

U.S. Patent and Trademark Office

Fiscal Year 2023

**The President's Budget and Congressional
Justification**

March 2022

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DEPARTMENT OF COMMERCE
UNITED STATES PATENT AND TRADEMARK OFFICE
Budget Estimates, Fiscal Year 2023
Congressional Justification
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INTRODUCTION

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Description/Scope of Responsibilities

The United States Patent and Trademark Office (USPTO) is an agency within the United States Department of Commerce (DOC). The Under Secretary of Commerce for Intellectual Property and Director of the USPTO leads the USPTO and consults the Patent Public Advisory Committee (PPAC) and the Trademark Public Advisory Committee (TPAC) on office policies, goals, performance, budgets, and user fees. The Commissioner for Patents oversees the Patents organization, and the Commissioner for Trademarks oversees the Trademarks organization. The Commissioners, whom the Secretary of Commerce appoints, enter into annual performance agreements with the Secretary that describe their measurable organizational goals.

The USPTO fosters innovation, competitiveness, entrepreneurship, and equitable economic growth in the United States by conducting high-quality and timely patent and trademark examination and review proceedings to produce stable, reliable, and predictable intellectual property (IP) rights; guiding IP policy and improving IP rights protection; and delivering IP information and education in the United States and internationally. Patents and Trademarks are distinct business lines within the USPTO that administer the patent and trademark laws that protect IP and brands. USPTO employees perform the inherently governmental functions of issuing patents and registering trademarks as well as providing domestic and global leadership on IP issues. A number of mission-support activities are not inherently governmental, and third-party contractors perform some of these functions.

The USPTO estimates that it will employ 14,363 federal employees, including patent examiners, trademark examining attorneys, information technology (IT) specialists, attorneys, and other administrative staff in fiscal year (FY) 2023. The USPTO has a nationwide workforce and, in part, uses remote work, including telework, to employ, engage, and retain employees. This is a core component of the USPTO's business strategy.

The USPTO is a demand-driven, fee-funded, performance-based organization committed to delivering balanced IP protection and information to its stakeholders, including inventors, entrepreneurs, businesses, IP organizations, and international entities.

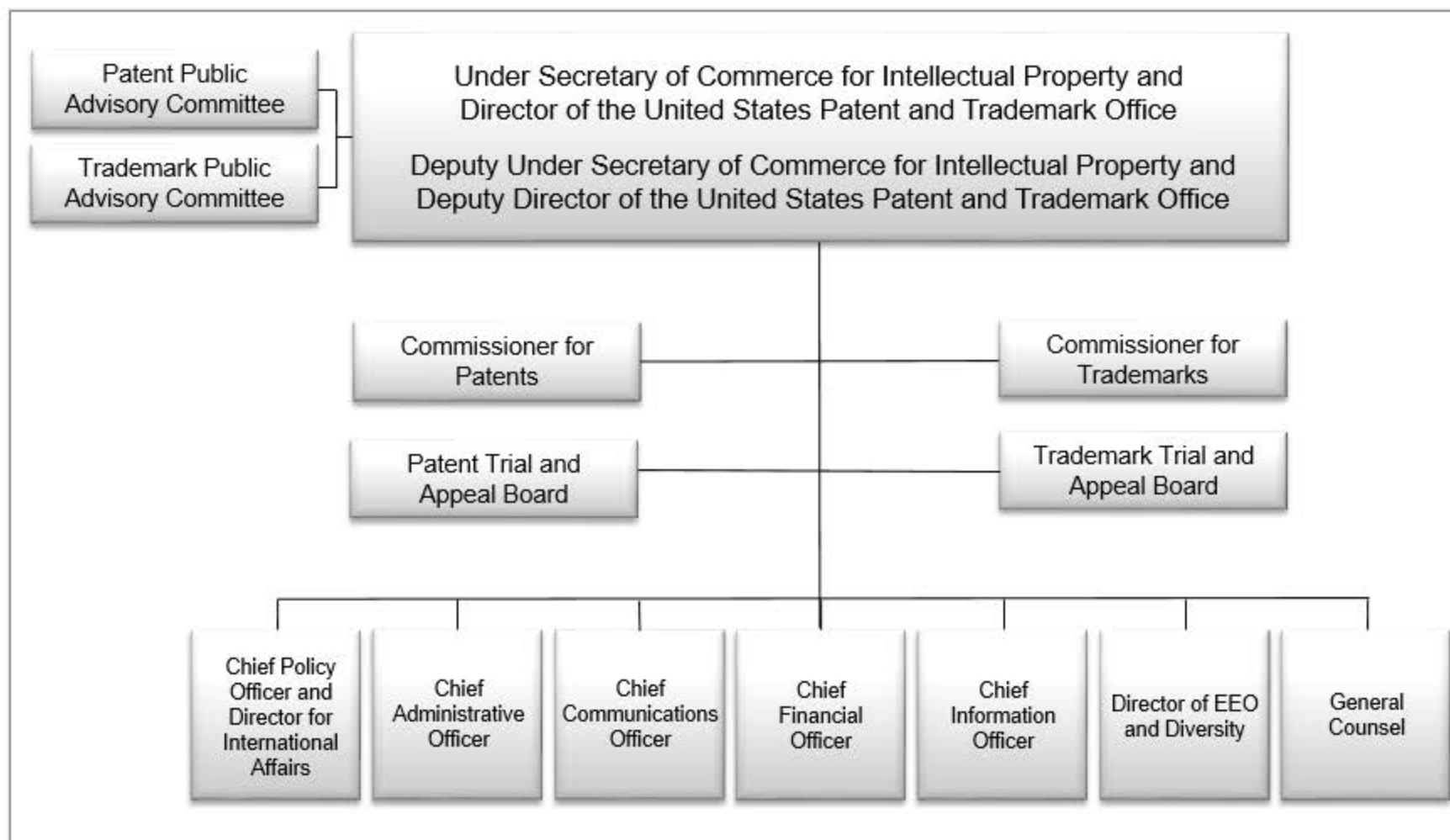
The USPTO is headquartered in Alexandria, Virginia. The agency has four regional offices in Detroit, Michigan; Denver, Colorado; San Jose, California; and Dallas, Texas. There is also an Eastern Regional Outreach Office based at headquarters.

Exhibit 32/33 contains the USPTO's legislative authorities.

Disclaimer

Due to rounding, the numbers presented in tables throughout this document may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

**Department of Commerce
United States Patent and Trademark Office**



**Department of Commerce
U.S. Patent and Trademark Office
Budget Estimates, Fiscal Year 2023
Executive Summary**

The USPTO's FY 2023 Budget (Budget) estimates agency fee collections of \$4,253 million, consisting of \$3,711 million in patent fees and \$542 million in trademark fees. The USPTO also expects to collect \$54 million in other income (e.g., miscellaneous reimbursements). Estimated spending is \$4,152 million, consisting of \$3,648 million in Patents spending and \$504 million in Trademarks spending. This required spending level supports 14,363 positions, and it transfers \$2.45 million to DOC's Office of Inspector General (OIG). In addition, the USPTO will add \$155 million to the operating reserves (ORs). The agency requests authority for full access to the fee collection estimate (\$4,253 million) to offset the spending requirement and achieve the planned OR balance; under this request, the USPTO's FY 2023 net appropriation is \$0.

The USPTO predicated the Budget on workload and fee collection estimates derived from internal production and workload models, as well as global and domestic indicators of economic activity and IP growth. The

USPTO estimates that the growth rate for serialized (original) patent applications will increase by 0.5% over the projected FY 2022 growth rate, and trademark applications will increase by more than 13% in FY 2023. These forecasts have inherent uncertainty, and actual demand for patents and trademarks could be higher or lower than projected. The USPTO must meet actual demand regardless of these forecasts and estimated spending requirements.

To mitigate the risk of uncertain demand, the USPTO maintains two ORs (i.e., Patents and Trademarks). The ORs are a Government Accountability Office (GAO) best practice for user fee-funded government agencies like the USPTO. The ORs enable the USPTO to consistently finance agency operations when:

- Fee collections are partially or wholly unavailable (e.g., CRs, government shutdowns, etc.);
- Fee collections are lower than expected (e.g., unexpected economic downturns);

USPTO Operating Levels FY 2021-FY 2023			
<i>Dollars in millions</i>	FY 2021	FY 2022	FY 2023
Estimated Fee Revenue (Appropriation/Authority)	3,625	4,126 ¹	4,253
Other Income	38	54	54
Operating Reserve BOY Balance	513	684	417
Total Estimated Funds Available	4,176	4,863	4,724
Total Estimated Spending	(3,724)	(4,016)	(4,152)
Available at EOY	452	848	572
Transfer (to)/from Patent and Trademark Fee Reserve Fund (PTFRF)	232	(431) ²	431
Operating Reserve EOY Balance	684	417	1,002
Patent & TM Fee Reserve Fund (PTFRF)			
PTFRF BOY Balance	232	-	431
Transfer to/(from) PTFRF	(232)	431 ²	(431)
PTFRF EOY Balance	-	431	-
EOY Operating Reserve and PTFRF Balances	684	848	1,002
Authorized Positions	13,474	13,880	14,363

¹FY 2022 amount represents estimated fee collections only, not the anticipated appropriation.

²The \$431 million transfer to the PTFRF indicated represents the amount by which the USPTO estimates revenue will exceed an FY 2022 full-year continuing resolution (CR) level.

- Seasonal spending requirements exceed seasonal fee collections (e.g., normal cash flow variability);
- Demand for patent or trademark services unexpectedly increases (e.g., unexpected economic upturns), resulting in higher than planned spending requirements to address the increases in work volumes; or
- Other unanticipated spending requirements exceeding planned estimates are necessary to maintain USPTO operations.

Depositing a portion of annual fee collections into the ORs, such that they are available to finance USPTO operations in the event of any of the above circumstances, is a USPTO budgetary requirement.

The USPTO commits itself to fiscal responsibility. It makes prudent decisions to align spending priorities with fee revenue projections to meet workload requirements and maintain sufficient OR levels. The fee setting authority authorized in the 2011 Leahy-Smith America Invents Act (AIA) (Pub. L. 112-29), and extended in the Study of Underrepresented Classes Chasing Engineering and Science Success (SUCCESS) Act of 2018 (Pub. L. 115-273), also provides the USPTO with the necessary flexibility to set and adjust fees. In addition, the AIA created a framework for providing the USPTO full access to fees collected.

The patent fee collection estimates included in this document reflect current patent-related fee amounts, which were implemented on October 2, 2020. The trademark fee collection estimates reflect adjustments to trademark-related fees that were implemented on January 2, 2021, as well as trademark fee collections expected to result from the USPTO's implementation of the Trademark Modernization Act of 2020 (TMA) (Pub. L. 116-260). The TMA was signed into law on December 27, 2020, and the USPTO implemented it on December 18, 2021.

The Budget results reflect the USPTO's work on: issuing reliable, predictable, and high-quality IP rights; optimizing patent and trademark application pendency; enhancing patent administrative appeal and post-grant processes; implementing the TMA and other measures to secure the integrity of the Trademark Register; engaging with stakeholders and conducting outreach and education, both domestically and internationally; promoting and protecting patent and trademark IP rights; and investing in the USPTO's IT program. The Budget also includes long-term investments, and it supports applicable administration priorities and executive orders (EOs).

Budget Highlights

The USPTO's FY 2023 estimated spending is \$4,152 million. This is a \$136 million increase (net) relative to the FY 2022 estimated spending of \$4,016 million. The net increase is comprised of a \$215 million upward adjustment for prescribed inflation/adjustments to base and a \$79 million downward adjustment in program spending and other realized efficiencies. This aggregate funding level allows for the hiring of 650 patent examiners (roughly 250 over estimated attrition levels), the hiring of 100 trademark examining attorneys (approximately 60 over estimated attrition levels), and sufficient production support capabilities required to match examination capacity with the expected workload. Furthermore, the planned increase facilitates additional examination capacity intended to improve patent term adjustment (PTA) compliance rates, address increased demand for trademark applications and manage the associated backlog, and support progress toward

trademark pendency goals. The Budget also continues to fund stabilization and modernization efforts regarding the USPTO's business systems and IT infrastructure, as well as provide resources to support the TMA implementation.

Performance

For current Government Performance and Results Act (GPRA) targets, please see the Appendix VIII – FY 2023/2021 Annual Performance Plan and Report Back up starting on page 182.

Adjustments

Inflationary Adjustments

The USPTO's FY 2023 base includes a total of \$4,226 million and 13,543 full-time equivalents (FTEs)/13,881 positions; inflationary adjustments to current programs for USPTO activities were calculated from these levels. These adjustments include the estimated 4.6% civilian pay raise planned in FY 2023 and inflationary increases for labor and non-labor activities such as benefits, service contracts, utilities, and lease payments.

Patents and Trademarks Businesses: Five-Year Horizon

The USPTO's Budget includes two distinct business lines: Patents and Trademarks. Fee collections received for incoming Patents and Trademarks work finance Patents and Trademarks operations, respectively. The five-year forecast summary reflects the USPTO's planning and budget priorities. The five-year estimates contain inherent uncertainty because the exact economic conditions upon which fee collections are premised are unknown. This, in turn, results in uncertainties in the spending requirements in the five-year forecast summary that are also driven by economic conditions. The USPTO routinely updates its fee collection forecasts, tracks operational and financial performance, and monitors changes in the economy to mitigate this risk of uncertainty. [Appendix III](#) includes a detailed description of how the USPTO develops workload and fee collection estimates for the two business lines.

The USPTO has two ORs: Patents and Trademarks. The agency maintains OR balances to mitigate financial and operational risks (previously described in the Executive Summary). The ORs contain available and unspent prior-year fee collections; once apportioned by the Office of Management and Budget, they are immediately available for use. The USPTO uses all available funding sources (i.e., appropriated fee collections and ORs) to continuously finance agency operations; the ORs are not distinct accounts or segregated fund balances. The USPTO assesses planning targets annually, and the ORs supplement annual collections when annual spending requirements are more than collections. The ORs also assist with cash flow management when normal seasonal variability causes spending to periodically exceed fee collections or provide funding as unplanned requirements emerge that are necessary for the continuous operation of the USPTO. The agency manages the ORs within a range of minimum (low) and optimal (high) balance levels. The USPTO sets minimum OR balances annually as a lower bound while building the ORs to the optimal level. The agency reviews the OR optimal balance targets biennially and sets their levels to mitigate fee collection and spending risk factors. Through its multi-year planning, the USPTO aims to achieve or approach the OR optimal levels within the five-year forecast.

The annual OR balances do not include amounts on deposit in the PTFRF, which is a separate account. When actual fee collections exceed the amounts authorized in the annual appropriations in a given year, the USPTO deposits the excess fee collections in the PTFRF. The USPTO cannot use the fee collections deposited in the PTFRF immediately, and PTFRF balances do not mitigate short-term operational financing risks. The agency must notify Congress using the congressional reprogramming process before PTFRF deposits can be used to finance USPTO operations.

Long-Term Planning

As a fully fee-funded agency, the USPTO relies on a comprehensive, multi-year budgetary outlook. The Budget includes estimates for potential long-term investments, including activities supporting applicable administration priorities and EOs. The agency establishes long-term planning estimates to facilitate effective resource planning and inform fee setting over the five-year budget horizon.

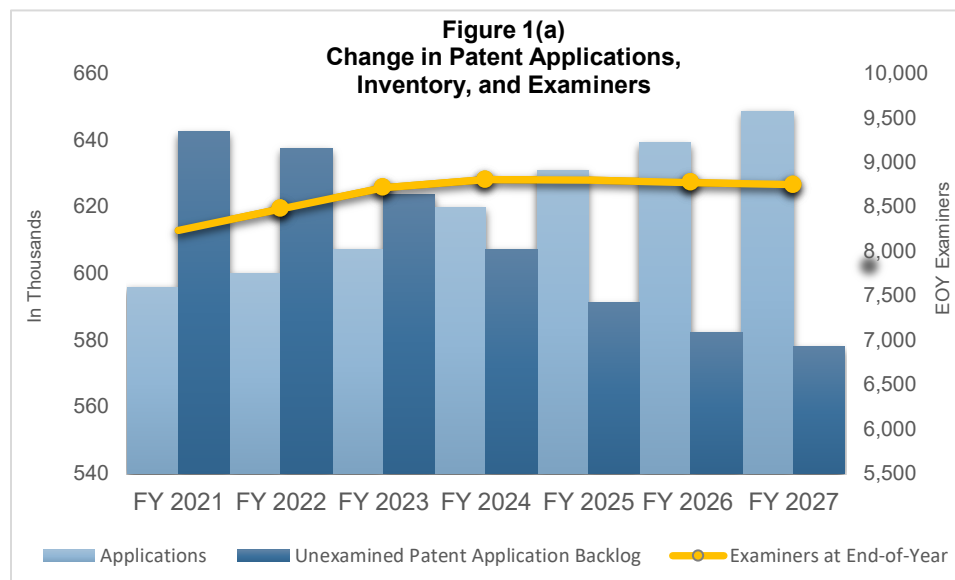
Planning estimates in the Budget incorporate efforts to support the Council for Inclusive Innovation (CI²); expand the USPTO's presence to better deliver IP education and information to underserved communities; meet workload requirements to address unprecedented trademark application filings and the resulting inventory backlog; strengthen the integrity of the Trademark Register; improve IT resiliency and failover

capabilities; support a hybrid workforce, including more reliance on telework and remote work; and implement EOs addressing key administration priorities, such as EO 14002, “Economic Relief Related to the COVID-19 Pandemic,” and EO 13985, “Advancing Racial Equity and Support for Underserved Communities Through the Federal Government.”

Patents Business: Five-Year Horizon

The USPTO continues to focus on accurate and consistent results in patent search and examination, while improving the timeliness of patent examinations. Ensuring the reliability of issued patents so that stakeholders have confidence in patent grants is a commitment that requires investments of time, training, and other resources, as supported by the Budget.

The FY 2023 Budget projects 2.0% growth annually for serialized (original) filings—the largest component of the overall application growth rate—between FY 2023 and FY 2027. As seen in Figure 1(b), the USPTO projects an overall annual growth rate of 1.2% in utility, plant, and reissue (UPR) application filings in FY 2023. The UPR annual growth rate differs from the serialized growth rate in that it also includes request for continued examination (RCE) filings, which are a function of total disposals, average examiner grade, and various initiatives designed to reduce RCE filings. The USPTO expects an average decrease in RCE filings, which would ultimately reduce the total UPR filing growth rate. As a result of these filing trends, the USPTO has updated its patent examiner hiring plans to 650 new hires in FY 2022 and FY 2023, 500 new hires in FY 2024, and slower hiring in the years that follow, as demonstrated in Figure 1(a). The USPTO calculates all patent spending and fee estimates based on these assumptions.



PTA was established by the American Inventors Protection Act of 1999. A patent term is a measure of the period of time that a patent is in force, and PTA provides for the adjustment of a patent term to account for certain USPTO administrative delays of a patent application. Often described as the “14-4-4-4-36 time frames,” the specified time frames require the USPTO to issue an office action within 14 months after receipt of an application filing, respond to a reply or an appeal within four months after the reply was filed or the appeal was taken, act on an application within four months after a decision by the Patent Trial and Appeal Board (PTAB) or a federal court, issue a patent within four months after the payment of an issue fee, and issue a patent within 36 months from the filing date of an application. The staffing plan included in this Budget provides the patent examiner staffing level required to address increasing workloads, as well as to balance quality and pendency targets within the framework of the PTA examination time frames. In the ongoing efforts to improve certainty and timeliness,

the USPTO will continue to closely monitor inventory and application filing levels and calibrate examination capacity to reduce PTA while optimizing the issuance of reliable, predictable, and consistent patents. The projected results will change in accordance with planned hiring levels and other assumptions.

Figure 1(b) - Patents Performance Outlook

Utility, Plant, and Reissue	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
UPR Applications	595,810	599,900	607,200	619,700	630,800	639,200	648,600
Growth Rate	-2.2%	0.7%	1.2%	2.1%	1.8%	1.3%	1.5%
Serialized Applications	450,434	457,300	466,500	475,800	485,300	495,000	505,000
Serialized Growth Rate	-0.1%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%
Production Units	555,098	576,300	580,900	595,100	605,200	611,500	616,100
Performance Measures							
Total PTA Compliance - Mailed Actions (Percent)	83%	80%	80%	81%	82%	83%	84%
Total PTA Compliance - Remaining Inventory (Percent)	86%	87%	88%	89%	90%	90%	91%
Examiners at End-of-Year	8,231	8,477	8,713	8,804	8,799	8,770	8,744

To achieve the performance commitments shown above, the USPTO has developed its estimates of Patents spending and fee collections, as shown in Figure 1(c).

Figure 1(c) - Patents Financial Outlook

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Estimated Fee Revenue (Appropriation/Authority)	3,152	3,631 ¹	3,711	3,808	3,851	3,941	4,035
Other Income	33	43	43	43	43	43	43
Operating Reserve BOY Balance	397	476	218	705	830	930	1,064
Total Estimated Funds Available	3,582	4,150	3,973	4,556	4,724	4,914	5,142
Total Estimated Spending	(3,321)	(3,551)	(3,648)	(3,727)	(3,794)	(3,850)	(3,885)
Available at EOY	260	598	325	830	930	1,064	1,258
Transfer (to)/from PTFRF	215	(380) ²	380	-	-	-	-
Operating Reserve EOY Balance	476	218	705	830	930	1,064	1,258
Patent & TM Fee Reserve Fund (PTFRF)							
PTFRF BOY Balance	215	-	380	-	-	-	-
Transfer to/(from) PTFRF	(215)	380 ²	(380)	-	-	-	-
PTFRF EOY Balance	-	380	-	-	-	-	-
EOY Operating Reserve and PTFRF Balances	476	598	705	830	930	1,064	1,258

¹FY 2022 amount represents estimated fee collections only, not the anticipated appropriation.

²The \$380 million transfer to the PTFRF represents the amount by which the USPTO estimates revenue will exceed the FY 2022 full-year CR level.

Projected Fee Collections

Filing growth projections have a direct impact on fee collections. While the COVID-19 pandemic resulted in economic uncertainty and affected patent filing levels, by the end of FY 2021, both patent filings and fees were stronger than anticipated at the beginning of the year. Expectations for patent filings in FY 2023 and future years assume a return to steady, positive growth. The USPTO projects that serialized patent application filings will grow by 1.5% in FY 2022, as the economy recovers, before leveling out at 2.0% annual growth over the remainder of the planning horizon.

The patent fee collection estimates reflect the patent fee schedule that took effect on October 2, 2020. The USPTO continues to conduct biennial fee reviews to ensure the fee structure allows for continuous strategic improvements to address stakeholder needs as well as maintain a sustainable funding model that avoids disruptions when financial resources fluctuate. The USPTO is committed to continuously improving the design of its fee schedule to provide sufficient financial resources to administer the U.S. IP system effectively, while maintaining a rigorous and transparent review process.

Estimated Spending

Due to inflationary increases and additional capacity to meet forecasted workload requirements, the USPTO projects that Patents will require a spending increase at a 2.6% compound annual growth rate (CAGR) through FY 2027, relative to the FY 2021 baseline level.

Impact of Increasing Patent Examiner Time

The time allotted for patent examiners to examine applications is a critical link between timeliness and quality. Significant changes in patent prosecution have occurred since the USPTO last established time goals for examination, including new and converging technologies of increasing complexity, a growing volume of prior art, and a change to the system used to classify patent applications and search for prior art. Between October 2019 and October 2020, the USPTO phased in updates to the method of allotting time for examining patent applications to account for the full scope of technology covered in an application, the complexity of the application, the prior art search, consideration of whether a pro se applicant files the application, and changes in application routing. Patents has been studying the impacts of those changes on examination time, considering feedback from various stakeholders and oversight bodies, and evaluating other potential improvements.

Currently, the USPTO is considering an additional phased increase in examination time and developing a research and development environment (called the “R&D art unit,” and formerly known as the “test art unit”) to assess the impact of this change and provide evidence to inform future budget decisions. This R&D art unit will enable a cadre of patent examiners, detailed temporarily from existing art units, to perform examination functions while piloting defined solutions and alternative perspectives to problems or challenges that could impact the patent examination process. Conducting pilots within this R&D art unit will allow the USPTO to analyze the organizational and financial impacts of increased examination time as well as potential impacts on productivity. Initial analysis of the first pilot indicates it will cost approximately \$2 million for detailed staff to devote 30% of their time to the program for a full year. Using detailed examiners results in comparatively minimal costs to the USPTO and is not reflective of how much full implementation of the piloted changes would cost. A more complete cost assessment of the increased examination time scenario is forthcoming in a future budget. The USPTO anticipates these

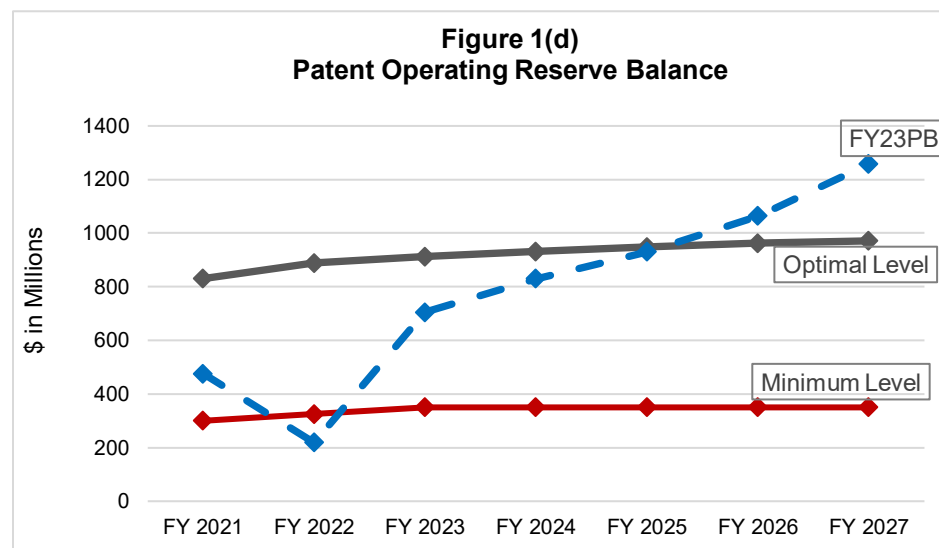
changes will provide for stronger patents by increasing the efficiency of examination, improving decisions, and optimizing the balance of timeliness and quality.

Patents Operating Reserve

The USPTO manages its ORs within a range of acceptable balances—a minimum planning level and an optimal planning level—based on an assessment of key risk factors. For Patents, the USPTO has set the minimum planning level OR balance at \$325 million in FY 2022 and \$350 million in FY 2023—just over one month's operating expenses. For the Patents business line, the USPTO has set the optimal planning level OR balance at approximately three months of operating expenses: \$888 million in FY 2022 and \$912 million in FY 2023 (see Figure 1(d)). The Patents optimal reserve assessment, last conducted in 2021, revalidated the three-month optimal level as the appropriate long-range target to mitigate the identified risk factors, including the high percentage of fixed costs in the Patents business line and the uncertain legal, judicial, and policy environments.

The USPTO anticipates fee collections and other income will exceed obligations by approximately \$107 million in FY 2023. Depositing this balance into the Patents OR is a budgetary requirement that will enable the USPTO to build the Patents OR toward the optimal level. Please note, as depicted in Figure 1(d), the Patents OR will drop below the minimum level in FY 2022 due to the assumption of a full-year CR for FY 2022. A full year CR will result in \$380 million in fee collections above the CR level being deposited into the PTFRF. As a result, the USPTO will finance \$164 million in FY 2022 requirements from the OR balances. Once the fees deposited in the PTFRF are reprogrammed in FY 2023, those reprogrammed balances will replenish the OR and will be available to finance mission requirements.

The USPTO bases the OR projections on point-in-time estimates and assumptions that are inherently uncertain and subject to change. Uncertainties around adjustments to examination capacity, time allotted to examiners to perform their work, re-competitions of contracts, changes to workload, and decreases in revenue, among other issues, could impact the USPTO's ability to achieve the projected OR levels. Per USPTO policy, the agency assesses the need for a downward fee adjustment if the Patents OR balance is projected to exceed the optimal level by more than 10% for at least two consecutive years. Under the current forecast, this is projected to occur in FY 2027. However, the USPTO's long-term financial outlook can change dramatically due to changing assumptions or differences in planned and actual amounts, including unexpected inflation. Taking immediate actions to reduce fee rates would be premature, particularly as the USPTO continues to assess impacts of potential changes in examination time and the cost of inflation adjustments. The USPTO is carefully



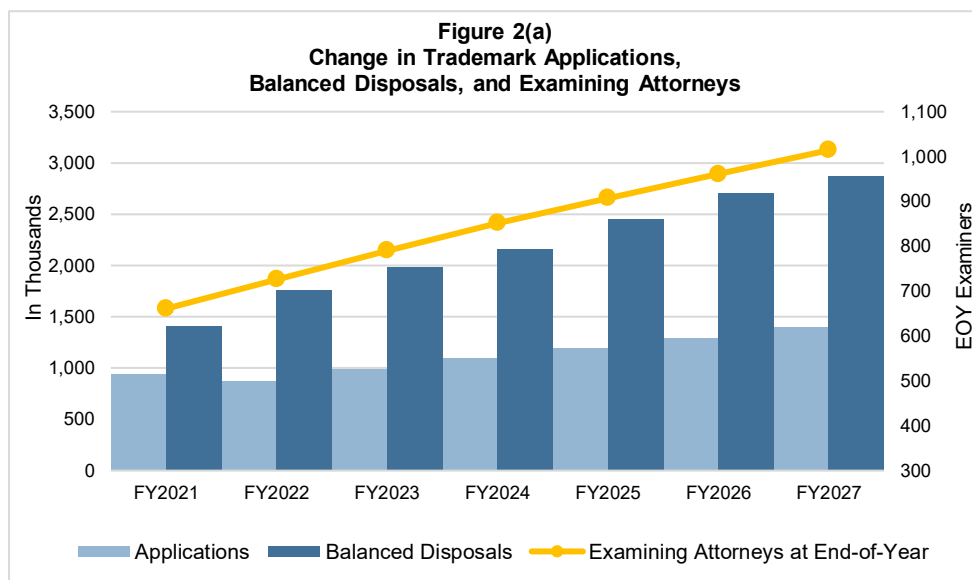
monitoring the point-in-time estimates and assumptions, including the annual growth of the OR. If the current financial outlook holds, the USPTO may consider fee adjustments in future years.

Trademarks Business: Five-Year Horizon

The USPTO is committed to maintaining high-quality examination of trademark applications, with a continued focus on timeliness. Historically, trademark application filings have exhibited a stronger and more immediate correlation with the economy (as measured by changes in gross domestic product and venture capital investment) than patent filings. The FY 2023 projections build off the tumultuous years of FY 2020 and FY 2021. The USPTO experienced a pandemic-related reduction in trademark application filings during the second quarter of FY 2020 that, at the time, looked likely to continue, causing the USPTO to defer the hiring of examining attorneys and reduce its operating tempo. However, this was followed by an unexpected and extreme surge in filings in the fourth quarter that, in large part, coincided with governments issuing COVID-19-related economic stimuli globally. Strong economic conditions continued in FY 2021. Since then, Trademarks has experienced a gradual deceleration and return to “normal” that has continued through January 2022.

For FY 2023 and beyond, the USPTO projects that filings will grow by an average of about 10% year over year. Given the anticipated increase in filings and the record-high backlog of unexamined applications, Trademarks plans to increase staffing levels for examining attorneys during the five-year planning horizon, as demonstrated in Figure 2(a). As shown in Figure 2(b), this forecast also predicts a slowdown in trademark filings in FY 2022—after the abnormally strong demand in FY 2020 and FY 2021, but before historical positive growth rates resume.

For over a decade, the USPTO maintained first action pendency at between 2.5 and 3.5 months. However, the USPTO entered FY 2021 with a considerable backlog of unexamined applications because of the economic recovery and subsequent increase in trademark filings. This swift increase led the USPTO to revise its first action pendency targets upward, to between 2.5 and 7.5 months for FY 2022 and to between 2.5 and 6.5 months for FY 2023, before the targets trend down to normalized levels in FY 2027. Total pendency goals are expressed as the optimal target only, currently designated as thirteen and a half months, i.e., six months longer than first action pendency. In the coming years, USPTO’s efforts will be to keep first action pendency below the high end of the ranges. The low end of the ranges are included in the goals as an indication that there is an optimal minimum first action pendency that ensures high quality



examination. The pendency adjustment from previous years, represents the recognition that working through the unprecedented surge and backlog will take several years. The USPTO is adding additional examiners as well as piloting a program which adds provisional, flexible workforce capacity to address the high inventory levels more quickly. It is also exploring opportunities to reengineer and automate processes that would make examination more efficient. In addition, the TMA sets forth a series of initiatives to improve and strengthen the accuracy and integrity of the federal Trademark Register. The TMA went into effect on December 18, 2021. Its implementation will enable individuals, businesses, and the USPTO to use new tools to clear away unused registered trademarks from the federal Trademark Register. The TMA also equips the USPTO with an additional tool to move applications through the registration process more efficiently. By December 1, 2022, applicants will have shortened periods for responses to office actions. The USPTO will continue to identify additional resources and costs related to the development and execution of the new provisions, specifically in the IT system and examination areas.

Figure 2(b) - Trademarks Performance Outlook

Trademarks	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Applications	943,928	872,000	991,000	1,097,000	1,195,000	1,294,000	1,403,000
Growth Rate	27.9%	-7.6%	13.6%	10.7%	8.9%	8.3%	8.4%
Balanced Disposals	1,412,700	1,760,600	1,984,100	2,164,000	2,457,267	2,705,296	2,866,006
Performance Measures							
Avg. First Action Pendency (Months) ¹	6.3	2.5-7.5	2.5-6.5	2.5-6.0	2.5-5.5	2.5-4.5	2.5-4.0
Avg. Total Pendency (Months)	11.3	13.5	13.5	13.0	12.5	12.0	12.0
Examining Attorneys at End-of-Year	661	726	790	852	907	961	1,014

¹ In the coming years, USPTO's efforts will be to keep first action pendency below the high end of the ranges. The low end of the ranges are included in the goals as an indication that there is an optimal minimum first action pendency that ensures high quality examination.

To achieve the performance commitments shown above, the USPTO has developed its estimates of Trademarks spending and fee collections, as shown in Figure 2(c).

Figure 2(c) - Trademarks Financial Outlook

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Estimated Fee Revenue (Appropriation/Authority)	473	495 ¹	542	586	628	674	726
Other Income	6	10	10	10	10	10	10
Operating Reserve BOY Balance	116	208	198	298	383	488	618
Total Estimated Funds Available	594	714	751	895	1,022	1,172	1,355
Total Estimated Spending	(403)	(464)	(504)	(511)	(534)	(555)	(580)
Available at EOY	192	249	247	383	488	618	775
Transfer (to)/from PTFRF	16	(51) ²	51	-	-	-	-
Operating Reserve EOY Balance	208	198	298	383	488	618	775
Patent & TM Fee Reserve Fund (PTFRF)							
PTFRF BOY Balance	16	-	51	-	-	-	-
Transfer to/(from) PTFRF	(16)	51	(51)	-	-	-	-
PTFRF EOY Balance	-	51	-	-	-	-	-
EOY Operating Reserve and PTFRF Balances	208	249	298	383	488	618	775

¹FY 2022 amount represents estimated fee collections only, not the anticipated appropriation.
²The \$51 million transfer to the PTFRF represents the amount by which the USPTO estimates revenue will exceed the FY 2022 full-year CR level.

Projected Fee Collections

Following a surge in trademark application filings in FY 2021, filings are projected to decrease by 7.6% in FY 2022, then rebound with growth of 13.6% in FY 2023. The FY 2023 filing increase reflects a return to growth rates that align more closely with the historical pattern over the remainder of the planning horizon. The filing growth projections have a direct impact on estimated fee collections, which reflect the trademark fee schedule that took effect on January 2, 2021. In addition, the trademark fee collection estimates include fee adjustments in response to the TMA that are expected to increase trademark revenue by \$3 million to \$5 million per year.

Estimated Spending

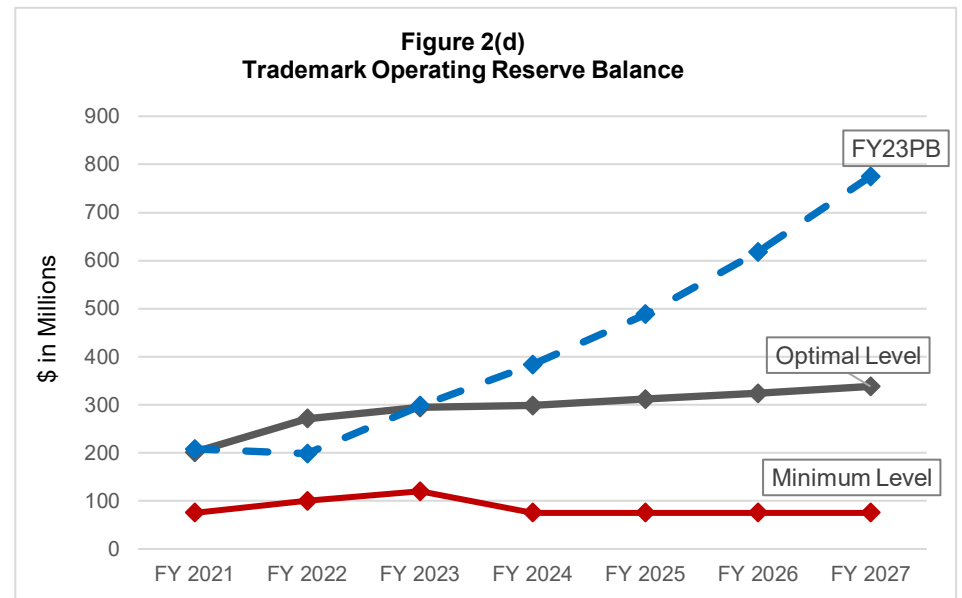
Though the USPTO anticipates a slowdown in application filings in FY 2022, the agency expects increases in new filings to return thereafter. The USPTO anticipates that, overall, filings will increase by about 459,100 applications (classes) by FY 2027 relative to FY 2021, or a 6.8% CAGR. To keep pace with the incremental workloads and to support business development and the implementation of new and improved IT systems to better manage the workload, Trademarks will increase the number of examining attorneys and support personnel. Total annual Trademarks spending requirements will increase at a 6.3% CAGR through FY 2027 relative to the FY 2021 level. These increases to spending requirements include inflationary increases, capacity increases, and continued investments to improve Trademarks' business effectiveness.

Trademarks Operating Reserve

The USPTO manages its ORs within a range of acceptable balances—a minimum planning level and an optimal planning level—based on an assessment of key risk factors. The annual assessment of the minimum planning level OR balance for the Trademarks business line, performed in 2021, resulted in a decision to temporarily increase the minimum planning level to \$100 million in FY 2022 and \$120 million in FY 2023 from the FY 2021 target of \$75 million. This represents approximately three months' operating expenses and was deemed necessary to mitigate the additional risks posed by the high degree of variability in trademark demand over the last two years. The USPTO has set the optimal planning level OR balance at approximately seven months of operating expenses, or \$294 million in FY 2023 (see Figure 2(d)). The USPTO bases this requirement on its 2021 assessment of the optimal OR targets relative to the operational and financial risk environment. The 2021 assessment revealed that the USPTO's risk in pursuing strategies to modify trademark operations to address various challenges, from increasing demand to evolving fraudulent and bad-faith practices, is high. During the 2021 assessment, the USPTO determined the following factors were key in increasing the optimal OR target:

- Balancing workload and workforce and the uncertainty in the future of incoming demand levels.
- Impending economic shifts and a higher than average risk of a future economic correction.
- A higher than normal risk of short- and long-term planning imprecision.

