

UNITED STATES
PATENT AND TRADEMARK OFFICE



Finance

Suzanne Harrison

Finance Subcommittee Chair

Eb Bright

PPAC member



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Being good stewards: finance

Key takeaways and recommendations

- The USPTO is in good financial shape today. The PPAC supports resource allocations to address pendency and IT infrastructure needs. The vast majority of patent spending supports examination. The agency should set success criteria and periodically evaluate new, non-examination spending to avoid unproductive non-examination spending.
- The USPTO and Congress must take steps to resolve sequestration risks and ensure that all fees collected remain in the agency and are spent predominately on the examination and adjudication of IP rights.
- The PPAC supports renewal of agency fee setting authority and is committed to working with the USPTO to continuously improve the rationale, transparency and objectives of future fee increases.



Key takeaways and recommendations

cont.

- The USPTO's long-term fiscal stability is vital. Ensuring that the USPTO is financially positioned with adequate resources for patent examination and other operations is of nationwide importance as explained above. In particular, the PPAC recommends Congress:
 - o promptly enact appropriations to avoid shutdowns or continuing resolutions that force the USPTO to dip into its operating reserve,
 - o appropriate or otherwise find a way forward on the approximately \$950M in unavailable but previously collected patent fees.
- The USPTO must actively avoid sequestration. The PPAC supports that Congress and the USPTO taking preemptive measures to remove the agency from the sequestration process. Patent stakeholders must have confidence that fees voluntarily paid for patent related services are being used to provide those services and not diverted to other, unrelated government purposes.
- The USPTO must have fee setting authority renewed by Congress in 2026 or sooner to ensure the agency can continue to operate at a high level. The PPAC worked with the USPTO through the current fee setting process and is eager to continue working with the USPTO to further improve the rationale, transparency and objectives of future fee increases.
- Resolving sequestration and the voluntary nature of fees paid by patent applicants are questions that remain. The PPAC encourages the USPTO and Congress to mitigate or remove the risk of voluntary patent fees being withheld from the agency.



