



**United States Patent and Trademark Office
Fiscal Year 2024 Congressional Submission**

March 2023

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**DEPARTMENT OF COMMERCE
 UNITED STATES PATENT AND TRADEMARK OFFICE
 Budget Estimates, Fiscal Year 2024
 Congressional Submission
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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 U.S. Department of Commerce (DOC). The Under Secretary of Commerce for Intellectual Property and Director of the USPTO leads the agency and consults the Patent Public Advisory Committee (PPAC) and the Trademark Public Advisory Committee (TPAC) on agency 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's draft mission is to drive U.S. innovation, inclusive capitalism, and global competitiveness. The USPTO will deliver on its mission through two distinct business lines, Patents and Trademarks, that administer the patent and trademark laws to enable and protect intellectual property (IP). The USPTO is a demand-driven, fee-funded, performance-based organization committed to delivering balanced IP protection and information to all its stakeholders, including inventors, entrepreneurs, businesses, IP organizations, and international entities.

The USPTO estimates that it will employ 14,425 federal employees, including patent examiners, trademark examining attorneys, information technology (IT) specialists, attorneys, and other administrative staff, in fiscal year (FY) 2024. USPTO employees perform the inherently governmental functions of issuing patents and registering trademarks as well as providing domestic and global leadership on IP issues. Third-party contractors perform several mission-support activities that are not inherently governmental.

A core component of the USPTO's business strategy is a nationwide workforce with extensive remote work and telework options to employ, engage, and retain employees. The USPTO is headquartered in Alexandria, Virginia, and 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.

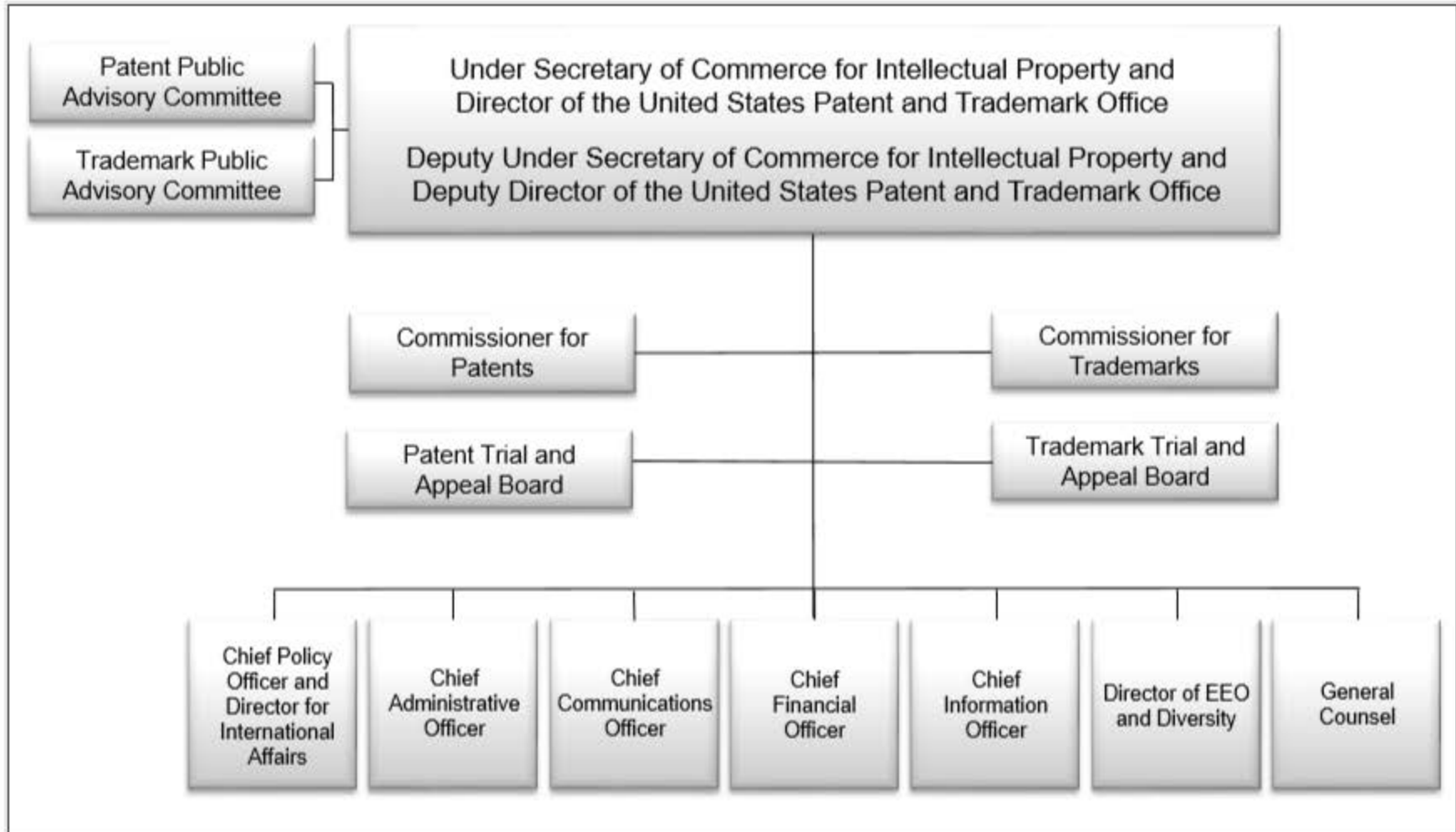
Exhibits 32 and 33 contain the USPTO's legislative authorities.