The USPTO estimates the Trademarks OR will remain at or above the optimal planning level during the planning horizon. Current USPTO policy is to examine the contributing factors and determine whether adjusting fee rates is required if the Trademarks OR exceeds the optimal level by 25% for two consecutive years. This Budget projects that the Trademarks OR will exceed the optimal level beginning in FY 2023, but not by 25%. The OR exceeds the optimal level by 25% for two consecutive year in FY 2026. The USPTO bases these projections on point-in-time estimates and assumptions that are inherently uncertain and subject to change. The recent economic downturn and sharp recovery, coupled with higher than expected inflation, demonstrate high levels of uncertainty in workload demand and fee collections. With the growing trademark application inventory awaiting examination and the rise in suspicious filings and fraudulent specimens, spending



requirements are likely to increase once the USPTO has fully evaluated and captured the costs of developing novel procedures, processes, and tools to mitigate bad faith behavior and expand examination capacity. As such, taking immediate actions to reduce fee rates would be premature. Given this volatility, continuing to deposit a portion of annual fee collections into the Trademarks OR will remain a budgetary requirement. The USPTO is taking a measured approach by monitoring OR balances and regularly reassessing the revenue forecast as the contours of the long-term recovery become better understood. If the current financial outlook holds, the USPTO may consider fee adjustments in future budget requests.

TOTAL BUDGET AND FINANCING

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**Department of Commerce
U.S. Patent and Trademark Office
FY 2023 PROGRAM INCREASES / DECREASES / TERMINATIONS**

(Dollar amounts in thousands)
(By Appropriation, Largest to Smallest)

Increases

Page No. In CJ	Appropriations	Budget Program	Title of Increase	Positions	Budget Authority
USPTO-52	Salaries and Expenses	Trademark Program	Trademark Examining	104	12,362
USPTO-82	Salaries and Expenses	Mission Support Program	Financial Management Services	5	2,327
USPTO-85	Salaries and Expenses	Mission Support Program	Miscellaneous General Expense (MGE)	0	2,254
USPTO-66	Salaries and Expenses	Intellectual Property Policy Protection and Enforcement Program	IPR Attaché Program	0	2,019
USPTO-53	Salaries and Expenses	Trademark Program	Trademark Trial and Appeals	5	1,240
USPTO-82	Salaries and Expenses	Mission Support Program	Executive Direction and Communications	6	1,206
USPTO-83	Salaries and Expenses	Mission Support Program	Human Resources Management and Administrative Services	4	26
Subtotal, Increases				124	21,434

Decreases

Page No. In CJ	Appropriations	Budget Program	Title of Decrease	Positions	Budget Authority
USPTO-85	Salaries and Expenses	Mission Support Program	IT Infrastructure and IT Support Services	0	(65,003)
USPTO-35	Salaries and Expenses	Patent Program	Patent Examining	343	(21,477)
USPTO-38	Salaries and Expenses	Patent Program	Patent Information Resources	7	(8,561)
USPTO-84	Salaries and Expenses	Mission Support Program	Mission Support Information Resources	0	(2,685)
USPTO-53	Salaries and Expenses	Trademark Program	Trademark Information Resources	6	(1,105)
USPTO-66	Salaries and Expenses	Intellectual Property Policy Protection and Enforcement Program	Policy, External Affairs and Administrative Support	2	(902)
USPTO-83	Salaries and Expenses	Mission Support Program	Legal Services	0	(397)
USPTO-66	Salaries and Expenses	Intellectual Property Policy Protection and Enforcement Program	Global Intellectual Property Academy (GIPA)	0	(30)
USPTO-37	Salaries and Expenses	Patent Program	Patent Trial and Appeals	-	(18)
USPTO-67	Salaries and Expenses	Intellectual Property Policy Protection and Enforcement Program	IP P,E&P Information Resources	0	(12)
Subtotal, Decreases				358	(100,190)

Department of Commerce
U.S. Patent and Trademark Office
FY 2023 TRANSFER SUMMARY TABLE

(Dollar amounts in thousands)

Page No. In CJ	Appropriations	Budget Program	Title of Transfer	Positions	Budget Authority
	Salaries and Expenses	Mission Support Program		0	-
	Total, Transfers			-	-

Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Total Obligations
2022 Annualized CR	13,880	13,091		4,013,679
2023 Adjustments to base:				
Plus: Restoration of recoveries/unobligated balances				
Plus: Inflationary adjustments to base	1	452		214,608
2023 Base	13,881	13,543		4,228,286
plus: 2023 Program changes	482	251		(78,757)
F2023 Estimate	14,363	13,794		4,149,529

**Comparison by activity /subactivity
with totals by activity**

		2021 Actual		2022 Annualized CR		2023 Base		2023 Estimate		Increase/(Decrease) from 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Patents	Pos./Obl.	11,889	3,266,311	12,183	3,485,115	12,184	3,663,263	12,544	3,575,328	360	(87,935)
	FTE	11,633		11,464		11,869		12,057		187	
Trademarks	Pos./Obl.	1,360	380,755	1,447	438,476	1,446	467,946	1,564	475,842	117	7,897
	FTE	1,304		1,412		1,436		1,496		60	
IP Policy Protection and Enforcement	Pos./Obl.	226	75,242	251	90,087	251	97,078	255	98,359	4	1,281
	FTE	188		215		238		241		4	
Total	Pos./Obl.	13,474	3,722,309	13,880	4,013,679	13,881	4,228,286	14,363	4,149,529	482	(78,757)
	FTE	13,125		13,091		13,543		13,794		251	
Adjustments for:											
Offsetting Fee Collections			(3,624,962)		(4,125,962)		(4,253,404)		(4,253,404)		-
Other Income / Recoveries			(38,493)		(53,500)		(53,500)		(53,500)		-
Unobligated balance, start of year:											
Operating Reserve Balance			(512,758)		(683,787)		(416,901)		(416,901)		
PTFRF Balance			(231,883)		-		(430,669)		(430,669)		
Unobligated balance, end of year:											
Operating Reserve Balance			683,787		416,901		923,738		1,002,495		78,757
PTFRF Balance			-		430,669		-		-		-
Total Budget Authority			(2,000)		(2,000)		(2,450)		(2,450)		-
Financing from transfers											
Transfer from other accounts (-)			-		-		-		-		-
Transfer to other accounts (+)			2,000		2,000		2,450		2,450		-
Appropriation			0		-		0		0		-

Exhibit 5

Comparison by activity:		2023 Estimate		2024 Estimate		2025 Estimate		2026 Estimate		2027 Estimate	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Patents	Pos./Obl.	12,544	3,575,328	12,727	3,653,542	12,810	3,720,667	12,862	3,775,551	12,916	3,809,697
	FTE	12,057		12,323		12,458		12,536		12,595	
Trademarks	Pos./Obl.	1,564	475,842	1,647	482,608	1,722	504,994	1,794	525,573	1,868	550,422
	FTE	1,496		1,589		1,671		1,749		1,827	
IP Policy Enforcement and Protection	Pos./Obl.	255	98,359	259	99,110	260	100,028	260	100,977	260	101,775
	FTE	241		244		246		247		248	
Total Obligations	Pos./Obl.	14,363	4,149,529	14,633	4,235,260	14,792	4,325,689	14,917	4,402,101	15,044	4,461,893
	FTE	13,794		14,156		14,375		14,532		14,669	
Adjustments for:											
Offsetting Fee Collections			(4,253,404)		(4,394,635)		(4,479,580)		(4,614,810)		(4,761,842)
Other Income / Recoveries			(53,500)		(53,500)		(53,500)		(53,500)		(53,500)
Unobligated balance, start of year:											
Operating Reserve Balance			(416,901)		(1,002,495)		(1,212,920)		(1,417,861)		(1,681,621)
PTFRF Balance			(430,669)		-		-		-		-
Unobligated balance, end of year:											
Operating Reserve Balance			1,002,495		1,212,920		1,417,861		1,681,621		2,032,620
PTFRF Balance			-		-		-		-		-
Total Budget Authority			(2,450)		(2,450)		(2,450)		(2,450)		(2,450)
Financing from transfers											
Transfer from other accounts (-)			-		-		-		-		-
Transfer to other accounts (+)			2,450		2,450		2,450		2,450		2,450
Appropriation			-		0		(0)		-		0

Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	FY 2021 Actual	FY 2022 Annualized CR	FY 2023 Base	FY 2023 Estimate	Increase / Decrease from 2023 Base
Total Obligations	3,722,309	4,013,679	4,228,286	4,149,529	(78,757)
Offsetting collections from:					
Federal funds	-	-	-	-	-
Trust funds	-	-	-	-	-
Non-Federal sources (User Fee Collections)	(3,624,962)	(4,125,962)	(4,253,404)	(4,253,404)	-
Other Income	(4,772)	(7,000)	(7,000)	(7,000)	-
Recoveries	(33,721)	(46,500)	(46,500)	(46,500)	-
Unobligated balance, start of year	(744,641)	(683,787)	(847,570)	(847,570)	-
Unobligated balance, transferred	-	-	-	-	-
Unobligated balance, end of year	683,787	847,570	923,738	1,002,495	78,757
Unobligated balance, expiring	-	-	-	-	-
Budget Authority	(2,000)	(2,000)	(2,450)	(2,450)	0
Financing:					
Transfer from other accounts (-)	-	-	-	-	-
Transfer to other accounts (+)	2,000	2,000	2,450	2,450	-
Appropriation*	0	-	0	0	0

*DOC OIG Transfer

Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Technical Transfer to Departmental Management Salary and Expenses		
Adjustments		
Financing		
<u>Other Changes:</u>		
2022 Pay raise		16,207
2023 Pay raise		82,835
Full-year cost in 2023 of positions financed for part-year in 2022	452	72,915
Other Compensation Adjustments		9,399
Change in compensable days		(11,025)
Civil Service Retirement System (CSRS)		(367)
Federal Employees Retirement System (FERS)		934
Thrift Savings Plan (TSP)		209
Federal Insurance Contribution Act (FICA) - OASDI		8,139
Health insurance		3,023
Employee Compensation Fund		(354)
Post-Retirement Benefits to OPM		6,210
Travel		160
Rental payments to GSA		1,872
GSA Furniture and IT Program (FIT)		4
Working Capital Fund, Departmental Management		4,171
Postage		131
National Archives and Records Administration (NARA)		139
General Pricing Level Adjustment		20,010
Continuous Diagnostics and Mitigation (CDM) charges		765
Telecommunications Services – Enterprise Infrastructure Services (EIS)		18
Enterprise Services		-
Commerce Business System (CBS)		-
Federal Protective Service		(785)
Subtotal, other changes	452	214,608
Total, adjustments to base	452	214,608

PATENTS PROGRAM

Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Patents Program

		2021		2022		2023		2023		Increase/Decrease		
		Actual		Annualized CR		Base		Estimate		from 2023 Base		
Sub-Activity:		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Patent Examining	Pos./Obl	10,319	2,291,423	10,590	2,396,481	10,591	2,526,189	10,934	2,504,712	343	(21,477)	
	FTE	10,215		10,057		10,366		10,539		174		
Patent Trial and Appeals	Pos./Obl	413	82,026	413	84,471	415	86,944	415	86,925	-	(18)	
	FTE	371		352		362		362		-		
Patent Information Resources	Pos./Obl	165	161,891	173	163,750	171	169,651	178	161,090	7	(8,561)	
	FTE	156		157		165		171		5		
Subtotal Direct	Pos./Obl	10,897	2,535,340	11,176	2,644,702	11,177	2,782,784	11,527	2,752,727	350	(30,057)	
	FTE	10,742		10,567		10,893		11,072		179		
Mission Support Goal - Allocated	Pos./Obl	991	730,971	1,006	840,413	1,007	880,479	1,017	822,601	11	(57,878)	
	FTE	891		897		976		985		9		
Total		Pos./Obl	11,889	3,266,311	12,183	3,485,115	12,184	3,663,263	12,544	3,575,328	360	(87,935)
		FTE	11,633		11,464		11,869		12,057		187	

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE**
(Dollar amounts in thousands)

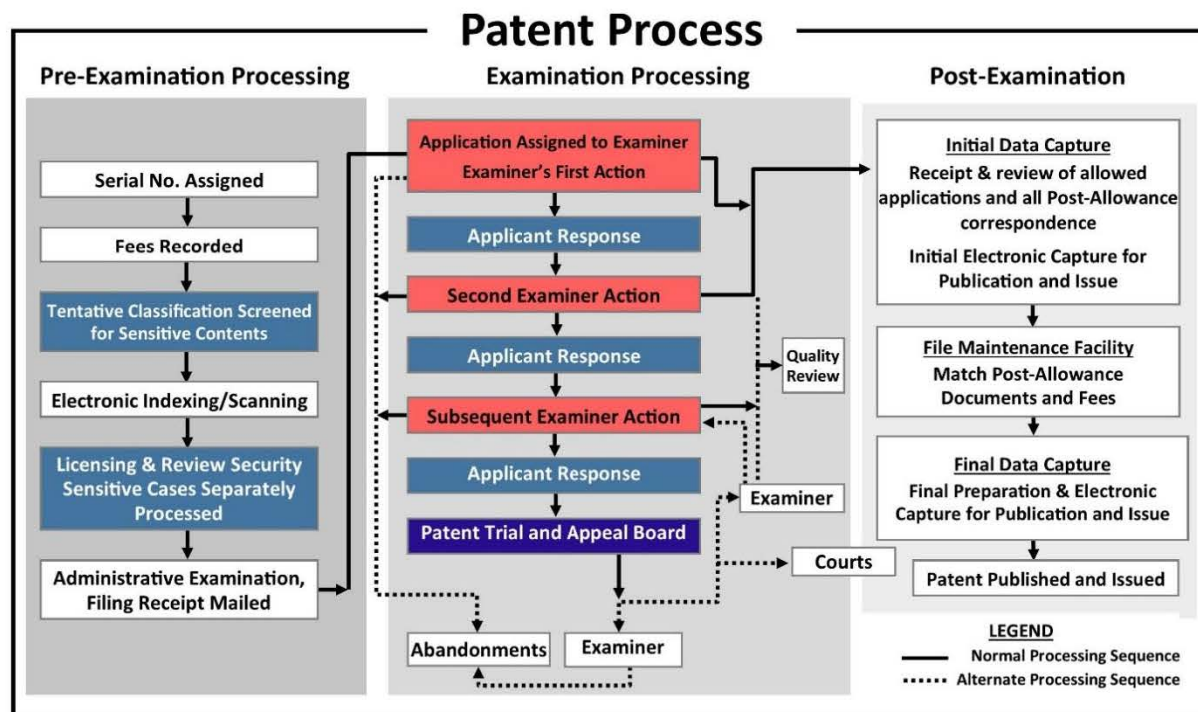
Activity: Patents Program

Goal Statement

The Patents Program remains dedicated to achieving the strategic goal of optimizing patent quality and timeliness to carry out the USPTO's mission "by conducting high quality and timely patent...examination and review proceedings in order to produce reliable and predictable intellectual property rights..." in accordance with laws, regulations, and practices.

Base Program

The Patents Program consists of the activities of the Patent Examination function and the PTAB, with support from the Patent Information Resources function to provide the tools and resources to carry out its mission-critical activities. The functions of the Patents Program are primarily demand-driven. Thus, the USPTO heavily derived requirements for the FY 2023 base program from production-based workload modeling. The base resources needed to carry out the mission of the agency include training, production incentive programs, and investments in IT solutions. The patent examination process drives most of the Patents Program requirements. It consists of the activities shown on the following schematic as well as the major functions described below. The USPTO allocates the budget estimates for line items according to processing functions.



Statement of Operating Objectives

The objectives of the Patents Program align with the USPTO's focus on enhancing the country's innovation ecosystem and providing strong, reliable, and predictable IP rights. Patents is meeting its strategic goals by achieving these objectives and the corresponding initiatives. The objectives include:

- Optimize patent application pendency.
- Issue highly reliable patents.
- Foster innovation through business effectiveness.
- Enhance the operations of the PTAB.

Explanation and Justification

Line Item		2021 Actual		2022 Annualized CR		2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Patent Examining	Pos./Obl.	10,319	2,291,423	10,590	2,396,481	10,591	2,526,189
	FTE	10,215		10,057		10,366	
Patent Trial and Appeals	Pos./Obl.	413	82,026	413	84,471	415	86,944
	FTE	371		352		362	
Patent Information Resources	Pos./Obl.	165	161,891	173	163,750	171	169,651
	FTE	156		157		165	
Mission Support Goal - Allocated	Pos./Obl.	991	730,971	1,006	840,413	1,007	880,479
	FTE	891		897		976	
Total	Pos./Obl.	11,889	3,266,311	12,183	3,485,115	12,184	3,663,263
	FTE	11,633		11,464		11,869	

Patent Examining

For FY 2023, the base budget reflects the continuation of programs required to conduct the USPTO's mission-critical patent examining operations in efforts to further reduce the patent application inventory levels, shorten PTA, and improve patent quality.

Patent Pre-examination Processing: \$56.2 Million and 42 Positions

The patent application process begins upon the USPTO's receipt of the application; this also marks the onset of the pre-examination stage. Patents anticipates receiving 466,500 serialized applications (607,200 total UPR applications) in FY 2023, which represents a 2.0% growth over the previous year. Resources for the pre-examination function allow the office to conduct an administrative review, determining compliance with requirements for form, content, adequacy, and payment of appropriate fees for both paper and electronic filings. For paper filings, which still represent roughly 1% of new applications filed annually, Patents requires additional resources to convert the files to electronic images, after which it manages the application electronically. This process includes the assignment of the official filing date and patent application tracking number and the entering of the patent bibliographic data (e.g., filing date, priority date, inventor(s) title) in the Patent Application Location Monitoring (PALM) system. Patents also requires pre-examination resources to support the pre-grant publication process for applicable filings.

Patent Examination Processing: \$2,340.7 Million and 10,511 Positions

The examination stage is critical for achieving many of the USPTO's strategic and performance goals. Patents requires funding primarily to support the functioning of a highly educated and specialized workforce to produce the office actions required to process the patent application inventory. In FY 2023, the USPTO will require resources to support the 580,900 UPR production units estimated for the fiscal year. These units are generated by a staff of over 8,700 patent examiners, augmented by management and contractor support, IT tools,

and legal and policy resources as well as training and quality investments to maintain the USPTO's standards of excellence in patent examination.

The USPTO remains committed to its emphasis on quality and training, enabling a continued focus on issuing reliable and predictable patents. The terms “reliable” and “predictable” apply to patents the USPTO issues in compliance with all of the requirements of Title 35 of the U.S. Code (U.S.C.) as well as the relevant case law at the time of issuance. The USPTO continues to develop the examining corps by investing in a range of opportunities for technical and legal training. For example, these opportunities include training on subjects relating to 35 U.S.C. § 102, 35 U.S.C. § 103, 35 U.S.C. § 101, 35 U.S.C. § 112, and search. Additionally, the USPTO continues to run programs to train stakeholders on USPTO practice and procedure to improve applicant submissions, including initial filings and USPTO action responses, and to improve collaboration between applicants and examiners. Further, the USPTO's quality assurance program continues to be the agency's foundation for assessing its multiple efforts to improve reliability and consistency. Under this program, the USPTO reviews a random sample of patent examiners' work products to provide timely, reliable, and meaningful indicators of examination quality.

Patent Post-examination Processing: \$129.3 Million and 38 Positions

Patents needs resources to continue the activities required for post-examination processing, which takes place after examiners have allowed applications and issue fees have been paid. These resources will support the current FY 2023 estimate of 315,900 patents to be prepared for issue, printing, and publication in a weekly edition of the electronic Official Gazette for dissemination to the public. Post-issue activities also include processing withdrawals and assignments.

Patent Trials and Appeals

The USPTO's PTAB manages dual jurisdictions, adjudicating ex parte appeals of examiners' final rejections and conducting AIA trial proceedings (inter partes reviews, post-grant reviews, the transitional program for covered business method patents, and derivation proceedings). The PTAB is an administrative tribunal that consists of administrative patent judges (APJs) whose work contributes significantly to the issuance of reliable and predictable patents. Based on current workload requirements, the PTAB projects that in FY 2023, the organization will receive nearly 5,900 appeals. The FY 2023 base resources fund the legal staffing and support needed to meet statutory requirements, aligning capacity with projected workloads to continuously meet objectives. In doing so, these base resources will allow the PTAB to reach and maintain pendency for three activities: the AIA trials which, by statute, must have a decision on whether to institute trial within three months of the patent owner filing a preliminary response and which the PTAB must adjudicate within one year of the institution of a trial; reexamination appeals which, by statute, must be completed with “special dispatch”; and ex parte appeals. Although ex parte appeals do not have a timeliness requirement, the PTAB remains committed to reducing the backlog of cases to reach a strategic inventory level, hiring APJs as needed to support workload projections, clearing the oldest cases, and reassigning judges according to the greatest need. The PTAB strives to issue reliable and timely decisions by utilizing these resources for judicial and legal staffs, systematic training, and data analytics and conducting and publishing trial-related studies with a focus on enhancing decisional quality and educating and engaging stakeholders.

Patent Information Resources

Within this activity is funding for Patent Information Resources, which includes resources for maintaining, stabilizing, and modernizing IT products within the Patent Product Line and delivering the following business value:

- Increased available tools to provide higher-quality prosecution and reduction in data capture costs through improved functionality for Patent Center and DOCX within the Patent Center product.
- Improved system performance and access to prior art based on input from examiners through continued improvements to search capability and the provision of increased artificial intelligence (AI) integration within the Patent Exam Center product.
- Increased data in a new format to improve the quality of patent publications. Enhancements to One Patent Service Gateway will improve quality by enabling completed work products to be perfected prior to publication within the Patent Admin Center product.
- Increased stability and reliability of critical systems to support patents. To achieve these improvements, all product lines will move away from legacy systems toward modern systems by investing in cloud, resiliency, and cyber.
- The mitigation of the PTAB operational risks of not achieving statutory deadlines and appeal pendency goals by capturing, storing, and managing authoritative data within the Patent Trial and Case Tracking product.

Mission Support Goal – Allocated

This sub-activity represents all the management activities that support the accomplishment of Patents goals. These activities can be related to Patents, such as Office of Human Resources activities dedicated to the recruitment of patent examiners and APJs, or cross-cutting management functions that are dedicated to overall USPTO activities, such as financial management systems. The Budget describes these activities in the Mission Support section. In addition, the USPTO allocates costs to Patents based on the agency's Activity Based Information (ABI) analysis and results.

Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
PATENTS PROGRAM
PROGRAM CHANGES FOR 2023
(Dollar amounts in thousands)

		2023 Base		2023 Estimate		Increase/Decrease from 2023 base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Patent Examining:	Pos./Obl.	10,591	2,526,189	10,934	2,504,712	343	(21,477)
	FTE	10,366		10,539		174	
Patent Examiner New Hires	Pos./Obl.					343	12,438
	FTE					174	
Overtime / Production Incentives	Pos./Obl.					-	6,132
	FTE					-	
Workload Processing Contracts	Pos./Obl.					-	(40,048)
	FTE					-	
Patent Trial and Appeals	Pos./Obl.	415	86,944	415	86,925	-	(18)
	FTE	362		362		-	
Patent Information Resources	Pos./Obl.	171	169,651	178	161,090	7	(8,561)
	FTE	165		171		5	
Direct Total, Patents Program	Pos./Obl.	11,177	2,782,784	11,527	2,752,727	350	(30,057)
	FTE	10,893		11,072		179	

Department of Commerce
U.S. Patent and Trademark Office
PATENTS PROGRAM
INCREASES FOR 2023 - 2027
(Dollar amounts in thousands)

		2023		2024		2025		2026		2027	
		Increase/Decrease		Increase/Decrease		Increase/Decrease		Increase/Decrease		Increase/Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Patent Examining	Pos./Obl.	343	(21,477)	520	(8,968)	594	(1,335)	645	(9,451)	697	(25,621)
	FTE	174		432		558		619		671	
Patent Examiner New Hires	Pos./Obl.	343	12,438	520	28,907	594	33,604	645	34,220	697	36,379
	FTE	174		432		558		619		671	
Overtime / Production Incentives	Pos./Obl.	-	6,132	-	9,979	-	11,483	-	12,211	-	12,776
	FTE	-		-		-		-		-	
Workload Processing Contracts	Pos./Obl.	-	(40,048)	-	(47,853)	-	(46,422)	-	(55,882)	-	(74,776)
	FTE	-		-		-		-		-	
Patent Trial and Appeals	Pos./Obl.	-	(18)	-	(28)	-	(37)	-	(90)	-	(143)
	FTE	-		-		-		-		-	
Patent Information Resources	Pos./Obl.	7	(8,561)	7	(9,604)	7	(7,841)	7	(6,051)	7	(9,904)
	FTE	5		7		7		7		7	
Direct Total, Patents Program	Pos./Obl.	350	(30,057)	527	(18,599)	601	(9,213)	652	(15,591)	704	(35,668)
	FTE	179		439		565		626		678	

Sub-Activity: Patent Examining

Patent Examining (-\$21.5 million and +174 FTE/343 Positions): In FY 2023, the Patent Examining program change and base resources will provide funding to ensure the high quality and timely examination of patent applications, leading to the issuance of reliable and predictable patents. These program requirements will enable Patents to examine incoming work in a timely fashion and reduce PTA. The requirements will also enhance the customer experience by ensuring the accuracy, consistency, and reliability of patent examination, thereby increasing the value of the patent to the inventor. These resources will allow the USPTO to process incoming work for which fees have been paid and which are focused on the accomplishment of the goals and objectives identified above. The requirements support the Department's strategic objective of strengthening IP protection. Failure to fund this sub-program would put the Department and the USPTO at risk of mission failure.

As traditional pendency measures approach acceptable levels, the USPTO has started focusing on more refined timeliness measures based on the PTA timeframes, which will reduce the need for patent term adjustments in addition to giving all applicants greater certainty of the timeliness of their own cases.

Assuming planned hiring, workload, and productivity levels are successfully executed in FY 2022 and FY 2023, these program requirements collectively will enable Patents to:

- Address 466,500 new serialized applications (total UPR – 607,200) that are expected to be filed in FY 2023 (2.0% above the projected FY 2022 level).
- Reduce the current unexamined UPR inventory to approximately 623,700 in FY 2023.
- Provide timely examination of patent applications by increasing total PTA compliance for all mailed actions to 80% in FY 2023.
- Increase total PTA compliance for all remaining inventory to 88% in FY 2023.

Performance Measures	2023	2024	2025	2026	2027
Total PTA Compliance – all	80	81	82	83	84
Total PTA Compliance - Without Funding:	88	89	90	90	91
Total PTA Compliance – all	80	80	80	80	79
Total PTA Compliance - Outyear Costs:	88	88	88	88	86
Direct Obligations	(21,477)	(8,968)	(1,335)	(9,451)	(25,621)
FTE	174	432	558	619	671
Positions	343	520	594	645	697

Patent Examiner New Hires: In FY 2023, the USPTO will continue to calibrate the size of the patent examining staff with projected application filings and desired performance results, as documented by patent production modeling. Serialized patent application filings are projected to increase by 2.0% in FY 2023 and remain consistent through the budget horizon. Because of these filing trends, coupled with investments in enhanced

quality—particularly, the issuance of reliable and predictable patents—the USPTO has established patent examiner hiring plans for 650 examiner hires for FY 2023, 500 examiner hires in FY 2024, 400 examiner hires for FY 2025, and 375 examiner hires for FY 2026 and FY 2027, offset by approximately 400 attritions each year. The production model takes into consideration this revised incoming work as well as the revised output of examiners. The careful calibration among quality, workload and hires will enable the USPTO to continue making progress on its PTA targets while enabling continued financial sustainability.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	12,438	28,907	33,604	34,220	36,379
FTE	174	432	558	619	671
Positions	343	520	594	645	697

Overtime/Production Incentives: Two additional tools the USPTO uses to continue aligning production with workload demand are overtime and production incentives. Each overtime hour worked ties directly to production output, as do production incentives. As such, overtime has proven to be more efficient on a per-hour basis than equivalent regular-time hours, which must also incorporate the costs of training, employee leave, and other employee benefits. Funding the full amount of examiner overtime is essential to achieving PTA and inventory goals. The inherent flexibility of overtime allows Patents to more easily expand its production capacity more easily while maintaining optimal staffing levels.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	6,132	9,979	11,483	12,211	12,776
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Workload Processing Contracts: Work based on the number of applications, examiner production, and output drives Patents' largest contracts. Congress should fund these contracts commensurately to sustain processing work and the issuing of patents. In FY 2021, the USPTO renegotiated one of the largest patent workload processing contracts to enable cost savings via competition and to increase the agency's cybersecurity posture for at least 10 years. Specifically, these contracts are used for:

- Front-end processing of newly filed applications and incoming and outgoing documents and quality assurance of electronic filings based on the increase in electronically filed applications as well as the number of pages per application.
- Data capture of applications subject to publication at 18 months as a pre-grant publication.

- Pre-grant publication and initial classification services whereby a contractor classifies all incoming applications once they have been through the initial security review.
- Patent publication, which includes the data capture of granted patents that generate both a text-searchable file and an image file for paper printing and electronic dissemination on the internet.

The projected funding reflects the nonrecurring increase in FY 2021 and FY 2022 resulting from of contract transition costs that are not continued in the outyears as well as cost savings based on the new contract model; these reductions are partially offset by the increased level in workload required due to the increase in patent applications.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	(40,048)	(47,853)	(46,422)	(55,882)	(74,776)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Sub-Activity: Patent Trials and Appeals

PTAB Production and AIA Workload (-\$2.0 thousand and 0 FTE/0 Positions): For FY 2023 through FY 2027, the PTAB projects that costs will decrease slightly due to efficiencies found in savings via non-compensation that are below the allowed inflationary adjustments.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	(18)	(28)	(37)	(90)	(143)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

	FY 2021 Actual	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
APPEALS							
Incoming Appeals (Ex Parte Appeals)	5,695	5,800	5,900	6,000	6,100	6,200	6,300
Appeals Disposed (Ex Parte Appeals Decision Unit, for FY20 and forward is 1.3 per Decision)	8,058	8,499	7,413	5,975	6,075	6,175	6,275
Appeal Inventory/Backlog (Ex Parte Appeals)	5,737	3,038	1,525	1,500	1,525	1,550	1,575
Pendency of Decided Appeals in months (Ex Parte Appeals),	13	12	12	12	12	12	12
Board Months of Inventory	12	6	3	3	3	3	3
AIA TRIAL							
AIA Petitions Filed	1,404	1,522	1,530	1,530	1,546	1,554	1,562
Pendency of Decided Trial Months, Estimated	11	11	11	11	11	11	11
AIA Petitions Disposed	1,458	1,487	1,512	1,512	1,538	1,547	1,555
ADMINISTRATIVE PATENT JUDGES							
Total APJs and PAs (incl. Executive APJs and reflect attrition)	268	257	252	247	247	247	247

Sub-Program: Patent Information Resources

Patent Product Line (-\$8.6 Million and +5 FTE/7 Positions) – The following Patent products will receive additional attention:

- **Patent Administrative Center:** Provides high-availability IT patent systems. Completes aspects for the implementation of time, routing, and the new performance appraisal plan (the Time, Routing, and Performance Appraisal Plan (TRP)), based on cooperative patent classification (CPC). Enables users to create outgoing correspondence, route and review employees' work, and track and generate employee productivity numbers. Allows reviewers to conduct formalities and document and fee reviews, view applicant representative and correspondence information, and validate fees and export documents.
- **Patent Business & Content Management Services:** Improves the resiliency of product components. Stores patent application documents and content in various formats and processes them for transmission to patent systems for user access.
- **Patent Center:** Provides a unified interface that allows applicants to file and review. Exceeds internal user expectations of data quality and system resiliency. Allows public users to search USPTO.gov for patent applications.
- **Patent Business Management Information:** Supports the use of data and analytical tools to respond to fast-paced policy and legal changes. Offers a report generation feature that provides system users with improved workflow lists and provides metrics that enable informed decision-making.

- **Patent Exam Center:** Provides for all aspects of TRP implementation. Rolls out a search capability to all examiners. Makes AI tools available to examiners for use in decision-making. Allows public users to search USPTO.gov for published prior art.
- **Patent Trial and Appeal Case Tracking System (P-TACTS):** P-TACTS:
 - Exceeds internal users' expectations with a unified interface for performing case management and decision-making that is available to all users as well as the public's expectations for PTAB's jurisdictions.
 - Provides external customers with a straightforward user interface for filing papers and conducting AIA trial business with the PTAB.
 - Provides PTAB management with a comprehensive data source for enhanced reporting quality.
- **International Data Exchange:** Allows access to and retrieval of patent classifications, related work-sharing events, and external stakeholders. Provides improved sequence listings through compliance with bio-sequence standards

Appendix III to this Budget contains additional information on planned IT activities for Patents.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	(8,561)	(9,604)	(7,841)	(6,051)	(9,904)
FTE	5	7	7	7	7
Positions	7	7	7	7	7

Additional information regarding schedules, milestones, and deliverables can be found in the USPTO's Exhibit 300 submissions that are located on the [Federal IT Dashboard](#)

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Patents

Subactivity:

Program Change:

Full-time permanent

Title:	Grade	Number	Annual Salary	Total Salaries
Patent Examiner	5	1	62,129	62,129
Patent Examiner	7	445	76,959	34,246,876
Patent Examiner	9	282	82,917	23,382,566
Patent Examiner	11	1	98,170	98,170
Patent Attritions	Various	(395)	104,600	(41,325,368)
Patent Examiner Support Positions	Various	9	82,557	743,013
IT Specialists	Various	7	133,218	932,528
Total		350		17,207,386
Less lapse	49%	(171)		(8,009,606)
Total full-time permanent (FTE)		179		9,197,779
2023 Pay Adjustment (4.6%)				282,797
Total				9,480,576

Personnel Data Summary

Full-Time Equivalent Employment

Full-time permanent

179

Other than full-time permanent

-

Total

179

Authorized Positions:

Full-time permanent

350

Other than full-time permanent

-

Total

350

Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Direct Obligations amounts in thousands)

Activity: Patents Program

		2021	2022	2023	2023	2023
		Actual	Annualized CR	Base	Estimate	Increase/Decrease from 2023 base
Object Class						
11	Personnel compensation					
11.1	Full-time permanent	1,371,297	1,415,194	1,505,376	1,514,857	9,481
11.3	Other than full-time permanent	-	-	-	-	-
11.5	Other personnel compensation	129,369	140,696	142,787	148,919	6,132
11.8	Special personnel services payments	-	-	-	-	-
11.9	Total personnel compensation	1,500,666	1,555,890	1,648,163	1,663,776	15,613
12	Civilian personnel benefits	498,324	530,231	564,868	568,428	3,560
13	Benefits for former personnel	-	-	-	-	-
21	Travel and transportation of persons	26	2,077	2,118	2,344	226
22	Transportation of things	1	18	18	18	0
23.1	Rental payments to GSA	-	-	-	-	-
23.2	Rental payments to others	-	12	12	-	(12)
23.3	Communications, utilities and miscellaneous charges	1,470	1,871	1,908	2,129	221
24	Printing and reproduction	153,406	170,974	174,393	183,095	8,702
25.1	Advisory and assistance services	53,768	73,064	74,525	50,771	(23,754)
25.2	Other services	140,806	114,207	116,491	88,727	(27,764)
25.3	Purchases of goods & services from Gov't accounts	283	34	35	34	(1)
25.4	Operation and maintenance of facilities	-	-	-	-	-
25.5	Research and development contracts	-	-	-	-	-
25.6	Medical care	-	-	-	-	-
25.7	Operation and maintenance of equipment	34,196	72,647	74,100	72,694	(1,406)
25.8	Subsistence and support of persons	-	-	-	-	-
26	Supplies and materials	40,685	45,467	46,377	46,989	612
31	Equipment	108,429	76,181	77,704	71,719	(5,986)
32	Lands and structures	-	-	-	-	-
33	Investments and loans	-	-	-	-	-
41	Grants, subsidies and contributions	-	-	-	-	-
42	Insurance claims and indemnities	672	28	28	-	(28)
43	Interest and dividends	-	2	2	2	(0)
44	Refunds	2,610	2,000	2,040	2,000	(40)
99	Total obligations	2,535,340	2,644,702	2,782,784	2,752,727	(30,057)

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TRADEMARKS PROGRAM

Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Trademarks Program		2021 Actual		2022 Annualized CR		2023 Base		2023 Estimate		Increase/Decrease from 2023 Base	
Sub-Activity:		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Trademark Examining	Pos./Obl	1,002	186,477	1,062	222,675	1,062	240,456	1,166	252,818	104	12,362
	FTE	983		1,066		1,062		1,114		52	
Trademark Appeals and Inter Partes Proceedings	Pos./Obl	81	15,772	88	17,820	88	19,320	93	20,560	5	1,240
	FTE	76		80		88		92		5	
Trademark Information Resources	Pos./Obl	66	55,817	67	58,013	67	60,787	73	59,682	6	(1,105)
	FTE	54		60		63		65		2	
Subtotal Direct	Pos./Obl	1,149	258,066	1,217	298,508	1,217	320,562	1,332	333,060	115	12,497
	FTE	1,113		1,206		1,213		1,271		58	
Mission Support Goal - Allocated	Pos./Obl	170	116,574	230	139,968	230	147,383	232	142,783	2	(4,601)
	FTE	159		207		223		225		2	
Total	Pos./Obl	1,319	374,640	1,447	438,476	1,446	467,946	1,564	475,842	117	7,897
	FTE	1,272		1,412		1,436		1,496		60	

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE**
(Dollar amounts in thousands)

Activity: Trademarks Program

Goal Statement

The USPTO's Trademarks Program is dedicated to carrying out the USPTO's mission "by conducting high quality and timely... trademark examination and review proceedings in order to produce reliable and predictable intellectual property rights..." in accordance with laws, regulations, and practices. The Trademarks Program, through its strategic goal of optimizing trademark quality and timeliness, supports the DOC's strategic objective of promoting the strong and effective protection of IP.

Base Program

The Trademarks Program performs a valuable function by identifying the source of products and services and serving as a reliable indicator of quality to the consumer. By registering trademarks, the USPTO has a significant role in protecting consumers, as well as in providing important benefits to American businesses by allowing them to strengthen and safeguard their brands and related investments. The examination of trademark applications consists of the activities shown on the following schematic and the major functions described below.

