Patent Public Advisory Committee
Quarterly Meeting

USPTO Budget Update

Tony Scardino
Chief Financial Officer
February 7, 2019
Agenda

• FY 2019 status
• FY 2020 budget
• Strategic planning
• Fee rulemaking and biennial fee review
FY 2019 status

- The current Continuing Resolution (CR) is through February 15, 2019.
- The USPTO’s appropriation lapsed between December 22, 2018 and January 25, 2019.
  - We maintain carryover funding from prior fiscal years, and that allowed us to stay open.
  - Under the current CR, USPTO has access to all fees collected during the lapse in appropriation.
FY 2019 status (continued)

• As of December 31, 2018, year to date:
  – Planned fee collections of $833.7M
    • Patents: $748.1M Trademarks: $85.6M
  – Actual fee collections: $854.0M
    • Patents: $772.4M, Trademarks: $81.7M
    • Unavailable fee collections: $69.8M
        – Patents: $61.2M, Trademarks: $8.6M
  – Actual spending: $1,014.2M
    • Patents: $901.0M, Trademarks: $113.2M
FY 2019 status (continued)

As of December 31, 2018:
- End of year projected fee collections of $3,358.7M
  - Patents: $3,012.2M, Trademarks: $346.5M
- End of year projected spending of $3,457.2M
  - Patents: $3,105.3M, Trademarks: $351.9M
- End of year projected operating reserve of $388.9M
  - Patents: $252.7M, Trademarks: $136.1M
FY 2020 budget

- The President’s Budget is typically released in early February.
- There is a hold on budget submission activities for the FY 2020 President’s Budget as a result of the lapse in appropriations. Submission date to be determined.
- PPAC will receive the FY2020 Budget for review before submission.
Strategic planning

• USPTO published the 2018-2022 USPTO Strategic Plan on November 29, 2018.

• The Agency’s goal to optimize patent quality and timeliness will be met through the following objectives:
  – Optimize patent application pendency
  – Issue highly reliable patents
  – Foster innovation through business effectiveness
  – Enhance operations of the Patent Trial and Appeal Board
Fee Rulemaking

• With the benefit of the PPAC Fee Setting Report (2018), the USPTO is in the process of drafting a notice of proposed rulemaking (NPRM) to set and adjust patent-related fees.
  – We expect to have the NPRM published in the Federal Register for public comments by late summer
Biennial Fee Review

• We began our biennial fee review in January 2019:
  – The biennial fee review is required by the Chief Financial Officers Act of 1990
  – The objective is to conduct a comprehensive review of the existing fee schedule as well as research, analyze, and recommend potential revisions and additions to the fee schedule
Questions and Comments

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