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.

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



**Department of Commerce
U.S. Patent and Trademark Office
Budget Estimates, FY 2024
Executive Summary**

The USPTO’s FY 2024 Budget (Budget) estimates agency fee collections of \$4,196 million, consisting of \$3,696 million in patent fees and \$500 million in trademark fees. The USPTO also expects to collect \$58 million in other income (i.e., reimbursements). Estimated spending is \$4,286 million, consisting of \$3,731 million in Patents spending and \$555 million in Trademarks spending, which supports 14,425 positions. In FY 2024, the USPTO will use \$32 million (net) from the combined operating reserves (ORs) to fund estimated spending in excess of collections. The patent OR will increase by \$14 million, and the trademark OR will decrease by \$46 million. The agency requests appropriation authority to spend the full fee collection estimate of \$4,196 million to offset the spending requirement and fund the planned patent OR balance; under this request, the USPTO’s FY 2024 net appropriation is \$0.

USPTO Operating Levels for FY 2022-FY 2024			
<i>Dollars in millions</i>	FY 2022	FY 2023	FY 2024
Estimated fee revenue (Appropriation/Authority)	4,090	4,105	4,196
Other income	53	58	58
OR BOY balance	684	984	1,038
Total estimated funds available	4,827	5,147	5,292
Total estimated spending	(3,812)	(4,141)	(4,286)
Available at EOY	1,015	1,006	1,005
Transfer (to)/(PTFRF)	(32)	32	-
OR EOY balance	984	1,038	1,005
PTFRF			
PTFRF BOY balance	-	32	-
Transfer to/(from) PTFRF	32	(32)	-
PTFRF EOY balance	32	-	-
EOY OR and PTFRF	1,015	1,038	1,005
Authorized positions	13,250	14,085	14,425

As mentioned above, the USPTO’s FY 2024 fee revenue is projected to be \$4,196 million. The FY 2024 patent fee collection estimate of \$3,696 million is \$112 million lower than the estimate reported in the FY 2023 President’s Budget (PB). The revised estimate reflects the increase in patent small and micro entity fee discounts (lower fee rates) enacted in the Unleashing American Innovators Act of 2022 (UAIA), through the Consolidated Appropriations Act, 2023. The patent OR remains above minimum levels but does not meet optimal levels over the budget horizon. Beginning in FY 2025, and at current fee rates, the patent OR is estimated to decline as estimated spending exceeds estimated fee collections. The FY 2024 trademark fee estimate of \$500 million is \$86 million less than the estimate reported in the FY 2023 PB. The updated estimate reflects a lower demand for trademark applications than estimated in the FY 2023 PB. For additional information, please see [Appendix I](#). Trademark spending requirements are estimated to exceed trademark fee collections throughout the budget horizon. The USPTO will use the trademark OR to fund spending levels in excess of fee collections to meet trademark budgetary requirements, as necessary. At current fee rates, trademark OR levels will remain above minimum levels in the budget year. The forecasted decline in patent and trademark ORs increases financial risk beyond FY 2024. To mitigate financial risk and balance policy considerations, the USPTO will include patent and trademark fee adjustments in future budgets, if necessary.

