Current fiscal status is good

- Trademarks revenue through May totaled $175.7M, about $2.6M (1.5%) below our working estimate.

- Trademarks spending through May totaled $162.2M, about $13.5M below current year revenue.

- The Trademarks projected operating reserve has increased from the start of the year.
  - Current projections forecast end-of-year available resources at approximately $150M
Budget sequestration was implemented

- The USPTO was subjected to budget sequestration, and will affect Trademarks resources.

- Sequestration will lead to an annualized reduction of 5% of fee collections in FY 2013.

- An estimated $13.5M of Trademarks fee resources will be unavailable due to sequestration.
FY 2014 financial planning

- USPTO needs to be nimble for the remainder of FY 2013 and for at least the start of FY 2014 given continuing fiscal uncertainty.

- Likelihood of continuing resolutions constraining our ability to spend is strong.

- The continuation of sequestered funding in some manner is possible.

- Our preliminary fee forecast for Trademarks is good for next year, and we will continue to review estimates over the summer.
USPTO has initiated the FY 2015 budget development process

- Continuing uncertainties in FY 2014 (CRs, sequestration, etc.), ultimately impact the planning efforts for FY 2015.

- Even so, the USPTO does not anticipate any significant policy shifts or changes in direction of the budget.

- With a currently strong operating reserve and a healthy revenue outlook, prospects for Trademarks remain good.