

**UNITED STATES  
PATENT AND TRADEMARK OFFICE**



# USPTO budget update

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Patent Public Advisory Committee quarterly update

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# Agenda

- FY 2020 status
- FY 2021 status
- FY 2022 budget
- Fee rulemaking

# FY 2020 status:

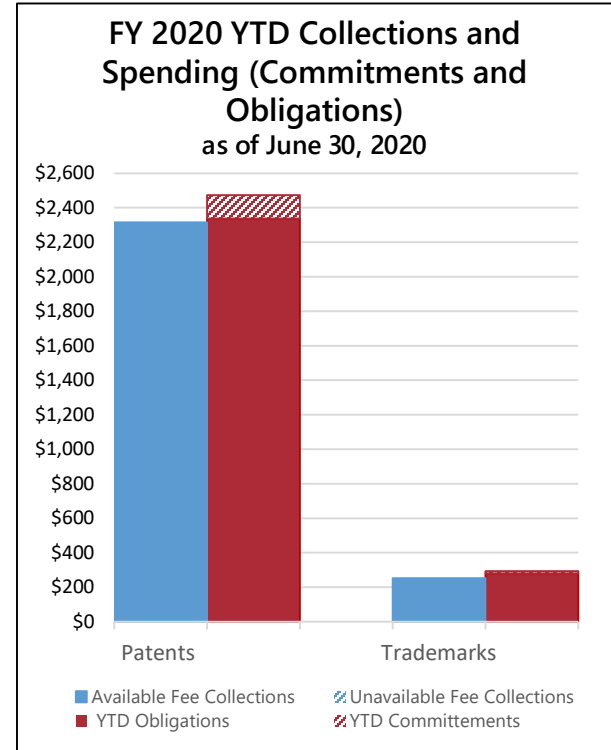
## Patent financial outlook

- Fee collection revenues
  - Patent revenues forecasts are between \$3.1B and \$3.6B, depending on fee rule timing and the level of prepayments before fee rates increase.
  - Through June 30th, patent fee collections were 99.1 percent of plan.
- Expenses
  - Patent expenses are \$3.15B in FY 2020, down from \$3.18B at the beginning of the year.
  - The agency recently reduced patent expenses by \$15.5M in response to potential revenue risks, including deferring patent examiner and support business unit hires.
    - Additional contingency plans developed but not implemented.