The USPTO’s Budget is predicated on workload and fee collection estimates derived from internal production and workload models, as well as relevant indicators of economic and IP activity. In FY 2024, the USPTO estimates that the growth rate for serialized (original) patent applications will increase by 2.0% over the projected FY 2023 application filing levels, and trademark applications will increase by 5.3%.

These forecasts are inherently uncertain. 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., patent and trademark). The ORs are a U.S. Government Accountability Office (GAO) best practice for user fee-funded government agencies like the USPTO. The ORs enable the USPTO to finance agency operations consistently when:

- Fee collections are partially or wholly unavailable (e.g., during continuing resolutions or government shutdowns);
- Fee collections are lower than expected (e.g., during unexpected economic downturns or legislative changes);
- Seasonal spending requirements exceed seasonal fee collections (e.g., normal cash flow variability);
- Demand for patent or trademark services unexpectedly increases (e.g., during unexpected economic upturns with increased work volumes or legislative change); or
- Other unanticipated spending requirements exceed planned estimates that 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. [Appendix I](#) includes more detailed information regarding the Patents and Trademarks business lines, operating reserves, and five-year budgetary outlooks.

The USPTO is fiscally responsible and 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) provides the USPTO with the authority to set and adjust fees to align with costs. The AIA also created a framework to provide the USPTO full access to all fees collected. Fee estimates included in this budget reflect the change in small and micro entity discounts included in section 107 of the UAIA (Pub. L. 117-328), enacted on December 29, 2022. This Budget funds some provisions of the UAIA. The USPTO continues to evaluate the UAIA provisions and is identifying any additional resources and budgetary requirements needed to fund all of the UAIA provisions. The USPTO is also reviewing its organizational structure to ensure it is designed to successfully and effectively respond to the requirements in the UAIA. As a result, the USPTO may submit a formal request to Congress to restructure certain activities. For more detailed information regarding the UAIA please see, [Appendix I](#).

This Budget supports the USPTO's draft 2022-2026 Strategic Plan. The draft mission, vision, and goals are shown below, and additional details, including draft objectives, are in [Appendix VIII](#).

Mission: Drive U.S. innovation, inclusive capitalism, and global competitiveness

Vision: Unleashing America's Potential

Goal 1: Drive inclusive U.S. innovation and global competitiveness

- Goal 2:** Promote the efficient delivery of reliable IP rights
- Goal 3:** Promote the protection of IP against new and persistent threats
- Goal 4:** Bring innovation to positive impact
- Goal 5:** Generate impactful employee and customer experiences by maximizing agency operations

The Budget supports Administration priorities and executive orders (EOs) pertaining to managing pendency, IP reliability, and quality; increasing diversity, equity, inclusion, and outreach throughout the IP community; delivering exceptional customer experiences; supporting the Council for Inclusive Innovation's (CI2) increased focus on the involvement of women and other under-represented groups in the innovation ecosystem; optimizing IT; promoting innovation and entrepreneurship; and investing in a post-pandemic hybrid operating model.