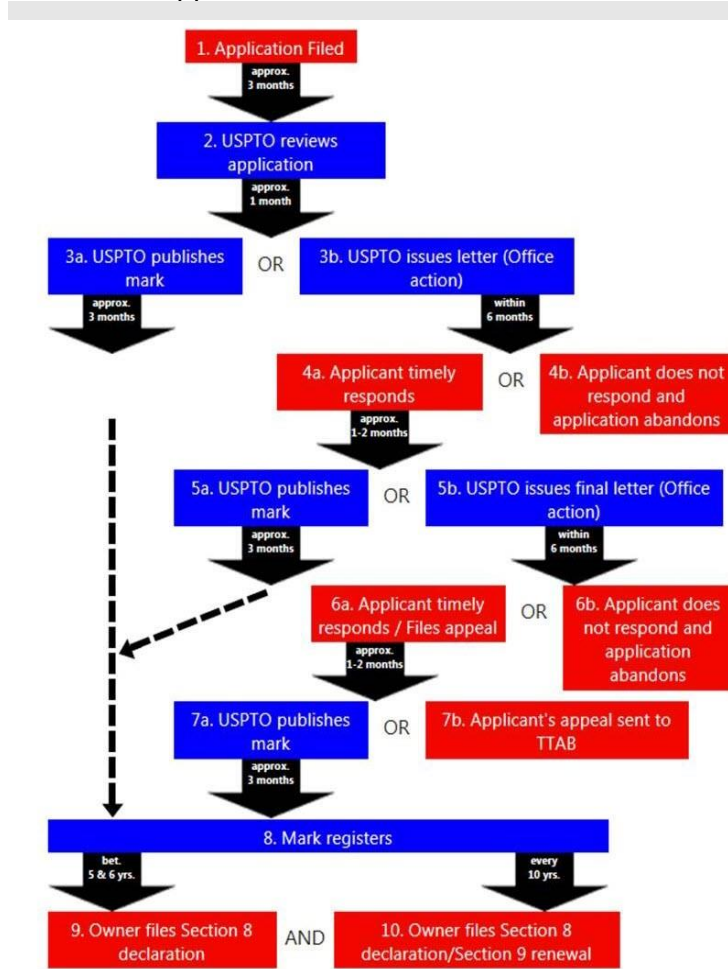
Statement of Operating Objectives

Trademarks' objectives include:

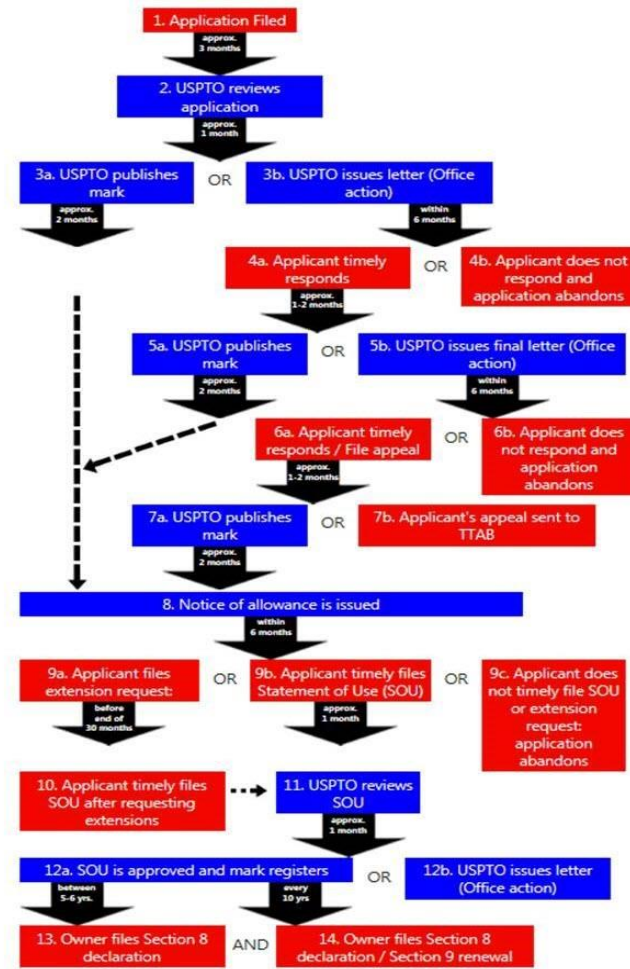
- Optimize trademark application pendency
- Issue high-quality trademarks
- Foster business effectiveness
- Enhance operations of the TTAB

Trademark Process

Section 1a. Timeline: Application based on use in commerce



Section 1b. Timeline: Application based on intent to use



		<u>Explanation and Justification</u>					
Line Item		2021 Actual		2022 Annualized CR		2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Trademark Examining	Pos./Obl.	1,002	186,477	1,062	222,675	1,062	240,456
	FTE	983		1,066		1,062	
Trademark Trial and Appeals	Pos./Obl.	81	15,772	88	17,820	88	19,320
	FTE	76		80		88	
Trademark Information Resources	Pos./Obl.	66	55,817	67	58,013	67	60,787
	FTE	54		60		63	
Mission Support Goal - Allocated	Pos./Obl.	170	116,574	230	139,968	230	147,383
	FTE	159		207		223	
Total	Pos./Obl.	1,319	374,640	1,447	438,476	1,446	467,946
	FTE	1,272		1,412		1,436	

Trademark Examining

The USPTO plays a critical role in providing public notice of marks in use, or for which there is an intention to use, through its online databases of registered and pending trademarks. Prior to filing an application for registration or establishing or investing in a mark, a business owner can survey marks currently in use or proposed for use. They may do so by utilizing support services or online resources available for customers preparing to file their applications with the USPTO. This support consists of the public search rooms located at the USPTO's facilities in Alexandria, Virginia; the Patent and Trademark Resource Centers (formerly Depository Libraries) located across the country; the USPTO online information on trademark basics and "how to" videos; frequently asked questions, manuals, search systems, and electronic filings; and a customer service call center operated by the Trademark Assistance Center.

Input Processing: \$14.6 Million and 84 Positions

Trademark applications for registration of a mark are filed and processed electronically. When the USPTO receives an application, it subjects the proposed mark to a quality review process. In that process, Trademarks reviews the electronically tagged application data to add the international classification and design search codes that facilitate searching and examination. The tagged data in a trademark application is transferred automatically to the appropriate data fields in trademark electronic automated systems. Trademark automated systems are the source for application and registration data that the USPTO uses throughout the processing, examination, and maintenance of registered trademarks and the information that is made available to the public through www.uspto.gov. The automated systems are also the source of the Official Gazette, which the USPTO publishes electronically, and which provides notice of marks approved by examining attorneys, marks registered following commencement of use, and registrations maintained by registrants. Input processing also encompasses the processing of international applications filed under the Madrid Protocol.

Examination Processing: \$221.7 Million and 992 Positions

One of the more than 600 trademark examining attorneys determines whether the mark in each newly filed application is entitled to registration under the provisions of the Trademark Act of 1946, as amended. As a part of the process, the examining attorney conducts a search of prior filed and registered marks to evaluate whether a conflict exists between the mark in the application and a previously filed application or registration. Examining attorneys evaluate many types of marks, such as trademarks, service marks, certification marks, and collective membership marks against the criteria for registrability set out in the Trademark Act of 1946, as amended. Based upon this evaluation, examining attorneys make a determination to approve or deny an application for registration. The examining attorney searches a database of more than 2.5 million registered marks and 900,000 pending marks to determine whether the mark in the subject application is confusingly similar to an existing mark.

Trademarks publishes an approved application prior to registration to provide notice to interested parties who may file an opposition to registration. Trademarks registers marks if their use in commerce is unopposed or they survive any filed opposition. Marks filed based on intent to use receive a notice of allowance following the opposition period, if they are unopposed or survive any filed opposition. Registration occurs following the USPTO's issuance of a Notice of Allowance and subsequent filing and acceptance of a Statement of Use from the applicant.

Quality and Training are important components of the examination process. Trademarks integrates the resources required for high-quality examination and registration of trademark applications within the total examination costs.

Under the quality assurance program, Trademarks reviews the results of an examining attorney's first and final office action for the quality of the substantive basis for decision-making, search strategy, evidence, and writing. Based on the data collected from these reviews, the USPTO has targeted both electronic and traditional training initiatives addressing specific areas for improvement. Part of the USPTO's commitment to improving the quality of examination is ensuring that all examining attorneys possess the knowledge, skills, and abilities necessary to perform their jobs. For example, examining attorneys can take a series of self-paced e-learning tutorials, and Trademarks implements new e-learning modules throughout the year based on topics that are identified through quality review evaluations.

The Trademark organization continues its efforts to improve quality in a cost-effective manner. To raise the bar, the Trademark organization has instituted an Exceptional Office Action, which emphasizes comprehensive excellence in office actions and expands upon the existing first and final action standards for correct decision-making. An Exceptional Office Action reflects correct decision-making, includes excellent evidentiary support, and is exceptionally well written.

Policy and Legal are a critical component of the trademark examination process. This consists of establishing trademark examination policy standards; serving as the authority on trademark laws, rules, and examining practices and procedures; implementing treaty obligations; implementing judicial and TTAB decisions; publishing rules for public comment and then publishing final rules; and

maintaining the Trademark Manual of Examining Procedure. Trademarks includes the costs of performing these functions in the cost of examination.

Trademark-Post Registration Processing: \$4.1 Million and 32 Positions

Trademark registrations can be maintained indefinitely, for as long as the registered mark is in use under the Trademark Act. Registrations require periodic renewal every 10 years for marks on the Principal and Supplemental registers. To maintain rights to a mark, between the fifth and sixth years from the date of registration, the owner must first file an affidavit attesting to the use of the registered mark. To renew a trademark registration, the owner must again file an acceptable affidavit of use and an application for renewal within one year before the end of every 10-year registration period. Owners of marks on the Principal Register can also make a claim of incontestability to claim exclusive rights after the mark has been in continuous use in commerce for a period of five consecutive years after the date of registration. The owner can also file requests to correct or amend a trademark registration.

Trademarks examines filings for completeness and compliance with statutory requirements. To ensure the accuracy of registered marks, the USPTO conducts a random audit of marks submitted for maintenance or renewal to verify that goods and services continue to be used in commerce. Failure to file the required affidavit and proof of use or to substantiate use when audited results in the cancellation of the registration. These requirements serve to remove trademarks from the register when the marks are no longer in use to facilitate the clearance and selection of marks by others.

Trademark Appeals and Trial Proceedings

Administrative Trademark Judges (ATJs) on the TTAB review adverse registrability determinations (refusals of registration) by examining attorneys when applicants appeal adverse determinations. The ATJs also conduct and decide opposition (trial) proceedings when an interested party believes that it will be harmed by, and therefore challenges, the registration of a published mark as well as trial proceedings (cancellations) involving registrations in which a third party wishes to challenge the validity of, or restrict, a registration.

Trademark Information Resources

Funding for Trademark Information Resources, which includes resources for maintaining, stabilizing, and modernizing IT products within Trademark Product Line, falls within this activity. Though the USPTO must ensure the continuing reliability, resiliency, and security of its legacy trademark systems, the organization is also leveraging its modernization accomplishments to update and realign resources to best support its IT vision and is doing so in close partnership with stakeholders across the agency.

Mission Support Goal – Allocated

This sub-program represents all the mission support activities that support the accomplishment of Trademarks goals. These activities can be related to Trademarks or to cross-cutting management functions that are dedicated to supporting overall USPTO activities, such as financial management systems. The Mission Support section further describes these activities. In addition, the USPTO allocates costs to Trademarks and funds the costs from trademark fee collections based on the agency's ABI analysis and results.

Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
Trademarks Program
PROGRAM CHANGES FOR 2023
(Dollar amounts in thousands)

		2023 Base		2023 Estimate		Increase/Decrease from 2023 base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Trademark Examining	Pos./Obl.	1,062	240,456	1,166	252,818	104	12,362
	FTE	1,062		1,114		52	
Trademark Trial and Appeals	Pos./Obl.	88	19,320	93	20,560	5	1,240
	FTE	88		92		5	
Trademark Information Resources	Pos./Obl.	67	60,787	73	59,682	6	(1,105)
	FTE	63		65		2	
Direct Total, Trademarks Program	Pos./Obl.	1,217	320,562	1,332	333,060	115	12,497
	FTE	1,213		1,271		58	

**Department of Commerce
U.S. Patent and Trademark Office
TRADEMARKS PROGRAM
PROGRAM CHANGES FOR 2023 - 2027**
(Dollar amounts in thousands)

		2023		2024		2025		2026		2027	
		Increase/Decrease		Increase/Decrease		Increase/Decrease		Increase/Decrease		Increase/Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Trademark Examining	Pos./Obl.	104	12,362	194	33,532	271	46,636	344	57,225	423	70,851
	FTE	52		129		210		284		361	
Trademark Trial and Appeals	Pos./Obl.	5	1,240	9	2,519	13	3,713	17	8,811	21	9,968
	FTE	5		9		13		16		20	
Trademark Information Resources	Pos./Obl.	6	(1,105)	9	(18,712)	11	(19,077)	13	(19,185)	16	(20,330)
	FTE	2		7		10		12		14	
Direct Total, Trademarks Program	Pos./Obl.	115	12,497	212	17,340	295	31,272	374	46,852	460	60,489
	FTE	58		145		233		312		395	

Sub-Activity: Trademark Examining

Trademark Examining (+\$12.4 Million and +52 FTEs/104 Positions): The USPTO requires an increase of \$12.4 million and 104 positions to align trademark application examination capacity with estimated workloads and enhance the quality of legal services. To handle the expected increase in workloads, the USPTO plans to hire 100 trademark examiners annually for FY 2023 through FY 2027, approximately 60 more each year over estimated attrition. Trademarks will need additional contractual services in areas such as examination surge contractor support, trademark examination process reengineering, and the Anti-Counterfeiting Campaign of the National Crime Prevention Council. These resources and additional staff will enable Trademarks to process incoming work in a timely manner and further enhance the customer experience.

First action pendency measures the time between when the USPTO first receives a trademark application and when an examining attorney first pulls the application for examination. Prior to FY 2021, Trademarks routinely issued first actions on newly filed applications in less than 3.5 months annually, dating back to 2007. Despite the USPTO's success in prior years, the rising application inventory due to the record number of filings has pushed first action pendency beyond the target range for the first time in nearly 15 years. Given this change, Trademarks will set first action pendency targets between 2.5 and 6.5 months in FY 2023 before returning them to normal (pre-surge) levels by FY 2026. The pendency adjustment recognizes that working through the unprecedented surge and backlog will take several years and that hiring is insufficient to address a sudden yet temporary surge. Trademarks projects a 13.6% increase in application filings in FY 2023 and growth rates ranging from 8.3% to 10.7% over the remainder of the planning horizon. The program change addresses the need to balance forecasted new filings and workload, existing inventories, and examination capacity. These resources are necessary to accomplish the strategic goal of optimizing trademark quality and timeliness, which is a critical part of the DOC's strategic objective of promoting the strong and effective protection of IP. Trademarks faces challenges in continuing to maintain the consistent timeliness and high-quality standards that users of the U.S. trademark system have come to expect.

Performance Measures:	2023	2024	2025	2026	2027
First Action Pendency (months) with increase	2.5 – 6.5	2.5 – 6.0	2.5 – 5.5	2.5 – 4.5	2.5 – 4.0
First Action Pendency (months) without increase	7.5	9	10.5	11.5	13
Outyear Costs:					
Direct Obligations	12,362	33,532	46,636	57,225	70,851
FTE	52	129	210	284	361
Positions	104	194	271	344	423

Sub-Activity: Trademark Appeals and Trial Proceedings

TTAB Staffing (+\$1.3 Million and +5 FTEs/5 Positions): The USPTO requires an increase of \$1.3 million and five positions to handle projected workload increases in ex parte appeals and trial cases in FY 2023 and to right-size its business support operations. The request includes two new ATJs and two new interlocutory attorneys to manage the growth in TTAB workload, which follows directly from increased trademark application filings. The request also includes one business intelligence analyst, which will enable the TTAB to improve its predictive analytics and workload planning. These additional resources will ensure that the Board can continue to conduct timely and high-quality appeals and trial cases.

Historically, when workloads have increased, adding ATJ FTEs has proven to be a critical action in bringing and keeping the Board closer to its goals. In FY 2023 and beyond, the proposed additional ATJ FTEs will again be critical to allowing the Board to meet its goals and enabling it to sustain pendency at expected levels.

Performance Measures	2023	2024	2025	2026	2027
Final Decision Pendency for Appeals with increase	<12	<12	<12	<12	<12
Final Decision Pendency for Appeals without increase	12-17	12-18	12-19	12-20	12-21
Final Decision Pendency for Trials with increase	<15	<15	<15	<15	<15
Final Decision Pendency for Trials without increase	15-18	15-19	15-20	15-21	15-22
Direct Obligations	1,240	2,519	3,713	8,811	9,968
FTE	5	9	13	16	20
Positions	5	9	13	17	21

Sub-Activity: Trademark Information Resources

Trademark Information Resources (-\$1.1 Million and +2 FTEs/6 Positions): The mission of the Trademark IR Program, or Trademark Product Line, is to leverage IT to optimize and enhance trademark and TTAB operations. The Trademark Product Line is re-launching modernization efforts that were on hold due to a pandemic-driven dip in revenue in FY 2020. This request reflects the top Trademarks IT priorities which are to replace the Trademark Reporting and Monitoring (TRAM) system, replace the Trademark Electronic Application System (TEAS), and to leverage AI and robotic process automation (AI/RPA). These priorities support trademark examination and help with a recent filing surge that has caused a spike in unexamined application inventory (classes) and first action pendency metrics that exceed the performance target.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	(1,105)	(18,712)	(19,077)	(19,185)	(20,330)
FTE	2	7	10	12	14
Positions	6	9	11	13	16

Visit the USPTO's Exhibit 300 submissions located on the [Federal IT Dashboard](#) for additional information regarding schedules, milestones, and deliverables.

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
TRADEMARKS PROGRAM
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Trademarks Program

Full-time permanent Title:	Grade	Number	Annual Salary	Total Salaries
Examiner Attorney	11	100	82,188	8,218,773
Supervisory Attorney	15	4	148,019	592,078
Exam Support	8	3	55,910	167,730
Pre Exam	9	3	61,752	185,257
TM Specialist; Post Registration	11	1	74,714	74,714
Director of TM Quality Mgmt.	15	1	148,019	148,019
Director of TM CX	15	1	148,019	148,019
ID Class Attorney	15	1	148,019	148,019
Paralegal Petitions	15	2	148,019	296,039
Staff Attorney	15	4	148,019	592,078
TAC TM Info Specialist	12	2	89,552	179,105
TAC Quality Review	12	2	106,490	212,979
TAC TM Specialist/Analyst	13	1	148,019	148,019
Program Analyst	13	1	106,490	106,490
TM Admin (Dedicated support & shared services)	9	3	61,752	185,257
TM Project Mgmt (Shared Services)	14	4	125,838	503,353
Biz Intelligence Analyst/Program Analyst	14	3	125,838	377,515
Plain Language Writer	12	1	89,552	89,552
Comm. Manager/Lead	12	1	89,552	89,552
Program Analyst (eFiling)	13	1	106,490	106,490
Desktop/Audio-Video	12	1	89,552	89,552
Data Quality Mgmt & System Sustainment Division	14	1	125,838	125,838
Business Requirements & Analysis Division	14	3	125,838	377,515
Testing & Operational Support Division	14	2	125,838	251,677
TM Attritions	Various	(36)	127,725	(4,598,100)
TTAB Administrative Trademark Judge	AD	2	188,265	376,529
Interlocutory Attorney	15	2	177,158	354,315
Business Intelligence Analytics	14	1	142,615	142,615
Total		115		9,688,982
less Lapse	49%	(57)		(4,485,559)
Total full-time permanent (FTE)		58		5,203,423
2023 Pay Adjustment (4.6%)				33,427
Total				5,236,850

Personnel Data Summary	Number
Full-Time Equivalent Employment	
Full-time permanent	58
Other than full-time permanent	-
Total FTE	<u>58</u>
Authorized Positions:	
Full-time permanent	115
Other than full-time permanent	-
Total Positions	<u>115</u>

Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Direct Obligations amounts in thousands)

Activity: Trademarks Program

Object Class	2021 Actual	2022 Annualized CR	2023 Base	2023 Estimate	Increase/Decrease from 2022 base
11 Personnel compensation					
11.1 Full-time permanent	140,538	158,194	169,083	174,320	5,237
11.3 Other than full-time permanent	-	-	-	-	-
11.5 Other personnel compensation	14,853	16,035	21,653	21,711	58
11.8 Special personnel services payments	-	-	-	-	-
11.9 Total personnel compensation	155,391	174,229	190,736	196,031	5,295
12 Civilian personnel benefits	50,007	57,478	61,687	63,579	1,892
13 Benefits for former personnel	-	-	-	-	-
21 Travel and transportation of persons	5	151	154	233	80
22 Transportation of things	(0)	2	2	2	(0)
23.1 Rental payments to GSA	-	-	-	-	-
23.2 Rental payments to others	0	151	154	1	(153)
23.3 Communications, utilities and miscellaneous charges	5	1	1	6	5
24 Printing and reproduction	15	70	71	24	(47)
25.1 Advisory and assistance services	76	2,010	2,050	2,068	18
25.2 Other services	3,883	10,233	10,438	14,991	4,553
25.3 Purchases of goods & services from Gov't accounts	36	2,874	2,931	3,573	642
25.4 Operation and maintenance of facilities	-	-	-	-	-
25.5 Research and development contracts	-	-	-	-	-
25.6 Medical care	-	-	-	-	-
25.7 Operation and maintenance of equipment	20,733	14,155	14,440	15,395	954
25.8 Subsistence and support of persons	-	-	-	-	-
26 Supplies and materials	1,558	2,033	2,073	2,078	4
31 Equipment	26,024	34,903	35,601	34,954	(647)
32 Lands and structures	-	-	-	-	-
33 Investments and loans	-	-	-	-	-
41 Grants, subsidies and contributions	-	-	-	-	-
42 Insurance claims and indemnities	-	-	-	-	-
43 Interest and dividends	-	-	-	-	-
44 Refunds	333	219	223	125	(98)
99 Total obligations	258,066	298,508	320,562	333,060	12,497

INTELLECTUAL PROPERTY POLICY, ENFORCEMENT, AND PROTECTION PROGRAM

Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: IP Policy, Enforcement and Protection Program

		2021		2022		2023		2023		Increase/Decrease	
		Actual		Annualized CR		Base		Estimate		from 2023 Base	
Sub-Activity:		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Policy, External Affairs and Administrative Support	Pos./Obl	106	25,324	109	32,453	109	34,702	111	33,801	2	(902)
	FTE	96		104		109		111		2	
Global Intellectual Property Academy (GIPA)	Pos./Obl	19	3,042	21	4,643	21	5,345	21	5,316	-	(30)
	FTE	15		18		21		21		-	
IPR Attaché Program	Pos./Obl	3	14,826	3	14,929	3	15,240	3	17,259	-	2,019
	FTE	3		3		3		3		-	
IPP, E&P Information Resources	Pos./Obl	-	903	-	617	-	629	-	617	-	(12)
	FTE	-		-		-		-		-	
Subtotal Direct	Pos./Obl	128	44,095	133	52,641	133	55,917	135	56,992	2	1,075
	FTE	114		125		133		135		2	
Mission Support Goal - Allocated	Pos./Obl	139	37,263	118	37,446	118	41,161	120	41,367	2	206
	FTE	106		90		105		106		2	
Total	Pos./Obl	267	81,358	251	90,087	251	97,078	255	98,359	4	1,281
	FTE	220		215		238		241		4	

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE**
(Dollar amounts in thousands)

Activity: IP Policy, Enforcement and Protection Program

Goal Statement

The IP Policy, Enforcement and Protection Program's (IPPE&P's) strategic goal is to "provide domestic and global leadership to improve intellectual property (IP) policy, enforcement and protection worldwide."

Base Program

The USPTO promotes the enforcement and protection of the IP of American innovators and creators on both the domestic and international levels. Through this program, the USPTO advises the President, through the Secretary of Commerce, and all federal agencies on national and international IP policy issues, including IP protection in other countries. This program also provides guidance, participates in trade agreement and treaty negotiations, conducts programs and studies, and interacts with foreign IP offices and international intergovernmental organizations on matters involving the protection of IP. The base program consists of three major program areas for carrying these functions: Policy and Administration (including the Office of the Chief Economist and Governmental Affairs), the Global Intellectual Property Academy (GIPA), and the IP Attaché Program.

Statement of Operating Objectives

The IPPE&P advocates for the value of IP as a critical driver of innovation and creativity domestically and internationally. Objectives include:

- Provide leadership and education on domestic IP policy and awareness.
- Provide leadership and education on international IP policy and awareness.

Explanation and Justification

Line Item		2021 Actual		2022 Annualized CR		2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Policy, External Affairs and Administrative Support	Pos./Obl.	106	25,324	109	32,453	109	34,702
	FTE	96		104		109	
Global Intellectual Property Academy (GIPA)	Pos./Obl.	19	3,042	21	4,643	21	5,345
	FTE	15		18		21	
IP Attaché Program	Pos./Obl.	3	14,826	3	14,929	3	15,240
	FTE	3		3		3	
IPP, E&P Information Resources	Pos./Obl.	-	903	-	617	-	629
	FTE	-		-		-	
Mission Support Goal - Allocated	Pos./Obl.	139	37,263	118	37,446	118	41,161
	FTE	106		90		105	
Total	Pos./Obl.	267	81,358	251	90,087	251	97,078
	FTE	220		215		238	

Intellectual Property Policy, Enforcement and Protection Base Program

For FY 2023, funding is required to continue the USPTO's critical role in the U.S. Government's (USG) efforts and obligations to provide IP technical assistance throughout the world, including providing policy advice and defining a course or method of action that is intended to guide and determine present and future decisions on IP.

Policy, External Affairs, and Administrative Support

The Chief Policy Officer and Director for International Affairs heads the Office of Policy and International Affairs (OPIA) and serves as the principal advisor to the Under Secretary on public policy matters relating to IP protection, including proposed legislation and international activities of the United States. OPIA includes attorneys in various subject matter fields (trade, enforcement, patents, trademarks, and copyright) who perform policy and representation work and representation travel as well as program analysts and a number of administrative support specialists who support the entire office.

Intellectual Property Policy

OPIA participates in the World Intellectual Property Organization (WIPO), a specialized agency of the United Nations (UN) devoted to IP matters, and the World Trade Organization (WTO), an international forum for liberalizing trade, and other IP-related organizations. As a WTO member, the United States has worked to include a substantial IP component known as the Trade-Related Aspects of IP (TRIPS) agreement. OPIA provides technical expertise in IP dispute settlement cases before the WTO in support of and at the request of the

Office of the United States Trade Representative (USTR). OPIA has been the USG's IP technical representative in several cases, most recently in the USG's successful copyright challenge to certain aspects of China's IP regime.

The USPTO's statutory obligation to provide IP guidance and advice to the Administration with respect to international IP policy and protection includes bilateral, regional, and multilateral IP discussions, and IP-office cooperation, which has led directly to patent work sharing. Some of these initiatives include supporting free trade agreements (FTA), and trilateral cooperative activities and working to simplify and harmonize administrative and technical processing of patent and trademark applications.

OPIA also coordinates patent cooperative activities with the five leading IP offices (IP5¹), which lead to work sharing and Patent Prosecution Highway (PPH) projects that will help improve operational efficiencies and address the patent inventory. Access the Data Visualization Center at <https://www.uspto.gov/dashboards/externalaffairs/main.dashxml> to view OPIA performance metrics

Chief Economist

The Chief Economist (CE) is the primary advisor to the Under Secretary regarding economic issues at the USPTO. The CE undertakes research that influences and guides USPTO regulatory initiatives and policy recommendations with respect to the broader functioning of IP systems. This involves long-term research and policy planning on an ongoing basis. The CE assists the USPTO and other USG agencies by evaluating market data and trends to assist in targeting examination, enforcement, and outreach resources. The CE also conducts research into the causes and consequences of significant developments in U.S. markets, prevailing practices among users and producers of IP, and U.S. IP policy.

Edison Visiting Scholars Program

The Edison Scholars Program enlists the services of leaders in academia and the IP industry who devote up to one year of service to the agency on a full-time basis.

Governmental Affairs (GA)

GA formulates legislative and policy proposals and prepares supporting documentation to carry out USPTO proposals. The GA mission is to provide information and technical assistance to Congress on the USPTO's initiatives and proposed IP legislation, generate goodwill, provide education and outreach, prepare for hearings and legislation, manage responses to congressional inquiries, and liaise with the DOC and other agencies.

¹ IP5 – The USPTO, the European Patent Office (EPO), the Japan Patent Office (JPO), the Korean Intellectual Property Office (KIPO), and the China National Intellectual Property Administration (CNIPA)

Global Intellectual Property Academy (GIPA)

GIPA provides web-based and on-site training, technical assistance, and capacity building programs and activities to foreign government officials from other IP offices and other foreign government officials responsible for IP enforcement policy and law enforcement. GIPA offers a variety of programs, information booths, and educational materials for subject matter experts (SMEs) throughout the United States on protecting and enforcing IP in the United States and abroad. GIPA also offers dedicated programs to minorities, women, and Native Americans. GIPA carries out “train the trainers” programs for the Small Business Development Centers (SBDCs), the National Institute of Standards and Technology Manufacturing Extension Partnership (NIST MEP), and others. In addition, GIPA offers specialized programs on doing business in the BIC (Brazil, India, and China) countries. Visit <https://www.uspto.gov/learning-and-resources/global-intellectual-property-academy> for more information on GIPA.

Intellectual Property (IP) Attaché Program

The USPTO formally instituted the IP Attaché Program in 2006 to promote strong IP protection and enforcement internationally for the benefit of U.S. foreign, economic, and political interests. In FY 2023, the IP Attaché Program will have 14 IP attaché positions at the following posts: Rio de Janeiro, Brazil; New Delhi, India; Beijing, Shanghai, and Guangzhou, China; Bangkok, Thailand; Lima, Peru; Brussels, Belgium; Mexico City, Mexico; Kyiv, Ukraine; Abu Dhabi, United Arab Emirates; Johannesburg, South Africa; and Geneva, Switzerland. The IP Attaché Program closely aligns itself with and supports the achievement of the USPTO's mission and the IPPE&P strategic goal. The IP attachés bring unique technical IP expertise and experience to their posts. Attachés have helped influence laws, regulations, and IP practices in their host countries. IP attachés in China, India, and Mexico were recently elevated to the diplomatic rank of “Counselor.” This elevated rank will provide these Counselors with increased access to their respective Ambassadors and to senior foreign government officials, allowing the USPTO to more effectively accomplish its objectives overseas. Visit <https://www.uspto.gov/learning-and-resources/ip-policy/intellectual-property-rights-ipr-attach-program/intellectual> to access more information on the IP Attaché Program.

Intellectual Property, Enforcement and Protection Program Information Resources

IPPE&P Information Resources includes base resources for making capital improvements to, and operating and maintaining, existing IPPE&P systems. The IPPE&Ps allocates its share of both direct and indirect IT costs to this sub-program.

Mission Support Goal – Allocated

This sub-program represents all of the management activities that support the accomplishment of IPPE&P's goals. These activities can be related to IPPE&P or cross-cutting functions that are dedicated to overall USPTO activities, such as financial management systems. The Mission Support section further describes these activities. The USPTO allocates costs to the IPPE&P program based on the agency's ABI analysis and results.

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
IP Policy, Enforcement and Protection Program
PROGRAM CHANGES FOR 2023**
(Dollar amounts in thousands)

Activity: Intellectual Property Policy, Enforcement & Protection

		2023 Base		2023 Estimate		Increase/Decrease from 2023 base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Policy, External Affairs and Administrative Support	Pos./Obl.	109	34,702	111	33,801	2	(902)
	FTE	109		111		2	
Global Intellectual Property Academy (GIPA)	Pos./Obl.	21	5,345	21	5,316	-	(30)
	FTE	21		21		-	
IP Attaché Program	Pos./Obl.	3	15,240	3	17,259	-	2,019
	FTE	3		3		-	
IPP, E&P Information Resources	Pos./Obl.	-	629	-	617	-	(12)
	FTE	-		-		-	
Direct Total, Intellectual Property Policy, Enforcement, and Protection Program	Pos./Obl.	133	55,917	135	56,992	2	1,075
	FTE	133		135		2	

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
PROGRAM CHANGES FOR 2023 - 2027**
(Dollar amounts in thousands)

Activity: Intellectual Property
Policy, Enforcement &
Protection

		2023		2024		2025		2026		2027	
		Increase/Decrease Personnel	Amount	Increase/Decrease Personnel	Amount	Increase/Decrease Personnel	Amount	Increase/Decrease Personnel	Amount	Increase/Decrease Personnel	Amount
Policy, External Affairs and Administrative Support	Pos./Obl.	2	(902)	4	(699)	4	(742)	4	(907)	4	(1,076)
	FTE	2		3		4		4		4	
Global Intellectual Property Academy (GIPA)	Pos./Obl.	-	(30)	-	26	-	(5)	-	(36)	-	(69)
	FTE	-		-		-		-		-	
IPR Attaché Program	Pos./Obl.	-	2,019	-	1,669	-	1,373	-	1,071	-	763
	FTE	-		-		-		-		-	
IPP, E&P Information Resources	Pos./Obl.	-	(12)	-	(25)	-	(38)	-	(51)	-	(64)
	FTE	-		-		-		-		-	
Direct Total, Intellectual Property Policy, Enforcement, and Protection Program	Pos./Obl.	2	1,075	4	971	4	588	4	77	4	(445)
	FTE	2		3		4		4		4	

Sub-Activity: Policy, External Affairs, and Administrative Support

IP Policy Activities (-\$0.9 Million and +2 FTEs/2 positions) – This funding will support the hiring of necessary staff to continue managing increasing workload in the area of policy activities, including the additional funding needed to support existing bilateral and multilateral agreements in the outyears. A recent workforce assessment supports this funding requirement.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	(902)	(699)	(742)	(907)	(1,076)
FTE	2	3	4	4	4
Positions	2	4	4	4	4

Sub-Activity: Global Intellectual Property Academy (GIPA)

IP Policy Activities (-\$0.03 Million and 0 FTE/0 Positions) – This funding will support existing GIPA program activities, such as the Department of State Memorandum of Understanding (MOU) and Distance Learning project. The funding for GIPA programs assists in providing training to approximately 7,000 people across 140 programs and stakeholders in over 80 countries.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	(30)	26	(5)	(36)	(69)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Sub-Activity: IP Attaché Program

IP Policy Activities (+\$2.0 Million and 0 FTE/0 Positions) – IP Attaché program requires an increased level of funding to expand the attaché program from the current 13 attaché posts to 14 attaché posts by FY 2023. The USPTO will continue working with stakeholders to determine the optimal location for the 14th post and to further support the USPTO mission of protecting IP rights both domestically and abroad.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	2,019	1,669	1,373	1,071	763
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Sub-Activity: IPP, E&P Information Resources

IPPE&P Business Projects (-\$0.01 Million and 0 FTE/0 Positions) – A reduced level of funds are required to continue existing IT systems that are utilized for IP performance reporting.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	(12)	(25)	(38)	(51)	(64)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
IP PE&P PROGRAM
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Intellectual Property Policy, Enforcement and Protection Program
Full-time permanent

Title:	Grade	Number	Annual Salary	Total Salaries
Attorney Advisor	14	2	142,615	285,231
Total		2		285,231
less Lapse	4%	(0)		(11,039)
Total full-time permanent (FTE)		2		274,192
2023 Pay Adjustment (4.6%)				9,586
Total				283,778

Personnel Data

Full-Time Equivalent Employment

Full-time permanent

2

Other than full-time permanent

-

Total

2

Authorized Positions:

Full-time permanent

2

Other than full-time permanent

-

Total

2

Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Direct Obligations amounts in thousands)

Activity: Intellectual Property Policy, Enforcement and Protection Program

Object Class		2021 Actual	2022 Annualized CR	2023 Base	2023 Estimate	Increase/Decrease from 2023 base
11	Personnel compensation					
11.1	Full-time permanent	16,315	18,963	20,913	21,196	284
11.3	Other than full-time permanent	-	-	-	-	-
11.5	Other personnel compensation	976	1,046	1,151	1,166	15
11.8	Special personnel services payments	-	-	-	-	-
11.9	Total personnel compensation	17,291	20,009	22,064	22,363	299
12	Civilian personnel benefits	5,641	6,703	7,406	7,502	97
13	Benefits for former personnel	-	-	-	-	-
21	Travel and transportation of persons	5	1,688	1,722	1,835	113
22	Transportation of things	0	1	1	1	(0)
23.1	Rental payments to GSA	-	-	-	-	-
23.2	Rental payments to others	-	14	14	14	(0)
23.3	Communications, utilities and miscellaneous charges	-	-	-	-	-
24	Printing and reproduction	2	6	6	4	(2)
25.1	Advisory and assistance services	1,113	160	163	160	(3)
25.2	Other services	3,124	4,308	4,394	6,222	1,828
25.3	Purchases of goods & services from Gov't accounts	15,000	15,380	15,687	16,754	1,067
25.4	Operation and maintenance of facilities	-	-	-	-	-
25.5	Research and development contracts	-	-	-	-	-
25.6	Medical care	-	-	-	-	-
25.7	Operation and maintenance of equipment	1,039	3,403	3,471	971	(2,500)
25.8	Subsistence and support of persons	-	-	-	-	-
26	Supplies and materials	807	741	756	933	177
31	Equipment	74	229	234	233	(1)
32	Lands and structures	-	-	-	-	-
33	Investments and loans	-	-	-	-	-
41	Grants, subsidies and contributions	-	-	-	-	-
42	Insurance claims and indemnities	-	-	-	-	-
43	Interest and dividends	-	-	-	-	-
44	Refunds	-	-	-	-	-
99	Total obligations	44,095	52,641	55,917	56,992	1,075

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MISSION SUPPORT PROGRAM

Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Mission Support Program

		2021 Actual		2022 Annualized CR		2023 Base		2023 Estimate		Increase/Decrease from 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction and Communications	Pos./Obl	101	17,581	140	26,490	140	31,546	146	32,752	6	1,206
	FTE	68		93		123		128		5	
Financial Management Services	Pos./Obl	158	35,147	170	45,286	170	49,589	175	51,917	5	2,327
	FTE	138		158		170		174		4	
Human Resource Management and Administrative Services	Pos./Obl	262	51,783	267	58,107	267	63,665	271	63,691	4	26
	FTE	238		252		268		271		3	
Legal Services	Pos./Obl	136	29,344	137	34,112	137	36,279	137	35,882	-	(397)
	FTE	129		133		137		137		-	
Mission Support Information Resources	Pos./Obl	126	75,752	130	77,973	131	80,891	131	78,206	-	(2,685)
	FTE	113		118		127		127		-	
IT Infrastructure and IT Support Services	Pos./Obl	517	422,940	510	469,931	509	490,974	509	425,971	-	(65,003)
	FTE	470		440		480		480		-	
Miscellaneous General Expense	Pos./Obl	-	252,259	-	305,927	-	316,078	-	318,332	-	2,254
	FTE	-		-		-		-		-	
Total	Pos./Obl	1,300	884,807	1,354	1,017,826	1,354	1,069,023	1,369	1,006,751	15	(62,272)
	FTE	1,156		1,193		1,304		1,316		12	

Exhibit 10

		2021 Actual		2022 Annualized CR		2023 Base		2023 Estimate		Increase/Decrease from 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Mission Support Goal - Allocation:											
		991	730,971	1,006	840,413	1,007	880,479	1,017	822,601	11	(57,878)
Patents Program	Pos./Obl	891		897		976		985		9	
	FTE	170	116,574	230	139,968	230	147,383	232	142,783	2	(4,601)
Trademarks Program	Pos./Obl	159		207		223		225		2	
	FTE	139	37,263	118	37,446	118	41,161	120	41,367	2	206
IPPP&E Program	Pos./Obl	106		90		105		106		2	
	FTE	1,300	884,807	1,354	1,017,826	1,354	1,069,023	1,369	1,006,751	15	(62,272)
Total Mission Support Goal Allocation	Pos./Obl FTE	1,156		1,193		1,304		1,316		12	

Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE
(Dollar amounts in thousands)

Activity: Mission Support Program

Goal Statement

The Mission Support Program's goal is to deliver organizational excellence, which encompasses the shared responsibility, leadership, IT infrastructure, employee engagement, and financial stewardship needed to fulfill the USPTO's mission-related requirements.

