



USPTO Budget Update - TPAC

June 20, 2014

Frank Murphy

Deputy Chief Financial Officer

Office of the Chief Financial Officer



Agenda

- ⇒ FY 2014 Trademark Financial Outlook
- ⇒ FY 2015 & Out-year Financial Outlook



FY 2014 Trademark Fee Forecast

Revised FY 2014 fee forecast released with the FY 2015 President's Budget

⇒ Trademark fee estimate is \$278.4M

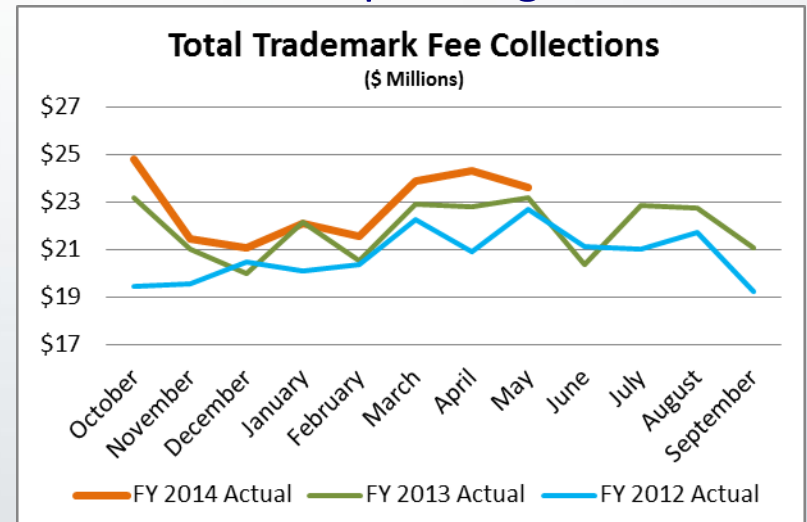
Total Trademark Collections (Dollars in Thousands)

FY 2012		FY 2013		FY 2014	
Actual	Increase	Actual	Increase	Plan	Increase
\$248,877		\$263,650	5.9%	\$278,376	5.6%

⇒ Collections through May are currently 4.0% above corresponding FY 2013 timeframe

Year-to-date Comparison (Dollars in Thousands)

FY 2012		FY 2013		FY 2014	
Actual	Increase	Actual	Increase	Plan	Increase
\$165,783		\$175,707	6.0%	\$182,752	4.0%





FY 2014 Projected End-of-Year Funding

TRADEMARKS

Projected Income Summary

	Actual
Fee Collections - End-of-Year	\$278,376,327
Actual Prior Year Carryover	155,080,204
Other Income - Current Apportionment	7,521,003
OIG Transfer	(161,721)
<i>Total Projected Income</i>	<u>440,815,813</u>

Projected Spending

Actual Commitments and Obligations	196,843,321
Projected Spending for Remainder of Year	89,998,049
<i>Total Projected Spending</i>	<u>286,841,370</u>
Total Projected Carryover	<u>\$153,974,442</u>

- ⇒ Other income consists of recoveries, parking fees, reimbursements, and expenditure refunds.
- ⇒ Note: Other income is expected to increase during the second half of the fiscal year. Additional prior year recoveries are increasing above projected levels. The increase could add an additional \$1-2M to the projected carryover.



FY 2014 Trademark Organization Spend Plan Status

- ⇒ Projected Trademark business line spending has decreased by \$5.1 million since October. Total projected income has remained relatively constant during that period.
 - Estimated prior year recoveries added \$3.4 million, which was offset by a slight decrease in projected fee income.
 - Spending decreases are mostly attributable to shared IT investment spending changes as well as projected hiring lapses in the support programs
- ⇒ Trademark currently has 26 vacancies with 7 projected attritions through year-end
 - 30 Trademark Attorneys have been hired since the start of the fiscal year
 - Trademark projects to fill another 10 positions by year-end



FY 2015 & Out-year Trademark Organization Spending Projections

- ⇒ Spending priorities for the Trademark organization include:
- An increase of 16 FTE to align trademark application examination capacity with revised workload estimates.
 - An increase of 4 FTE to allow Trademark Trial and Appeals to handle workload increases.
 - An offsetting **reduction** of \$12.5M, which reflects the continued expansion of the Trademark Next Generation system, but at a lower rate of investment than in FY14.



FY 2016 & Out-year Trademark Budget Planning

- ⇒ USPTO has started work on its FY 2016 OMB Budget Submission
 - Internal guidance issued April 2014
 - PACs, DoC, and OMB will receive a draft to review in August 2014
 - Final document will be completed by September 8, 2014
- ⇒ Federal Register notice on the Trademark fee reduction issued May 9, 2014
 - Comments are due by June 23, 2014
 - Final rule is expected to be published October, 2014 and implemented January 2015