Budget Highlights

The USPTO's FY 2024 estimated spending is \$4,286 million. This is a \$145 million net increase from the FY 2023 estimated spending of \$4,141 million. The net increase includes a \$226 million upward adjustment for prescribed inflation and other adjustments to base and an \$81 million downward adjustment in program spending and other realized efficiencies. This aggregate spending level allows for the hiring of 675 patent examiners (roughly 115 over estimated attrition levels), the hiring of approximately 100 trademark examining attorneys (approximately 50 over estimated attrition levels), and sufficient production support capabilities required to match examination capacity with the expected workload. Furthermore, the Budget requests funds for additional examination capacity to improve patent reliability and patent term adjustment (PTA) compliance rates, and to improve processing times to match the demand for trademarks, including the unprecedented demand in 2021 that resulted in a backlog of unexamined inventory. The Budget includes some UAIA implementation requirements, including expanding outreach, education, and the Patent Pro Bono Program. Additionally, the Budget continues to fund transformation for the USPTO's IT business systems and infrastructure while prioritizing resilience, enhanced cybersecurity, and the movement of applications to the cloud. The Budget also includes a decrease in future rental payments beginning in FY 2025. Enabled by best practices in telework, the USPTO released leased space in two auxiliary facilities in Northern Virginia at the end of 2022 and has notified the General Services Administration (GSA) that the agency will release two main campus buildings in Alexandria, Virginia, resulting in an aggregate footprint reduction of more than one million square feet by August 2024. The USPTO continues to evaluate its leased space needs.

Performance

For current Government Performance and Results Act targets, please see [Appendix IX](#).

Adjustments

Inflationary Adjustments

The USPTO's FY 2024 base includes a total of \$4,365 million and 13,632 full-time equivalents (FTEs)/14,085 positions; inflationary adjustments to current programs for USPTO activities were calculated from these levels. These adjustments include the estimated 5.2% civilian pay raise planned in FY 2024 and inflationary increases for labor and non-labor activities such as benefits, service contracts, utilities, and lease payments.

TOTAL BUDGET AND FINANCING

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Department of Commerce
U.S. Patent and Trademark Office
PRIORITY RANK OF 2024 PROGRAM CHANGES
(Dollar amounts in thousands)

Page No.	Activity/Sub activity	Item	Positions	Budget Authority
USPTO – 49	Trademark Program	Trademark Examining	70	9,293
USPTO – 78	Mission Support Program	Executive Direction and Communications	24	3,458
USPTO – 79	Mission Support Program	Human Resources Management and Administrative Services	1	1,838
USPTO – 50	Trademark Program	Trademark Trial and Appeals	4	1,118
USPTO – 80	Mission Support Program	Mission Support Information Resources	0	903
USPTO – 62	Intellectual Property Policy Protection and Enforcement Program	Policy, External Affairs and Administrative Support	2	108
USPTO – 62	Intellectual Property Policy Protection and Enforcement Program	Global Intellectual Property Academy (GIPA)	0	55
USPTO – 79	Mission Support Program	Legal Services	0	(9)
USPTO – 34	Patent Program	Patent Trial and Appeals	0	(111)
USPTO – 62	Intellectual Property Policy Protection and Enforcement Program	IPR Attaché Program	0	(391)
USPTO – 78	Mission Support Program	Financial Management Services	1	(1,344)
USPTO – 50	Trademark Program	Trademark Information Resources	3	(3,115)
USPTO – 34	Patent Program	Patent Information Resources	0	(5,308)
USPTO – 31	Patent Program	Patent Examining	235	(17,124)
USPTO – 81	Mission Support Program	Miscellaneous General Expense (MGE)	0	(26,885)
USPTO – 80	Mission Support Program	IT Infrastructure and IT Support Services	0	(43,405)
Total, Program Changes			340	(80,919)

**Department of Commerce
U.S. Patent and Trademark Office
FY 2024 PROGRAM INCREASES / DECREASES / TERMINATIONS**
(Dollar amounts in thousands)
(By Appropriation, Largest to Smallest)