Base Program

The Mission Support activity includes the USPTO support functions that are necessary for conducting mission-critical operations, including executive direction, financial and legal services, human capital and facilities management activities, and support to the IT infrastructure.

Statement of Operating Objectives

The objectives of the Mission Support Program enable the USPTO to carry out its mission and accomplish its goals and objectives. Objectives include:

- Enhance human capital management and foster employee engagement.
- Optimize speed, quality, and cost effectiveness of information technology (IT) delivery to achieve business value.
- Ensure financial sustainability to facilitate effective USPTO operations.
- Enhance USPTO's interactions with internal and external stakeholders and with the public at large.

Explanation and Justification

Line Item		2021		2022		2023	
		Actual		Annualized CR		Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction and Communications	Pos./Obl	101	17,581	140	26,490	140	31,546
	FTE	68		93		123	
Financial Management Services	Pos./Obl	158	35,147	170	45,286	170	49,589
	FTE	138		158		170	
Human Resource Management and Administrative Services	Pos./Obl	262	51,783	267	58,107	267	63,665
	FTE	238		252		268	
Legal Services	Pos./Obl	136	29,344	137	34,112	137	36,279
	FTE	129		133		137	
Mission Support Information Resources	Pos./Obl	126	75,752	130	77,973	131	80,891
	FTE	113		118		127	
IT Infrastructure and IT Support Services	Pos./Obl	517	422,940	510	469,931	509	490,974
	FTE	470		440		480	
Miscellaneous General Expense	Pos./Obl	-	252,259	-	305,927	-	316,078
	FTE	-		-		-	
Total	Pos.	1,300	884,807	1,354	1,017,826	1,354	1,069,023
	FTE/Obl	1,156		1,193		1,304	

Mission Support Program

For FY 2023, the USPTO base totals \$1,069.0 million and 1,304 FTE/1,354 Positions for the Mission Support Program.

The USPTO has already allocated the costs associated with Mission Support Program activities to Patents, Trademarks, and IPPE&P using the agency's ABI results.

Executive Direction, Communication, and Outreach

Executive Direction, Communication, and Outreach entails determining the policies and directing the programs of the USPTO. The Under Secretary and Director receives advice from the PPAC and the TPAC on USPTO policies, goals, performance, budget, and user fees.

As the world's leading IP agency, the USPTO relies on consistent and effective communication and outreach which enables the USPTO to achieve its policy goals. In FY 2023, the USPTO will continue its management of agency policies to ensure it meets its mission and vision while supporting government-wide efforts to attract and retain students in education based in science, technology, engineering, and mathematics (STEM), especially as this education relates to IP. Through strategic partnerships with other federal agencies; school districts and universities; and nonprofit organizations, such as the National Science & Technology Medals Foundation and the National Inventors Hall of Fame, the USPTO will continue participating in and supporting programs that further educate and encourage innovation. In addition, the USPTO will expand its efforts to reach a broader and more diverse audience with its partnerships, education, and outreach services to help the audience catalyze its ingenuity into innovation and entrepreneurship.

Financial Management Services

Financial Management Services contributes to the efficient and effective management of organizational resources. As of FY 2021, these activities have enabled the USPTO to earn an unmodified audit opinion on its annual financial statements for 29 consecutive years. The USPTO has also earned the Association of Government Accountants' Certificate of Excellence in Accountability Reporting award for 19 consecutive years, the most recent being for the agency's FY 2020 Performance and Accountability Report. Financial Management Services works in support of the strategic goals by:

- Ensuring that the budget is efficiently and effectively formulated and executed to achieve optimal performance levels across all business units, fees are reviewed and set appropriately, and actionable information is provided to executive management.
- Awarding high-quality, fiscally responsible, and timely procurement actions by anticipating and exceeding the USPTO's ever-changing business needs by applying knowledge of business practices and market dynamics, innovative strategies, and well-defined and standardized processes.
- Implementing and managing financial accounting and control systems, collecting financial data, and analyzing financial reports to enable sound financial decisions. As of FY 2021, these activities have enabled the USPTO to earn an unmodified audit opinion on its annual financial statements for 29 consecutive years. The USPTO has also earned the Association of Government Accountants' Certificate of Excellence in Accountability Reporting award for 19 consecutive years, the most recent being for the agency's FY 2020 Performance and Accountability Report.

Human Resource Management and Administrative Services

In FY 2023, the efficient and effective human resources management, administrative services, and telework programs under the responsibility of the Chief Administrative Officer entail:

- Analyzing organizational capacity through workforce assessments to improve the alignment of workload demand to direct capacity in human resources.

- Supporting the recruitment, development, and retention of a high-performing, highly skilled, and diverse workforce necessary for mission success.
- Promoting an engaged and evolving workforce through succession planning; fostering the next generation of USPTO leaders through leadership development training, after-work education initiatives and mentoring programs.
- Overseeing a broad range of administrative and employee service programs (for example, occupational/safety/health services; printing and graphics; mail center operations; office move services; transportation services; conference services; cafeteria and food services; personnel property management services; and records management services) that are responsive to the needs of the USPTO workforce.
- Providing real property services (e.g., lease and facilities management, space planning and design, and the coordination of building renovations), as well as energy conservation and environmental management services.
- Providing for protection of personnel, facilities, and property and coordinating the USPTO's Occupant Emergency, Emergency Preparedness, and Continuity of Operations' planning efforts.

Office of Equal Employment Opportunity and Diversity

The Office of Equal Employment Opportunity and Diversity (OEEOD) partners with each USPTO business unit to sustain a diverse and inclusive workforce. OEEOD promotes Equal Employment Opportunity (EEO) and Diversity, Equity, Inclusion, and Accessibility (DEIA) by:

- Providing reasonable accommodations for employees and job applicants with disabilities, including sign language interpretation and Communication Access Real-time Translation services.
- Implementing affirmative employment programs, including recruitment and outreach to Minority-Serving Institutions and national minority-serving organizations.
- Sponsoring special emphasis programs and promoting employee groups to promote cultural fluency, cross-cultural awareness and education, and the mitigation of bias.
- Planning and implementing engagement and inclusion initiatives, including the annual Community Day, to build an organizational culture of acceptance, respect, and belonging.
- Compiling, assessing, and distributing to senior leader's workforce demographic data to identify barriers to EEO and to enforce enterprise-wide, data-driven decision-making.

- Providing DEIA and Senior Executive Service (SES) Executive Core Qualifications training to employees and supervisors to address knowledge gaps and, when applicable, enhancing supervisory skills or preparing employees for employment opportunities.
- Managing EEO complaint processing, including alternative dispute resolution.

Ombudsman Program

The Ombudsman Program helps USPTO employees and managers explore options for preventing, addressing, and resolving workplace issues.

Legal Services

Offices under the General Counsel provide the following legal services.

- The Office of the Solicitor (SO) serves as legal counsel to the USPTO on IP law matters. The SO also works in collaboration with the DOC on interagency IP law matters, defends decisions by the PTAB and the TTAB before the United States Court of Appeals for the Federal Circuit and the federal district courts, represents the Under Secretary of Commerce for Intellectual Property and Director of the USPTO in district court actions that are filed against the USPTO pursuant to the Administrative Procedure Act, provides legal advice on IP law policy and regulation, prosecutes attorneys and agents who practice before the agency for alleged ethical violations, and defends USPTO employees at deposition.
- The Office of General Law (OGL) represents the USPTO in matters that do not involve IP issues. In this regard, the Deputy General Counsel's office provides advice and written legal opinions on areas concerning the administration and management of the USPTO. The OGL also represents the USPTO in various administrative proceedings.
- The Office of Enrollment and Discipline (OED) investigates complaints relating to attorney and agent misconduct; determines the appropriate disciplinary proceedings; and suspends or excludes from practice before the USPTO any person, attorney, or registered agent shown to be incompetent or disreputable or found culpable of unethical, unprofessional, or gross misconduct. In addition, OED maintains a roster of individuals who are registered to practice in patent matters before the USPTO; this includes reviewing the legal, technical, and moral character qualifications of individuals seeking recognition to practice. Furthermore, OED administers and oversees the USPTO Law School Clinic Certification Program and Patent Pro Bono Program.

Mission Support Information Resources

The Mission Support IR Program, which falls under the Enterprise Business Product Line (EBPL), strives to maximize the business value that USPTO support organizations provide and to focus on the following technical and business priorities:

- Keeping systems secure and available and focusing on security posture first; business priorities are secondary.
- Enabling IT cost savings through usage of the cloud, improved authentication and user management, the consolidation of like items, and the retiring of legacy systems to prevent duplication of effort.
- Complying with policy and regulation.
- Maintaining the existing level and quality of service.

Information Technology Infrastructure and Information Technology Support Services

The mission of IT Infrastructure and IT Support Services, or the Enterprise Infrastructure Product Line (EIPL), is to provide essential technologies and services that are progressively better, faster, and cheaper to USPTO staff and customers while increasing the security, availability, and resilience of the USPTO operational enterprise. The product line achieves this through exceptional research, design, testing, procurement, implementation, integration, operations, maintenance, and support to the critical infrastructure of the USPTO's internally and externally facing products. Additionally, EIPL continually advances customer service and user experience by measuring, anticipating, and addressing enterprise needs and leading rapid change to support dynamic business requirements, statutory obligations, and USPTO priorities. Finally, in addition to prioritizing business units' needs for stabilization, modernization, and new ways of governing, infrastructure priorities continue to include the continuous, steady, and sustainable replacement and improvement of desktop equipment, network hardware, and storage and server services.

Cross-Cutting Management Services: Miscellaneous General Expense

This sub-program entails cross-cutting services that affect all USPTO employees and operations, such as space rental, utilities, lease management, security, telecommunications, transportation, postage, and the agency's participation in the DOC Working Capital Fund. The sub-program also includes funding for postretirement benefits, whereby the USPTO funds the present costs of postretirement benefits for the Federal Employees Health Benefits (FEHB) Program, Federal Employees Group Life Insurance (FEGLI) Program, and Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) pension liabilities. The USPTO pays these funds to the Office of Personnel Management (OPM). Base funds also include \$10,000 to purchase uniforms that USPTO personnel wear at recruitment events, consistent with common recruiting practices.

**Department of Commerce
U.S. Patent and Trademark Office
MISSION SUPPORT PROGRAM
PROGRAM CHANGES FOR 2023**
(Dollar amounts in thousands)

		2023 Base		2023 Estimate		Increase/Decrease from 2023 base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction and Communications	Pos./Obl.	140	31,546	146	32,752	6	1,206
	FTE	123		128		5	
Financial Management Services	Pos./Obl.	170	49,589	175	51,917	5	2,327
	FTE	170		174		4	
Human Resources Management and Administrative Services	Pos./Obl.	267	63,665	271	63,691	4	26
	FTE	268		271		3	
Legal Services	Pos./Obl.	137	36,279	137	35,882	-	(397)
	FTE	137		137		-	
Mission Support Information Resources	Pos./Obl.	131	80,891	131	78,206	-	(2,685)
	FTE	127		127		-	
IT Infrastructure and IT Support Services	Pos./Obl.	509	490,974	509	425,971	-	(65,003)
	FTE	480		480		-	
Miscellaneous General Expense (MGE)	Pos./Obl.	-	316,078	-	318,332	-	2,254
	FTE	-		-		-	
Direct Total, Mission Support Program	Pos./Obl.	1,354	1,069,023	1,369	1,006,751	15	(62,272)
	FTE	1,304		1,316		12	

Department of Commerce
U.S. Patent and Trademark Office
MISSION SUPPORT PROGRAM
PROGRAM CHANGES FOR 2023 - 2027
(Dollar amounts in thousands)

		2023		2024		2025		2026		2027	
		Increase/Decrease		Increase/Decrease		Increase/Decrease		Increase/Decrease		Increase/Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction and Communications	Pos./Obl.	6	1,206	11	1,307	16	1,408	16	1,653	16	1,575
	FTE	5		8		11		16		16	
Financial Management Services	Pos./Obl.	5	2,327	6	1,637	7	(2,114)	7	(2,297)	7	(2,522)
	FTE	4		6		7		7		7	
Human Resources Management and Administrative Services	Pos./Obl.	4	26	4	(86)	4	(393)	4	(714)	4	(1,033)
	FTE	3		4		4		4		4	
Legal Services	Pos./Obl.	-	(397)	-	(1,207)	-	(1,310)	-	(1,415)	-	(1,522)
	FTE	-		-		-		-		-	
Mission Support Information Resources	Pos./Obl.	-	(2,685)	-	(10,605)	-	(11,873)	-	(12,991)	-	(14,589)
	FTE	-		-		-		-		-	
IT Infrastructure and IT Support Services	Pos./Obl.	-	(65,003)	-	(77,895)	-	(95,961)	-	(112,820)	-	(123,264)
	FTE	-		-		-		-		-	
Miscellaneous General Expense (MGE)	Pos./Obl.	-	2,254	-	(6,947)	-	(5,858)	-	(4,398)	-	(12,464)
	FTE	-		-		-		-		-	
Direct Total, Mission Support Program	Pos./Obl.	15	(62,272)	21	(93,795)	27	(116,101)	27	(132,982)	27	(153,819)
	FTE	12		18		22		27		27	

Sub-Activity: Executive Director, Communication, and Outreach

Chief Communications Office Staff (+\$1.2 Million and +5 FTE/6 Positions): This request will fund staffing increases to the communications team to advance the USPTO’s efforts to:

- Achieve greater equity – Hire three program support specialists who will focus on expanding accessibility to IP protection information by resuming a version of the USPTO’s annual Independent Inventor Conference in cities, as well as expanding outreach efforts within communities of socially and economically disadvantaged individuals and among those confined to correctional facilities.
- Increase public IP outreach and accessibility – Hire two writer/editors and one videographer to strengthen the USPTO’s ability to create and update webpage content, thereby providing information to the public and expanding the department’s ability to create informational video products for the agency’s website and social media outreach and communications efforts.

Overall, through these staffing increases, the USPTO expects to expand the quantity, quality, and depth of messaging on the importance of the American system of IP protection and deliver it to the public through regional and local media with an emphasis on services and programming coming from the regional offices to audiences within these regions. This program change will support the objective of enhancing the USPTO’s interactions with internal and external stakeholders and the public at large by increasing the agency’s presence at industry events and engaging and educating stakeholders on IP with an emphasis on underserved communities. The change will also increase the usage of virtual formats, which would allow the USPTO to reach more people on a regular basis.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	1,206	1,307	1,408	1,653	1,575
FTE	5	8	11	16	16
Positions	6	11	16	16	16

Sub-Activity: Financial Management Services

Office of the Chief Financial Officer Staff (+\$2.3 Million and +4 FTE/5 Positions): In FY 2023, the Office of the Chief Financial Officer (OCFO) will require funds to increase staff by five positions, including new positions in the Office of Procurement and the Office of Planning and Budget. The three procurement positions will enable the OCFO to implement the recommendations of a recent customer experience assessment as well as an ongoing workforce assessment to improve office capacity and operations. This increased capacity will position the OCFO to partner with customers during acquisition planning and requirements definition to formulate targeted strategies to meet mission needs in a cost-effective manner. The two positions in the Office of Planning and Budget will serve to better align the USPTO’s capacity with the steadily growing demand for budget forecasting information and analytics. As a fully fee-funded agency, the USPTO depends on accurate and timely projections of both revenue and future spending requirements. Without the additional capacity,

the USPTO will face challenges in providing the in-depth analysis of financial trends and scenarios that the agency needs to ensure its ongoing financial sustainability.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	2,327	1,637	(2,114)	(2,297)	(2,522)
FTE	4	5	6	7	7
Positions	5	6	7	7	7

Sub-Activity: Human Resource Management and Administrative Services

Administrative Services Staff (+\$0.03 Million and +3 FTE/4 Positions): This request will fund an increase of four positions to support the ever-growing human capital needs of the USPTO. These positions will enable the Office of the Chief Administrative Officer to establish a lead in the Labor Relations Division, provide oversight and management of the Family Medical Leave Act program, and ensure the application of disciplinary and adverse actions for time and attendance misconduct is applied equally and consistently across the USPTO.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	26	(86)	(393)	(714)	(1,033)
FTE	3	4	4	4	4
Positions	4	4	4	4	4

Sub-Activity: Legal Services

Legal Services (-\$0.4 Million and 0 FTE/0 Positions): This request will support the existing disciplinary workload standards for all legal services at the USPTO, providing the resources necessary to continue administering legal programs, as well as additional outreach efforts.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	(397)	(1,207)	(1,310)	(1,415)	(1,522)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Sub-Activity: Mission Support Information Resources

Mission Support Information Resources (-\$2.7 Million and 0 FTE/0 Positions): This request will fund mission-supporting IT with a noted focus on:

- Transition to the Cloud – Approximately half of the 82 Enterprise Business Product Line product components successfully transitioned to a public cloud in FY 2021. The USPTO plans to transition the remaining components to a public cloud in FY 2022 and FY 2023.
- IT security vulnerabilities – Mission Support Information Resources requests two additional teams for dissemination and assignments for FY 2022 and FY 2023 to address a backlog of IT security vulnerabilities through modernization.
- Reducing contractor footprint through decreased capacity and robust prioritization – The product line's stakeholders have reviewed all EBPL contractor labor rates and rightsized team labor and non-labor costs to achieve the level of work planned.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	(2,685)	(10,605)	(11,873)	(12,991)	(14,589)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Visit the USPTO's Exhibit 300 submissions located on the [Federal IT Dashboard](#) for additional information regarding schedules, milestones, and deliverables.

Sub-Activity: Information Technology Infrastructure and Information Technology Support Services

IT Infrastructure and Tools (-\$65.0 Million and 0 FTE/0 Positions): IT spending will be slightly below FY 2022 levels through the budget horizon as a result of a smaller contractor footprint through prioritization of IT work, validation of acquisition strategies, the recompeting of major IT contracts to ensure value is commensurate with price and reaping the benefits of the transition to the cloud and the consolidation of data centers where possible. This request will fund a total of \$416.9 million and 516 positions for the FY 2023 IT infrastructure. The USPTO replaces servers, laptop and workstation peripherals (e.g., printers and monitors), phone systems, and audio-visual and teleconference infrastructure on a regular basis. This rolling replacement approach, which will continue in FY 2023, is an industry best practice that ensures that USPTO equipment is current and without the technical risks and inefficiencies associated with older models and versions. Additionally, this approach facilitates workload leveling year over year, which simplifies staffing, acquisition, and budgeting efforts.

These activities support the objective of optimizing speed, quality, and cost-effective IT delivery to achieve business value.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	(65,003)	(77,895)	(95,961)	(112,820)	(123,264)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Visit the USPTO's Exhibit 300 submissions located on the [Federal IT Dashboard](#) for additional information regarding schedules, milestones, and deliverables.

Sub-Activity: Cross-Cutting Services/Miscellaneous General Expense (MGE)

Improvements to Cross-Cutting Services/MGE (+\$2.3 Million and 0 FTE/0 Positions): This request will support the USPTO's continuous efforts to invest in cost-effective corporate support service improvements that affect all employees and operations. The MGE budget funds cross-cutting activities, including expenses the USPTO incurs in connection with the general management of the agency that are not provided for elsewhere. Most program changes in this function require one-time investments with lower costs for operations and maintenance, resulting in reductions reflected in the outyears. These cross-cutting activities also facilitate adherence to regulations, EOs, and guidance documents. Additionally, program changes reflect offsets that reductions to rent projections and nonrecurring projects cause. This sub-activity requires FY 2023 funds to:

- Relocate the San Jose Regional Office, if needed. The fourth option year of the current lease expires October 4, 2024. If the city of San Jose declines subsequent renewal options, the USPTO will need to relocate that office. The USPTO estimates the costs of a relocation or buildout to be \$12.6 million.
- Complete the consolidation of campus office space to coincide with expanded telework and hoteling initiatives.

	2023	2024	2025	2026	2027
Outyear Costs:					
Direct Obligations	2,254	(6,947)	(5,858)	(4,398)	(12,464)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
MISSION SUPPORT PROGRAM
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Mission Support Program

Title:	Grade	Number	Annual Salary	Total Salaries
Supervisory EEO Specialist	14	1	142,615	142,615
EEO Specialist	12	1	101,495	101,495
Building Management Specialist	9	1	69,986	69,986
Emergency Management Specialist	13	1	120,689	120,689
Program Support Specialist	12	2	101,495	202,991
Public Affairs Specialist (office of education)	9	1	69,986	69,986
Videographer	11	1	84,679	84,679
Writer Editor (website)	11	2	84,679	169,358
Budget Analyst	14	2	142,615	285,231
Procurement Analyst (Policy)	14	1	142,615	142,615
Procurement Liaison	14	1	142,615	142,615
Supervisor (Liaison)	15	1	167,755	167,755
Total		15		1,700,017
less Lapse	19%	(3)		(303,339)
Total full-time permanent (FTE)		12		1,396,677
2023 Pay Adjustment (4.6%)				45,038
Total				1,441,716
Personnel Data Summary				
Full-Time Equivalent Employment				
Full-time permanent		12		
Other than full-time permanent		-		
Total FTE		12		
Authorized Positions:				
Full-time permanent		15		
Other than full-time permanent		-		
Total Positions		15		

Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Direct Obligations amounts in thousands)

Activity: Mission Support Program

Object Class	2021 Actual	2022 Annualized CR	2023 Base	2023 Estimate	Increase/Decrease from 2023 base
11 Personnel compensation					
11.1 Full-time permanent	145,432	157,583	182,521	183,963	1,442
11.3 Other than full-time permanent	-	-	-	-	-
11.5 Other personnel compensation	14,071	16,097	12,189	12,276	87
11.8 Special personnel services payments	-	-	-	-	-
11.9 Total personnel compensation	159,503	173,680	194,710	196,239	1,529
12 Civilian personnel benefits	151,776	171,188	187,895	188,443	548
13 Benefits for former personnel	-	-	-	-	-
21 Travel and transportation of persons	99	4,063	4,144	2,660	(1,485)
22 Transportation of things	350	241	246	292	46
23.1 Rental payments to GSA	89,733	93,600	95,472	94,350	(1,122)
23.2 Rental payments to others	13,556	14,352	14,639	15,726	1,087
23.3 Communications, utilities and miscellaneous charges	7,220	17,593	17,944	19,132	1,188
24 Printing and reproduction	126	237	242	224	(18)
25.1 Advisory and assistance services	3,085	2,823	2,880	3,739	859
25.2 Other services	29,639	60,048	61,249	50,214	(11,035)
25.3 Purchases of goods & services from Gov't accounts	29,990	47,085	48,026	40,327	(7,700)
25.4 Operation and maintenance of facilities	20,630	23,610	24,082	94,350	70,268
25.5 Research and development contracts	-	-	-	-	-
25.6 Medical care	-	-	-	-	-
25.7 Operation and maintenance of equipment	307,229	329,986	336,586	232,772	(103,814)
25.8 Subsistence and support of persons	-	-	-	-	-
26 Supplies and materials	2,507	2,954	3,013	2,568	(445)
31 Equipment	69,292	76,055	77,576	65,694	(11,882)
32 Lands and structures	-	275	281	-	(281)
33 Investments and loans	-	-	-	-	-
41 Grants, subsidies and contributions	-	-	-	-	-
42 Insurance claims and indemnities	57	14	14	-	(14)
43 Interest and dividends	15	24	25	24	(0)
44 Refunds	-	-	-	-	-
99 Total obligations	884,807	1,017,826	1,069,023	1,006,751	(62,272)

EXHIBITS: 16 - 36

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Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class	2021 Actual	2022 Annualized CR	2023 Base	2023 Estimate	Increase/Decrease from 2023 base
11.1 Salaries	1,673,605	1,749,960	1,877,921	1,894,364	16,443
11.5 Other personnel compensation	159,270	173,876	177,782	184,075	6,293
11.9 Total personnel compensation	1,832,875	1,923,836	2,055,703	2,078,438	22,736
12.1 Civilian personnel benefits	705,756	765,611	821,867	827,963	6,096
13 Benefits to Former Employees	-	-	-	-	0
21 Travel and transportation of persons	135	7,979	8,138	7,072	(1,066)
22 Transportation of things	350	261	266	312	46
23.1 Rental payments to GSA	89,733	93,600	95,472	94,350	(1,122)
23.2 Rental payments to others	13,556	14,528	14,819	15,741	922
23.3 Commun., util., and misc. charges	8,694	19,464	19,854	21,267	1,414
24 Printing and reproduction	153,549	171,286	174,712	183,347	8,635
25.1 Advisory and assistance services	58,042	78,057	79,618	56,737	(22,881)
25.2 Other services from non-federal sources	177,452	188,815	192,592	160,174	(32,418)
25.3 Other goods and services from federal sources	45,309	65,373	66,680	60,688	(5,992)
25.4 Operation and maintenance of facilities	20,630	23,610	24,082	27,382	3,300
25.7 Operation and maintenance of equipment	363,043	420,001	428,401	388,601	(39,800)
26 Supplies and materials	45,679	51,328	52,354	52,706	352
31 Equipment	203,819	187,368	191,115	172,599	(18,516)
32 Land and Structures	-	275	281	-	(281)
4x Insurance claims , indemnities, and refunds	3,686	2,287	2,333	2,151	(182)
99.9 Total Obligations	3,722,309	4,013,679	4,228,286	4,149,529	(78,757)
Fee Collections	(3,624,962)	(4,125,962)	(4,253,404)	(4,253,404)	0
Less prior year other income/recoveries	(38,493)	(53,500)	(53,500)	(53,500)	0
Less prior year unobligated balance	(744,641)	(683,787)	(847,570)	(847,570)	0
Less end year unobligated balance	683,787	847,570	923,738	1,002,495	78,757
Total Budget Authority	(2,000)	(2,000)	(2,450)	(2,450)	0
Personnel Data					
Full-Time equivalent Employment	13,125	13,091	13,543	13,794	251
Positions	13,474	13,880	13,881	14,363	482

Department of Commerce
U.S. Patent and Trademark Office
PATENTS BUSINESS LINE BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class	2021 Actual	2022 Annualized CR	2023 Base	2023 Estimate	Increase/Decrease from 2022 base
11.1 Salaries	1,501,711	1,555,907	1,667,906	1,678,757	10,852
11.5 Other personnel compensation	141,560	154,472	153,468	159,681	6,214
11.9 Total personnel compensation	1,643,271	1,710,379	1,821,374	1,838,439	17,065
12.1 Civilian personnel benefits	634,993	683,459	732,781	736,854	4,073
13 Benefits to Former Employees	-	-	-	-	0
21 Travel and transportation of persons	113	6,729	6,863	5,856	(1,007)
22 Transportation of things	281	218	223	263	40
23.1 Rental payments to GSA	77,943	80,932	82,551	81,581	(970)
23.2 Rental payments to others	11,762	12,431	12,679	13,612	933
23.3 Commun., util., and misc. charges	7,658	16,895	17,233	18,483	1,250
24 Printing and reproduction	153,512	171,170	174,594	183,282	8,688
25.1 Advisory and assistance services	56,858	75,275	76,781	53,772	(23,009)
25.2 Other services from non-federal sources	167,524	166,959	170,299	134,815	(35,483)
25.3 Other goods and services from federal sources	34,838	49,410	50,398	44,410	(5,989)
25.4 Operation and maintenance of facilities	18,012	20,531	20,941	23,811	2,870
25.7 Operation and maintenance of equipment	300,805	361,623	368,855	329,851	(39,004)
26 Supplies and materials	43,315	48,391	49,359	49,711	351
31 Equipment	165,528	142,660	145,513	128,822	(16,690)
32 Land and Structures	-	239	244	-	(244)
4x Insurance claims, indemnities, and refunds	3,342	2,061	2,102	2,022	(80)
99.9 Total Obligations	3,319,754	3,549,363	3,732,790	3,645,584	(87,205)
Fee Collections	(3,152,112)	(3,630,564)	(3,711,326)	(3,711,326)	-
Less prior year other income/recoveries	(32,719)	(43,068)	(43,068)	(43,068)	-
Less prior year unobligated balance	(612,499)	(475,870)	(598,316)	(598,316)	-
Less end year unobligated balance	475,870	598,316	617,687	704,893	87,205
Total Budget Authority	(1,705)	(1,822)	(2,232)	(2,232)	0
Personnel Data					
Full-Time equivalent Employment	11,769	11,621	12,045	12,235	190
Positions	12,053	12,369	12,370	12,734	364

Department of Commerce
U.S. Patent and Trademark Office
TRADEMARK BUSINESS LINE BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class		2021	2022	2023	2023	Increase/Decrease
		Actual	Annualized CR	Base	Estimate	from 2022 base
11.1	Salaries	171,894	194,053	210,015	215,606	5,591
11.5	Other personnel compensation	17,710	19,404	24,314	24,393	79
11.9	Total personnel compensation	189,604	213,457	234,329	239,999	5,670
12.1	Civilian personnel benefits	70,763	82,152	89,086	91,109	2,023
13	Benefits to Former Employees	-	-	-	-	0
21	Travel and transportation of persons	23	1,250	1,275	1,216	(59)
22	Transportation of things	69	43	44	49	6
23.1	Rental payments to GSA	11,790	12,668	12,921	12,769	(152)
23.2	Rental payments to others	1,794	2,097	2,139	2,129	(11)
23.3	Communication, util., and misc. charges	1,037	2,569	2,621	2,784	164
24	Printing and reproduction	37	116	118	65	(53)
25.1	Advisory and assistance services	1,184	2,782	2,838	2,965	128
25.2	Other services from non-federal sources	9,927	21,856	22,293	25,359	3,066
25.3	Other goods and services from federal sources	10,471	15,962	16,282	16,278	(4)
25.4	Operation and maintenance of facilities	2,618	3,079	3,140	3,571	430
25.7	Operation and maintenance of equipment	62,237	58,378	59,546	58,750	(796)
26	Supplies and materials	2,363	2,936	2,995	2,995	1
31	Equipment	38,291	44,708	45,603	43,777	(1,826)
32	Land and Structures	-	36	37	-	(37)
4x	Insurance claims, indemnities, and refunds	345	226	231	129	(102)
99.9	Total Obligations	402,554	464,316	495,496	503,945	8,449
	Fee Collections	(472,850)	(495,398)	(542,078)	(542,078)	-
	Less prior year other income/recoveries	(5,774)	(10,433)	(10,433)	(10,433)	-
	Less prior year unobligated balance	(132,143)	(207,917)	(249,254)	(249,254)	-
	Less end year unobligated balance	207,917	249,254	306,051	297,602	(8,449)
	Total Budget Authority	(295)	(178)	(218)	(218)	(0)
	Personnel Data					
	Full-Time equivalent Employment	1,356	1,470	1,498	1,559	61
	Positions	1,421	1,511	1,511	1,629	118

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
JUSTIFICATION OF PROPOSED LANGUAGE CHANGES**

1...[\$3,993,851,000] \$4,253,404,000
 [\$2,000,000] \$2,450,000
 ...[2022] 2023
 ...[2023] 2024

2. *Provided further*, That the Director of USPTO shall submit a *notification to reprogram funds* to the Committees on Appropriations of the House of Representatives and the Senate for any amounts made available by the preceding proviso and such *notification to reprogram funds* shall be treated as a reprogramming under section 504 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section:

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
APPROPRIATION LANGUAGE AND CODE CITATION**

FY 2023

Salaries and Expenses

For necessary expenses of the United States Patent and Trademark Office (USPTO) provided for by law, including defense of suits instituted against the Under Secretary of Commerce for Intellectual Property and Director of the USPTO, ~~\$3,993,851,000~~ \$4,253,404,000, to remain available until expended: *Provided*, That the sum herein appropriated from the general fund shall be reduced as offsetting collections of fees and surcharges assessed and collected by the USPTO under any law are received during fiscal year ~~2022~~ 2023, so as to result in a fiscal year ~~2022~~ 2023 appropriation from the general fund estimated at \$0: *Provided further*, That during fiscal year ~~2022~~ 2023, should the total amount of such offsetting collections be less than ~~\$3,993,851,000~~ \$4,253,404,000, this amount shall be reduced accordingly: *Provided further*, That any amount received in excess of ~~\$3,993,851,000~~ \$4,253,404,000 in fiscal year ~~2022~~ 2023 and deposited in the Patent and Trademark Fee Reserve Fund shall remain available until expended: *Provided further*, That the Director of USPTO shall submit a *notification to reprogram funds* to the Committees on Appropriations of the House of Representatives and the Senate for any amounts made available by the preceding proviso and such *notification to reprogram funds* shall be treated as a reprogramming under section 505 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section: *Provided further*, That any amounts reprogrammed in accordance with the preceding proviso shall be transferred to the United States Patent and Trademark Office "Salaries and Expenses" account: *Provided further*, That the budget of the President submitted for fiscal year ~~2022~~ 2023 under section 1105 of title 31, United States Code, shall include within amounts provided under this heading for necessary expenses of the USPTO any increases that are expected to result from an increase promulgated through rule or regulation in offsetting collections of fees and surcharges assessed and collected by the USPTO under any law in either fiscal year ~~2022~~ 2023 or fiscal year 2023 2024: *Provided further*, That from amounts provided herein, not to exceed \$13,500 shall be made available in fiscal year ~~2022~~ 2023 for official reception and representation expenses: *Provided further*, That in fiscal year ~~2022~~ 2023 from the amounts made available for "Salaries and Expenses" for the USPTO, the amounts necessary to pay (1) the difference between the percentage of basic pay contributed by the USPTO and employees under section 8334(a) of title 5, United States Code, and the normal cost percentage (as defined by section 8331(17) of that title) as provided by the Office of Personnel Management (OPM) for USPTO's specific use, of basic pay, of employees subject to subchapter III of chapter 83 of that title, and (2) the present value of the otherwise unfunded accruing costs, as determined by OPM for USPTO's specific use of post-retirement life insurance and post-retirement health benefits coverage for all USPTO employees who are enrolled in Federal Employees Health Benefits (FEHB) and Federal Employees Group Life Insurance (FGLI), shall be transferred to the Civil Service Retirement and Disability Fund, the FGLI Fund, and the Employees FEHB Fund, as appropriate, and shall be available for the authorized purposes of those accounts: *Provided further*, That any differences between the present value factors published in OPM's yearly 300 series benefit letters and the factors that OPM provides for USPTO's specific use shall be recognized as an imputed cost on USPTO's financial statements, where applicable:

Provided further, That, notwithstanding any other provision of law, all fees and surcharges assessed and collected by USPTO are available for USPTO only pursuant to section 42(c) of title 35, United States Code, as amended by section 22 of the Leahy-Smith America Invents Act (Public Law 112–29): *Provided further*, That within the amounts appropriated, ~~\$2,000,000~~ \$2,450,000 shall be transferred to the “Office of Inspector General” account for activities associated with carrying out investigations and audits related to the USPTO.

Legislative Authorities

The programs of the USPTO are conducted under the following main legislative authorities:

- 15 U.S.C. 1051-1141n contain provisions of the Trademark Act that govern the administration of the USPTO’s trademark registration system, provide for administrative proceedings before the USPTO, and set forth procedures relating to international registration of trademarks pursuant to the Madrid Protocol;
- 15 U.S.C. 1511 states that the USPTO is under the jurisdiction and subject to the control of the Department of Commerce;
- 35 U.S.C. 1-13, 21-26, 32-33, 100-105, 111-122, 131-135, 141-146, 151-157, 161-164, 171-173, 251-256, 261, 262, 267, 301-307, and 311-318 contain basic authorities for administration of patent laws, derived from the Act of July 19, 1952, and subsequent enactments;
- 35 U.S.C. 41 provides for collection of specific fees for identified services and establishment of fees at an estimated average cost for processing, services or materials not specified;
- 35 U.S.C. 41(i)(2) provides for deployment of automated search systems of the Office to the public;
- 35 U.S.C. 42(d) provides that the Director may refund any fee paid by mistake or in excess of that required;
- 35 U.S.C. 181-188 provides authorities for actions relating to secrecy of certain inventions and filing of applications in foreign countries;
- 35 U.S.C. 361-368, 371-375 contain authorities related to Patent Cooperation Treaty applications, national stage entry and related procedures;
- 35 U.S.C. 376 authorizes the USPTO to charge fees for activities related to the Patent Cooperation Treaty, and the Director may set fee amounts, except for the international and handling fees.
- Leahy Smith America Invents Act (Pub. L. No. 112-29) provides specific authority for the USPTO to collect several fees related to patent services, including a 15% surcharge on most patent fees and a prioritized examination fee.
- Study of Underrepresented Classes Chasing Engineering and Science Success Act of 2018 (Pub. L. No. 115-273), extending the USPTO fee setting authority, granted in the Leahy Smith America Invents Act, by 8 years.

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
ADVISORY AND ASSISTANCE SERVICES**

	2021 Actual	2022 Annualized CR	2023 Estimate
Patent Cooperation Treaty (PCT) outsourcing	35,105	48,967	34,576
Patent Classification services	5,979	8,523	8,693
IT consulting services	1,752	1,320	1,923
Other	15,206	19,247	11,546
Total	58,042	78,057	56,737

The USPTO continues to contract for international search reports and written opinions for Patent Cooperation Treaty (PCT) Chapter I cases. Investments in contracting enable the USPTO to meet its obligations as an International Searching Authority (ISA) under PCT Chapter I, for example meeting the PCT time frames for issuance of the required reports, while focusing its examiner resources on reducing the backlog of pending national applications.

Patent publication and classification services covers the United States Patent Classification (USPC) routing and Cooperative Patent Classification for incoming non-Request for Continuing Examination (RCE) utility applications.

IT and Other consulting services are those services relating to the agency administration and management and agency problem management. These services are normally provided by persons or organizations generally considered to have knowledge and special abilities that are not usually available within the agency. These services deal with management data collection, policy review or development, program development, review or evaluation, systems engineering and other support services.

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
PERIODICALS, PAMPHLETS AND AUDIOVISUAL PRODUCTS**

	2021 Actual	2022 Annualized CR	2023 Estimate
Periodicals	42,422	46,934	47,425
Pamphlets	0	0	0
Audiovisuals	0	0	0
Total	42,422	46,934	47,425

Technical literature documents in the form of periodicals are essential in the patent and trademark examination process. These resources include reference materials such as books, periodicals, Lexis-Nexis and other research databases. The materials consist of more than 70,000 electronic journals, 385,000 electronic books and 85,000 print titles, as well as research databases. The cost for these materials is reflected above.

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
AVERAGE GRADES AND SALARIES**

	2021 Actual	2022 Annualized CR	2023 Estimate
Average ES Grade	N/A	N/A	N/A
Average GS Grade	13	13	13
Average GS Salary with Benefits	127,508	133,677	138,663

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
IMPLEMENTATION STATUS OF GAO AND OIG RECOMMENDATIONS**

31 U.S.C. 720, as amended January 3, 2019, requires the head of a federal agency to submit a written statement of the actions taken or planned on Government Accountability Office (GAO) recommendations to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 180 calendar days after the date of the report.

The Good Accounting Obligation in Government Act (GAO-IG Act), passed on January 3, 2019, (P.L. 115-414) requires each agency to include, in its annual budget justification, a report that identifies each public recommendation issued by GAO and the agency's office of the inspector general (OIG) which has remained unimplemented for one year or more from the annual budget justification submission date. In addition, the Act requires a reconciliation between the agency records and the IGs' Semiannual Report to Congress (SAR).

