

Patent Public Advisory Committee Quarterly Meeting

USPTO Budget Update



Tony Scardino
Chief Financial Officer
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FY 2015 Status

- ⇒ The FY 2015 Consolidated and Further Continuing Appropriations Act passed December 16, 2014, appropriating the USPTO \$3,458.0 M
 - As of December 31, 2014, full year working estimate for fees is \$3,142.1M
 - » Patents: \$2,868.7M, Trademarks: \$273.4M

- ⇒ USPTO received Congressional approval to transfer fees from the Patent and Trademark Fee Reserve Fund to its Salaries and Expenses account December 17, 2014
 - Total transferred amount is \$148.2M
 - » Patents: \$128.7M, Trademarks: \$19.5M



FY 2015 Status *(continued)*

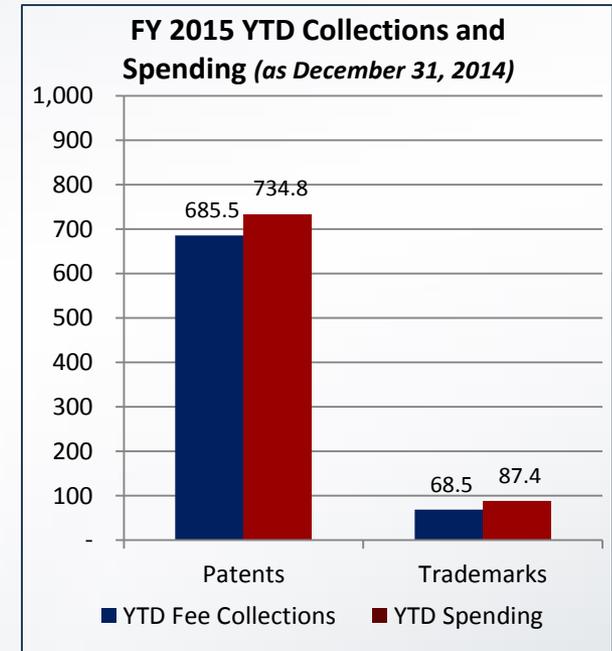
As of December 31, 2014

- ⇒ Year to date fee collections are \$754.0M
 - Patents: \$685.5M, Trademarks: \$68.5M

- ⇒ Year to date spending is \$822.2M
 - Patents: \$734.8M, Trademarks: \$87.4M

- ⇒ End of year projected spending is \$3,326.5M
 - Patents: \$2,998.1M, Trademarks: \$328.4M

- ⇒ End of year projected operating reserve is \$488.1M
 - Patents: \$381.6M, Trademarks: \$106.5M
 - Includes withdrawal of \$162.8M from the operating reserve





FY 2015 Status *(continued)*

⇒ As of December 31, 2014, USPTO has hired:

- 91 of the targeted 450 patent examiners
- 12 of the targeted 91 PTAB judges

⇒ Total IT spending: \$763.2M, an increase of \$161.2M from the FY 2015 President's Budget

- In FY 2014, stakeholders encouraged using the operating reserve for more aggressive IT investments and USPTO began to reassess its priorities and activities
- IT improvements require a multi-year increase



FY 2016 Budget

The FY 2016 President's Budget released February 2, 2015

- ⇒ Requests authority to spend fee collections of \$3,206.7M
- ⇒ Operating requirements are \$3,501.1M
- ⇒ Includes withdrawal of \$266.6M from the operating reserve and \$28M in other income
- ⇒ Program changes include:
 - Hiring 250 patent examiner attrition replacements
 - Enhancing satellite office outreach programs, and pro bono and pro se assistance activities
 - Increasing PTAB staff by 60 judges and 20 support staff
 - A decrease of Patent IT spending of \$25.5M from the 2015 operating plan reflecting a deployment of the version 1.0 PE2E capability
 - Special focus on quality and training for patent examiners to include 80 additional staff to both assess, and contribute to, the quality of work by examiners; additional technical training and guidance; and improved information technology tools



Biennial Fee Review

- ⇒ USPTO received 45 Fee Change Concept proposals from Business Units
 - Proposals include ideas recommended in the 2014 PPAC Annual Report
- ⇒ An executive body is currently reviewing the proposals and will recommend a strategic direction, as well as approve which proposals should move forward for consideration
 - A working group will conduct a detailed analysis of the approved proposals evaluating the impacts to the USPTO and the IP system, aggregate costs and revenues, legal authority, and specific options to be publically proposed



Questions and Comments?

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