

# Patent Public Advisory Committee Quarterly Meeting

## USPTO Budget Update

Tony Scardino – Chief Financial Officer

May 2, 2019

UNITED STATES  
PATENT AND TRADEMARK OFFICE



# Agenda

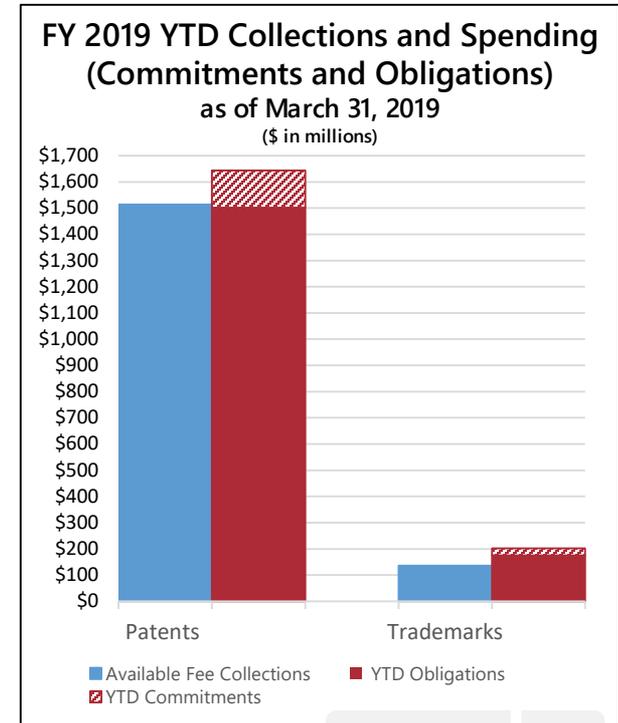
- **FY 2019 status**
- **FY 2020 budget**
- **FY 2021 budget**
- **Fee rulemaking and biennial fee review**

# FY 2019 status

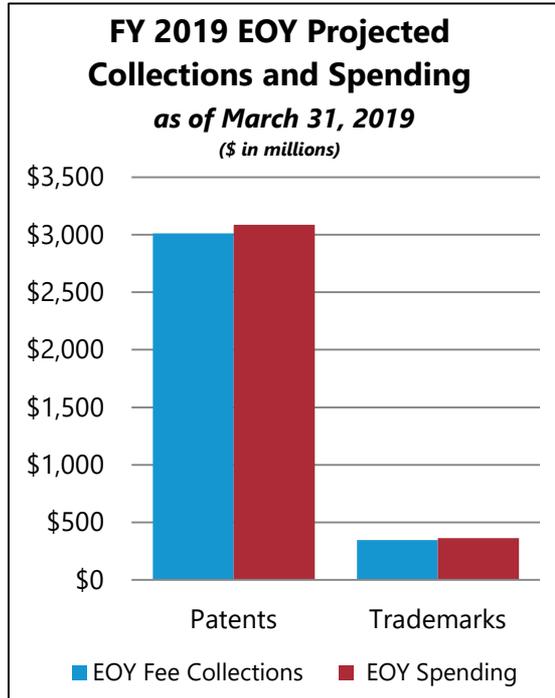
- The Consolidated Appropriations Act, 2019 passed on February 15, 2019.
- The bill provides USPTO with \$3.37B for FY 2019 and requires that:
  - Any amount received in excess of the FY 2019 appropriated amount will be deposited in the Patent and Trademark Fee Reserve Fund (PTFRF).
  - \$1.5M shall be transferred to the OIG account for activities associated with carrying out investigations and audits related to the USPTO.