Increases

Page No.	Appropriations	Budget Program	Title of Increase	Positions	Budget Authority
USPTO – 49	Salaries and Expenses	Trademark Program	Trademark Examining	70	9,293
USPTO – 78	Salaries and Expenses	Mission Support Program	Executive Direction and Communications	24	3,458
USPTO – 79	Salaries and Expenses	Mission Support Program	Human Resources Management and Administrative Services	1	1,838
USPTO – 50	Salaries and Expenses	Trademark Program	Trademark Trial and Appeals	4	1,118
USPTO – 80	Salaries and Expenses	Mission Support Program	Mission Support Information Resources	0	903
USPTO – 62	Salaries and Expenses	Intellectual Property Policy Protection and Enforcement Program	Policy, External Affairs and Administrative Support	2	108
USPTO – 62	Salaries and Expenses	Intellectual Property Policy Protection and Enforcement Program	Global Intellectual Property Academy (GIPA)	0	55
Total, Increases				101	16,773

Decreases

Page No.	Appropriations	Budget Program	Title of Decrease	Positions	Budget Authority
USPTO – 80	Salaries and Expenses	Mission Support Program	IT Infrastructure and IT Support Services	0	(43,405)
USPTO – 81	Salaries and Expenses	Mission Support Program	Miscellaneous General Expense (MGE)	0	(26,885)
USPTO – 31	Salaries and Expenses	Patent Program	Patent Examining	235	(17,124)
USPTO – 34	Salaries and Expenses	Patent Program	Patent Information Resources	0	(5,308)
USPTO – 50	Salaries and Expenses	Trademark Program	Trademark Information Resources	3	(3,115)
USPTO – 78	Salaries and Expenses	Mission Support Program	Financial Management Services	1	(1,344)
USPTO – 62	Salaries and Expenses	Intellectual Property Policy Protection and Enforcement	IPR Attaché Program	0	(391)
USPTO – 34	Salaries and Expenses	Patent Program	Patent Trial and Appeals	0	(111)
USPTO – 79	Salaries and Expenses	Mission Support Program	Legal Services	0	(9)
Subtotal, Decreases				239	(97,691)

**Department of Commerce
U.S. Patent and Trademark Office
FY 2024 TRANSFER SUMMARY TABLE**
(Dollar amounts in thousands)

Transfers

Page No.	Appropriations	Budget Program	Title of Transfer	Positions	Budget Authority
USPTO – 92	Salaries and Expenses	Mission Support Program	Transfer to the DOC OIG	0	(2,450)
Total, Transfers				0	(2,450)

**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
2023 Current Plan	14,085	13,348		4,138,370
2024 Adjustments to base:				
Plus: Restoration of recoveries/unobligated balances	-	285		226,461
Plus: Inflationary adjustments to base	14,085	13,632		4,364,831
2024 Base	340	137		(80,919)
plus: 2024 Program changes	14,425	13,770		4,283,912
F2024 Estimate				

Comparison by activity /sub-activity with totals by activity

		2022 Actual		2023 Current		2024 Base		2024 Estimate		Increase/(Decrease) from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Patent	Pos./Obl.	11,626	3,298,502	12,253	3,564,289	12,247	3,740,335	12,498	3,653,947	251	(86,387)
	FTE	11,147		11,647		11,838		11,914		76	
Trademark	Pos./Obl.	1,407	429,909	1,572	473,402	1,578	516,075	1,658	521,815	80	5,740
	FTE	1,275		1,479		1,550		1,608		58	
IP Policy Protection and Enforcement	Pos./Obl.	217	81,269	260	100,679	260	108,421	269	108,150	9	(271)
	FTE	175		221		244		248		3	
Total	Pos./Obl.	13,250	3,809,681	14,085	4,138,370	14,085	4,364,831	14,425	4,283,912	340	(80,919)
	FTE	12,597		13,348		13,632		13,770		137	

Adjustments for:											
Offsetting Fee Collections		(4,090,043)		(4,105,340)		(4,195,799)		(4,195,799)			-
Other Income / Recoveries		(53,366)		(58,000)		(58,000)		(58,000)			-
Unobligated balance, start of year:											
Operating Reserve Balance		(683,646)		(983,741)		(1,037,894)		(1,037,894)			
PTFRF Balance		-		(31,633)		-		-			
Unobligated balance, end of year:											
Operating Reserve Balance		983,741		1,037,894		924,413		1,005,331			80,919
PTFRF Balance		31,633		-		-		-			-
Total Budget Authority		(2,000)		(2,450)		(2,450)		(2,450)			-
Financing from transfers											
Transfer from other accounts (-)		-		-		-		-			-
Transfer to other accounts (+)		2,000		2,450		2,450		2,450			-
Appropriation		0		0		(0)		0			-

