

Patent Public Advisory Committee Quarterly Meeting

USPTO Budget Update



Tony Scardino
Chief Financial Officer
May 22, 2014



FY 2014

Current full year working estimate for fees is \$3,286.2M (as of April 30, 2014).

- ⇒ Patents: \$3,007.8M, Trademarks: \$278.4M
- ⇒ Estimate is \$262M more than USPTO's current spending authority level of \$3,024.0M

The USPTO anticipates depositing revenues in excess of FY 2014 spending authority into the Patent and Trademark Fee Reserve Fund (PTFRF) for the first time since its creation.



FY 2014

As of April 30, 2014

⇒ Year to date fee collections are \$1,913.5M

- Patents: \$1,754.4M, Trademarks: \$159.1M

⇒ Year to date spending is \$1,781.5M

- Patents: \$1,610.6M, Trademarks: \$170.9M

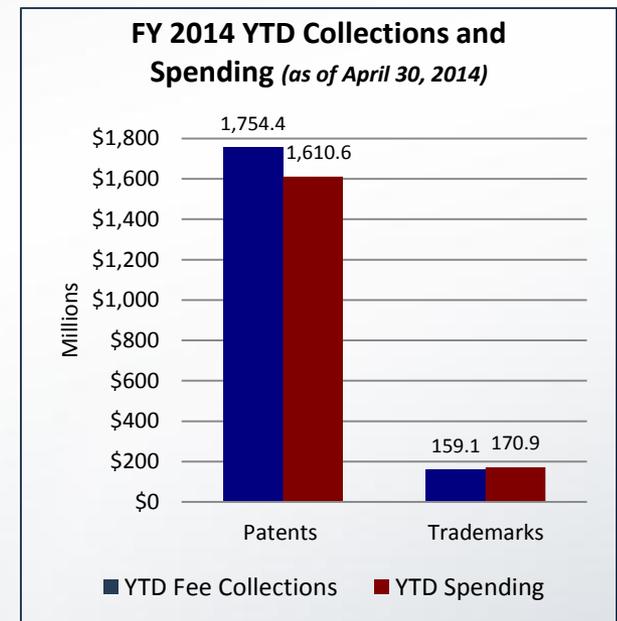
⇒ End of year projected spending is \$2,949.9M

- Patents: \$2,662.3M, Trademarks: \$287.6M

⇒ End of year projected carryover is \$798.0M

- Patents: \$644.8M, Trademarks: \$153.2M

- Includes funds to be carried over for use in FY 2015 and funds anticipated for deposit in the PTFRF





FY 2015 Budget

DoC Secretary Pritzker's appropriations hearing before the House and Senate CJS subcommittees occurred April 9th and 10th.

⇒ Comments include:

- Support against the sequestration impact on user fees
- Inquiries regarding the USPTO's IT systems:
 - » Requested confirmation that, as the agency upgrades its IT systems, it will maintain/improve the quality of its databases
 - » Requested an update on the progress of upgrading IT systems



FY 2016 Budget

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



Operating Reserve

The operating reserve is a critical component of USPTO's sustainable funding model.

Target is to establish an average of three-month patent operating reserve.

- ⇒ Allows USPTO to avoid operational starts and stops associated with funding uncertainties such as a government shutdown
- ⇒ Based on current information, USPTO will exceed this target by the end of FY 2015

The patent operating reserve is growing quickly due to adjustments to the assumptions that drive estimates. These include:

- ⇒ Economic environment
- ⇒ Application filing growth
- ⇒ Fee payment behavior after the fee schedule and first inventor to file implementation in March 2013
- ⇒ Patent production estimates

USPTO recognizes the significance of the estimate change and plans to first determine optimal patent pendencies as well as assess the operating environment through a biennial fee review.



Strategy and Reporting

- ⇒ USPTO 2014-2018 Strategic Plan was completed March 2014. The report can be accessed on-line here:
<http://www.uspto.gov/about/stratplan/index.jsp#heading-1>
- ⇒ The FY 2013 Performance and Accountability Report will receive AGA's Certificate of Excellence in Accountability Reporting (CEAR) for the 12th consecutive year.



Questions and Comments?

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