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Trademarks financial performance
USPTO: Status of the trademark financial business

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May 21, 2021
Agenda

• FY 2021: financial position & status of the business

• Next steps for the budget
  – FY 2022 President’s Budget to Congress
  – FY 2023 budget formulation
## FY 2021 status: financial outlook

<table>
<thead>
<tr>
<th></th>
<th>USPTO</th>
<th>Trademark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriated Fee Collections</td>
<td>$3,695.3</td>
<td>$444.6</td>
</tr>
<tr>
<td>Preliminary Adjustment</td>
<td>(131.1)</td>
<td>21.2</td>
</tr>
<tr>
<td>FY 2021 Estimated Fee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collections</td>
<td>$3,564.2</td>
<td>$465.8</td>
</tr>
<tr>
<td>Carryover and other income</td>
<td>$563.2</td>
<td>$122.6</td>
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<tr>
<td>(less OIG transfer)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Patent and Trademark Fee</td>
<td>231.9</td>
<td>16.4</td>
</tr>
<tr>
<td>Reserve Fund Reprogramming</td>
<td></td>
<td></td>
</tr>
<tr>
<td>**Total FY 2021 Projected</td>
<td>$4,359.3</td>
<td>$604.8</td>
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<tr>
<td>Budget Authority</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Projected End of Year Spending</strong></td>
<td>(3,843.8)</td>
<td>(422.9)</td>
</tr>
<tr>
<td>**Projected End of Year</td>
<td>$515.5</td>
<td>$181.9</td>
</tr>
<tr>
<td>Operating Reserve</td>
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### Spending

- Trademark spending is currently planned at $422.9M. This is slightly higher than the planned spending level from the beginning of the year.

### Operating Reserve

- Congress has approved USPTO’s request to reprogram the funding deposited in the PTFRF to USPTO’s salaries and expense fund.
- The Trademark operating reserve is projected at $181.9M.
FY 2021 status: FY 2021 vs FY 2020 revenue change

Trademark Collections: FY21 vs. FY 20 40-Day Moving Average % Change
FY 2021 status: Trademarks FY 2021 EOY projections

- April
  - 25 Day Moving Average of EoY Projected Collections: $472M
  - EoY Above/Below Current Plan ($): $6M
  - EoY Above/Below Current Plan (%): +1.35%

- FY2021 Appropriated Level for Trademarks = $444.6M
FY 2021 status: Trademarks EOY projections & YTD above/below plan

End of Year Projections Above/Below Annual Plan ($)

- $6M
- $0M
- $6M
- $12M
- $18M
- $24M
- $30M
- $36M
- $42M
- $48M
- $54M
- $60M
- $66M
- $72M
- $78M

Application Filings 10.02%
Maintaining Exclusive Rights 29.76%
Intent to Use/Use Fees 9.16%
Trademark Trial and Appeal Board -15.46%
All Other Fee Categories 4.01%
FY 2021 status: operating reserve balance

25 Day moving average of Trademark’s operating reserve balance

- Optimal OR Balance
- Minimum Required OR Balance

April 20, 2021
Present OR Balance: $178.6M
25 Day MA of OR Balance: $176.1M
Next steps for the budget

• FY 2022 President’s Budget
  – The USPTO budget is due to Congress in late May
• FY 2023 Budget Formulation
  – Kicking off process in the spring
    • Process includes re-baselining FY 2022 requirements and revenue estimates
    • Agency will evaluate aggregate revenue and aggregate cost for decisions related to initiating a new fee setting effort
  – Provide draft document to public advisory committees, Department of Commerce, and the Office of Management and Budget (OMB) for review in August
  – Submit final budget to OMB in September
Thank you!

Jay Hoffman

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