USPTO budget update

Jay Hoffman
Michelle Picard
February 6, 2020
Patent Public Advisory Committee quarterly meeting
Agenda

• FY 2020 status
• FY 2021 budget
• Fee rulemaking
FY 2020 status

• The FY 2020 Consolidated Appropriations Act passed on December 20, 2019

• The bill provides the USPTO with $3.45B for FY 2020 and requires that:
  – Any amount received in excess of the FY 2020 appropriated amount will be deposited in the Patent and Trademark Fee Reserve Fund (PTFRF)
  – $2M shall be transferred to the OIG account for carrying out investigations and audits related to the USPTO

• USPTO received congressional approval to transfer fees from the Patent and Trademark Fee Reserve Fund to its Salaries and Expenses account on January 8, 2020
  – The transferred amount is $28.7M
    • Patents: $24.7M, Trademarks: $4.0M
FY 2020 status: year to date

- As of December 31, 2019, year to date:
  - Planned fee collections: $877.0M
    - Patents: $787.8M, Trademarks: $89.2M
  - Actual fee collections: $871.0M
    - Patents: $790.1M, Trademarks: $80.9M
  - Actual spending: $1,025.9M
    - Patents: $900.7M, Trademarks: $125.2M

FY 2020 YTD collections and spending (commitments and obligations) as of December 31, 2019 ($ in millions)
FY 2020 status: fiscal year end projection

- As of December 31, 2019:
  - End of year projected fee collections of $3,769.2M
    - Patents: $3,400.4M, Trademarks: $368.8M
  - End of year projected spending of $3,658.2M
    - Patents: $3,229.0M, Trademarks: $429.2M
  - End of year projected operating reserve of $690.1M
    - Patents: $614.4M, Trademarks: $75.7M
FY 2020 status: fees

Patents end of year fee estimate is $3,400.4M.

**Total Patents collections (dollars in millions)**

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>Increase</th>
<th>FY 2020</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>$3,009.9</td>
<td>$3,054.6</td>
<td>1.5%</td>
<td>$3,400.4</td>
<td>11.3%</td>
</tr>
</tbody>
</table>

Collections through December 31, 2019 are currently 2.3% above the corresponding FY 2019 timeframe.

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

<table>
<thead>
<tr>
<th></th>
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<th>FY 2020</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>$761.1</td>
<td>$772.4</td>
<td>1.5%</td>
<td>$790.1</td>
<td>2.3%</td>
</tr>
</tbody>
</table>
FY 2021 budget

• The FY 2021 President’s Budget request will be submitted on February 10, 2020 to Congress

• The USPTO expects that appropriation hearings will be held for DoC’s FY 2021 budget by the House and Senate CJS subcommittees
Fee rulemaking

• The USPTO is currently finalizing its patent rulemaking package
• A final rule is expected to be published in the Federal Register late spring/summer 2020
• The proposed effective date of the fee changes is between July 2020 through January 2021
Thank you!

Jay Hoffman
michelle.picard@uspto.gov
(571) 272-9200
www.uspto.gov