>
<tr>
<td>Total Patent Fee Collections</td>
<td>$1,656</td>
<td>$1,669</td>
<td>$1,785</td>
</tr>
<tr>
<td>Total Trademark Fee Collections</td>
<td>$218</td>
<td>$218</td>
<td>$220</td>
</tr>
<tr>
<td>Major Patent Fee Collections:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance Fees</td>
<td>$547</td>
<td>$569</td>
<td>$658</td>
</tr>
<tr>
<td>Filing/Search/Examination Fees</td>
<td>$288</td>
<td>$247</td>
<td>$266</td>
</tr>
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<td>Issuance/Publication Fees</td>
<td>$292</td>
<td>$285</td>
<td>$320</td>
</tr>
<tr>
<td>PCT Fees</td>
<td>$118</td>
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<td>$119</td>
</tr>
<tr>
<td>Extensions of Time Fees</td>
<td>$131</td>
<td>$124</td>
<td>$128</td>
</tr>
<tr>
<td>RCE/Continuation Fees</td>
<td>$103</td>
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## NOTES:
- The Initial Operating Plan fee collection totals is the FY 2010 Appropriated Collections total of $1,887 million, and is the FY 2010 estimate in the FY 2011 President’s Budget submission.
- The Projected Unavailable Fee Collections are the difference between the End-of-Year Projected Fee Collections and the Initial Operating Plan (Appropriated Collections total).

## CPI/Surcharge to Fee Rates:
- 5% increase to patent statutory fees was implemented at the beginning of the fiscal year.

## Filing Growth Rates:
- Patent filings growth rate was -2% (460,924 filings)/(including RCEs growth of 25% (138,449 filings)).
- Trademark filings growth rate was -12% (352,051 filings).

## Patent Issue:
- 163,345 issues.
- 164,411 planned issues.
- 161,000 planned issues.
- 196,605 planned issues.
- 206,014 planned issues.

## Patent Maintenance:
- 80% of patent issued 4 years prior renewed, 76% of first stage renewals 4 years prior renewed and 69% of second stage patents renewed 4 years prior renewed.
- 74% of patent issued 4 years prior will renew, 67% of first stage renewals 4 years prior will renew and 63% of second stage patents renewed 4 years prior will renew.
- 53% of patent issued 4 years prior will renew, 79% of first stage renewals 4 years prior will renew and 72% of second stage patents renewed 4 years prior will renew.
- 69% of patent issued 4 years prior will renew, 77% of first stage renewals 4 years prior will renew and 77% of second stage patents renewed 4 years prior will renew.
- 80% of patent issued 4 years prior will renew, 77% of first stage renewals 4 years prior will renew and 72% of second stage renewals 4 years prior will renew.

## Assumptions Used to Develop Fee Collection Estimates

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## Historical with-in year and current trends are included in these estimates:
- UPR filings through February: 162,524, a straight line projection would yield 462,131 filings by year end (6% growth).
- RCE filings through February: 55,424, a straight line projection would yield 137,283 filings by year end (1% decline).
FY 2011 Budget Highlights

President’s Budget submitted to Congress on February 1, 2010
Under Secretary testimony on March 25, 2010 highlighting:

- Aggressive reduction in patent application backlog and pendency combined with improved quality
  - Targeted hiring
  - Efficiency improvements through reengineering many management and operational systems
- Invest in rethinking our information technology infrastructure
- Establish a sustainable funding model to finance operations in support of strategic priorities and Administration goals
  - Interim Fee Increase
  - Fee Setting Authority
  - Establish Operating Reserve
FY 2012 Budget Process

April
- Post the draft Strategic Plan for Comments

May - June
- Develop Initiatives and Justifications for review
- PPAC provides feedback on Initiatives
- CFO briefs DoC on USPTO’s FY 2012 Budget Request to OMB

July - August
- Strategic Plan is finalized
- Draft FY 2012 Budget to DoC and PPAC for review
- DoC and PPAC’s feedback incorporated into budget document

September
- FY 2012 OMB Budget Request is finalized with Congressional Justification level Exhibits
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