# FY 2019 status: year to date

- As of March 31, 2019, year to date:
  - Planned fee collections of \$1,655.6M
    - Patents: \$1,485.8M Trademarks: \$169.8M
  - Actual fee collections: \$1,679.5M
    - Patents: \$1,513.8M, Trademarks: \$165.7M
  - Actual spending: \$1,844.7M
    - Patents: \$1,643.1M, Trademarks: \$201.6M



# FY 2019 status: end of year



- As of March 31, 2019:
  - End of year projected fee collections of \$3,358.7M
    - Patents: \$3,012.2M, Trademarks: \$346.5M
  - End of year projected spending of \$3,450.3M
    - Patents: \$3,086.7M, Trademarks: \$363.7M
  - End of year projected operating reserve of \$395.7M
    - Patents: \$271.3M, Trademarks: \$124.4M

# FY 2019 status: fees

- Patents end of year fee estimate is \$3,012.2M.

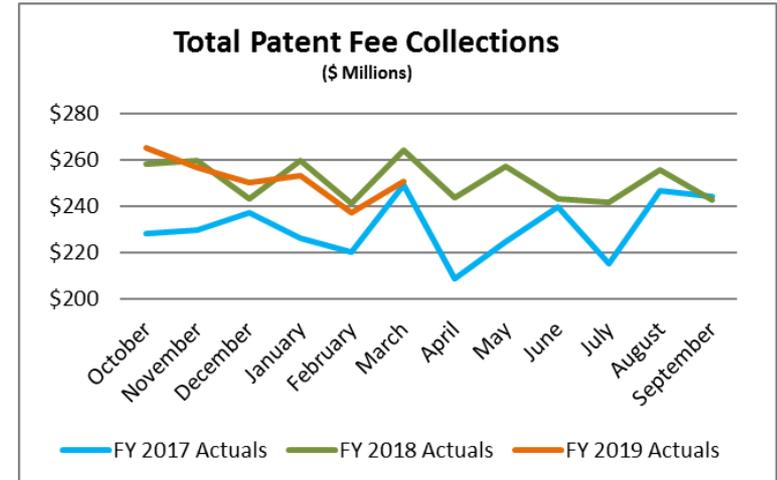
Total Patents collections (dollars in millions)

FY 2017		FY 2018		FY 2019	
Actual	Actual	Increase	Plan	Increase	
\$2,772.2	\$3,009.9	8.6%	\$3,012.2	0.1%	

- Collections through March 31<sup>st</sup> are currently 0.7% below the corresponding FY 2018 timeframe.

Patents year-to-date comparison (dollars in millions)

FY 2017		FY 2018		FY 2019	
Actual	Actual	Increase	Actual	Increase	
\$1,391.7	\$1,524.9	9.6%	\$1,513.8	-0.7%	



# FY 2020 budget

- The USPTO's FY 2020 President's Budget was released on March 26, 2019.
- DOC's appropriation hearing before the Senate CJS subcommittee occurred on April 2, 2019.
- DOC's appropriation hearing before the House CJS subcommittee occurred on April 3, 2019.

# FY 2020 budget *(continued)*

- The USPTO's total FY 2020 fee estimate is \$3,450.7M
  - Patents: \$3,094.5M, Trademarks: \$356.1M
- The USPTO's total FY 2020 requirement is \$3,539.2M\*
  - Patents: \$3,171.7M, Trademarks: \$367.5M
- The budget places a high priority on:
  - Issuing reliable and predictable intellectual property (IP) rights
  - Shortening patent application pendency
  - Enhancing patent administrative appeal and post grant processes
  - Investing in our information technology (IT) stabilization and modernization

\*The FY 2020 President's Budget does not reflect the 2019 1.9 percent pay raise as authorized in the Consolidated Appropriation Act, 2019, which will impact the Patents budgetary requirements by approximately \$42M

# **FY 2021 budget**

- **The USPTO is in the planning stages for the FY 2021 OMB budget submission.**
- **The PACs and DOC will receive a draft to review in late August 2019.**
- **The final document is scheduled to be submitted September 9, 2019.**

# Fee rulemaking

- The USPTO is continuing the process of drafting and reviewing 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 are continuing our biennial fee review which began in January 2019.**
  - 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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