Section 1. Recommendations for which action plans were finalized since the last appropriations request.

Report Number	OIG-21-033-A
Report Title	USPTO Should Improve Controls over Examination of Trademark Filings to Enhance the Integrity of the Trademark Register
Issue Date	8/11/2021
Recommendation Number	1
Recommendation	Develop controls and/or tools to detect post office boxes, post offices, commercial mail receiving agencies, registered agents, and other unacceptable domicile addresses in trademark applications and other trademark filings.
Action(s) Planned	<p>1-a) Implement an automated query in trademark systems that will identify post office boxes and "care of" addresses and that will flag the issue for the assigned examining attorney to take appropriate action under the examination rules.</p> <p>1-b) Implement a check for post office boxes and "care of" addresses as part of the pre-publication review of the Official Gazette.</p> <p>1-c) Implement an automated query in trademark systems that will verify addresses known to belong to commercial mail receiving agencies with United States Postal Service data, and that will flag the issue for the assigned examining attorney to take appropriate action under the examination rules.</p> <p>1-d) Conduct a cost/benefit analysis of options for pre-examination and/or pre-publication review of all domestic addresses, including comparing the relative costs and benefits of additional automated address checks or address reviews by Trademarks employees or contractors. Assess which option(s), if any, will provide cost-effective controls to determine if addresses are valid or should be flagged for appropriate action by the assigned examining attorney.</p> <p>1-e) Implement domestic address review method(s) recommended by 1-d.</p> <p>Dependency: Completion of 1-d.</p>

Action Status (Planned, In-Progress, or Complete)	1-a) Complete 1-b) In-Progress 1-c) In-Progress 1-d) In-Progress 1-e) In-Progress
Target Completion Date	1-a) 9/15/21 1-b) 9/30/22 1-c) 3/15/22 1-d) 9/30/22 1-e) 9/30/22
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

Report Number	OIG-21-033-A
Report Title	USPTO Should Improve Controls over Examination of Trademark Filings to Enhance the Integrity of the Trademark Register
Issue Date	8/11/2021
Recommendation Number	2
Recommendation	Develop standards and procedures to (1) identify and investigate U.S.-licensed attorneys who are properly listed as the attorney of record on high numbers of fraudulent or inaccurate trademark applications and (2) address the attorneys' behavior by providing guidance, taking disciplinary action, or taking other actions as appropriate.
Action(s) Planned	2-a) Create an email inbox to centralize reporting, by examining attorneys, of inaccurate or improper trademark applications to the Special Task Force, and issue instructions to examining attorneys about the use of the inbox. 2-b) Update trademark systems to automatically flag for examining attorneys that examination on an application has been paused due to a Special Task Force-initiated investigation of suspicious trademark filings. 2-c) Draft a Standard Operating Procedure to: (1) identify investigations in which an attorney of record appears to be participating in a significant number of suspicious filings, (2) identify the type and amount of evidence necessary for referral, and (3) determine the appropriate audience and process for referral (i.e., the Office of Enrollment and Discipline or OIG), if any.
Action Status (Planned, In-Progress, or Complete)	2-a) Complete 2-b) In-Progress 2-c) Complete

Target Completion Date	2-a) 6/6/21 2-b) 6/1/22 2-c) 1/1/22
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

Report Number	OIG-21-033-A
Report Title	USPTO Should Improve Controls over Examination of Trademark Filings to Enhance the Integrity of the Trademark Register
Issue Date	8/11/2021
Recommendation Number	3
Recommendation	Revise Examination Guide 3-19, or other procedures as appropriate, to clarify (a) expectations for the extent of examining attorneys' use of third-party information sources when examining specimens, (b) steps for assessing webpage specimens (to include an overall assessment of a website's authenticity), and (c) Guidance for identifying mocked-up labels and tags in specimen photos.
Action(s) Planned	3-a) Form a working group to consider measures that would improve specimen examination. The working group will consider possible revisions to Examination Guide 3-19 weighed against the effectiveness of other existing and potential measures. 3-b) Revise Examination Guide 3-19 or issue other appropriate guidance for identifying digitally manipulated and other improper specimens, and provide training, as appropriate. 3-c) Expand the Letter of Protest procedure to accept evidence of nonuse submitted by third parties that is relevant to a specific application undergoing examination. 3-d) Conduct a cost/benefit analysis of non-examiners (e.g., support staff and/or contractors) conducting additional specimen reviews or investigations, including using an Automated Specimen Analysis Product to review specimens for duplicate images in multiple, unrelated submissions. 3-e) Implement any specimen review method(s) identified and recommended in 3-d. Dependency: Completion of 3-d.
Action Status (Planned, In-Progress, or Complete)	3-a) In-Progress 3-b) In-Progress 3-c) Complete 3-d) In-Progress 3-e) In-Progress

Target Completion Date	3-a) 12/1/22 3-b) 9/30/22 3-c) 8/1/21 3-d) 9/30/22 3-e) 9/30/22
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

Report Number	OIG-21-033-A
Report Title	USPTO Should Improve Controls over Examination of Trademark Filings to Enhance the Integrity of the Trademark Register
Issue Date	8/11/2021
Recommendation Number	4
Recommendation	Develop controls to ensure consistency and coordination among examining attorneys for the examination of multiple trademark applications from a single applicant.
Action(s) Planned	4-a) Implement a process for the Special Task Force to use the Administrator Console feature in trademark database systems to identify and quarantine groups of applications with suspicious data elements (e.g., specimens of use, attorney name, applicant address, etc.) for investigation by the Special Task Force before they are assigned to an examining attorney. 4-b) Update trademark systems to automatically flag for examining attorneys that examination on an application has been paused due to a Special Task Force-initiated investigation of suspicious trademark filings. 4-c) Implement an automated process to identify duplicate specimens of use in multiple applications from the same applicant and promote consistent examination. 4-d) Test sensitivity of IT tool for identifying specimens that are not identical but contain the identical item/good, and if sufficient, evaluate cost/benefits of deploying the IT tool for wider use. 4-e) Establish a pilot program to do a random quality review check on companion applications filed within a 6 month period within the same class to ensure they were consistently handled, and determine whether results support wider adoption.
Action Status (Planned, In-Progress, or Complete)	4-a) Complete 4-b) In-Progress 4-c) In-Progress 4-d) In-Progress 4-e) In-Progress

Target Completion Date	4-a) 5/1/21 4-b) 6/1/22 4-c) 9/30/22 4-d) 9/30/22 4-e) 9/30/22
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

Report Number	OIG-21-033-A
Report Title	USPTO Should Improve Controls over Examination of Trademark Filings to Enhance the Integrity of the Trademark Register
Issue Date	8/11/2021
Recommendation Number	5
Recommendation	Develop specific guidance for examining attorneys' use of Trademark Manual of Examining Procedure Section 904.01(a).
Action(s) Planned	5-a) Provide appropriate guidance on what constitutes a "wide" range of unrelated goods for which an examining attorney should take action under section 904.01(a).
Action Status (Planned, In-Progress, or Complete)	5-a) In-Progress
Target Completion Date	5-a) 9/30/22
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

Report Number	OIG-21-033-A
Report Title	USPTO Should Improve Controls over Examination of Trademark Filings to Enhance the Integrity of the Trademark Register
Issue Date	8/11/2021
Recommendation Number	6
Recommendation	Create a risk framework to address fraudulent or inaccurate trademark filings, to include a risk profile, goals, and targets; update the risk framework on a regular basis; and update the Special Task Force's Charter to align with the risk framework.

Action(s) Planned	6-a) Document Trademarks' risk framework, including its risk profile, goals, and targets, through the Agency's Enterprise Risk Management (ERM) Scorecard, which is updated quarterly. 6-b) Update the Special Task Force's charter to align with the ERM documentation. Dependency: Completion of 6-a.
Action Status (Planned, In-Progress, or Complete)	6-a) Complete 6-b) In-Progress
Target Completion Date	6-a) 10/31/21 6-b) 6/1/22
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

Report Number	OIG-21-033-A
Report Title	USPTO Should Improve Controls over Examination of Trademark Filings to Enhance the Integrity of the Trademark Register
Issue Date	8/11/2021
Recommendation Number	7
Recommendation	Develop procedures to aggregate data from managing attorneys' reviews of examining attorneys' work, and use this data to monitor and assess the effectiveness of efforts to improve the accuracy of the trademark register.
Action(s) Planned	7-a) Modify the Office of Trademark Quality review and Training's (OTQRT) database to create a workflow that will allow managers to input quality review data directly. 7-b) Determine how best to use the additional data to monitor and assess the effectiveness of efforts to improve the accuracy of the trademark register. Dependency: Completion of 7-a.
Action Status (Planned, In-Progress, or Complete)	7-a) In-Progress 7-b) In-Progress
Target Completion Date	7-a) 9/30/22 7-b) 9/30/22
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

Report Number	OIG-21-030-I
Report Title	USPTO Has Opportunities to Improve Its Internal Controls and Oversight Related to PTA and PTE Calculations
Issue Date	7/6/2021
Recommendation Number	1
Recommendation	Direct the Commissioner for Patents to (1) mandate the use of the “safe harbor” form to claim the exception, and (2) ensure the inclusion of clear category and description definitions for applicants while keeping their focus on the task at hand (i.e., the document submission form).
Action(s) Planned	1-a) Publish notice of proposed rulemaking proposing to require use of the “safe harbor” form to claim the exception. 1-b) Publish final rule adopting the change to require use of the “safe harbor” form to claim the exception. Dependency: Completion of corrective action 1-a) and close of the comment period. 1-c) The Patent Center will automatically narrow the list of document types and document codes based on the document category selected. The Patent Center will auto populate possible document names and associated codes as a user types the name of a document. 1-d) Develop a feature in the Patent Center that provides easy access to definitions for categories and document descriptions.
Action Status (Planned, In-Progress, or Complete)	1-a) In-Progress 1-b) In-Progress 1-c) In-Progress 1-d) In-Progress
Target Completion Date	1-a) 3/31/22 1-b) 8/31/22 1-c) 1/31/23 1-d) 6/30/22
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

Report Number	OIG-21-030-I
Report Title	USPTO Has Opportunities to Improve Its Internal Controls and Oversight Related to PTA and PTE Calculations
Issue Date	7/6/2021
Recommendation Number	2

Recommendation	Direct Office of Petitions (OPET), Office of Patent Legal Administration (OPLA), and Office of the Chief Information Officer (OCIO) to implement, and keep up to date, a comprehensive set of requirements and specifications for the PTA calculator software to ensure continued compliance with current and emerging legislation and case law.
Action(s) Planned	2-a) Update the current comprehensive set of requirements for the PTA calculator software. 2-b) Create a PTA-PTE Standard Operating Procedure (SOP) and include the identifying events that necessitate updates to the PTA calculator software such as changes in regulations, case law, and input from the PTA exception events team. The SOP will also include instructions on how to translate these updates into information technology business logic/requirements for ensuring the readiness of the PTA calculator software.
Action Status (Planned, In-Progress, or Complete)	2-a) Complete 2-b) Complete
Target Completion Date	2-a) 10/31/21 2-b) 12/31/21
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-030-I
Report Title	USPTO Has Opportunities to Improve Its Internal Controls and Oversight Related to PTA and PTE Calculations
Issue Date	7/6/2021
Recommendation Number	3
Recommendation	Direct OPLA to coordinate with the U.S. Food and Drug Administration (FDA) and the U.S. Department of Agriculture (USDA) to determine if electronic filing of PTE applications would be acceptable as a permanent practice after the current public health emergency has passed.
Action(s) Planned	3-a) Work with the FDA and the USDA to determine whether the current e-filing of PTE applications at the USPTO will be an acceptable permanent practice in the future. 3-b) Publish a notice of proposed rulemaking proposing to permit e-filing of PTE applications. Dependency: Completion of corrective action 3-a). 3-c) Publish a final rule adopting the change to permit e-filing of PTE applications. Dependency: Completion of corrective action 3-b) and the close of the comment period.
Action Status (Planned, In-Progress, or Complete)	3-a) Complete 3-b) In-Progress 3-c) In-Progress

Target Completion Date	3-a) 10/31/21 3-b) 4/30/22 3-c) 6/30/22
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

Report Number	OIG-21-030-I
Report Title	USPTO Has Opportunities to Improve Its Internal Controls and Oversight Related to PTA and PTE Calculations
Issue Date	7/6/2021
Recommendation Number	4
Recommendation	Direct the Office of Patent Examination Support Services and the OCIO to: (1) determine the feasibility of implementing a workflow process or tool (similar to the examiner “docket” system) for Legal Instruments Examiner (LIE) managers; and (2) add clarifying language to the document description codes in the Patent Application Locating and Monitoring system to mitigate the risk of miscoded documents.
Action(s) Planned	4-a) Complete a feasibility study regarding the implementation of a workflow process or tool for LIE managers. 4-b) Analyze document codes and descriptions for clarity. Align document codes to the Patent Application Locating and Monitoring (PALM) transaction codes and document descriptions. Publish a listing of the alignment of the PALM codes and document descriptions. Provide the published listing of codes and document descriptions to Office of Patent Examination Support Services (OPESS). 4-c) Provide additional training to ensure employees have the appropriate knowledge and understanding of document codes and descriptions. Dependency: Completion of corrective action 4-b).
Action Status (Planned, In-Progress, or Complete)	4-a) Complete 4-b) Complete 4-c) Complete
Target Completion Date	4-a) 7/31/21 4-b) 1/31/22 4-c) 2/28/22
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-030-I
Report Title	USPTO Has Opportunities to Improve Its Internal Controls and Oversight Related to PTA and PTE Calculations
Issue Date	7/6/2021
Recommendation Number	5
Recommendation	Direct the Commissioner for Patents to implement a means to identify and remedy the types of events that typically require a manual review (e.g., Information Disclosure Statements) as they occur.
Action(s) Planned	5-a) Establish a PTA exception events team. 5-b) Create a PTA-PTE SOP that will include the identifying events requiring manual review of the PTA calculation process based on feedback from petitions, public inquiries, internal samplings, and other sources of remedial updates. In accordance with the SOP for identifying events that necessitate updates to the PTA calculator software (recommendation #2 corrective action items), the input from the PTA exception events team will be translated into information technology business logic/requirements for ensuring the readiness of the PTA calculator software. Dependency: Completion of corrective action 5-a).
Action Status (Planned, In-Progress, or Complete)	5-a) Complete 5-b) Complete
Target Completion Date	5-a) 10/31/21 5-b) 12/31/21
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-030-I
Report Title	USPTO Has Opportunities to Improve Its Internal Controls and Oversight Related to PTA and PTE Calculations
Issue Date	7/6/2021
Recommendation Number	6
Recommendation	Direct OPET to implement a pilot program to perform periodic, OPET-initiated, reconsideration-like audits on a random sampling of PTA calculations.

Action(s) Planned	<p>6-a) Determine the requisite sample size for and manner of conducting a reconsideration-like PTA calculation review to provide a statistically valid random review of PTA calculations.</p> <p>6-b) Create a PTA-PTE SOP and include the manner of selecting applications for review, conducting the reconsideration-like PTA calculation review, and providing feedback from the review to the PTA exception events team.</p> <p>Dependency: Completion of corrective action 6-a).</p> <p>6-c) Educate OPET staff who will conduct the PTA audits on the PTA audit process.</p> <p>Dependency: Completion of corrective action 6-b).</p>
Action Status (Planned, In-Progress, or Complete)	<p>6-a) Complete.</p> <p>6-b) Complete</p> <p>6-c) Complete</p>
Target Completion Date	<p>6-a) 10/31/21</p> <p>6-b) 12/31/21</p> <p>6-c) 2/28/22</p>
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-025-I
Report Title	The PTAB Faces Operational, Information Technology, and Data Risks
Issue Date	5/10/2021
Recommendation Number	1
Recommendation	Direct the PTAB Chief Judge and the Chief Information Officer (CIO) to appoint and empower a PTAB E2E/PTAB Center product owner who will be involved in every stage of planning, development, and testing of the system.
Action(s) Planned	<p>1-a) Appoint an end user as acting lead product owner (LPO) to serve until a permanent position can be created and filled.</p> <p>1-b) Create a PTAB LPO position that is consistent with the CIO's "New Ways of Working" initiative (including LPO duties and responsibilities) and that reports to a PTAB senior executive.</p> <p>1-c) Advertise and fill new PTAB LPO position.</p> <p>Dependency: 1-b.</p>
Action Status (Planned, In-Progress, or Complete)	<p>1-a) Complete</p> <p>1-b) Complete</p> <p>1-c) Complete</p>

Target Completion Date	1-a) 6/10/21 1-b) 8/1/21 1-c) 11/5/21
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-025-I
Report Title	The PTAB Faces Operational, Information Technology, and Data Risks
Issue Date	5/10/2021
Recommendation Number	2
Recommendation	Direct the PTAB Chief Judge to determine the viability of implementing a comprehensive data quality and governance program following best practices for data governance.
Action(s) Planned	2-a) Draft a recommendation for implementing a comprehensive data quality and governance program in accordance with identified Federal Data Strategy practices. The recommendation will also show how the practices could be implemented at the PTAB and the costs and benefits of doing so. 2-b) PTAB Chief Judge and Deputy Chief Judge determine the viability of implementing the comprehensive data quality and governance program recommendation and recommended best practices. Dependency: 2-a.
Action Status (Planned, In-Progress, or Complete)	2-a) Complete 2-b) In-Progress
Target Completion Date	2-a) 1/31/22 2-b) 3/31/22
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

Report Number	OIG-21-025-I
Report Title	The PTAB Faces Operational, Information Technology, and Data Risks
Issue Date	5/10/2021
Recommendation Number	3
Recommendation	Work with Congress to address the Appointments Clause defect identified in the Arthrex decision.

Action(s) Planned	3-a) Review the Supreme Court's decision in Arthrex and determine whether it renders obsolete recommendation 3. 3-b) Provide technical drafting assistance on legislative proposals. Dependency: 3-a.
Action Status (Planned, In-Progress, or Complete)	3-a) Complete 3-b) Complete
Target Completion Date	3-a) 7/2/21 3-b) Not applicable
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-025-I
Report Title	The PTAB Faces Operational, Information Technology, and Data Risks
Issue Date	5/10/2021
Recommendation Number	4
Recommendation	Direct the PTAB Chief Judge and the CIO to assess the affordability of procuring or developing a more sustainable and scalable predictive case management system to project staffing needs.
Action(s) Planned	4-a) The PTAB will work with the Office of the Chief Information Officer (OCIO) to review the current Operations Management Model (OMM) to identify requirements for an alternative case management system, including features that would be necessary to allow for more sustainable and scalable projections of staffing needs. 4-b) The PTAB will work with OCIO to review available commercial off-the-shelf case management system products to determine the existence of more sustainable and scalable options than OMM to project staffing needs and, based on availability, assess the affordability of procurement, including in comparison to development options identified in 4-c. Dependency: 4-a 4-c) The PTAB will work with OCIO to assess the feasibility and affordability, including in comparison to the off-the-shelf options identified in 4-b of developing a predictive case management system that will be more sustainable and scalable than OMM to project staffing needs. Dependency: 4-b
Action Status (Planned, In-Progress, or Complete)	4-a) In-Progress 4-b) In-Progress 4-c) In-Progress
Target Completion Date	4-a) 5/10/22 4-b) 5/10/22 4-c) 5/10/22

Recommendation Status (Planned, In-Progress, or Complete)	In-Progress
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Report Number	OIG-21-010-A
Report Title	USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract
Issue Date	11/19/2020
Recommendation Number	1
Recommendation	Strengthen requirements for documentation of significant decisions and changes to milestones for key procurement actions, such as submission of procurement request package and release of solicitation.
Action(s) Planned	1-a) Review two existing procurement policies, Procurement Memorandum (PM) 2020-05, "Acquisition Package Requirements," and PM 2017-01, "Procurement Review and Approval Requirements and Procedures," to determine whether they will need to be modified to improve file documentation requirements. Dependency: None
Action Status (Planned, In-Progress, or Complete)	1-a) Complete
Target Completion Date	1-a) 12/8/20
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-010-A
Report Title	USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract
Issue Date	11/19/2020
Recommendation Number	2
Recommendation	Establish specific conditions and justifications that govern the use of alternative competition methods in the Patent and Trademark Acquisition Guidelines (PTAG).

Action(s) Planned	<p>2-a) Review recently released Government Accountability Office (GAO) decision, "CGI Federal, Inc; Ascendant Services, LLC." Determine whether this decision warrants updated agency guidance on the use of PTAG 6.1.1, "Alternative Competition Method."</p> <p>Dependency: None</p> <p>2-b) Review two existing procurement policies, PM 2016-02, "Documentation Requirements for Limiting Competition," and PM 2013-06, "Publicizing Contract Actions in Accordance with the Federal Acquisition Regulations (FAR)," and the revised PTAG to ensure they adequately justify the use of the agency's alternative competition methods and align with the principles of the recently released GAO decision referenced in 2-a.</p> <p>Dependency: 2-a</p>
Action Status (Planned, In-Progress, or Complete)	<p>2-a) Complete</p> <p>2-b) Complete</p>
Target Completion Date	<p>2-a) 4/30/21</p> <p>2-b) 5/31/21</p>
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-010-A
Report Title	USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract
Issue Date	11/19/2020
Recommendation Number	3
Recommendation	Develop policies and procedures to restrict the use of bridge contracts, including adequate justification for use and length of bridge contracts, management review and approval of contract and extensions, and planned actions to award a follow-on contract.
Action(s) Planned	<p>3-a) Issue a new policy to restrict the period of performance for orders to no more than 12 months after the expiration date of the base indefinite delivery vehicle to discourage the use of bridge contracts.</p> <p>Dependency: None</p> <p>3-b) Review existing PM 2016-02, "Documentation Requirements for Limiting Competition," to ensure clear guidance is provided to the acquisition community on how to adequately document the extension to an existing vehicle on a noncompetitive basis, and to ensure timely, collaborative acquisition planning is carried out effectively. Update PM 2016-02 where needed following the review.</p> <p>Dependency: None</p>

Action Status (Planned, In-Progress, or Complete)	3-a) Complete 3-b) Complete
Target Completion Date	3-a) 8/28/20 3-b) 12/8/20
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-010-A
Report Title	USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract
Issue Date	11/19/2020
Recommendation Number	4
Recommendation	Revise PTAG to consider past performance when awarding task orders under SDI-NG Bridge and follow-on contracts.
Action(s) Planned	4-a) Review existing PM 2020-04, "Guidance Regarding Options at the USPTO," to confirm that it clearly articulates how to consider past performance for follow-on contracts. Dependency: None 4-b) Review existing PM 2020-02, "Implementation of Contractor Performance Assessment Reporting System (CPARS)," to confirm that it allows for effective use of past performance information by the acquisition community by requiring formal documentation of past performance against expired contracts. Dependency: None 4-c) If the reviews conducted in 4-a or 4-b reveal that either of these policies, or components thereof, are in conflict with, or duplicative of, the FAR, rescind the applicable policy and direct employees to comply with the relevant portions of the FAR, or issue a revised policy. Dependency: 4-a and 4-b
Action Status (Planned, In-Progress, or Complete)	4-a) Complete 4-b) Complete 4-c) Complete
Target Completion Date	4-a) 12/8/20 4-b) 9/10/20 4-c) 3/31/21
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-010-A
Report Title	USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract
Issue Date	11/19/2020
Recommendation Number	5
Recommendation	Revise the Acquisition File Documentation form to document consideration of vendor performance prior to exercise of option periods.
Action(s) Planned	5-a) The agency will review and update existing PM 2014-02, "Acquisition File Documentation," to incorporate changes to the form necessitated by reviews and revisions to other OP policies referenced in this Plan of Action and Milestones. Dependency: 2-b, 3-a, 3-b, 4-c
Action Status (Planned, In-Progress, or Complete)	5-a) Complete
Target Completion Date	5-a) 12/31/21
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-010-A
Report Title	USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract
Issue Date	11/19/2020
Recommendation Number	6
Recommendation	Revise the Contractor Performance Assessment Rating System policy to ensure that it complies with requirements of the Federal Acquisition Regulation (FAR).
Action(s) Planned	6-a) Review the existing PM 2020-02, "Implementation of Contractor Performance Assessment Reporting System (CPARS)," to assess its compliance with the FAR. Determine whether revisions are necessary. Dependency: None 6-b) If the review determines that revisions are necessary, revise PM 2020-02 or rescind the policy if it is in conflict with the FAR. Dependency: 6-a

Action Status (Planned, In-Progress, or Complete)	6-a) Complete 6-b) Complete
Target Completion Date	6-a) 9/10/20 6-b) 3/31/21
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-010-A
Report Title	USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract
Issue Date	11/19/2020
Recommendation Number	7
Recommendation	Modify policies, procedures, and related staff training materials on vendor performance monitoring to clarify the purpose and requirements for each of USPTO's performance monitoring tools.
Action(s) Planned	7-a) Update OCIO-POL-29, "Vendor Performance Information Policy," to clarify the purpose of and relationship between the Office of the Chief Information Officer's (OCIO) vendor performance monitoring tools and the CPARS. Dependency: 6-b 7-b) Update staff training materials and conduct refresher training on the requirements of each performance tool reflective of the latest policy guidance issued by both OCIO and the OP. Dependency: Completion of 7-a
Action Status (Planned, In-Progress, or Complete)	7-a) Complete 7-b) Complete
Target Completion Date	7-a) 5/15/21 7-b) 5/30/21
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-010-A
Report Title	USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract
Issue Date	11/19/2020

Recommendation Number	8
Recommendation	Ensure vendor performance monitoring tools are able to document and report vendor performance information in accordance with USPTO policies and the FAR.
Action(s) Planned	8-a) Retire Sprint Review Tool Dependency: None 8-b) Conduct an analysis to determine whether the value of integrating the Task Order Insight Tool and the Performance Spotlight Tool outweighs the cost. Dependency: None 8-c) If the analysis determines the benefits exceed the cost, integrate the Task Order Insight Tool and the Performance Spotlight Tool into a single tool that complies with USPTO policies and the FAR. If the analysis determines that costs are prohibitive relative to benefits, retire both the Sprint Review and Performance Spotlight tools and modify the Task Order Insight Tool to comply with USPTO policies and the FAR. Dependency: 8-b
Action Status (Planned, In-Progress, or Complete)	8-a) Complete 8-b) Complete 8-c) Complete
Target Completion Date	8-a) 12/30/20 8-b) 1/30/21 8-c) 6/1/21
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-010-A
Report Title	USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract
Issue Date	11/19/2020
Recommendation Number	9
Recommendation	Develop a comprehensive vendor performance evaluation report that aggregates vendor performance information from Vendor Management Division tools and other sources as appropriate.
Action(s) Planned	9-a) Develop a comprehensive vendor performance evaluation report or dashboard that aggregates vendor performance information in the OCIO's Vendor Management Division vendor performance monitoring tools. Dependency: 8-c
Action Status (Planned, In-Progress, or Complete)	9-a) Complete

Target Completion Date	9-a) 9/1/21
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-20-045-A
Report Title	USPTO Needs to Improve Its Small Business Contracting Practices
Issue Date	9/1/2020
Recommendation Number	1
Recommendation	Ensure contract specialists verify small business eligibility prior to awarding small business contracts.
Action(s) Planned	<p>1-a) Rescind Procurement Memorandum (PM) 2018- 02, Small Business Set-Aside Review Process, and replace it with a PM titled "Small Business Program Policy and Procedures."</p> <p>The PM will incorporate language that refers to the Market Research PM 2016-03 rev. 3, discussing how to do a business size determination; outline proper documentation and include documentation verification in the contract file; and utilize the Small Business Administration's Dynamic Small Business Search to verify all 8(a), Historically Underutilized Business Zones (HUBZones), and Small Disadvantaged Businesses.</p> <p>1-b) Conduct quarterly Small Business Internal Program Management Reviews (SB IPMR). The Small Business Specialist (SBS) will incorporate a small business compliance checklist in the Program Management Reviews, (SB IPMR), to ensure proper small business set-aside file documentation.</p> <p>1-c) Conduct training throughout the Office of Procurement (OP) on properly documenting business size and set-aside decisions prior to award. Dependency: Completion of step 1-a: Promulgation of the PM titled "Small Business Program Policy and Procedures."</p>
Action Status (Planned, In-Progress, or Complete)	<p>1-a) Complete</p> <p>1-b) Complete</p> <p>1-c) Complete</p>
Target Completion Date	<p>1-a) 11/30/20</p> <p>1-b) 1/15/21</p> <p>1-c) 1/30/21</p>
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-20-045-A
Report Title	USPTO Needs to Improve Its Small Business Contracting Practices
Issue Date	9/1/2020

Recommendation Number	2
Recommendation	Ensure contract specialists perform and appropriately document small business set-aside reviews.
Action(s) Planned	2-a) Rescind PM 2018-02, Small Business Set-Aside Review Process, and replace it with a PM titled "Small Business Program Policy and Procedures." The PM will incorporate instructions on routing the CD 570, Small Business Coordination Form, through the USPTO's eAcquisition System and will outline the proper documentation to be included in the contract file. 2-b) Provide eAcquisition training for the CD 570 coordination. Dependency: Completion of step 1-a: Distribution of the PM titled "Small Business Program Policy and Procedures."
Action Status (Planned, In-Progress, or Complete)	2-a) Complete 2-b) Complete
Target Completion Date	2-a) 11/30/20 2-b) 2/15/21
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-20-045-A
Report Title	USPTO Needs to Improve Its Small Business Contracting Practices
Issue Date	9/1/2020
Recommendation Number	3
Recommendation	Ensure HUBZone small business consideration is included in its annual acquisition forecasting activities and marketing efforts to maximize contracting opportunities.
Action(s) Planned	3-a) Provide annual training on market research and the utilization of the USPTO's Small Business Database and the Small Business Administration's Dynamic Small Business Search. Dependency: Completion of step 1-a: Distribution of the PM titled "Small Business Program Policy and Procedures." 3-b) Conduct an Industry Day/Capabilities briefing with emphasis on HUBZone Small Businesses. 3-c) The SBS will work with the Operational Division Chiefs and Procurement Liaisons (PLs) to identify requirements early in the OP procurement planning process that can be set aside for HUBZone small businesses. 3-d) Provide the OP with small business status on a weekly basis. 3-e) The Acting Director of the OP has established a practice of stressing the importance of achieving the USPTO's small business goals at the monthly staff meetings. 3-f) The SBS has established a practice of providing HUBZone capability statements directly to COs and PLs. 3-g) The SBS will attend two outreach events to expand the USPTO's industry base (with emphasis on HUBZones).

Action Status (Planned, In-Progress, or Complete)	3-a) Complete 3-b) Complete 3-c) Complete 3-d) Complete 3-e) Complete 3-f) Complete 3-g) Complete
Target Completion Date	3-a) 3/30/21 3-b) 5/27/21 3-c) 1/30/21 3-d) Completed prior to issuance of report 3-e) Completed prior to issuance of report 3-f) 10/15/20 3-g) 10/30/20
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-20-045-A
Report Title	USPTO Needs to Improve Its Small Business Contracting Practices
Issue Date	9/1/2020
Recommendation Number	4
Recommendation	Ensure the Office of Procurement uses FAAPS and establishes clear lines of communication between the Office of Procurement, small business specialists, and contracting specialists for all procurement requests.
Action(s) Planned	4-a) Create an internal Procurement Plan data collection instrument to collect all data elements required by the Forecasting and Advanced Acquisition Planning System (FAAPS). The USPTO is the only bureau within the Department of Commerce that has a different financial management system, (Momentum), which does not interface with FAAPS. Accordingly, DOC sent an email to the USPTO in 2014, exempting USPTO from utilizing FAAPS. However, the USPTO has created an internal Procurement Plan that includes all the data elements required by FAAPS in addition to USPTO-specific data elements. The USPTO will work with DOC to determine a mutually agreeable date for submission of the USPTO consolidated procurement plan to DOC. 4-b) Use the Procurement Plan to stress and reinforce collaboration between acquisition staff and program offices on the procurement planning process to achieve small business goals. 4-c) Using advanced tools, OP leadership will identify additional small business opportunities with each program office to increase small business participation at the USPTO.

Action Status (Planned, In-Progress, or Complete)	4-a) Complete 4-b) Complete 4-c) Complete
Target Completion Date	4-a) Completed prior to issuance of report 4-b) 3/30/21 4-c) 3/30/21 4-c) 9/30/23
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-20-030-A
Report Title	Deficiencies in USPTO's Backup and Restoration Process Could Delay Recovery of Critical Applications in the Event of a System Failure and Adversely Affect Its Mission
Issue Date	6/16/2020
Recommendation Number	1
Recommendation	Implement recommendations outlined in NIST SP 800-34 to ensure that all contingency planning documentation contains the necessary components, including, but not limited to, recovery objectives.
Action(s) Planned	1-a) Define the following recovery objectives for PCAPS to be included in the PCAPS Contingency Plans: - Maximum Tolerable Downtime - Recovery Time Objective - Recovery Point Objective
Action Status (Planned, In-Progress, or Complete)	1-a) Complete
Target Completion Date	1-a) 8/31/20
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-20-030-A
Report Title	Deficiencies in USPTO's Backup and Restoration Process Could Delay Recovery of Critical Applications in the Event of a System Failure and Adversely Affect Its Mission
Issue Date	6/16/2020
Recommendation Number	2

Recommendation	Establish a documented process that ensures contingency plan testing includes functional testing that entails simulations of actual system disruption or failure, and that all required participants are involved with contingency plan testing.
Action(s) Planned	2-a) Update the PCAPS Contingency Plans to establish a documented process for functional testing based on simulations of actual system disruption or failure. 2-b) Update PCAPS Contingency Plans to ensure participation from all required participants, including the OCIO Service Desk, OS Operation Section, Database Services Branch, and Platform Service Branch during contingency plan testing. 2-c) Update PCAPS Contingency Plans to align with NIST SP 800-34: Contingency Planning Guide for Federal Information Systems. Any missing/additional sections will be added/removed to ensure the contingency planning documentation is complete and reflects participation from critical stakeholders, including adding a list of recovery objectives and revised processes for functional testing. Dependency: Corrective Actions 1-a, 2-a, 2-b.
Action Status (Planned, In-Progress, or Complete)	2-a) Complete 2-b) Complete 2-c) Complete
Target Completion Date	2-a) 6/26/20 2-b) 6/26/20 2-c) 8/31/20
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-20-030-A
Report Title	Deficiencies in USPTO's Backup and Restoration Process Could Delay Recovery of Critical Applications in the Event of a System Failure and Adversely Affect Its Mission
Issue Date	6/16/2020
Recommendation Number	3
Recommendation	Ensure that appropriate backup logs are delivered to the CIO Command Center and backup failures are flagged for review while also establishing a process to alert appropriate personnel who can promptly rectify any failures.
Action(s) Planned	3-a) Ensure that a current alerting process for backup failures is in place and working properly. 3-b) Ensure all PCAPS database servers are monitored and alerting is in place. 3-c) Review and update database backup process documentation to ensure necessary alerting and prompt resolution of backup failures. 3-d) Implement a process wherein the Enterprise Backup Team sends backup failure alerts to C3 (CIO Command Center) for rectification and resolution.
Action Status (Planned, In-Progress, or Complete)	3-a) Complete 3-b) Complete

	3-c) Complete 3-d) Complete
Target Completion Date	3-a) 6/26/20 3-b) 8/31/20 3-c) 8/31/20 3-d) 8/31/20
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-20-030-A
Report Title	Deficiencies in USPTO's Backup and Restoration Process Could Delay Recovery of Critical Applications in the Event of a System Failure and Adversely Affect Its Mission
Issue Date	6/16/2020
Recommendation Number	4
Recommendation	Make a determination whether the \$4 million in potential monetary benefits that we have identified in this report that is currently allocated for the Boyers alternate site can be used more efficiently.
Action(s) Planned	4-a) Issue a Request for Quotes (RFQ) for data center relocation and modernization. The RFQ seeks a vendor to contribute to and facilitate automation, orchestration, DevSecOps, and self-provisioning data center characteristics for the primary, disaster recovery sites, and Cloud hosted services. The RFQ will help the USPTO determine whether to relocate the current alternate processing site in Boyers to a new co-location data center site. 4-b) Make a determination about whether awarding a contract to a vendor per the scope of the RFQ described in 4-a represents a more efficient use of funds than what we currently allocate for the Boyers alternate site.
Action Status (Planned, In-Progress, or Complete)	4-a) Complete 4-b) Complete
Target Completion Date	4-a) 6/30/20 4-b) 9/30/20
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG-20-030-A
Report Title	Deficiencies in USPTO's Backup and Restoration Process Could Delay Recovery of Critical Applications in the Event of a System Failure and Adversely Affect Its Mission
Issue Date	6/16/2020
Recommendation Number	5
Recommendation	Establish a detailed plan for the replacement of legacy systems and software applications, including milestones and deadlines, and enforce the plan in a manner that holds appropriate personnel accountable.
Action(s) Planned	5-a) Establish a plan to replace or retire legacy PCAPS systems and software applications, which will include milestones and scheduled completion dates. The PCAPS owner will approve the final plan prior to implementation and review the plan at regular intervals to maintain accountability for completion.
Action Status (Planned, In-Progress, or Complete)	5-a) Complete
Target Completion Date	5-a) 9/30/20
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Section 2. Implementation of GAO public recommendations issued no less than one year ago that are designated by GAO as 'Open' or 'Closed-Unimplemented.'

Open Recommendation(s) the Department has decided not to implement.

Nothing to Report.

Open Recommendation(s) the Department plans to implement.

Nothing to Report.

Recommendations designated by GAO as "Closed-Unimplemented for the past 5 years (2015-2019). Future reports will cover a one-year period.

Nothing to Report.

Section 3. Implementation of OIG public recommendations issued no less than one year for which Final Action has not been taken or Action Not Recommended has been taken

Report Number	OIG-19-014-A
Report Title	Inadequate Management of Active Directory Puts USPTO's Mission at Significant Cyber Risk

Issue Date	6/13/2019
Recommendation Number	4
Recommendation	Ensure PIV card technology compatibility with on-going and future system development for USPTO next-generation applications, and
Target Implementation Date	9/30/2023
Reason No Final Action Taken or Action Not Recommended Taken	<p>It was determined that some of the corrective actions related to this recommendation would require longer than others to complete. Per the OIG's suggestion, USPTO added sub-actions to their Plan of Actions and Milestones to separate corrective actions related to recommendation #4, which would require more time than others. Corrective actions 4a and 4c have a target completion date of 9/30/2023. They are listed below:</p> <p>4-a) For systems identified in 4-a) that are not retiring, USPTO plans to isolate these legacy systems to a separate authentication point which will require significant planning, coordination and resources from many different critical partners.</p> <p>4-c) USPTO has determined it is not currently technically feasible to implement User based PIV enforcement in the current operational environment. Machine based PIV enforcement meets HSPD-12 requirements. USPTO will reevaluate user based PIV enforcement annually.</p>
Closure Request Pending (Yes/No)	No

Section 4. Discrepancies between this report and the semiannual reports submitted by the Commerce Office of Inspector General or reports submitted by the GAO

Nothing to Report.