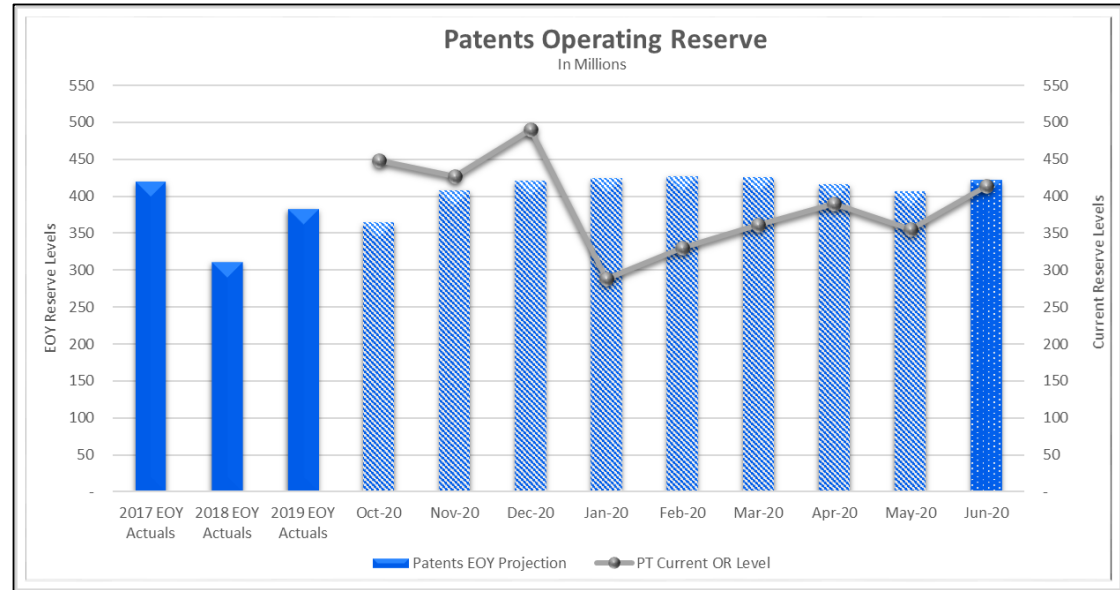
# FY 2020 status: year to date

- As of June 30, 2020, year to date:
  - Planned fee collections: \$2,607.3M
    - Patents: \$2,336.7M Trademarks: \$270.6M
  - Actual fee collections: \$2,568.5M
    - Patents: \$2,315.6M, Trademarks: \$252.9M
  - Actual spending: \$2,766.4M
    - Patents: \$2,473.6M Trademarks: \$292.8M



# FY 2020 status: operating reserve

- Currently, the patent reserve is projected to be between \$388M and \$410M by the end of FY 2020.



# FY 2020 status: USPTO fee relief–status and impact

- The USPTO has extended from July 1, 2020, to September 30, 2020, the time for **small and micro entities** to pay certain patent-related fees that would have been due on or after March 27, 2020.
  - Fees eligible for an extension include: basic filing fees, issue fees, maintenance fees, and select other fees.
- For large entities, the initial notice provided extensions for fees including: requests for continued examination, issue fees, and select other fees. After May 31, 2020, relief will be available to those large entities who need it on a case-by-case basis.
- The USPTO has also waived the fee for filing a petition for the revival of applications that became abandoned, if accompanied by a statement that the delay in filing or payment was due to the COVID-19 outbreak. Such petitions must be filed by July 31, 2020.
- From April to June, collections for fees eligible for CARES relief were 2.3 percent below plan (-\$2.3 M); total collections were 2.7 percent below plan (-\$21.3M).

(millions)	Total patent fees				Eligible fees			
	Plan	Actual	Variance		Plan	Actual	Variance	
April	\$271.7	\$267.3	(\$4.3)	-1.6%	\$34.3	\$33.1	(\$1.2)	-3.5%
May	\$254.4	\$236.6	(\$17.7)	-7.0%	\$31.7	\$31.4	(\$0.3)	-1.0%
June	\$262.7	\$263.0	\$0.3	0.1%	\$34.4	\$33.6	(\$0.8)	-2.4%

# FY 2021 status

- **Requirements**
  - The agency has reviewed and revised its FY 2021 spending requirements in consideration of projected revenue collections and targeted operating reserve levels.
    - The agency projects that the current negative economic environment will still impact patent applicant and patent holder behavior in FY 2021.
- **Appropriation process for FY 2021.**
  - The House CJS subcommittee markup occurred July 8, 2020.
  - The Senate CJS subcommittee markup will occur later this summer.





# FY 2022 budget

- The USPTO is finalizing its requirements for the FY 2022 OMB budget submission.
- The PACs and Department of Commerce will receive a draft to review in late August 2020.
- The final document is scheduled to be submitted to OMB on September 14, 2020.

# Fee rulemaking

- PPAC initially held a public hearing on September 6, 2018, to notify the public of the USPTO's intent to adjust patents fees.
- The Setting and Adjusting Patent Fees during Fiscal Year 2020 Notice of Proposed Rulemaking (NPRM) was published in the Federal Register on July 31, 2019.
- The NPRM comment period ended on September 30, 2019.
- The USPTO paused implementation of the final rule to assess the broader implications of the current economic environment.
- The USPTO released the Setting and Adjusting Patent Fees during Fiscal Year 2020 Final Rule on Monday, August 3, 2020 and it will take effect on October 2, 2020



# Thank you!

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