Trademark Public Advisory Committee

USPTO Budget Update

Tony Scardino
Chief Financial Officer
June 5, 2015
Agenda

• FY 2015 Status
• FY 2016 Status
• FY 2017 Budget
• Biennial Fee Review
FY 2015 Status – Fees

- Trademark fee estimate is $273.4M

Total Trademark Collections (Dollars in Thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual (Thousands)</th>
<th>FY 2014</th>
<th>Increase (%)</th>
<th>Plan (Thousands)</th>
<th>FY 2015</th>
<th>Increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>$263,650</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2014</td>
<td>$275,684</td>
<td>4.6%</td>
<td></td>
<td>$273,431</td>
<td>-0.8%</td>
<td></td>
</tr>
<tr>
<td>FY 2015</td>
<td></td>
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</tr>
</tbody>
</table>

- Collections through April 30, 2015 are currently 0.3% below corresponding FY 2014 timeframe

Year-To-Date Comparison (Dollars in Thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual (Thousands)</th>
<th>FY 2014</th>
<th>Increase (%)</th>
<th>Plan (Thousands)</th>
<th>FY 2015</th>
<th>Increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>$152,543</td>
<td></td>
<td>4.3%</td>
<td>$158,579</td>
<td>-0.3%</td>
<td></td>
</tr>
<tr>
<td>FY 2014</td>
<td>$159,130</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>FY 2015</td>
<td></td>
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</tbody>
</table>
FY 2015 Status – Spending

• Projected Trademark year-end carryover has decreased by $12.5M since October
  – The change in carryover is due to an increase in the projected full year spending allocated to the Trademark business line
• Trademarks currently has 37 vacancies with 5 projected attritions through year-end
  – 43 Trademark Attorneys hired in March and May of 2015.
  – Trademark projects to fill another 14 positions by year-end
### Projected End-of-Year Funding

#### Trademarks

<table>
<thead>
<tr>
<th>Projected Income Summary</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Collections – End-of-Year</td>
<td>$273,430,615</td>
</tr>
<tr>
<td>Actual Prior Year Carryover</td>
<td>157,245,976</td>
</tr>
<tr>
<td>Other Income – Current Apportionment</td>
<td>4,262,624</td>
</tr>
<tr>
<td>OIG Transfer</td>
<td>(182,156)</td>
</tr>
<tr>
<td><strong>Total Projected Income</strong></td>
<td>434,757,059</td>
</tr>
</tbody>
</table>

**Projected Spending**

| Actual Commitments and Obligations                | 214,094,441             |
| Projected Spending for Remainder of Year         | 128,955,072             |
| **Total Projected Spending**                      | 343,049,513             |

| **Total Projected Carryover**                     | **$91,707,546**         |
FY 2016 Status

• House subcommittee voted on the FY 2016 appropriations bill on May 14, 2015
  – USPTO marked up at $3.272B, which is $65M greater than the FY 2016 President’s Budget request of $3.207B
  – Any amount collected in excess of the appropriated amount shall be deposited in the Fee Reserve Fund

• Senate mark-up anticipated in June, 2015
FY 2017 Budget

• USPTO has started work on the FY 2017 OMB Budget submission
  – Internal guidance issued April 2015
  – PACs and DoC will receive a draft to review in August 2015
  – Final document will be completed by September 14, 2015
Biennial Fee Review

• Currently evaluating proposals and conducting analysis on potential adjustments to fees
• Decision on whether to initiate rulemaking process and formal notification to TPAC expected in September/October
• If USPTO intends to set or adjust fees, TPAC’s role may vary
  – Dependent on the authority, such as whether fees set or adjusted will be pursuant to AIA section 10 or Trademark Act of 1946 (15 USC 1113(a))
Biennial Fee Review (continued)

• If AIA section 10 authority is employed and once USPTO’s proposals are received, TPAC will have 30 days to:
  – Deliberate, consider, and comment on the fee adjustment proposal(s) and hold a public hearing
  – Accept written comments from the public

• Following receipt of TPAC initial comments, Notice of Proposed Rulemaking (NPRM) will be drafted
Biennial Fee Review (continued)

• NPRM requires clearance from USPTO, DOC, SBA, and OMB before publication in Federal Register
  – There will be a 60 day comment period for the NPRM
• TPAC is required to publish a report outlining comments and suggestions following the hearing
• Comments will be considered and responses provided in a Final Rule
• Final Rule will require additional clearance before publication
Questions and Comments

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