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APPENDICES

APPENDIX I – ALLOCATION OF BUDGETARY REQUIREMENTS TO PATENT AND TRADEMARK BUSINESS LINES

Department of Commerce
U.S. Patent and Trademark Office
PROGRAM AND PERFORMANCE: TOTAL OBLIGATIONS
(Direct Obligations amounts in thousands)

	2021			2022			2023		
Sub-Activity:	Total	Patents	Trademarks	Total	Patents	Trademarks	Total	Patents	Trademarks
Patent Examining	2,291,423	2,291,423		2,396,481	2,396,481		2,504,712	2,504,712	
Patent Trial and Appeals	82,026	82,026		84,471	84,471		86,925	86,925	
Patent Information Resources	161,891	161,891		163,750	163,750		161,090	161,090	
Trademark Examining	186,477		186,477	222,675		222,675	252,818		252,818
Trademark Appeals and Inter Partes Proceedings	15,772		15,772	17,820		17,820	20,560		20,560
Trademark Information Resources	55,817		55,817	58,013		58,013	59,682		59,682
Policy, External Affairs and Administrative Support	25,324	17,005	8,319	32,453	20,937	11,517	33,801	21,641	12,160
Global Intellectual Property Academy (GIPA)	3,042	1,968	1,075	4,643	3,845	797	5,316	4,403	913
IPR Attaché Program	14,826	9,594	5,232	14,929	9,443	5,486	17,259	10,917	6,342
IP P,E&P Information Resources	903	597	306	617	406	211	617	404	212
Executive Direction and Communications	17,581	15,112	2,469	26,490	22,744	3,746	32,752	28,116	4,636
Financial Management Services	35,147	27,915	7,232	45,286	36,609	8,678	51,917	42,029	9,887
Human Resource Management and Administrative Services	51,783	44,209	7,574	58,107	47,103	11,004	63,691	51,655	12,036
Legal Services	29,344	24,291	5,053	34,112	27,606	6,505	35,882	29,358	6,524
Management Information Resources	75,752	59,983	15,770	77,973	61,646	16,327	78,206	61,764	16,442
IT Infrastructure and IT Support Services	422,940	361,109	61,831	469,931	406,096	63,835	425,971	363,397	62,574
Miscellaneous General Expense	252,259	222,631	29,629	305,927	268,225	37,702	318,332	279,173	39,159
Total	3,722,309	3,319,754	402,554	4,013,679	3,549,363	464,316	4,149,529	3,645,584	503,945

Department of Commerce
U.S. Patent and Trademark Office
PROGRAM AND PERFORMANCE: TOTAL OBLIGATIONS
(Direct Obligations, amounts in thousands)

Sub-Activity:	2024			2025			2026			2027		
	Total	Patents	Trademarks	Total	Patents	Trademarks	Total	Patents	Trademarks	Total	Patents	Trademarks
Patent Examining	2,580,460	2,580,460		2,636,122	2,636,122		2,674,052	2,674,052		2,701,814	2,701,814	
Patent Trial and Appeals	85,361	85,361		84,917	84,917		85,319	85,319		85,672	85,672	
Patent Information Resources	164,089	164,089		169,251	169,251		175,233	175,233		175,433	175,433	
Trademark Examining	280,102		280,102	299,984		299,984	317,584		317,584	339,319		339,319
Trademark Appeals and Inter Partes Proceedings	22,052		22,052	23,437		23,437	24,461		24,461	25,810		25,810
Trademark Information Resources	44,864		44,864	46,342		46,342	47,954		47,954	48,547		48,547
Policy, External Affairs and Administrative Support	34,756	22,242	12,514	35,245	22,550	12,695	35,615	22,784	12,831	35,963	23,004	12,959
Global Intellectual Property Academy (GIPA)	5,544	4,592	952	5,637	4,669	968	5,721	4,738	982	5,807	4,810	997
IPR Attaché Program	17,205	10,882	6,322	17,211	10,886	6,325	17,221	10,893	6,328	17,226	10,896	6,330
IP P,E&P Information Resources	617	405	212	617	405	212	617	405	212	617	405	212
Executive Direction and Communications	33,696	28,927	4,769	34,420	29,548	4,872	35,304	30,306	4,998	35,868	30,790	5,078
Financial Management Services	52,829	42,697	10,132	50,145	40,200	9,946	50,982	40,874	10,107	51,829	41,555	10,274
Human Resource Management and Administrative Services	65,823	53,363	12,461	67,019	54,326	12,693	68,075	55,177	12,898	69,152	56,043	13,109
Legal Services	35,870	29,368	6,502	36,242	29,678	6,564	36,635	30,005	6,630	37,007	30,312	6,695
Management Information Resources	72,825	14,565	58,260	73,436	14,687	58,749	74,010	14,802	59,208	74,169	14,834	59,335
IT Infrastructure and IT Support Services	424,981	411,859	13,122	418,626	407,985	10,641	412,947	404,434	8,513	412,980	404,200	8,780
Miscellaneous General Expense	314,185	275,495	38,691	327,036	286,866	40,171	340,371	298,655	41,716	344,680	302,653	42,027
Total	4,235,260	3,724,304	510,956	4,325,689	3,792,090	533,599	4,402,101	3,847,677	554,424	4,461,893	3,882,421	579,472

Appendix II – The USPTO Information Technology Portfolio

As a production-oriented entity, the USPTO relies upon IT as a mission-critical enabler for every aspect of the agency's operations. The quality, efficiency, and productivity of Patents and Trademarks operations correlate with the performance of their respective IT solutions and the underlying infrastructure on which they operate. The USPTO continuously engages in multi-year efforts to upgrade its business systems and the supporting IT infrastructure to keep pace with emerging business, legislative, and judicial needs as well as constantly evolving technology standards.

IT Stabilization and Modernization

The USPTO has embarked on an IT transformation effort by recommitting to agile principles and practices for IT delivery. These new ways of working aim to drive collective purpose, efficiency, and faster time to delivery. Investing in IT remains a priority because it directly affects the achievement of the USPTO's mission and the provision of a reliable, predictable IP system for the agency's internal workforce and external stakeholders.

The USPTO has identified application and infrastructure resilience, enhanced cybersecurity, and moving applications to the cloud as the top three areas for increased focus and opportunity. The USPTO applies these priorities to its product catalog, accounting for the interconnected needs of legacy solutions that require stabilization and the secure, resilient, and cloud-based modernized solutions that represent USPTO's future. The USPTO has disaggregated modernization efforts like Patents End-to-End, Trademark Next Generation, Patent Trial and Appeal Board End-to-End, and Fee Processing Next Generation into different products and product components. The USPTO continues to reexamine these programs to assess the alignment of previously planned activities with the most current technological advances like machine learning, artificial intelligence (AI), and cloud architecture. USPTO's plan for the future remains to retire aging legacy solutions in favor of modern solutions that capitalize on the latest technologies. Efforts to identify applicable technologies and viable solutions continue across the product catalog via pilots and proofs of concept.

The efforts to stabilize legacy systems and implement modernization plans across the USPTO's product catalog have required the agency to mature its delivery roles and responsibilities, governance processes, and procurement practices. The USPTO continues to shift delivery teams to an agile operating model and mindset marked by the principles of autonomy, collaboration, empowerment, and agility. This shift applies to mission-focused and mission support organizational units; the agile approach, which centers the business stakeholders' interests, should ultimately result in the delivery of IT solutions with higher business value and greater user adoption.

The IT Portfolio Budget

The USPTO's Budget includes \$725.6 million in FY 2023 for the agency's IT program to address the following priorities supporting Patents; Trademarks; the IP Policy, Enforcement and Protection Program (IPPE&P); and the Mission Support Program:

- Optimize IT to achieve greater business value, including:
 - Using industry benchmarks to identify opportunities for savings, including making necessary upfront

- investments that will enable the USPTO to reduce future costs.
 - Leveraging emerging technologies (e.g., AI, machine learning, and RPA) to make USPTO's business processes more efficient and effective, capturing savings where possible.
 - Continuing the implementation of IT modernization plans.
- Support the USPTO's top technical priorities by investing in cloud, resiliency, and cybersecurity, including:
 - Assessing the USPTO's systems and migrating key applications and solutions to the cloud when a business case supports doing so.
 - Ensuring the USPTO's systems and databases are both redundant and scalable.
 - Ensuring the USPTO's systems are stable and secure from internal and external threats.

Of the \$725.6 million in FY 2023, \$513.8 million is associated with operational activities as displayed in Figure 3(a). The USPTO requires Operations and Maintenance (Ops) funds to stabilize and sustain the current level of functionality; performance; and compliance with federal laws, regulations, and directives. This includes such items as compensation for all of the USPTO Mission Support staff who have a technology focus; operations services that contractors deliver; data center operations; storage, server, and software maintenance; desktop hardware replacement; telecommunications; and IT support for the Nationwide Workforce Program and the regional offices.

The USPTO has allocated the remaining \$211.7 million to IT Development, Modernization, and Enhancement (DME) efforts. The USPTO groups these resources together in recognition that the agency must continually invest in new IT technologies and applications to enable future mission success. DME funds support transparent and continuous funding for IT modernization.

The \$725.6 million IT budget for FY 2023 is approximately 5.8% less than the FY 2022 USPTO IT budget, as shown in Figure 3(b) below. The USPTO will achieve these projected savings primarily through long-term technical and financial efficiencies borne of a clear focus on key priorities (i.e., cloud, resiliency, and cybersecurity), data center consolidation, and operational savings garnered via a reduced contractor footprint and reduced contract rates stemming from a greater focus on competition and negotiation.

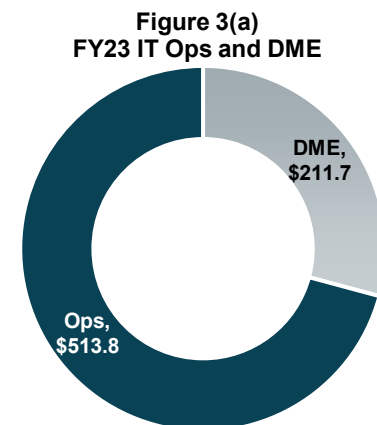


Figure 3(b)
IT Portfolio by Program

<i>(Dollars in millions)</i>	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Patent IR	161.9	163.8	161.1	164.1	169.3	175.2	175.4
Trademark IR	55.8	58.0	59.7	44.9	46.3	48.0	48.5
IP PP&E IR	0.9	0.6	0.6	0.6	0.6	0.6	0.6
Mission Support IR	75.8	78.0	78.2	72.8	73.4	74.0	74.2
Management - IT Infrastructure and IT Support Services	422.9	469.9	426.0	425.0	418.6	412.9	413.0
TOTAL	717.3	770.3	725.6	707.4	708.3	710.8	711.7

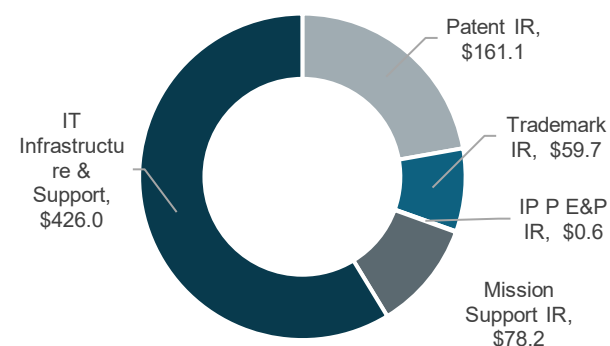
Total USPTO IT Portfolio by Program

The USPTO has allocated funding by USPTO budget program for FY 2021 through FY 2027 through the Information Resources (IR) sub-programs as displayed in Figure 3(c). Within these programs, the USPTO plans to execute the priorities discussed below across an organizing principle known as the “USPTO IT Product Catalog.” The Product Catalog consists of approximately 30 products grouped within four product lines. A product line lead (PLL) resides in the business area and works with his or her respective business unit leadership to:

- Define the product line’s overall goals and objectives and multiyear product roadmaps
- Ensure the roadmap supports the USPTO strategic priorities, business unit objectives, and IT themes
- Define and make a business case for the capacity needed to support the product line

PLLs direct the collective work within a product line, liaising as needed among other PLLs, executive stakeholders, and lead product owners (LPOs) to align resources, deliver top priorities, and manage interdependencies. LPOs are another key role in the USPTO’s renewed commitment to agile delivery. These resources, generally one per product based in the business area of interest, define the product’s objectives and ensure alignment with the business area’s strategy and the product line’s vision. LPOs receive training and knowledge-sharing opportunities throughout the fiscal year on how to manage each product using agile best practices, which seek continuous prioritization of a backlog of features to deliver business value. LPOs manage both software development and

Figure 3(c)
FY 2023 IT Portfolio by Program



enhancements and have operations responsibilities, including IT security and maintenance. The success of the USPTO's refined IT program relies on careful coordination and communication among PLLs, LPOs, IT executives and delivery staff, and business executives to continuously identify, capture, monitor, update, confirm, and re-prioritize product backlogs as information becomes available throughout the fiscal year.

PATENT IR PROGRAM

The mission of the Patent IR Program, or Patent Product Line, is to lead the delivery of stabilization, modernization and innovation to provide superior products and services to the Patents community. The objectives that support this mission are:

- Exceed internal user and public expectations of **system resiliency**.
- Exceed internal user and public expectations of **data quality**.
- Adapt systems to **modern workforce** management (for example, the use of AI).
- Incorporate **fast-paced policy or legal changes** into products.
- Evolve to product line that functions at a **high level**.
- Ensure "**adequate security** throughout the product life cycle."

The USPTO has defined and prioritized the scope, in the form of epics, to support the product line objectives and deliver business value by:

- Increasing the tools available to provide **higher-quality prosecution** and reducing data capture costs through improved functionality for Patent Center and DOCX within the Patent Center product.
- **Improving system performance and access to prior art** based on input from examiners by applying AI integration to continuously improve search capability within the Patent Exam Center product.
- Increasing the use of data in new formats to **improve the quality** of patent publications, leveraging the One Patent Service Gateway solution to improved quality by enabling USPTO staff to perfect completed work products prior to publication within the Patent Admin Center product.
- Increasing the **stability and reliability** of critical systems to move patents away from legacy systems to modern solutions that offer greater resiliency, cybersecurity, and benefit from being in the cloud.

- Mitigating PTAB **operational risks** of not achieving statutory deadlines and appeal pendency goals by capturing, storing, and managing authoritative data within the Patent Trial and Case Tracking product rather than through manual data entry and spreadsheet aggregation.

TRADEMARK IR PROGRAM

The mission of the Trademark IR Program, or Trademark Product Line, is to leverage IT to optimize and enhance trademark and TTAB operations. The Trademark Product Line is continuing to re-launch modernization efforts that were on hold due to a pandemic-driven dip in revenue in FY 2020. This request reflects the top Trademark IT priorities, which are to replace the Trademark Reporting and Monitoring (TRAM) system, the Trademark Electronic Application System (TEAS), and to leverage AI and RPA. These priorities support trademark examination and help with a recent filing surge that has caused a spike in unexamined application inventory (classes) and first action pendency metrics that exceed the performance target.

- **Replace TRAM:** Uncertain support of this archaic mainframe system and increased maintenance costs are significant pain points. The anticipated outcomes from six teams that are focusing on TRAM replacement across FY 2022 and FY 2023 are a \$10 million cost avoidance in FY 2024 when the mainframe lease payment is due, reduced cost associated with maintaining two systems of record, and reduced technical debt.
- **Replace TEAS:** Limited security features, limited failover capabilities, and aging software that is costly to maintain are hampering TEAS. The USPTO will replace TEAS with a secure, stable, reliable, and user-friendly electronic filing system, enabling the USPTO to offer prompt, world-class customer service to its users.
- **Leverage artificial intelligence and robotic process automation (AI/RPA):** The current trademark examination process is costly and contains some inefficiencies. AI/RPA investments offer greater consistency in the trademark examination process, reduced trademark examination costs through increased automation, and reduced trademark application pre-examination costs through more rapid identification of potential issues with trademark applications.

IP POLICY, ENFORCEMENT AND PROTECTION PROGRAM (IPPE&P) IR PROGRAM

The IT goal is to deliver high-quality IT capability supporting the IPPE&P goal. This includes:

- **Maximizing and enhancing the tools** that the USPTO's Chief Economist (CE) uses to produce high-value analysis that enables **evidence-based decision-making**.
- **Ensuring compliance** with the Privacy Act, Paperwork Reduction Act, and security classification regulations.

- Enhancing the Global Intellectual Property Academy (GIPA) IT capabilities for **interactive, virtual training sessions that provide translation capability**. GIPA provides IP training around the world for a variety of IP topics. Participants are usually officials from the IP offices of their respective governments or the agencies of their governments that enforce patent, trademark, or copyright policies.

MISSION SUPPORT IR PROGRAM

The Mission Support IR Program, which falls under the Enterprise Business Product Line (EBPL), strives to maximize business value that USPTO support organizations provide and to focus on the following technical and business priorities, which are consistent with the agency's technical priorities, cost reduction strategies, and policy requirements:

- **Reducing IT spending over time:** – The USPTO is transitioning to the cloud, improving authentication and user management, consolidating like efforts, and retiring legacy solutions efficiently when the USPTO supports operations in parallel with modern solutions will collectively enable reduced IT spending. The goal is to maintain or improve existing service and quality levels as the USPTO realizes efficiencies and savings.
- **Transitioning to the cloud:** – The USPTO moved approximately half of the 82 EBPL product components to a public cloud in FY 2021. The USPTO will transition the remaining components to a public cloud in FY 2022 and FY 2023.
- **Keeping systems secure and available:** – This priority includes focusing on security posture first and business priorities second while complying with policy and regulations. The USPTO requests two additional teams for dissemination and assignments for FY 2022 and FY 2023 to address a backlog of IT security vulnerabilities through modernization.
- **Reducing contractor footprint through decreased capacity and robust prioritization:** – The product line's stakeholders have reviewed all EBPL contractor labor rates and rightsized team labor and non-labor costs to achieve the level of work planned.

IT INFRASTRUCTURE

The mission of the IT Infrastructure Program, or Enterprise Infrastructure Product Line (EIPL) is to provide essential technologies and services that are progressively better, faster, and cheaper to USPTO staff and customers while increasing the security, availability, and resilience of the USPTO operational enterprise. This product line achieves this through exceptional research, design, testing, procurement, implementation, integration, operations, maintenance and support to the critical infrastructure of the USPTO's internal and externally facing products. Additionally, EIPL continually advances customer service and user experience by measuring,

anticipating, and addressing enterprise needs and leading rapid change to support dynamic business requirements, statutory obligations, and USPTO priorities.

EIPL can only achieve its technical goals while identifying efficiencies through focused attention on key IT priorities, including:

- **Reducing contractor footprint** through decreased capacity and robust prioritization. The USPTO has reviewed all contractor labor rates and rightsized team labor and non-labor (HW and SW) to planned work.
- **Strategically transitioning to the cloud and reducing the USPTO's IT infrastructure costs:** – The USPTO formed the Cloud Center of Excellence and Cloud Advisory Council to ramp up cloud adoption and encourage “cloud first” product planning across the USPTO's IT product catalog. Additionally, migrating to a Manassas, Virginia data center is a key step to optimize for redundancy and resilience, improve disaster recovery capability, maximize computing power, and reduce the USPTO's data center footprint.
- **Reducing service desk costs:** – USPTO re-competed its Service Desk contract in FY 2021, with initial results indicating a cost reduction of approximately 30% annually.

Evaluating hardware replacement costs. The USPTO is reassessing plans for when and how to deploy, relocate, remove, and replace its monitors, laptops, printers, phones, routers, and audiovisual (A/V) equipment based on the latest usage and longevity data.

- **Introducing Virtual Data as a Service:** – The Delivery Services product's implementation of Virtual Data as a Service (test data management) will help teams enhance their ability to perform more robust testing in a self-service interface. This approach will ultimately reduce storage costs by up to 85%.
- **Replacing the USPTO's role-based access with improved authentication and user management:** – Replacement will extend security services into the Amazon Web Services/Federal Risk and Authorization Management Program cloud; enhance application security features; enable development, security, and operations (DevSecOps) velocity; and reduce annual support costs.

Program Changes

See the information resource activity program change narratives in the respective program sections and the IT Infrastructure and Support Services narrative in the Mission Support Program section to see specific IT program changes. For additional information about government-wide IT spending, please see the U.S. IT Dashboard at <https://itdashboard.gov/>.

APPENDIX III – MULTI-YEAR PLANNING BY BUSINESS LINE

Multi-year planning and budgeting requires an in-depth understanding of the USPTO's financial position, including cost drivers and revenue, unfunded liabilities, and political and economic realities; the strategic plans, patent production model, PTAB production model, trademark production model, and fee projection model demonstrate this requirement. These plans and models cover a five-year period. Specifically, the incoming demand for goods and services and the production work that the USPTO's employees complete generate future revenue that is essential for the agency to operate effectively and meet the needs of the American people. External influences that affect the productivity of the USPTO workforce and external influences that affect the demand for patent and trademark services and products have a significant impact on the agency's efforts to fulfill its mission.

The USPTO provides five-year requirements and funding estimates in annual budget documents. The USPTO has taken steps to establish and maintain ORs to mitigate operational risk and facilitate the execution of multi-year plans. Using fee-setting authority and other tools, the USPTO continues to refine its multi-year planning and budgeting. Fee-setting authority has allowed the USPTO to effectively engage the stakeholder community on proposed fee adjustments, fully recover the aggregate costs of its planned operations, develop and maintain sufficient ORs, invest in strategic initiatives, and respond to changing market needs.

The USPTO operating structure is similar to that of a business in that it receives requests for services (e.g., applications for patents and trademark registrations) and charges fees to cover the cost of performing the services it provides. Unlike most businesses, however, fees set for the initial application filing do not recover the full cost of the services the USPTO performs; the full cost is recovered by renewal fees to maintain IP rights. Therefore, the USPTO must take both an annual and a long-term view in projecting its fees and budgetary requirements that considers both the projected out-year demand and workload and the fees and costs associated with processing this workload.

Operating Reserve

The USPTO maintains two ORs: Patents and Trademarks. The ORs are a GAO best practice for user fee-funded government agencies like the USPTO. The USPTO maintains OR balances to mitigate financial and operational risks (previously described in the Executive Summary). The ORs contain unspent, prior-year fee collections that are immediately available for use once they have been apportioned. The USPTO uses all available funding sources (i.e., appropriated fee collections and ORs) to continuously finance agency operations; the ORs are not distinct accounts or segregated fund balances. The USPTO assesses planning targets annually, and the ORs supplement annual collections when annual spending requirements are more than collections. The ORs also assist with cash flow management when normal seasonal variability causes spending to periodically exceed fee collections or provide funding as unplanned requirements emerge that are necessary for the continuous operation of the USPTO. The USPTO manages the ORs within a range of minimum (low) and optimal (high) balance levels, and it sets minimum OR balances annually as a lower bound while building the ORs to the optimal level. The USPTO reviews the OR optimal balance targets biennially and sets their levels to mitigate fee collection and spending risk factors. Through its multi-year planning, the USPTO aims to achieve or approach the OR optimal levels within the five-year forecast.

Economic and Market Outlook

Requests for USPTO services and products (demand) depend on many factors, including economic activity in the United States and around the world. The USPTO considers a number of economic factors and relevant indicators when forecasting its workloads (requests for services and products). Major factors include the overall condition of the U.S. and global economies, spending on technological innovation activities, and investments that lead to the commercialization of new products and services. The most relevant indicator that the USPTO uses is real gross domestic product (RGDP). RGDP correlates with USPTO patent and/or trademark application filings, which are the key drivers of patent and trademark demand and operation workloads. The factors mentioned above provide insight into market conditions and the management of IP portfolios, which influence process requests for the year and post-issuance decisions to maintain patent and trademark protection. The Congressional Budget Office estimates that RGDP will grow around 6.1% in FY2022 and 2.0% in FY 2023. Considerable uncertainty remains regarding the current and near-future prospects for growth. This uncertainty affects anticipated USPTO workloads and fee collection estimates.

USPTO Fee Collection Estimates

As a fee-funded organization, the USPTO relies on user-fee collections, which fluctuate based on various external and internal factors, to fund operations. The USPTO prepares an estimate of aggregate fee collections to guide its internal management and planning. However, there is inherent variability in estimating demand and future year fee collections, especially in the current uncertain economic environment. Therefore, in addition to fee collections estimates presented in the budget—which the USPTO considers to be the most likely estimates—the agency looks at the potential impact on fee collections if some major workload (requests for services and products) assumptions were to change. This risk-based approach facilitates in-depth discussions regarding the estimates and underlying assumptions, which contribute to the development of thoughtful spending plans.

Developing Workload and Fee Collection Estimates

Economic activity is an important consideration when developing workload forecasts, primarily patent and trademark application filings. In addition to economic factors, the USPTO considers overseas activity, court decisions, policies and legislation, process efficiencies, and anticipated applicant behavior when preparing estimates. The USPTO independently develops estimates of incoming workload after researching and modeling these elements because economic and other variables influence patent and trademark activities differently. The estimates of these incoming patent and trademark application filings are very susceptible to variability in response to global economic fluctuations and shocks, such as with the recent economic uncertainty due to the pandemic.

The USPTO develops estimates of operational workloads by incorporating the initiatives of the USPTO 2018-2022 Strategic Plan. The plan identifies and implements the efficiencies, tools, and policies necessary to increase examination capacity and improve efficiency. Estimates also factor in the resources available to complete the work. Certain process actions are mandatory; others are discretionary, such as when applicants purchase an extended response timeframe within which to respond to USPTO actions.

The USPTO develops forecasts of post allowance activities, maintenance of patents in force, and renewal of trademark registrations using the same assumptions about the economic environment as those it uses for incoming work. IP holders make decisions on the continuation of exclusivity of post allowance rights through careful management of IP portfolios that incorporate current economic and market conditions. The USPTO consistently compares all workload estimates to past and current workloads and regularly adjusts projection models with additional data, knowledge, and experience. Then, the USPTO transforms workload estimates into individual estimates for each of the approximately 475 fee codes on the agency fee schedule. Individual estimates, multiplied by the accompanying fee amounts, become the fee collections estimates. The estimates include assumptions of payment behavior based on the current patent and trademark fee schedules. The current patent fee schedule took effect on October 2, 2020, and the current trademark fee schedule took effect on January 2, 2021. The fee adjustments in response to the TMA took effect on December 18, 2021.

Patent Fee Collections

Patent fees cover patent-related services and products that occur at different intervals within the patent application examination process and over the life of the pending patent application and granted patent. FY 2023 estimated patent fee collections include collections for applications filed in FY 2023, as well as work processed in FY 2023 (e.g., issues), examination and process requests for the year, and post-issuance decisions to maintain patent protection. More than half of all patent fee collections are from issue and maintenance fees. Changes in application filing levels immediately impact current-year fee collections because fewer patent application filings mean fewer fees collected in the current year. Changes in application filing levels also impact out years because fewer applications filed decreases the total possible production outputs, which, assuming no change in allowance rates or renewal rates, would lead to fewer issue and maintenance fee payments in future years.

The USPTO estimates patent fee collections to be \$3,711 million for FY 2023, excluding \$43 million in other income. The USPTO based these projections on assumptions that serialized (new) patent filings will have a growth rate of 2.0% and requests for continued examination (RCEs) will decline by 1.3%. Patent issues will reflect a continued commitment to strengthened examination reliability, capacity and efficiencies, with an estimated 315,903 patents printed in FY 2023. Patent maintenance fee payments continue to rebound following lower renewal rates during the height of the pandemic. The USPTO expects that by FY 2023, renewal rates will have stabilized, and will then resume longer-term trends (particularly in the percentage of issued patents that pay third-stage maintenance fees) of slight declines in renewal rates as patent life cycles shorten.

Trademark Fee Collections

USPTO customers pay trademark fees in advance of the agency's actions. Estimated trademark fee collections include amounts the USPTO expects to be paid for applications filed each year as well as affidavit and renewal fees paid for registrations in the sixth year and in 10-year intervals afterward. About half of all fees the USPTO collects for trademark-related services and products are from trademark application and related filings, which correlate with strength of the economy and individual businesses. The USPTO considers trademark application and related filings to be more volatile than patent application filings. The USPTO estimates

trademark fee collections to be \$542 million in FY 2023, excluding \$10 million in other income, based on the economic outlook and the expectations of long-term growth of trademark application filings. The USPTO bases these projections on the assumption that the trademark filing growth rate will be 13.6%. As with patents, variance in trademark filing growth rates immediately impacts current-year fee collections, but it can also impact future years as the USPTO processes the work and registered trademarks become due for renewal.

Fee-Rate Assumptions

The USPTO based the patent fee collection estimates on the current patent fee schedule that took effect on October 2, 2020. The USPTO based the trademark fee collection estimates on the current trademark fee schedule that took effect on January 2, 2021, and on fee adjustments in response to the TMA, which will increase trademark revenue by \$3 million to \$5 million per year. The TMA contains, among other things, the latest in a series of initiatives to improve and strengthen the accuracy and integrity of the federal Trademark Register. The TMA provided new procedures for challenging applications and registrations with inaccurate claims of use. These new procedures will help U.S. businesses make better-informed marketing and branding decisions regarding their trademarks. The TMA was signed into law on December 27, 2020. A final rule detailing changes to implement provisions of the TMA was published in November 2020 and took effect December 18, 2021.

As part of the USPTO's requirements under the Chief Financial Officers Act of 1990 (CFO Act) and OMB Circular No. A-25, revised, the USPTO continues to conduct biennial fee reviews to ensure that the patent and trademark fee structures allow for continuous strategic improvements to address stakeholder needs and maintenance of a sustainable funding model to avoid disruptions resulting from fluctuations in available financial resources. The USPTO is committed to continuously improving the fee-schedule design to provide the agency with sufficient financial resources to facilitate the effective administration of the U.S. IP system. The USPTO looks forward to a healthy, collaborative dialogue regarding the optimal fee schedule, while maintaining a rigorous and transparent review process to ensure the fee schedule continuously meets the needs of the IP environment of the future.

Continued Assessment of Estimates

To monitor the economic environment carefully, especially in the current uncertain environment, the USPTO follows economic indicators and trends in international IP offices, holds discussions with domestic filers of patent and trademark applications, and confers with the PPAC and the TPAC. The USPTO analyzes workloads and fees collected on a continual basis to assess current and future year estimates and identify trends and behaviors.

APPENDIX IV – USPTO Fees – Change from FY 2022 PB to FY 2023 PB

The FY 2023 PB aggregate projected fee collections for both the patent business line and the trademark business line have increased over the estimates included in the FY 2022 President's Budget (PB). This largely reflects stronger and quicker recovery in intellectual property activity following the height of the pandemic than was expected at the time the FY 2022 PB fee collections estimates were produced.

Projected patent revenue has increased slightly as a result of FY 2021 actual data, trends, and updated business unit production workload models. FY 2021 patent fee collections were stronger than expected as economies recovered from the pandemic, though lagging pandemic-related effects may continue to impact future fee collections. Due to the lag between research and development and the filing of patent applications, along with time differences in when international patent applications pursue protection in the United States, changes in economic activity impact patent applications and related activity over multiple years.

Trademark application filings surged in FY 2021, due in part to economic stimulus provided by the United States Congress as well as a surge in filings from China. Filings are projected to decline in FY 2022, representing a correction in filing levels following strong growth in FY 2020 and FY 2021, then return to their historical long-term growth pattern. However, building off the higher level of application filings in FY 2021, projected trademark fee collections have increased in each year from FY 2022 through FY 2026.

Fiscal Year	2022	2023	2024	2025	2026	2027
Patents	\$3,630,563,546	\$3,711,325,640	\$3,808,160,129	\$3,851,259,047	\$3,941,091,300	\$4,035,490,684
Trademarks	\$495,398,187	\$542,078,192	\$586,475,239	\$628,320,551	\$673,719,182	\$726,351,500
Grand Total	\$4,125,961,733	\$4,253,403,831	\$4,394,635,368	\$4,479,579,598	\$4,614,810,482	\$4,761,842,184

The following tables compare the projected fee collections included in the FY 2023 PB, in millions, to the projected fee collections included in the FY 2022 PB. The FY 2022 PB only included projections through FY 2026, therefore FY 2027 is not included in the comparison.

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Total USPTO Collections					
FY 2022 PB	\$4,058	\$4,123	\$4,254	\$4,356	\$4,488
FY 2023 PB	\$4,126	\$4,253	\$4,395	\$4,480	\$4,615
Difference	\$68	\$131	\$141	\$123	\$127
Patents					
FY 2022 PB	\$3,608	\$3,661	\$3,772	\$3,847	\$3,946
FY 2023 PB	\$3,631	\$3,711	\$3,808	\$3,851	\$3,941
Difference	\$22	\$50	\$36	\$4	(\$5)
Trademarks					
FY 2022 PB	\$450	\$461	\$481	\$509	\$542
FY 2023 PB	\$495	\$542	\$586	\$682	\$674
Difference	\$45	\$81	\$105	\$119	\$132

The table below shows, by category, the actual fee collections from FY 2021, along with FY 2022 and FY 2023 projected fee collections from the FY 2022 PB and the FY 2023 PB, and the difference between those projections. A few major estimation assumptions are also included in the table. Following the table, there is a category-by-category discussion of the major highlights of the FY 2023 PB and the changes since estimates included in the FY 2022 PB.

(Dollars in Millions)	FY 2021	FY 2022			FY 2023		
	Actuals	FY 2022 PB Working Estimate	FY 2023 PB Working Estimate	Increase/ (Decrease)	FY 2022 PB Working Estimate	FY 2023 PB Working Estimate	Increase/ (Decrease)
Patents							
Filing (with Excess Claims)	\$902.2	\$904.3	\$919.1	\$14.8	\$908.7	\$942.5	\$33.8
Post Allowance Fees	\$353.2	\$376.9	\$359.7	(\$17.1)	\$378.3	\$353.8	(\$24.5)
Maintenance	\$1,393.7	\$1,826.6	\$1,862.9	\$36.3	\$1,861.8	\$1,918.5	\$56.7
PCT	\$225.9	\$233.5	\$234.9	\$1.4	\$243.9	\$243.7	(\$0.2)
Extensions of Time	\$105.3	\$107.9	\$101.8	(\$6.1)	\$109.3	\$100.5	(\$8.8)
Other Patent Fees	\$147.8	\$159.1	\$152.1	(\$7.0)	\$159.4	\$152.4	(\$7.1)
Total Patent Fee Collections	\$3,128.0	\$3,608.3	\$3,630.6	\$22.3	\$3,661.4	\$3,711.3	\$49.9

(Dollars in Millions)	FY 2021	FY 2022			FY 2023		
	Actuals	FY 2022 PB Working Estimate	FY 2023 PB Working Estimate	Increase/ (Decrease)	FY 2022 PB Working Estimate	FY 2023 PB Working Estimate	Increase/ (Decrease)
Trademarks							
Application Filings	\$279.8	\$230.4	\$276.6	\$46.2	\$238.7	\$313.9	\$75.2
Maintaining Exclusive Rights	\$101.2	\$104.6	\$109.7	\$5.1	\$111.6	\$116.7	\$5.1
Other Trademark Fees	\$91.3	\$115.1	\$109.1	(\$6.0)	\$111.1	\$111.5	\$0.5
Total Trademark Fee Collections	\$472.3	\$450.1	\$495.4	\$45.3	\$461.3	\$542.1	\$80.8
USPTO Fee Collections	\$3,600.3	\$4,058.4	\$4,126.0	\$67.6	\$4,122.7	\$4,253.4	\$130.7
Estimation Assumptions							
Patent Filings:	Filings growth rate -2.2% (595,810 UPR filings, 145,221 RCEs)	Filings growth rate 1.0% (594,583 UPR filings, 153,715 RCEs)	Filings growth rate 0.7% (599,899 UPR filings, 142,541 RCEs)	5,316 more UPR filings, 11,174 fewer RCEs	Filings growth rate 1.3% (602,155 UPR filings, 152,470 RCEs)	Filings growth rate 1.2% (607,193 UPR filings, 140,698 RCEs)	5,038 more UPR filings, 11,772 fewer RCEs
Issue and Publication:	Patents Printed of 340,092	Patents Printed of 335,856	Patents Printed of 322,950	12,906 fewer patents printed	Patents Printed of 336,604	Patents Printed of 315,903	20,701 fewer patents printed
Trademark Filings	Filings growth rate 27.9% (943,928 filings)	Filings growth rate -11.4% (699,000 filings)	Filings growth rate -7.6% (872,000 filings)	173,000 more filings	Filings growth rate 3.9% (726,000 filings)	Filings growth rate 13.6% (991,000 filings)	265,000 fewer filings

Proposed Fee Changes

- The FY 2023 PB includes trademark fee adjustments in response to the TMA, which will increase trademark revenue by \$3 million to \$5 million per year. The TMA was signed into law on December 27, 2020. A final rule detailing changes to implement provisions of the TMA was published in November 2021 and took effect December 18, 2021. These fee adjustments were previously included in the FY 2022 PB estimates.

Patent Application Filings

- This fee category contains fees related to filing patent applications, including requests for continued examination (RCE) and fees required based on specification size or the number of claims. Fee collections in this category are largely driven by filing application growth rates.
- FY 2022 total utility, plant, and reissue (UPR) filings are estimated at 599,899, increasing 0.7% from 595,810 filings in FY 2021. This follows a 2.2% decrease from FY 2020 to FY 2021. The decrease in FY 2021 was primarily due to an 8.2% decline in RCEs. Serialized (new) filings were virtually flat, decreasing by 0.1%; this was stronger than expected, in part due to recovery following the height of the pandemic, and reflects continued strong demand for intellectual property rights.
- Total UPR filings are estimated to be 607,193 (1.2% growth) in FY 2023.
- Serialized (non-RCE) filings growth is estimated to increase 1.5% in FY 2022 and 2.0% in FY 2023 and beyond. The lack of growth in FY 2021 and relatively slower projected growth in FY 2022 reflect lagged impacts of the pandemic. Due to the lag between research and development and the filing of patent applications, along with time differences in when international patent applications pursue protection in the United States, changes in economic activity impact patent applications and related activity over multiple years. The FY 2022 PB had similar estimates of 1.5% serialized filing growth in FY 2022 and 2.0% growth in FY 2023; however, FY 2021 serialized filings were higher than was expected in the FY 2022 PB, and therefore the number of projected filings is higher in the FY 2023 PB.

Patent Post Allowance

- This fee category contains fees paid to issue a patent after the application has been allowed. Therefore, collections in this category are driven directly by the number of patents printed in each fiscal year.
- The allowance rate is assumed to be 59.3% in FY 2022 and FY 2023, and between 59.4% and 60.1% from FY 2024 through FY 2027. This is slightly below the 60.7% rate that occurred in FY 2021.
- Total patents printed were 340,092 in FY 2021 and are forecasted to decrease 5.0% to 322,950 in FY 2022. The estimate then decreases by 2.2% in FY 2023, to 315,903. However, total patents printed are expected to increase in FY 2024 and beyond.

Patent Maintenance

- This fee category contains fees paid to keep in force a utility or reissue patent, due at 3 ½, 7 ½, and 11 ½ years after the patent has been issued. Patent holders can pay their maintenance fees up to six months prior to the due date; they can also pay with a late payment surcharge during a six-month grace period following the due date. Collections of maintenance fees vary from year to year based both on the number of patents issued in the past (i.e. the number available to be renewed) and the rate at which patentees decide to renew their patents.
- Projected maintenance renewal rates have changed slightly since the FY 2022 PB, based on recent trends. Renewal rates fell in FY 2020, likely due to economic uncertainty surrounding the pandemic, but recovered more quickly than expected in FY 2021. It is assumed that renewal rates will continue recovering through FY 2023, then resume long-term trends.

- Based on updated renewal rate expectations, FY 2022 projected maintenance fee collections have increased by 2.0% (\$36.3 million) compared to the FY 2022 PB and FY 2023 projected collections have increased by 3.0% (\$56.7 million).

Patent Cooperation Treaty (PCT)

- This fee category contains fees collected from patent applications filed through the Patent Cooperation Treaty (PCT) process. The specific fees included here are similar to those for the patent application filings category, but through a different filing process.
- Projected PCT fee collections in the FY 2023 PB are very similar to those in the FY 2022 PB, with differences of less than 1%.

Patent Extensions of Time

- This fee category contains fees paid to extend the period of time an applicant has to reply to an action by the office. The amount of the fee is dependent upon the length of the extension.
- Extensions of time have been on the decline, and the FY 2022 PB assumed this would continue in FY 2021. However, there were even fewer extensions requested in FY 2021 than expected.
- The FY 2023 PB assumes lower rates of requests for extensions of time, continuing the trend. In total, collections in this category are forecasted to be 5.6% (\$6.1 million) lower in FY 2022 and 8.0% (\$8.8 million) lower in FY 2023, compared to the FY 2022 PB.

Trademark Application Filings

- Trademark application filings grew 27.9% in FY 2021, significantly faster than expected. The strong FY 2021 growth is due in part to economic stimulus provided by the United States Congress as well as a surge in filings from China. Filings are projected to decline by 7.6% in FY 2022, then return to their long-term growth pattern, with projected growth of 13.6% in FY 2023.
- Compared to the FY 2022 PB, projections for total registrations have increased following the surge in filings in FY 2021. The updated production model estimates 556,400 registrations in FY 2022 (up from 435,100) and 638,100 in FY 2023 (up from 429,900).

Trademark Maintaining Exclusive Rights

- In order to maintain trademark rights, fees must be paid six years after issue, ten years after issue, and then every ten years after that. Collections of maintaining exclusive rights fees vary from year to year based both on the number of trademarks issued in the past (i.e., the number available to be renewed) and the rate at which trademark owners decide to renew their trademarks.
- Fee collections for maintaining exclusive rights are projected to continue to grow, due to an increase in the number of live registrations. Compared to the FY 2022 PB, fee collections in this category are projected to be higher by 4.9% (\$5.1 million) in FY 2022 and 4.5% (\$5.1 million) in FY 2023.

APPENDIX V – USPTO Estimates and Actual Fees and Assumptions

(Dollars in Millions) Date of Projection	FY 2020	FY 2021		
	Actual	President's Budget	Revised Working Estimate	Actual
	September 2020	February 2020	May 2021	September 2021
Total USPTO Fee Collections	\$3,702	\$3,695	\$3,564	\$3,600
Total Patent Fee Collections	\$3,343	\$3,251	\$3,098	\$3,128
Total Trademark Fee Collections	\$359	\$445	\$466	\$472
Major Patent Fee Collections				
Filing (with Excess Claims)	\$888	\$963	\$889	\$902
Post Allowance Fees	\$331	\$363	\$363	\$353
Maintenance	\$1,663	\$1,413	\$1,357	\$1,394
PCT	\$207	\$228	\$224	\$226
Extensions of Time	\$111	\$124	\$110	\$105
Other	\$143	\$160	\$156	\$148
Major Trademark Fee Collections				
Application Filing	\$203	\$235	\$266	\$280
Maintaining Exclusive Rights	\$76	\$116	\$95	\$101
Other	\$79	\$94	\$105	\$91
Assumptions Used to Develop Fee Collection Estimates				
Filing Growth Rates:	Patent serialized filings growth rate 0.7% (450,907 filings). Patent RCE filings growth rate -8.5% (158,248 filings). Trademark filings growth rate 9.6% (738,112 filings).	Patent serialized filings growth rate 2.0% (468,285 filings). Patent RCE filings growth rate -5.5% (163,820 filings). Trademark filings growth rate 2.6% (710,000 filings).	Patent serialized filings growth rate -3.7% (434,352 filings). Patent RCE filings growth rate -2.4% (154,387 filings). Trademark filings growth rate 6.9% (789,000 filings).	Patent serialized filings growth rate -0.1% (450,434 filings). Patent RCE filings growth rate -8.2% (145,221 filings). Trademark filings growth rate 27.9% (943,928 filings).
Patents Issued:	Patents Printed of 362,701	Patents Printed of 321,099	Patents Printed of 339,125	Patents printed of 340,092
Patents Fee Adjustments:	Patents Final Rule published August 2020 with effective date of October 2, 2020, did not impact fee rates paid in FY 2020, but increased FY 2020 collections due to accelerated payments in advance of the rule.	Fee rates assumed patent fee proposals with effective date of July 10, 2020, with some impact on FY 2021 due to accelerated payments in advance of the rule.	Patents Final Rule published August 2020 with effective date of October 2, 2020, including impacts due to accelerated payments in advance of the rule.	Patents Final Rule published August 2020 with effective date of October 2, 2020, including impacts due to accelerated payments in advance of the rule.
Trademarks Fee Adjustments:	Trademarks Final Rule published November 2020 with effective date of January 2, 2021, did not impact fee rates paid in FY 2020.	Fee rates assumed trademarks fee proposals with effective date of August 29, 2020, with new fees in effect for all of FY 2021.	Trademarks Final Rule published November 2020 with effective date of January 2, 2021.	Trademarks Final Rule published November 2020 with effective date of January 2, 2021.

(Dollars in Millions)	FY 2021	FY 2022	FY 2023
	Actual	Revised Working Estimate	President's Budget Working Estimate
Date of Projection	September 2021	February 2022	February 2022
Total USPTO Fee Collections	\$3,600	\$4,126	\$4,253
Total Patent Fee Collections	\$3,128	\$3,631	\$3,711
Total Trademark Fee Collections	\$472	\$495	\$542
Major Patent Fee Collections:			
Filing (with Excess Claims)	\$902	\$919	\$942
Post Allowance	\$353	\$360	\$354
Maintenance	\$1,394	\$1,863	\$1,918
PCT	\$226	\$235	\$244
Extensions of Time	\$105	\$102	\$100
Other	\$148	\$152	\$152
Major Trademark Fee Collections:			
Application Filings	\$280	\$277	\$314
Maintaining Exclusive Rights	\$101	\$110	\$117
Other	\$91	\$109	\$112
Assumptions Used to Develop Fee Collection Estimates			
Filing Growth Rates	Patent serialized filings growth rate -0.1% (450,434 filings) Patent RCE filings growth rate -8.2% (145,221 filings) Trademark filings growth rate 27.9% (943,928 filings)	Patent serialized filings growth rate 1.5% (457,348 filings) Patent RCE filings growth rate -1.8% (142,541 filings) Trademark filings growth rate -7.6% (872,000 filings)	Patent serialized filings growth rate 2.0% (466,495 filings) Patent RCE filings growth rate -1.3% (140,698 RCEs) Trademark filings growth rate 13.6% (991,000 filings)
Patent Issue:	Patents printed of 340,092	Patents Printed of 322,950	Patents Printed of 315,903
Patent Fee Adjustments:	Patents Final Rule published August 2020 with effective date of October 2, 2020, including impacts due to accelerated payments in advance of the rule.	N/A	N/A
Trademark Fee Adjustments:	Trademarks Final Rule published November 2020 with effective date of January 2, 2021.	Changes to implements provisions of the Trademark Modernization Act of 2020, including some fee adjustments, published November 2021 with effective date of December 18, 2021.	N/A

APPENDIX VI – FY 2021 Fee Report

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
Patents Fee Summary:				
	Patent Application Filing Fees		\$962,859,818	\$902,209,027
	Patent Post Allowance Fees		\$362,840,225	\$353,172,838
	Patent Maintenance Fees		\$1,413,375,300	\$1,393,683,242
	Patent Extension of Time Fees		\$124,047,180	\$105,344,128
	Patent Trial and Appeals Fees		\$82,338,059	\$70,920,610
	Post Issuance Fees		\$13,344,395	\$14,241,045
	Patent Cooperation Treaty (PCT) Fees		\$227,947,846	\$225,858,727
	Hague International Design Application Fees		\$1,581,415	\$2,420,342
	Patent Petition Fees		\$17,915,530	\$17,987,065
	Patent Service Fees		\$3,194,480	\$2,716,878
	Miscellaneous Patent Fees		\$40,133,324	\$38,320,332
	Patent Enrollment Fees		\$1,125,065	\$1,115,060
	Finance Service Fees		\$39,902	\$45,688
	Total Patents Fees		\$3,250,742,539	\$3,128,034,982
Trademarks Fee Summary:				
	Application Filings		\$235,356,100	\$279,795,025
	Maintaining Exclusive Rights		\$115,646,971	\$101,224,750
	Intent to Use/Use Fees		\$53,526,125	\$55,097,100
	Madrid Protocol Fees		\$7,618,857	\$6,404,325
	Trademark Trial and Appeal Board		\$14,997,450	\$11,093,700
	Other Trademark Fees		\$11,268,051	\$14,448,382
	Trademark Processing Fees		\$6,134,500	\$4,201,750
	Finance Service Fees		\$4,130	\$6,898
	Total Trademarks Fees		\$444,552,183	\$472,271,930
	Total United States Patent and Trademark Office		\$3,695,294,722	\$3,600,306,911

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
Patents				
Patent Filing Fees (Large Entity):				
1005	Provisional application filing fee	\$300	\$20,625,950	\$17,401,595
1011	Basic filing fee - Utility (electronic filing)	\$320	\$79,006,102	\$75,316,485
1012	Basic filing fee - Design	\$220	\$4,372,896	\$3,874,460
1013	Basic filing fee - Plant	\$220	\$134,651	\$116,460
1014	Basic filing fee - Reissue	\$320	\$203,565	\$163,060
1017	Basic filing fee - Design (CPA)	\$220	\$138,980	\$132,980
1019	Basic filing fee - Reissue (CPA)	\$320	\$1,583	-\$600
1051	Surcharge - Late filing fee, search fee, examination fee or oath or declaration, or application filed without at least one claim or by reference	\$160	\$13,408,800	\$11,831,580
1052	Surcharge - Late provisional filing fee or cover sheet	\$60	\$103,140	\$73,200
1053	Non-English translation	\$140	\$207,480	\$215,320
1081	Utility Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$420	\$6,782,530	\$7,410,820
1082	Design Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$420	\$42,909	\$72,660
1083	Plant Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$420	\$6,130	\$0
1084	Reissue Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$420	\$21,659	\$24,360
1085	Provisional Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$420	\$3,254,977	\$3,498,120
1091	Submission of sequence listings of 300MB to 800MB	\$1,060	\$23,590	\$25,440
1092	Submission of sequence listings of more than 800MB	\$10,500	\$20,433	\$21,000
10DX	Non-DOCX Filing Surcharge Fee		\$14,973,200	\$0
1111	Utility Search Fee	\$700	\$172,119,717	\$163,696,980

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
1112	Design Search Fee	\$160	\$3,303,840	\$2,895,680
1113	Plant Search Fee	\$440	\$270,722	\$233,500
1114	Reissue Search Fee	\$700	\$446,429	\$353,340
1201	Independent claims in excess of three	\$480	\$17,554,950	\$21,123,680
1202	Claims in excess of 20	\$100	\$26,763,900	\$31,854,400
1203	Multiple dependent claim	\$860	\$672,520	\$660,540
1204	Reissue independent claims in excess of three	\$480	\$285,841	\$260,760
1205	Reissue claims in excess of 20	\$100	\$485,300	\$450,200
1311	Utility Examination Fee	\$800	\$197,612,165	\$187,666,160
1312	Design Examination Fee	\$640	\$13,082,627	\$11,605,800
1313	Plant Examination Fee	\$660	\$406,282	\$349,960
1314	Reissue Examination Fee	\$2,320	\$1,487,940	\$1,177,960
1801	Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	\$1,360	\$122,647,230	\$109,575,420
1817	Request for prioritized examination	\$4,200	\$22,331,904	\$24,919,200
1820	Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114)	\$2,000	\$77,725,352	\$61,597,400
Total Patent Filing Fees (Large Entity)			\$800,525,294	\$738,597,920

Patents

Patent Filing Fees (Small Entity):

2005	Provisional application filing fee	\$150	\$11,157,759	\$9,995,585
2011	Basic filing fee - Utility (paper filing)	\$160	\$74,556	\$47,145
2012	Basic filing fee - Design	\$110	\$2,083,836	\$2,001,405
2013	Basic filing fee - Plant	\$110	\$72,521	\$49,890
2014	Basic filing fee - Reissue	\$160	\$36,249	\$31,350
2017	Basic filing fee - Design (CPA)	\$110	\$61,264	\$45,240
2019	Basic filing fee - Reissue (CPA)	\$160	\$0	\$330
2051	Surcharge - Late filing fee, search fee, examination fee or oath or declaration, or application filed without at least one claim or by reference	\$80	\$3,038,160	\$2,600,360

Appendix VI

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
2052	Surcharge - Late provisional filing fee or cover sheet	\$30	\$89,760	\$66,330
2053	Non-English translation	\$70	\$31,430	\$50,610
2081	Utility Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$210	\$1,955,642	\$1,996,920
2082	Design Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$210	\$18,185	\$22,470
2083	Plant Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$210	\$210	\$0
2084	Reissue Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$210	\$2,043	\$2,310
2085	Provisional Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$210	\$2,418,654	\$1,766,890
2091	Submission of sequence listings of 300MB to 800MB	\$530	\$0	\$6,450
20DX	Non-DOCX Filing Surcharge Fee		\$94,200	\$0
2111	Utility Search Fee	\$350	\$28,725,670	\$29,438,750
2112	Design Search Fee	\$80	\$1,565,440	\$1,474,800
2113	Plant Search Fee	\$220	\$146,277	\$99,830
2114	Reissue Search Fee	\$350	\$79,373	\$68,960
2201	Independent claims in excess of three	\$240	\$3,240,935	\$3,683,750
2202	Claims in excess of 20	\$50	\$7,306,950	\$8,024,950
2203	Multiple dependent claim	\$430	\$198,230	\$222,090
2204	Reissue independent claims in excess of three	\$240	\$37,598	\$48,210
2205	Reissue claims in excess of 20	\$50	\$78,500	\$74,250
2311	Utility Examination Fee	\$400	\$32,972,380	\$33,729,495
2312	Design Examination Fee	\$320	\$6,197,817	\$5,905,960
2313	Plant Examination Fee	\$330	\$219,144	\$149,940
2314	Reissue Examination Fee	\$1,160	\$262,172	\$228,480
2801	Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	\$680	\$15,563,283	\$15,123,500
2817	Request for prioritized examination	\$2,100	\$12,163,805	\$15,391,000

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
2820	Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114)	\$1,000	\$9,878,232	\$8,938,300
4011	Basic filing fee - Utility (electronic filing)	\$80	\$6,586,032	\$6,784,805
40DX	Non-DOCX Filing Surcharge Fee		\$2,496,400	\$0
Total Patent Filing Fees (Small Entity)			\$148,852,708	\$148,070,355

Patents

Patent Filing Fees (Micro Entity):

3005	Provisional application filing fee	\$75	\$1,994,962	\$1,955,970
3011	Basic filing fee - Utility (electronic filing)	\$80	\$1,230,810	\$1,219,287
3012	Basic filing fee - Design	\$55	\$370,397	\$856,885
3013	Basic filing fee - Plant	\$55	\$433	\$220
3014	Basic filing fee - Reissue	\$80	\$2,137	\$955
3017	Basic filing fee - Design (CPA)	\$55	\$4,167	\$4,255
3019	Basic filing fee - Reissue (CPA)	\$80	\$158	\$0
3051	Surcharge - Late filing fee, search fee, examination fee or oath or declaration, or application filed without at least one claim or by reference	\$40	\$171,640	\$154,710
3052	Surcharge - Late provisional filing fee or cover sheet	\$15	\$52,590	\$42,615
3053	Non-English translation	\$35	\$1,295	\$1,365
3081	Utility Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$105	\$15,427	\$19,935
3082	Design Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$105	\$613	\$735
3084	Reissue Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$105	\$0	\$0
3085	Provisional Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$105	\$22,885	\$22,365
3091	Submission of sequence listings of 300MB to 800MB	\$265	\$0	\$1,355

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
30DX	Non-DOCX Filing Surcharge Fee		\$233,300	\$0
3111	Utility Search Fee	\$175	\$2,659,335	\$2,627,940
3112	Design Search Fee	\$40	\$271,160	\$620,410
3113	Plant Search Fee	\$110	\$873	\$440
3114	Reissue Search Fee	\$175	\$4,159	\$2,090
3201	Independent claims in excess of three	\$120	\$160,085	\$176,905
3202	Claims in excess of 20	\$25	\$200,750	\$206,185
3203	Multiple dependent claim	\$215	\$13,330	\$17,005
3204	Reissue independent claims in excess of three	\$120	\$2,102	\$960
3205	Reissue claims in excess of 20	\$25	\$1,475	\$2,850
3311	Utility Examination Fee	\$200	\$3,050,692	\$3,007,130
3312	Design Examination Fee	\$160	\$1,073,071	\$2,485,875
3313	Plant Examination Fee	\$165	\$1,306	\$660
3314	Reissue Examination Fee	\$580	\$14,373	\$6,930
3801	Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	\$340	\$765,902	\$791,620
3817	Request for prioritized examination	\$1,050	\$833,280	\$1,019,700
3820	Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114)	\$500	\$329,108	\$293,400
Total Patent Filing Fees (Micro Entity)			\$13,481,816	\$15,540,752

Patents

Patent Post Allowance Fees (Large Entity):

1501	Utility Issue	\$1,200	\$301,025,581	\$292,744,880
1502	Design Issue	\$740	\$13,121,649	\$11,460,120
1503	Plant Issue	\$840	\$563,148	\$524,320
1505	Publication fee for republication	\$320	\$25,590	\$25,980
1506	Suspense Account for Partial Issue Payments	var	\$6,200	\$11,688
1508	Issue Fee - owed over current fee	var	\$0	\$0
1511	Reissue Issue	\$1,200	\$698,918	\$442,400
Total Patent Post Allowance Fees (Large Entity)			\$315,441,085	\$305,209,388

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
Patents				
Patent Post Allowance Fees (Small Entity):				
2501	Utility Issue	\$600	\$38,751,520	\$39,909,000
2502	Design Issue	\$370	\$5,286,533	\$4,438,975
2503	Plant Issue	\$420	\$252,653	\$229,960
2505	Publication fee for republication	\$320	\$0	\$640
2511	Reissue Issue	\$600	\$76,655	\$60,200
Total Patent Post Allowance Fees (Small Entity)			\$44,367,362	\$44,638,775
Patents				
Patent Post Allowance Fees (Micro Entity):				
3501	Utility Issue	\$300	\$2,421,790	\$2,399,485
3502	Design Issue	\$185	\$606,408	\$922,590
3503	Plant Issue	\$210	\$1,701	\$800
3505	Publication fee for republication	\$320	\$0	\$0
3511	Reissue Issue	\$300	\$1,879	\$1,800
Total Patent Post Allowance Fees (Micro Entity)			\$3,031,778	\$3,324,675
Patents				
Patent Maintenance Fees (Large Entity):				
1551	Due at 3.5 years	\$2,000	\$360,347,089	\$351,070,000
1552	Due at 7.5 years	\$3,760	\$472,477,147	\$466,668,480
1553	Due at 11.5 years	\$7,700	\$433,147,212	\$425,549,200
1554	Surcharge - 3.5 year - Late payment within 6 months	\$500	\$1,779,515	\$1,955,980
1555	Surcharge - 7.5 year - Late payment within 6 months	\$500	\$1,369,986	\$1,516,740
1556	Surcharge - 11.5 year - Late payment within 6 months	\$500	\$704,077	\$782,420

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
1558	Petition for the delayed payment of the fee for maintaining a patent in force	\$2,100	\$1,319,987	\$1,181,600
1559	Patent Unassigned Maintenance Fees	var	\$1,700,000	\$2,171,502
Total Patent Maintenance Fees (Large Entity)			\$1,272,845,014	\$1,250,895,922

Patents

Patent Maintenance Fees (Small Entity):

2551	Due at 3.5 years	\$1,000	\$46,808,095	\$45,840,600
2552	Due at 7.5 years	\$1,880	\$49,207,360	\$50,278,360
2553	Due at 11.5 years	\$3,850	\$34,934,874	\$36,022,700
2554	Surcharge - 3.5 year - Late payment within 6 months	\$250	\$1,540,083	\$1,530,710
2555	Surcharge - 7.5 year - Late payment within 6 months	\$250	\$822,941	\$1,005,680
2556	Surcharge - 11.5 year - Late payment within 6 months	\$250	\$256,708	\$336,310
2558	Petition for the delayed payment of the fee for maintaining a patent in force	\$1,050	\$1,594,982	\$1,648,100
Total Patent Maintenance Fees (Small Entity)			\$135,165,044	\$136,662,460

Patents

Patent Maintenance Fees (Micro Entity):

3551	Due at 3.5 years	\$500	\$2,307,239	\$2,627,900
3552	Due at 7.5 years	\$940	\$1,521,035	\$1,930,540
3553	Due at 11.5 years	\$1,925	\$1,145,309	\$1,099,900
3554	Surcharge - 3.5 year - Late payment within 6 months	\$125	\$131,284	\$165,605
3555	Surcharge - 7.5 year - Late payment within 6 months	\$125	\$48,187	\$69,660
3556	Surcharge - 11.5 year - Late payment within 6 months	\$125	\$19,118	\$21,205

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
3558	Petition for the delayed payment of the fee for maintaining a patent in force	\$525	\$193,071	\$210,050
Total Patent Maintenance Fees (Micro Entity)			\$5,365,242	\$6,124,860

Patents

Patent Extension of Time Fees (Large Entity):

1251	Extension for response within first month	\$220	\$17,244,480	\$14,077,660
1252	Extension for response within second month	\$640	\$19,589,120	\$15,316,499
1253	Extension for response within third month	\$1,480	\$38,147,000	\$30,550,054
1254	Extension for response within fourth month	\$2,320	\$4,456,720	\$3,979,036
1255	Extension for response within fifth month	\$3,160	\$7,135,280	\$7,253,195
Total Patent Extension of Time Fees (Large Entity)			\$86,572,600	\$71,176,444

Patents

Patent Extension of Time Fees (Small Entity):

2251	Extension for response within first month	\$110	\$3,412,640	\$3,165,600
2252	Extension for response within second month	\$320	\$5,637,760	\$5,042,219
2253	Extension for response within third month	\$740	\$19,825,340	\$17,668,131
2254	Extension for response within fourth month	\$1,160	\$2,699,320	\$2,604,895
2255	Extension for response within fifth month	\$1,580	\$3,954,740	\$3,835,951
Total Patent Extension of Time Fees (Small Entity)			\$35,529,800	\$32,316,796

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
Patents				
Patent Extension of Time Fees (Micro Entity):				
3251	Extension for response within first month	\$55	\$199,100	\$200,250
3252	Extension for response within second month	\$160	\$336,640	\$330,713
3253	Extension for response within third month	\$370	\$1,082,620	\$1,006,189
3254	Extension for response within fourth month	\$580	\$176,320	\$157,085
3255	Extension for response within fifth month	\$790	\$150,100	\$156,651
Total Patent Extension of Time Fees (Micro Entity)			\$1,944,780	\$1,850,888

Patents

Patent Trial and Appeal Fees (Large Entity):

1401	Notice of appeal	\$840	\$12,753,109	\$8,943,480
1403	Request for oral hearing	\$1,360	\$665,838	\$501,780
1404	Filing a brief in support of an appeal in an inter partes reexamination proceeding	\$2,100	\$2,084	\$59,600
1405	Petitions to the Chief Administrative Patent Judge under 37 CFR 41.3	\$420	\$14,700	\$78,960
1406	Inter partes review request fee - Up to 20 claims	\$19,000	\$26,414,934	\$24,733,500
1407	Inter partes review request of each claim in excess of 20	\$375	\$1,104,469	\$1,032,225
1408	Post-grant or covered business method review request fee - Up to 20 claims	\$20,000	\$1,366,750	\$1,860,000
1409	Post-grant or covered business method review request of each claim in excess of 20	\$475	\$152,304	\$144,500
1412	Petition for a derivation proceeding	\$420	\$4,200	\$860

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
1413	Forwarding an appeal in an application or ex parte reexamination proceeding to the Board	\$2,360	\$13,482,025	\$10,314,840
1414	Inter partes review post-institution fee - Up to 20 claims	\$22,500	\$19,126,688	\$18,248,000
1415	Inter partes post-institution request of each claim in excess of 20	\$750	\$2,412,506	\$575,550
1416	Post-grant or covered business method review post-institution fee - Up to 20 claims	\$27,500	\$794,063	\$1,094,500
1417	Post-grant or covered business method review post-institution request of each claim in excess of 20	\$1,050	\$8,056	\$15,150
1418	Pro Hac Vice Admission Fee	\$250	\$300,000	\$248,750
Total Patent Trial and Appeal Fees (Large Entity)			\$78,601,725	\$67,851,695

Patents

Patent Trial and Appeals Fees (Small Entity):

2401	Notice of appeal	\$420	\$1,914,993	\$1,467,600
2403	Request for oral hearing	\$680	\$136,607	\$91,120
2404	Filing a brief in support of an appeal in an inter partes reexamination proceeding	\$1,050	\$1,033	\$9,450
2413	Forwarding an appeal in an application or ex parte reexamination proceeding to the Board	\$1,180	\$1,512,677	\$1,352,460
Total Patent Trial and Appeals Fees (Small Entity)			\$3,565,309	\$2,920,630

Patents

Patent Trial and Appeals Fees (Micro Entity):

3401	Notice of appeal	\$210	\$85,505	\$69,770
3403	Request for oral hearing	\$340	\$5,022	\$3,740

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
3404	Filing a brief in support of an appeal in an inter partes reexamination proceeding	\$525	\$516	\$525
3413	Forwarding an appeal in an application or ex parte reexamination proceeding to the Board	\$590	\$79,981	\$74,250
Total Patent Trial and Appeals Fees (Micro Entity)			\$171,025	\$148,285

Patents

Post Issuance Fees (Large Entity):

1811	Certificate of correction	\$160	\$1,277,920	\$1,247,280
1812	Ex Parte Reexamination (§ 1.510(a)) non-streamlined	\$12,600	\$567,000	\$2,079,000
1814	Statutory disclaimer, including terminal disclaimer	\$170	\$7,606,140	\$6,881,490
1816	Processing fee for correcting inventorship in a patent	\$160	\$69,920	\$65,350
1821	Reexamination independent claims in excess of three and also in excess of the number of such claims in the patent under reexamination	\$480	\$35,520	\$16,320
1822	Reexamination claims in excess of 20 and also in excess of the number of claims in the patent under reexamination	\$100	\$33,800	\$40,900
1825	Refused Reexamination Requests	\$3,780	\$7,200	\$7,380
1826	Request for supplemental examination	\$4,620	\$78,540	\$110,660
1827	Reexamination ordered as a result of supplemental examination	\$12,700	\$139,700	\$191,100
1828	Supplemental Examination Document Size Fee - for nonpatent document having between 21 and 50 sheets	\$180	\$0	\$1,980
1829	Supplemental Examination Document Size Fee - for each additional 50 sheets or a fraction thereof in a nonpatent document	\$300	\$0	\$4,800

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
1831	Ex Parte Reexamination (§ 1.510(a)) Streamlined	\$6,300	\$81,900	\$138,600
Total Post Issuance Fees (Large Entity)			\$9,897,640	\$10,784,860

Patents

Post Issuance Fees (Small Entity):

2811	Certificate of correction	\$160	\$317,280	\$298,560
2812	Ex Parte Reexamination (§ 1.510(a)) non-streamlined	\$6,300	\$264,600	\$246,000
2814	Statutory disclaimer, including terminal disclaimer	\$170	\$2,508,350	\$2,395,890
2816	Processing fee for correcting inventorship in a patent	\$160	\$25,120	\$21,140
2821	Reexamination independent claims in excess of three and also in excess of the number of such claims in the patent under reexamination	\$240	\$6,000	\$5,760
2822	Reexamination claims in excess of 20 and also in excess of the number of claims in the patent under reexamination	\$50	\$8,300	\$13,500
2826	Request for supplemental examination	\$2,310	\$20,790	\$30,030
2827	Reexamination ordered as a result of supplemental examination	\$6,350	\$38,100	\$69,850
2828	Supplemental Examination Document Size Fee - for nonpatent document having between 21 and 50 sheets	\$90	\$360	\$450
2829	Supplemental Examination Document Size Fee - for each additional 50 sheets or a fraction thereof in a nonpatent document	\$150	\$450	\$12,600
2831	Ex Parte Reexamination (§ 1.510(a)) Streamlined	\$3,150	\$72,450	\$226,800
Total Post Issuance Fees (Small Entity)			\$3,261,800	\$3,320,580

Patents

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
Post Issuance Fees (Micro Entity):				
3811	Certificate of correction	\$160	\$13,280	\$8,170
3812	Ex Parte Reexamination (§ 1.510(a)) Non-streamlined	\$3,150	\$40,950	\$0
3814	Statutory disclaimer, including terminal disclaimer	\$170	\$126,650	\$123,030
3816	Processing fee for correcting inventorship in a patent	\$160	\$2,560	\$1,610
3821	Reexamination independent claims in excess of three and also in excess of the number of such claims in the patent under reexamination	\$120	\$360	\$1,320
3822	Reexamination claims in excess of 20 and also in excess of the number of claims in the patent under reexamination	\$25	\$0	\$1,475
3826	Request for supplemental examination	\$1,155	\$1,155	\$0
3827	Reexamination ordered as a result of supplemental examination	\$3,175	\$0	\$0
3828	Supplemental Examination Document Size Fee - for nonpatent document having between 21 and 50 sheets	\$45	\$0	\$0
3829	Supplemental Examination Document Size Fee - for each additional 50 sheets or a fraction thereof in a nonpatent document	\$75	\$0	\$0
3831	Ex Parte Reexamination (§ 1.510(a)) Streamlined	\$1,575	\$0	\$0
Total Post Issuance Fees (Micro Entity)			\$184,955	\$135,605

Patents

PCT Fees - National Stage (Large Entity):

1614	Independent claims in excess of three	\$480	\$5,828,920	\$6,659,480
1615	Claims in excess of 20	\$100	\$7,171,400	\$7,335,390
1616	Multiple dependent claim	\$860	\$417,960	\$447,220

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
1617	Search fee, examination fee or oath or declaration after the date of commencement of the national stage	\$160	\$4,314,789	\$3,976,330
1618	English translation after thirty months from priority date	\$140	\$239,518	\$179,620
1631	Basic National Stage Fee	\$320	\$25,507,859	\$24,831,180
1632	National Stage Search Fee - all other situations	\$700	\$1,844,780	\$1,721,140
1633	National Stage Examination Fee - all other situations	\$800	\$63,709,737	\$61,863,720
1641	National Stage Search Fee - U.S. was the ISA	\$140	\$348,780	\$343,700
1642	National Stage Search Fee - search report prepared and provided to USPTO	\$540	\$40,595,538	\$39,184,040
1681	National Stage Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$420	\$2,356,334	\$3,327,360
Total PCT Fees - National Stage (Large Entity)			\$152,335,615	\$149,869,180

Patents

PCT Fees - National Stage (Small Entity):

2614	Independent claims in excess of three	\$240	\$1,222,065	\$1,373,650
2615	Claims in excess of 20	\$50	\$2,554,700	\$2,772,620
2616	Multiple dependent claim	\$430	\$134,590	\$163,400
2617	Search fee, examination fee or oath or declaration after the date of commencement of the national stage	\$80	\$1,015,934	\$933,855
2618	English translation after thirty months from priority date	\$70	\$73,971	\$76,510
2631	Basic National Stage Fee	\$160	\$4,251,668	\$4,381,165
2632	National Stage Search Fee - all other situations	\$350	\$354,639	\$420,000
2633	National Stage Examination Fee - all other situations	\$400	\$10,492,014	\$10,763,750
2641	National Stage Search Fee - U.S. was the ISA	\$70	\$369,346	\$414,740

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
2642	National Stage Search Fee - search report prepared and provided to USPTO	\$270	\$5,369,757	\$5,371,480
2681	National Stage Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$210	\$618,303	\$1,016,375
Total PCT Fees - National Stage (Small Entity)			\$26,456,986	\$27,687,545

Patents

PCT Fees - National Stage (Micro Entity):

3614	Independent claims in excess of three	\$120	\$22,652	\$35,140
3615	Claims in excess of 20	\$25	\$47,700	\$52,530
3616	Multiple dependent claim	\$215	\$7,955	\$13,770
3617	Search fee, examination fee or oath or declaration after the date of commencement of the national stage	\$40	\$13,778	\$11,590
3618	English translation after thirty months from priority date	\$35	\$2,885	\$2,450
3631	Basic National Stage Fee	\$80	\$135,743	\$137,900
3632	National Stage Search Fee - all other situations	\$175	\$27,489	\$29,320
3633	National Stage Examination Fee - all other situations	\$200	\$332,716	\$333,550
3641	National Stage Search Fee - U.S. was the ISA	\$35	\$9,952	\$8,925
3642	National Stage Search Fee - search report prepared and provided to USPTO	\$135	\$160,930	\$170,280
3681	National Stage Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$105	\$1,839	\$6,925
Total PCT Fees - National Stage (Micro Entity)			\$763,640	\$802,380

Patents

PCT Fees - International Stage (Large Entity):

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
1601	Transmittal fee	\$260	\$9,874,702	\$9,141,380
1602	Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16)	\$2,180	\$17,226,108	\$16,430,447
1604	Supplemental search fee when required, per additional invention	\$2,180	\$863,713	\$646,540
1605	Preliminary examination fee - U.S. was the ISA	\$640	\$228,187	\$128,640
1606	Preliminary examination fee - U.S. was not the ISA	\$800	\$186,560	\$110,320
1607	Supplemental examination fee per additional invention	\$640	\$4,000	\$7,040
1619	Late payment fee	var	\$134,773	\$92,620
1621	Transmitting application to Intl. Bureau to act as receiving office	\$260	\$128,442	\$99,420
1624	Suspense Account for PCT Payments		\$0	\$82,062
1627	Late Furnishing Fee for Providing a Sequence Listing in Response to an Invitation Under PCT Rule 13ter	\$320	\$47,360	\$77,740
1628	Petition for the extension of the twelve-month (six-month for designs) period for filing a subsequent application	\$2,100	\$0	\$54,000
Total PCT Fees - International Stage (Large Entity)			\$28,693,845	\$26,870,209

Patents

PCT Fees - International Stage (Small Entity):

2601	Transmittal fee	\$130	\$2,608,564	\$2,595,100
2602	Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16)	\$1,090	\$15,337,743	\$16,193,920
2604	Supplemental search fee when required, per additional invention	\$1,090	\$665,006	\$727,910
2605	Preliminary examination fee - U.S. was the ISA	\$320	\$161,392	\$145,920

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
2606	Preliminary examination fee - U.S. was not the ISA	\$400	\$32,424	\$18,320
2607	Supplemental examination fee per additional invention	\$320	\$3,333	\$12,160
2611	USPTO not ISA or IPEA	\$555	\$0	\$0
2619	Late payment fee	var	\$1,654	\$2,035
2621	Transmitting application to Intl. Bureau to act as receiving office	\$130	\$36,535	\$32,810
2627	Late Furnishing Fee for Providing a Sequence Listing in Response to an Invitation Under PCT Rule 13ter	\$160	\$92,320	\$124,360
2628	Petition for the extension of the twelve-month (six-month for designs) period for filing a subsequent application	\$1,050	\$0	\$70,950
Total PCT Fees - International Stage (Small Entity)			\$18,938,971	\$19,923,485

Patents

PCT Fees - International Stage (Micro Entity):

3601	Transmittal fee	\$65	\$75,822	\$70,310
3602	Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16)	\$545	\$620,641	\$581,955
3604	Supplemental search fee when required, per additional invention	\$545	\$39,079	\$34,335
3605	Preliminary examination fee - U.S. was the ISA	\$160	\$12,817	\$9,080
3606	Preliminary examination fee - U.S. was not the ISA	\$200	\$748	\$200
3607	Supplemental examination fee per additional invention	\$160	\$1,333	\$480
3619	Late payment fee	var	\$5,305	\$468
3621	Transmitting application to Intl. Bureau to act as receiving office	\$65	\$2,402	\$1,810
3627	Late Furnishing Fee for Providing a Sequence Listing in Response to an Invitation Under PCT Rule 13ter	\$80	\$640	\$565

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
3628	Petition for the extension of the twelve-month (six-month for designs) period for filing a subsequent application	\$525	\$0	\$6,725
Total PCT Fees - International Stage (Micro Entity)			\$758,789	\$705,928

Patents

Hague International Design Application Fees (Large Entity):

1781	Transmittal Fee	\$120	\$10,320	\$7,320
1791	International Design Application First Part U.S. Designation Fee	\$1,020	\$1,056,720	\$1,508,820
1792	(Part II Designation Fee) Issue Fee Paid Through the International Bureau in an International Design Application	\$740	\$226,440	\$317,820
9981	Exchange Rate Gains/Losses for Hague Transactions	var	\$0	\$113,214
9989	Suspense Account for Hague Transactions	var	\$0	\$1,273
Total Hague International Design Application Fees (Large Entity)			\$1,293,480	\$1,948,447

Patents

Hague International Design Application Fees (Small Entity):

2781	Transmittal Fee	\$60	\$3,300	\$5,160
2791	International Design Application First Part U.S. Designation Fee	\$510	\$202,470	\$351,630
2792	(Part II Designation Fee) Issue Fee Paid Through the International Bureau in an International Design Application	\$370	\$41,070	\$70,630
Total Hague International Design Application Fees (Small Entity)			\$246,840	\$427,420

Patents

Hague International Design Application Fees (Micro Entity):

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
3781	Transmittal Fee	\$30	\$210	\$420
3791	International Design Application First Part U.S. Designation Fee	\$255	\$28,305	\$34,515
3792	(Part II Designation Fee) Issue Fee Paid Through the International Bureau in an International Design Application	\$185	\$12,580	\$9,540
Total Hague International Design Application Fees (Micro Entity)			\$41,095	\$44,475

Patents

Patent Petition Fees (Large Entity):

1453	Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding	\$2,100	\$6,329,400	\$5,763,600
1454	Petition for the delayed submission of a priority or benefit claim, or to restore the right of priority or benefit	\$2,100	\$2,112,600	\$1,668,500
1455	Filing an application for patent term adjustment	\$210	\$86,730	\$66,550
1456	Request for reinstatement of term reduced	\$420	\$840	\$2,120
1457	Extension of term of patent	\$1,180	\$173,460	\$139,060
1458	Initial application for interim extension (see 37 CFR 1.790)	\$440	\$1,760	\$1,320
1459	Subsequent application for interim extension (see 37 CFR 1.790)	\$230	\$0	\$920
1462	Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I)	\$420	\$448,560	\$498,080
1463	Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II)	\$220	\$1,255,320	\$1,696,920
1464	Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III)	\$140	\$1,276,100	\$1,301,860

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
1784	Petition to excuse applicant's failure to act within prescribed time limits in an international design application	\$2,100	\$10,500	\$2,100
1824	Petitions in a reexamination proceeding, except for those specifically enumerated in 37 CFR 1.550(i) and 1.937(d)	\$2,040	\$22,440	\$85,680
Total Patent Petition Fees (Large Entity)			\$11,717,710	\$11,226,710

Patents

Patent Petition Fees (Small Entity):

2453	Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding	\$1,050	\$3,796,800	\$4,227,000
2454	Petition for the delayed submission of a priority or benefit claim, or to restore the right of priority or benefit	\$1,050	\$926,100	\$994,350
2455	Filing an application for patent term adjustment	\$210	\$11,130	\$13,860
2456	Request for reinstatement of term reduced	\$420	\$840	\$420
2457	Extension of term of patent	\$1,180	\$9,440	\$7,080
2458	Initial application for interim extension (see 37 CFR 1.790)	\$440	\$0	\$440
2459	Subsequent application for interim extension (see 37 CFR 1.790)	\$230	\$440	\$230
2462	Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I)	\$210	\$169,470	\$183,640
2463	Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II)	\$110	\$70,180	\$66,730
2464	Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III)	\$70	\$297,500	\$326,900
2784	Petition to excuse applicant's failure to act within prescribed	\$1,050	\$0	\$0

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
	time limits in an international design application			
2824	Petitions in a reexamination proceeding, except for those specifically enumerated in 37 CFR 1.550(i) and 1.937(d)	\$1,020	\$1,020	\$8,160
Total Patent Petition Fees (Small Entity)			\$5,282,920	\$5,828,810

Patents

Patent Petition Fees (Micro Entity):

3453	Petition for revival of an abandoned application for a patent, for the delayed payment of the fee for issuing each patent, or for the delayed response by the patent owner in any reexamination proceeding	\$525	\$767,550	\$751,600
3454	Petition for the delayed submission of a priority or benefit claim, or to restore the right of priority or benefit	\$525	\$108,675	\$144,550
3455	Filing an application for patent term adjustment	\$210	\$630	\$630
3456	Request for reinstatement of term reduced	\$420	\$420	\$20
3458	Initial application for interim extension (see 37 CFR 1.790)	\$440	\$0	\$0
3459	Subsequent application for interim extension (see 37 CFR 1.790)	\$230	\$0	\$230
3462	Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I)	\$105	\$24,675	\$22,350
3463	Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II)	\$55	\$5,005	\$3,985
3464	Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III)	\$35	\$7,945	\$8,155
3784	Petition to excuse applicant's failure to act within prescribed time limits in an international design application	\$525	\$0	\$25

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
Total Patent Petition Fees (Micro Entity)			\$914,900	\$931,545
Patents				
Patent Service Fees:				
8001	Printed copy of patent w/o color, delivery by USPS, USPTO Box, or electronic means	\$3	\$67,533	\$50,073
8003	Printed copy of plant patent in color	\$15	\$2,625	\$1,515
8004	Color copy of patent (other than plant patent) containing a color drawing	\$25	\$0	\$75
8005	Patent Application Publication (PAP)	\$3	\$258	\$3
8007	Copy of patent application as filed	\$35	\$1,632,995	\$1,363,075
8010	Individual application documents, other than application as filed, per document	\$25	\$4,250	\$9,325
8013	Copy of office records, except copies of applications as filed	\$25	\$199,350	\$161,650
8014	For assignment records, abstract of title and certification, per patent	\$35	\$823,515	\$737,905
8020	International type search report	\$40	\$0	\$0
8021	Recording each patent assignment, agreement or other paper, per property - if not submitted electronically	\$50	\$27,150	\$13,500
8022	Publication in Official Gazette	\$25	\$4,050	\$5,225
8026	Handling fee for incomplete or improper application	\$140	\$27,860	\$51,230
8051	Copy Patent File Wrapper, Paper Medium, Any Number of Sheets	\$290	\$113,680	\$106,270
8052	Copy Patent File Wrapper, Electronic Medium, Any Size or Provided Electronically	\$60	\$155,820	\$145,190
8053	Additional Fee for Overnight Delivery	\$40	\$20,200	\$19,200
8054	Additional Fee for Expedited Service	\$170	\$71,230	\$50,670
8901	REPS	var	\$41,814	\$0
8902	Self-service copy charge, per page	var	\$0	\$0

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
8904	Library service	\$50	\$2,150	\$1,972
Total Patent Service Fees			\$3,194,480	\$2,716,878

Patents

Miscellaneous Patent Fees (Large Entity):

1802	Request for expedited examination of a design application	\$1,600	\$799,908	\$702,400
1803	Request for voluntary publication or republication	\$140	\$16,380	\$17,800
1806	Submission of an Information Disclosure Statement	\$260	\$27,732,380	\$24,495,100
1807	Processing fee for provisional applications	\$50	\$315,250	\$297,550
1808	Other publication processing fee	\$140	\$12,040	\$42,480
1809	Filing a submission after final rejection (see 37 CFR 1.129(a))	\$880	\$36,960	\$20,320
1810	For each additional invention to be examined (see 37 CFR 1.129(b))	\$880	\$880	-\$840
1818	Document fee for third-party submissions (see 37 CFR 1.290(f))	\$180	\$55,620	\$62,100
1819	Correction of inventorship after first action on merits	\$640	\$684,160	\$582,360
1830	Processing fee, except in provisional applications	\$140	\$2,660,980	\$2,688,280
1999	Patent Unassigned Fees	var	\$2,154,834	\$1,645,792
Total Miscellaneous Patent Fees (Large Entity)			\$34,469,392	\$30,553,342

Patents

Miscellaneous Patent Fees (Small Entity):

2802	Request for expedited examination of a design application	\$800	\$527,435	\$963,200
2803	Request for voluntary publication or republication	\$140	\$2,520	\$2,810

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
2806	Submission of an Information Disclosure Statement	\$130	\$3,487,640	\$3,112,610
2807	Processing fee for provisional applications	\$50	\$194,150	\$182,150
2808	Other publication processing fee	\$140	\$5,040	\$6,920
2809	Filing a submission after final rejection (see 37 CFR 1.129(a))	\$440	\$18,920	\$18,460
2810	For each additional invention to be examined (see 37 CFR 1.129(b))	\$440	\$1,320	\$440
2818	Document fee for third-party submissions (see 37 CFR 1.290(f))	\$90	\$7,200	\$9,540
2819	Correction of inventorship after first action on merits	\$320	\$266,560	\$231,340
2830	Processing fee, except in provisional applications	\$70	\$828,450	\$930,720
Total Miscellaneous Patent Fees (Small Entity)			\$5,339,235	\$5,458,190

Patents

Miscellaneous Patent Fees (Micro Entity):

3802	Request for expedited examination of a design application	\$400	\$201,378	\$2,188,725
3803	Request for voluntary publication or republication	\$140	\$560	\$840
3806	Submission of an Information Disclosure Statement	\$65	\$50,570	\$41,845
3807	Processing fee for provisional applications	\$50	\$9,550	\$6,450
3808	Other publication processing fee	\$140	\$700	\$840
3809	Filing a submission after final rejection (see 37 CFR 1.129(a))	\$220	\$1,980	\$1,980
3810	For each additional invention to be examined (see 37 CFR 1.129(b))	\$220	\$0	\$220
3819	Correction of inventorship after first action on merits	\$160	\$10,400	\$10,080
3830	Processing fee, except in provisional applications	\$35	\$49,560	\$57,820

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
Total Miscellaneous Patent Fees (Micro Entity)			\$324,698	\$2,308,800
Patents				
Patent Enrollment Fees:				
9001	Application fee (non-refundable)	\$110	\$289,080	\$287,210
9003	Registration to practice or grant of limited recognition under §11.9(b) or (c)	\$210	\$211,260	\$208,240
9004	Administrative Reinstatement Fee	\$210	\$5,040	\$6,090
9005	Certificate of good standing as an attorney or agent	\$40	\$36,560	\$12,080
9006	Certificate of good standing as an attorney or agent, suitable for framing	\$50	\$1,250	\$750
9010	For test administration by commercial entity	\$210	\$474,600	\$505,320
9012	Review of decision by the Director of Enrollment and Discipline under §11.2(c)	\$420	\$2,100	\$840
9013	Review of decision of the Director of Enrollment and Discipline under §11.2(d)	\$420	\$420	\$0
9014	Application fee for person disciplined, convicted of a felony or certain misdemeanors under §11.7(h)	\$1,680	\$18,480	\$21,840
9020	Delinquency fee	\$50	\$50	\$0
9024	Unspecified other services, excluding labor	var	\$9,225	\$6,960
9025	Registration to practice for change of practitioner type	\$110	\$35,860	\$38,950
9026	On Grant of Limited Recognition Under §11.9(b)	\$210	\$1,680	\$0
9028	For USPTO-Assisted Change of Address Within the Office of Enrollment and Discipline Information System	\$70	\$38,990	\$24,710
9029	For USPTO-Administered Review of Registration Examination	\$470	\$470	\$0

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
9030	Request for extension of time in which to schedule examination for registration to practice (non-refundable)	\$115	\$0	\$2,070
Total Patent Enrollment Fees			\$1,125,065	\$1,115,060

Patents

Finance Service Fees:

9101	Processing each payment refused or charged back	\$50	\$11,300	\$7,037
9202	Service charge for below minimum balance	\$25	\$22,550	\$0
9209	Partial Service Charge for Closing a Deposit Account	var	\$6,052	\$38,651
Total Finance Service Fees			\$39,902	\$45,688

Trademarks

Application Filings:

6001	Application for registration, per international class (paper filing)	\$750	\$0	-\$1,050
6006	Dividing an application, per new application (file wrapper) created	\$200	\$0	\$200
7001	Application for registration, per international class (electronic filing, TEAS Regular application filed prior to February 15, 2020)	\$500	\$1,710,000	-\$800
7006	Dividing an application, per new application (file wrapper) created	\$100	\$440,000	\$499,300
7007	Application for registration, per international class (electronic filing, TEAS Plus application)	\$250	\$81,112,500	\$127,532,250
7008	Additional fee for application that doesn't meet TEAS Plus filing requirements, per class	\$100	\$464,750	\$372,400
7009	Application for registration, per international class (electronic filing, TEAS Standard application)	\$350	\$116,539,850	\$124,314,325

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
7931	Application Fee Filed at WIPO	\$500	\$32,282,000	\$25,280,800
7933	Subsequent Designation Fee Filed at WIPO	\$500	\$2,807,000	\$1,797,600
Total Application Filings			\$235,356,100	\$279,795,025

Trademarks

Maintaining Exclusive Rights:

6201	Application for renewal under §9, per class	\$500	\$0	\$1,000
6203	Additional fee for filing renewal application during grace period, per class	\$200	\$0	\$400
6205	Filing §8 affidavit, per class	\$325	\$0	\$325
6206	Additional fee for filing §8 affidavit during grace period, per class	\$200	\$0	\$200
6207	Correcting a deficiency in a §8 affidavit	\$200	\$0	\$200
7012	Deletion of Goods or Services Under Section 8 as a Result of a Post Registration Audit, per Class	\$50	\$1,554,421	\$446,500
7201	Application for renewal under §9, per class	\$300	\$32,683,500	\$30,689,900
7203	Additional fee for filing renewal application during grace period, per class	\$100	\$1,041,200	\$1,135,600
7204	Correcting a deficiency in a renewal application	\$100	\$30,300	\$53,500
7205	Filing §8 affidavit, per class	\$225	\$54,223,650	\$45,369,425
7206	Additional fee for filing §8 affidavit during grace period, per class	\$100	\$2,423,500	\$2,654,800
7207	Correcting a deficiency in a §8 affidavit	\$100	\$338,500	\$323,700
7208	Filing §15 affidavit, per class	\$200	\$22,692,600	\$19,947,200
7210	Publication of mark under §12(c), per class	\$100	\$0	\$200
7211	Issuing new certificate of registration	\$100	\$5,400	\$9,000
7212	Certificate of correction, registrant's error	\$100	\$624,900	\$572,400
7214	Filing amendment to registration	\$100	\$29,000	\$20,400

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
Total Maintaining Exclusive Rights			\$115,646,971	\$101,224,750
Trademarks				
Intent to Use/Use Fees:				
7002	Filing an Amendment to Allege Use under §1(c), per class	\$100	\$964,300	\$262,700
7003	Filing a Statement of Use under §1(d)(1), per class	\$100	\$13,404,200	\$12,962,400
7004	Filing a Request for a Six-month Extension of Time for Filing a Statement of Use under §1(d)(1), per class	\$125	\$39,157,625	\$41,872,000
Total Intent to Use/Use Fees			\$53,526,125	\$55,097,100
Trademarks				
Madrid Protocol Fees:				
7013	Deletion of Goods or Services Under Section 71 as a Result of a Post Registration Audit, per Class	\$400	\$361,482	\$147,250
7901	Certifying an international application based on single application or registration, per class	\$100	\$1,758,600	\$2,168,500
7902	Certifying an international application based on more than one basic application or registration, per class	\$150	\$368,550	\$408,600
7903	Transmitting a Request to Record an Assignment or restriction under §7.23 or §7.24	\$100	\$1,000	\$1,400
7904	Filing a Notice of Replacement under §7.28, per class	\$100	\$300	\$200
7905	Filing an affidavit under §71 of the Act, per class	\$225	\$4,650,525	\$3,194,575
7906	Surcharge for filing affidavit under §71 of the Act during grace period, per class	\$100	\$279,800	\$304,300
7907	Transmitting a subsequent designation under §7.21	\$100	\$181,500	\$143,400

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
7908	Correcting a deficiency in an affidavit under §71 of the Act	\$100	\$17,100	\$36,100
Total Madrid Protocol Fees			\$7,618,857	\$6,404,325

Trademarks

Trademark Trial and Appeal Board:

6403	Ex parte appeal, per class	\$325	\$0	\$3,275
7401	Petition for cancellation, per class	\$600	\$2,475,000	\$2,013,000
7402	Notice of opposition, per class	\$600	\$7,195,800	\$5,336,600
7403	Ex parte appeal, per class	\$225	\$1,221,975	\$1,136,525
7404	Filing a request for an extension of time to file a notice of opposition under §2.102(c)(1)(ii) or (c)(2)	\$200	\$2,464,800	\$1,500,400
7405	Filing a request for an extension of time to file a notice of opposition under §2.102(c)(3)	\$400	\$1,428,800	\$920,200
7406	Filing a Brief in an Ex Parte Appeal to the Board, per Class	\$200	\$134,986	\$124,200
7407	Filing a Second or Subsequent Request for an Extension of Time to File an Appeal Brief, per Application	\$100	\$21,999	\$28,500
7408	Request for an Oral Hearing, per Proceeding	\$500	\$54,091	\$31,000
Total Trademark Trial and Appeal Board			\$14,997,450	\$11,093,700

Trademarks

Other Trademark Fees:

6991	Recordal application fee	\$20	\$620	\$580
6992	Renewal application fee	\$20	\$720	\$740
6993	Late fee for renewal application	\$20	\$180	\$160
6994	Application fee for reactivation of insignia, per request	\$20	\$80	\$80
6999	Trademark Unassigned Fees	var	\$81,076	\$9,029
7932	Renewal Fee Filed at WIPO	\$300	\$2,351,100	\$2,870,400

Appendix VI

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
8501	Printed copy of registered mark, delivery by USPS, USPTO Box, or electronic means	\$3	\$282	\$0
8503	Certified copy of registered mark, with title and/or status, regular service	\$15	\$91,365	\$47,265
8504	Certified copy of registered mark, with title and/or status, expedited local service	\$30	\$39,090	\$32,760
8507	Certified copy of trademark application as filed	\$15	\$307,830	\$250,830
8508	Certified or uncertified copy of trademark-related file wrapper and contents	\$50	\$48,700	\$61,450
8513	Certified or uncertified copy of trademark document, unless otherwise provided	\$25	\$11,650	\$9,025
8514	For assignment records, abstracts of title and certification per registration	\$25	\$20,150	\$10,100
8521	Recording trademark assignment, agreement or other paper, first mark per document	\$40	\$1,855,040	\$2,593,240
8522	For second and subsequent marks in the same document	\$25	\$6,440,125	\$7,140,925
8533	Additional fee for overnight delivery	\$40	\$960	\$1,720
8534	Additional fee for expedited service	\$160	\$16,000	\$12,800
8901	REPS	var	\$983	\$0
8902	Self Service Copy Charge, per Page	var	\$0	\$0
8904	Library Service	\$50	\$2,100	\$2,228
9990	International Bureau Unassigned Fees	var	\$0	\$1,405,050
Total Other Trademark Fees			\$11,268,051	\$14,448,382

Trademarks

Trademark Processing Fees:

6005	Petitions to the Director (Paper Correspondence)	\$350	\$0	\$350
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Appendix VI

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget Planned Fee Collections</u>	<u>Actual Fee Collections</u>
7005	Petitions to the Director (Electronic Correspondence)	\$250	\$618,500	\$1,348,650
7010	Petitions for Revival or Reinstatement Filed through TEAS	\$150	\$4,582,500	\$2,707,350
7011	Letter of Protest	\$100	\$76,700	\$145,400
70RE	Request for Reconsideration, Filed More Than Three Months After Final Office Action	\$400	\$856,800	\$0
Total Trademark Processing Fees			\$6,134,500	\$4,201,750
Trademarks				
Finance Service Fees:				
9101	Processing Each Payment Refused or Charged Back	\$50	\$1,150	\$1,063
9202	Service Charge for Below Minimum Balance on Deposit Accounts	\$25	\$2,350	\$0
9209	Partial service charge for closing a deposit account	var	\$630	\$5,835
Total Finance Service Fees			\$4,130	\$6,898

APPENDIX VII – 2018-2022 USPTO STRATEGIC PLAN FRAMEWORK

2018–2022 Strategic Plan	
MISSION Fostering innovation, competitiveness and job growth in the United States by conducting high quality and timely patent and trademark examination and review proceedings in order to produce reliable and predictable intellectual property rights; guiding intellectual property policy and improving intellectual property rights protection; and delivering intellectual property information and education worldwide.	
VISION Leading the nation and the world in intellectual property	
Strategic Goals with Resources Invested	Objectives
Goal I: Optimize Patent Quality and Timeliness	Optimize Patent Application Pendency
	Issue Highly Reliable Patents
	Foster Innovation Through Business Effectiveness
	Enhance Operations of the Patent Trial and Appeal Board (PTAB)
Goal II: Optimize Trademark Quality and Timeliness	Optimize Trademark Application Pendency
	Issue High-Quality Trademarks
	Foster Business Effectiveness
	Enhance Operations of the Trademark Trial and Appeal Board (TTAB)
Goal III: Provide Domestic and Global Leadership to Improve Intellectual Property Policy, Enforcement, and Protection Worldwide	Provide Leadership and Education on Domestic Intellectual Property Policy and Awareness
	Provide Leadership and Education on International Intellectual Property Policy and Awareness
MISSION SUPPORT GOAL: Achieve Organizational Excellence	Enhance Human Capital Management and Foster Employee Engagement
	Optimize Speed, Quality, and Cost-Effectiveness of Information Technology Delivery to Achieve Business Value
	Ensure Financial Sustainability to Facilitate Effective USPTO Operations
	Enhance the USPTO's Interaction with Internal and External Stakeholders and the Public at Large

APPENDIX VIII – FY 2022/2023 ANNUAL PERFORMANCE PLAN AND REPORT BACK UP

Overview of Bureau Accomplishments

The following strategic goals and objectives apply to USPTO via the DOC FY 2022-2026 Strategic Plan:

SO 1.5: Patent Reliability and Timeliness: The USPTO's Patent organization continues to focus on accurate and consistent results in search and examination, while improving the timeliness of examinations. The USPTO will closely monitor inventory and application filing levels and ensure examiner production time is sufficient for current examination responsibilities across different technology areas and account for the needs of underrepresented groups, first-time filers, independent inventors, and small businesses.

SO 1.5: Trademark Quality and Timeliness: The USPTO's Trademarks organization is committed to improving the quality of trademark application examination and ensuring that all examiners have the knowledge and skills to perform their jobs well. To raise the bar, Trademarks instituted its Exceptional Office Action initiative, which emphasizes comprehensive excellence in office actions and expands upon the existing first and final action standards for correct decision-making.

SO 1.5: IP Training: The USPTO trains audiences, including foreign government officials and U.S. stakeholders, on best practices in intellectual property (IP) protection and enforcement. The USPTO's Global IP Academy trained over 17,800 people in FY 2021, exceeding its annual target of 5,000. Training recipients included domestic IP rights holders and users and foreign officials (e.g., patent, trademark, and copyright officials; judges; prosecutors; police; customs officials; and IP policymakers).

SO 1.5: Advances in Intellectual Property Rights: The USPTO concluded cooperative agreements designed to improve IP systems and enhance the enforcement of rights with the IP offices in Costa Rica, the Philippines, Uganda, Israel, Australia and India as well as with the Association of Southeast Asian Nations and the African Regional Intellectual Property Organization. In addition, progress continues on similar agreements with the IP offices in Laos, Moldova, Egypt, Tunisia, Qatar, Saudi Arabia, and Taiwan.

- The USPTO continues its active engagement with other patent and trademark offices around the world through the five leading IP offices (IP5), the Trademark 5 (TM5), and Industrial Design 5 (ID5). The IP5 comprises of the USPTO, the China National Intellectual Property Administration (CNIPA), the European Patent Office (EPO), the Japan Patent Office (JPO), and the Korean Intellectual Property Office (KIPO). The TM5 and ID5 consist of the USPTO, CNIPA, EPO, JPO, and KIPO. The groups make up the world's five largest patent and trademark offices and account for about 90% of all patent applications, 80% of all design applications, and half of all trademark applications filed worldwide. The IP5, TM5, and ID5 promote cooperation and collaboration among their

members, which exchange information on practices and programs that facilitate increasingly user-friendly and interoperable patent, trademark, and design systems.

- The USPTO continues to actively support the monitoring of compliance with trade agreements, including by participating in reviews of foreign country laws as part of World Trade Organization Trade Policy Reviews and trade agreements such as phase one of the United States-China trade agreement.

Planned Actions for FY 2022

USPTO – Patents: The USPTO continues its commitment to process patent applications in a timely manner and has established patent timeliness goals based on Patent Term Adjustment (PTA) timeframes. Reducing the number of patent term adjustments issued provides consistently short pendency for all applications, reduces uncertainty in the marketplace, and ensures that patents expire and become available to the public at the statutorily defined time of 20 years from filing.

USPTO – Trademarks: The USPTO expects new application filings to increase by about 251,000 application classes by FY 2025 compared to FY 2021. To keep pace with the workload and support business development and the implementation of new and improved IT systems, Trademarks will increase the number of examining attorneys. Future volatility resulting from the COVID-19 pandemic may impact projected filings.

USPTO – Office of Policy and International Affairs: The USPTO continues to provide training for audiences, including foreign government officials and U.S. stakeholders that promotes the protection and enforcement of the IP of American innovators and creators at the domestic and international levels.

Analysis of Performance Indicators

Explanation of Trends

Patents: The USPTO continued a decade-long trend of improvement in patent application pendency and started tracking it by measuring Patent Term Adjustment (PTA), our overall adherence to statutorily defined time frames. The USPTO is a fee-funded agency; however, appropriation amounts and fluctuations in demand impact targets.

Trademarks: The USPTO trademark pendency was not met but quality targets have been met or exceeded. The USPTO is a fee-funded agency; however, appropriation amounts and fluctuations in demand impact targets.

Office of Policy and International Affairs: The USPTO consistently meets its IP training and protection targets. The USPTO is a fee-funded agency; however, appropriation amounts impact targets.

Explanation of Targets for FY 2022 and FY 2023

The USPTO targets will generally stay consistent for FY 2022 and FY 2023. However, the USPTO is a fee-funded agency, so appropriation amounts impact targets.

Evolution of the Performance Indicators

The USPTO's performance depends on workload demand and fee collection estimates derived from production and workload models as well as global and domestic indicators of economic activity, all of which present unique forecasting risks. The USPTO strives for increased accuracy when predicting workload and fee estimates. Furthermore, the USPTO uses performance indicator reviews to monitor the progress and implementation of its goals and objectives and to inform employees and stakeholders

Performance Data Validation and Verification

The USPTO conducts verification and validation of performance measures periodically to ensure quality, reliability, and credibility. At the beginning of each fiscal year and at various points throughout the reporting or measurement period, the USPTO reviews and adjusts sampling techniques and sample counts to ensure that data are statistically reliable for making inferences about the population as a whole.

Performance Indicators

Class	Strategic Objective	Performance Indicator	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2021 Target	FY 2022 Projected Actual	FY 2022 Target	FY 2023 Target
Current/Recurring	1.5	Total Patent Term Adjustment (PTA) compliance, mailed actions	n/a	n/a	n/a	83%	83%	84%	82%	80%	80%
Current/Recurring	1.5	Total Patent Term Adjustment (PTA) inventory compliance, remaining inventory	n/a	n/a	n/a	88%	86%	86%	86%	87%	88%
Current/Recurring	1.5	Patent statutory compliance metrics (percentage), statute 35 U.S.C. 101 (including utility and eligibility)	96.5%	96.8%	97.7%	97.7%	98.3%	97.0%	98.2%	>94%	>94%
Current/Recurring	1.5	Patent statutory compliance metrics (percentage), statute 35 U.S.C. 102 (prior art compliance)	94.4%	95.2%	94.4%	94.3%	95.1%	95.0%	94.3%	>94%	>94%
Current/Recurring	1.5	Patent statutory compliance metrics (percentage), statute 35 U.S.C. 103 (prior art compliance)	92.4%	92.0%	89.9%	88.9%	90.7%	93.0%	90.3%	>91%	>91%
Current/Recurring	1.5	Patent statutory compliance metrics (percentage), statute 35 U.S.C. 112 (35 U.S.C. 112(a), (b), including (a)/(b) rejections related to 35 U.S.C. 112(f))	92.6%	92.9%	92.2%	90.6%	92.2%	93.0%	93.8%	>92%	>92%
Current/Recurring	1.5	Trademark average first action pendency (months) ¹	2.7	3.4	2.6	3.0	6.3	2.5-4.5	7.4	2.5-7.5	2.5-6.5
Current/Recurring	1.5	Trademark average total pendency (months)	9.5	9.6	9.3	9.5	11.2	12.0	12.23	13.5	13.5
Current/Recurring	1.5	Trademark first action compliance rate (percentage)	97.3%	96.9%	96.4%	95.7%	96.3%	95.5%	96.2%	95.5%	95.5%
Current/Recurring	1.5	Trademark final compliance rate (percentage)	98.3%	97.9%	97.4%	98.1%	98.7%	97.0%	98.6%	97.0%	97.0%
Current/Recurring	1.5	Trademark exceptional office action (percentage)	45.0%	48.0%	54.5%	51.0%	54.1%	50.0%	649.6%	50.0%	50.0%
Current/Recurring	1.5	Percentage of prioritized countries for which IP country teams have made progress on at least three of the four performance criteria	100%	100%	66%	100%	100%	66%	100%	66%	66%
Current/Recurring	1.5	Number of people, including foreign government officials and U.S. stakeholders, trained on best practices to protect and enforce IP	4,134	7,242	9,854	10,688	17,841	5,000	4,655	5,000	5,000

¹ In the coming years, USPTO's efforts will be to keep first action pendency below the high end of the ranges. The low end of the ranges are included in the goals as an indication that there is an optimal minimum first action pendency that ensures high quality examination.

All Performance Indicators

Indicator	Patents total PTA compliance, all mailed actions							
Strategic Goal	1.0 Drive U.S. Innovation and Global Competitiveness							
Objective	1.5 Promote accessible, strong, and effective intellectual property rights to advance innovation, creativity, and entrepreneurship							
Program Activity Name	Patents							
Indicator Class	Current/Recurring							
Type	Outcome							
Source	https://www.uspto.gov/dashboards/patents/main.dashxml							
Description	<p>Patent Term Adjustment (PTA) was established by the American Inventors Protection Act of 1999 and provides for day-for-day adjustment of patent term (i.e., the period of time a patent is in force) for certain USPTO administrative delays (“the 14-4-4-36 timeframes”) for certain patent applications. The specified timeframes are to: issue an Office Action within 14 months after application filing, respond to a reply or appeal within four months, act on the application within four months after a decision from the Patent Trial and Appeal Board (PTAB) or from a Federal court, and issue the patent within four months after payment of the issue fee. Additionally, a 36-month timeframe applies if the USPTO does not issue a patent within three years of the filing date or national stage commencement, with certain exceptions. Further, time consumed by interference or derivation proceedings, delays caused by placing the application under a secrecy order under 35 U.S.C. 181, or time consumed by a successful appellate review may result in positive PTA. Any positive PTA is offset by any period that an applicant failed to engage in reasonable efforts to conclude prosecution. This measure reports the PTA for all mailed actions.</p>							
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected Actual	FY 2022 Target	FY 2023 Target
Target	n/a	n/a	n/a	81%	84%	80%	80%	80%
Actual	n/a	n/a	n/a	83%	83%	8281%		
Status*	n/a	n/a	n/a	Exceeded	Not Met	TBD		

Indicator	Patents total PTA compliance, remaining inventory							
Strategic Goal	1.0 Drive U.S. Innovation and Global Competitiveness							
Objective	1.5 Promote accessible, strong, and effective intellectual property rights to advance innovation, creativity, and entrepreneurship							
Program Activity Name	Patents							
Indicator Class	Current/Recurring							
Type	Outcome							
Source	https://www.uspto.gov/dashboards/patents/main.dashxml							
Description	<p>Patent Term Adjustment (PTA) was established by the American Inventors Protection Act of 1999 and provides for day-for-day adjustment of patent term (i.e., the period of time a patent is in force) for certain USPTO administrative delays (“the 14-4-4-4-36 timeframes”) for certain patent applications. The specified timeframes are to: issue an Office Action within 14 months after application filing, respond to a reply or appeal within four months, act on the application within four months after a decision from the Patent Trial and Appeal Board (PTAB) or from a Federal court, and issue the patent within four months after payment of the issue fee. Additionally, a 36-month timeframe applies if the USPTO does not issue a patent within three years of the filing date or national stage commencement, with certain exceptions. Further, time consumed by interference or derivation proceedings, delays caused by placing the application under a secrecy order under 35 U.S.C. 181, or time consumed by a successful appellate review may result in positive PTA. Any positive PTA is offset by any period that an applicant failed to engage in reasonable efforts to conclude prosecution. This measure reports the PTA for all remaining inventory.</p>							
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected Actual	FY 2022 Target	FY 2023 Target
Target	n/a	n/a	n/a	88%	86%	87%	87%	88%
Actual	n/a	n/a	n/a	88%	86%	86%		
Status*	n/a	n/a	n/a	Met	Met	TBD		

Indicator	Patent statutory compliance metrics (percentage)							
Strategic Goal	1.0 Drive U.S. Innovation and Global Competitiveness							
Objective	1.5 Promote accessible, strong, and effective intellectual property rights to advance innovation, creativity, and entrepreneurship							
Program Activity Name	Patents							
Indicator Class	Current/Recurring							
Type	Outcome							
Source	https://www.uspto.gov/dashboards/patents/main.dashxml							
Description	This metric measures the degree to which a patent is correctly issued in compliance with all the requirements of Title 35 as well as the relevant case law at the time of issuance. A statutorily compliant office action includes all applicable rejections and any asserted rejection is correct in that the decision to reject is based on sufficient evidence to support a conclusion of unpatentability.							
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected Actual	FY 2022 Target	FY 2023 Target
Statute 35 U.S.C. 101 (including utility and eligibility)								
Target	93.0-98.0%	97.095%	97.0%	>97.0%	>97.0%	>94%	>94%	>94%
Actual	96.5%	96.8%	97.7%	97.7%	98.3%	98.2%		
Status*	Met	Not Met	Met	Met	Exceeded	TBD		
Statute 35 U.S.C. 102 (prior art compliance)								
Target	90.0-95.0%	95.093.0%	95.0%	>95.0%	>95.0%	>94%	>94%	>94%
Actual	94.4%	95.2%	94.4%	94.3%	95.1%	94.3%		
Status*	Met	Met	Not Met	Not Met	Met	TBD		
Statute 35 U.S.C. 103 (prior art compliance)								
Target	88.0-93.0%	93.0%	93.0%	>93.0%	>93.0%	>91%	>91%	>91%
Actual	92.4%	92.0%	89.9%	88.9%	90.7%	90.3%		
Status*	Met	Not Met	Not Met	Not Met	Not Met	TBD		
Statute 35 U.S.C. 112 (35 U.S.C. 112(a), (b) including, (a)/(b) rejections related to 35 U.S.C. 112(f))								
Target	87.0-92.0%	937.0%	93.0%	>93.0%	>93.0%	>92%	>92%	>92%
Actual	92.6%	92.9%	92.2%	90.6%	92.2%	93.8%		
Status*	Met	Not Met	Not Met	Not Met	Not Met	TBD		

Indicator	Trademark average first action pendency (months) ¹							
Strategic Goal	1.0 Drive U.S. Innovation and Global Competitiveness							
Objective	1.5 Promote accessible, strong, and effective intellectual property rights to advance innovation, creativity, and entrepreneurship							
Program Activity Name	Trademarks							
Indicator Class	Current/Recurring							
Type	Outcome							
Source	https://www.uspto.gov/dashboards/trademarks/main.dashxml							
Description	This measure reflects the timeliness of the first office action as measured from the date of application filing (or notification date for 66(a) filings) to the first office action in months.							
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected Actual	FY 2022 Target	FY 2023 Target
Target	2.5-3.5	2.5-3.5	2.5-3.5	2.5-3.5	2.5-4.5	2.5-7.5	2.5-7.5	2.5-6.5
Actual	2.7	3.4	2.6	3.0	6.3	7.4		
Status*	Met	Met	Met	Met	Not Met	TBD		
¹ In the coming years, USPTO's efforts will be to keep first action pendency below the high end of the ranges. The low end of the ranges are included in the goals as an indication that there is an optimal minimum first action pendency that ensures high quality examination.								

Indicator	Trademark average total pendency (months)							
Strategic Goal	1.0 Drive U.S. Innovation and Global Competitiveness							
Objective	1.5 Promote accessible, strong, and effective intellectual property rights to advance innovation, creativity, and entrepreneurship							
Program Activity Name	Trademarks							
Indicator Class	Current/Recurring							
Type	Outcome							
Source	https://www.uspto.gov/dashboards/trademarks/main.dashxml							
Description	This measure reflects the timeliness of the disposal of a trademark application. It is measured from the date of filing to date of registration, abandonment or issuance of a notice of allowance, excluding applications that are suspended, awaiting further action, or involved in inter partes proceedings.							
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected Actual	FY 2022 Target	FY 2023 Target
Target	12.0	12.0	12.0	12.0	12.0	13.5	13.5	13.5
Actual	9.5	9.6	9.3	9.5	11.2	12.32		
Status*	Exceeded	Exceeded	Exceeded	Exceeded	Met	TBD		

Indicator	Trademark first action compliance rate (percentage)							
Strategic Goal	1.0 Drive U.S. Innovation and Global Competitiveness							
Objective	1.5 Promote accessible, strong, and effective intellectual property rights to advance innovation, creativity, and entrepreneurship							
Program Activity Name	Trademarks							
Indicator Class	Current/Recurring							
Type	Outcome							
Source	https://www.uspto.gov/dashboards/trademarks/main.dashxml							
Description	This measure is the percentage of applications reviewed meeting the criteria for decision making conducted on random sample of applications including first office actions to determine the soundness of decision-making under the Trademark Act.							
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected Actual	FY 2022 Target	FY 2023 Target
Target	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%
Actual	97.3%	96.9%	96.4%	95.7%	96.3%	96.2%		
Status*	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	TBD		

Indicator	Trademark final compliance rate (percentage)							
Strategic Goal	1.0 Drive U.S. Innovation and Global Competitiveness							
Objective	1.5 Promote accessible, strong, and effective intellectual property rights to advance innovation, creativity, and entrepreneurship							
Program Activity Name	Trademarks							
Indicator Class	Current/Recurring							
Type	Outcome							
Source	https://www.uspto.gov/dashboards/trademarks/main.dashxml							
Description	This measure is the percentage of evaluations meeting the criteria for decision making conducted on a random sample of applications that received a final decision regarding registrability (i.e., registration eligibility) under the Trademark Act either by approval or final refusal.							
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected Actual	FY 2022 Target	FY 2023 Target
Target	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%
Actual	98.3%	97.9%	97.4%	98.1%	98.7%	98.6%		
Status*	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	TBD		

Indicator	Trademark exceptional office action (percentage)							
Strategic Goal	1.0 Drive U.S. Innovation and Global Competitiveness							
Objective	1.5 Promote accessible, strong, and effective intellectual property rights to advance innovation, creativity, and entrepreneurship							
Program Activity Name	Trademarks							
Indicator Class	Current/Recurring							
Type	Outcome							
Source	https://www.uspto.gov/dashboards/trademarks/main.dashxml							
Description	This measure is the percentage of evaluations exceeding the statutory requirement decision making conducted on a random sample of applications that received a first office action regarding registrability under the Trademark Act.							
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected Actual	FY 2022 Target	FY 2023 Target
Target	40.0%	45.0%	46.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Actual	45.0%	48.0%	54.5%	51.0%	54.1%	49.6%		
Status*	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	TBD		

Indicator	<p>Percentage of prioritized countries for which IP country teams have made progress on at least three of the four performance criteria:</p> <p>a. Institutional improvements of IP office administration for advancing IP rights;</p> <p>b. Institutional improvements of IP enforcement entities;</p> <p>c. Improvements in IP laws and regulations; and</p> <p>d. Establishment of government-to-government cooperative mechanisms.</p>							
Strategic Goal	1.0 Drive U.S. Innovation and Global Competitiveness							
Objective	1.5 Promote accessible, strong, and effective intellectual property rights to advance innovation, creativity, and entrepreneurship							
Program Activity Name	Patents/Trademarks							
Indicator Class	Current/Recurring							
Type	Outcome							
Source	https://www.uspto.gov/learning-and-resources/global-intellectual-property-academy							
Description	The Global Intellectual Property Academy (GIPA) offers training programs on protection, utilization and enforcement of IP rights, patents, trademarks, and copyrights. It is through the GIPA training programs that the USPTO is instrumental in achieving its objectives of advancing IP rights policies and halting IP theft.							
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected Actual	FY 2022 Target	FY 2023 Target
Target	75%	66%	66%	66%	66%	66%	66%	66%
Actual	100%	100%	66%	100%	100%	100%		
Status*	Exceeded	Exceeded	Met	Exceeded	Exceeded	TBD		

Indicator	Number of people, including foreign government officials and U.S. stakeholders, trained on best practices to protect and enforce IP							
Strategic Goal	1.0 Drive U.S. Innovation and Global Competitiveness							
Objective	1.5 Promote accessible, strong, and effective intellectual property rights to advance innovation, creativity, and entrepreneurship							
Program Activity Name	Patents/Trademarks							
Indicator Class	Current/Recurring							
Type	Output							
Source	https://www.uspto.gov/learning-and-resources/global-intellectual-property-academy							
Description	The Global Intellectual Property Academy (GIPA) offers training programs on protection, utilization and enforcement of IP rights, patents, trademarks, and copyrights. It is through the GIPA training programs that the USPTO is instrumental in achieving its objectives of advancing IP rights policies and halting IP theft.							
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected Actual	FY 2022 Target	FY 2023 Target
Target	5,000	5,000	4,500	5,000	5,000	5,000	5,000	5,000
Actual	4,134	7,242	9,854	10,688	17,841	4,655		
Status	Not Met	Exceeded	Exceeded	Exceeded	Exceeded	TBD		