		2024 Estimate		2025 Estimate		2026 Estimate		2027 Estimate		2028 Estimate	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Patent	Pos./Obl.	12,498	3,653,947	12,808	3,768,001	13,095	3,879,698	13,358	4,016,389	13,611	4,154,188
	FTE	11,914		12,176		12,481		12,756		13,013	
Trademark	Pos./Obl.	1,658	521,815	1,739	537,625	1,822	559,937	1,909	593,827	1,994	627,054
	FTE	1,608		1,718		1,783		1,860		1,924	
IP Policy Enforcement and Protection	Pos./Obl.	269	108,150	268	110,113	264	111,800	264	113,578	264	115,517
	FTE	248		253		252		248		248	
Total Obligations	Pos./Obl.	14,425	4,283,912	14,815	4,415,739	15,181	4,551,435	15,531	4,723,794	15,869	4,896,760
	FTE	13,770		14,147		14,516		14,864		15,185	
Adjustments for:											
	Offsetting Fee Collections		(4,195,799)		(4,265,711)		(4,413,224)		(4,543,500)		(4,566,660)
	Other Income / Recoveries		(58,000)		(58,000)		(58,000)		(58,000)		(58,000)
Unobligated balance, start of year:											
	Operating Reserve Balance		(1,037,894)		(1,005,331)		(910,854)		(828,192)		(703,448)
	PTFRF Balance		-		-		-		-		-
Unobligated balance, end of year:											
	Operating Reserve Balance		1,005,331		910,854		828,192		703,448		428,899
	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		0		0

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

	FY 2022 Actual	FY 2023 Current	FY 2024 Base	FY 2024 Estimate	Increase/Decrease from 2024 Base
Total Obligations	3,809,681	4,138,370	4,364,831	4,283,912	(80,919)
Offsetting collections from:					
Federal funds	-	-	-	-	-
Trust funds	-	-	-	-	-
Non-Federal sources (User Fee Collections)	(4,090,043)	(4,105,340)	(4,195,799)	(4,195,799)	-
Non-Federal sources (Other Income)	(3,615)	(5,000)	(5,000)	(5,000)	-
Recoveries	(49,751)	(53,000)	(53,000)	(53,000)	-
Unobligated balance, start of year	(683,646)	(1,015,374)	(1,037,894)	(1,037,894)	-
Unobligated balance, transferred	-	-	-	-	-
Unobligated balance, end of year	1,015,374	1,037,894	924,413	1,005,331	80,919
Unobligated balance, expiring	-	-	-	-	-
Budget Authority	(2,000)	(2,450)	(2,450)	(2,450)	-
Financing:					
Transfer from other accounts (-)	-	-	-	-	-
Transfer to other accounts (+)	2,000	2,450	2,450	2,450	-
Appropriation	-	-	-	-	-

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

	FTE	Amount
Transfers of Estimates		
Adjustments	-	-
Financing	-	-
	-	-
Other Changes		
2023 Pay raise		25,135
2024 Pay raise		92,909
Full-year cost in 2024 of positions financed for part-year in 2023	285	35,603
Other Compensation Adjustments		36,326
Change in compensable days		10,493
Civil Service Retirement System (CSRS)		(259)
Federal Employees Retirement System (FERS)		(2,058)
Thrift Savings Plan (TSP)		148
Federal Insurance Contribution Act (FICA) - OASDI		(2,865)
Health insurance		3,095
Employee Compensation Fund		108
Post-Retirement Benefits to OPM		1,840
Travel		213
Rental payments to GSA		1,845
GSA Furniture and IT Program (FIT)		(3)
Postage		56
Working Capital Fund, Departmental Management		2,050
<i>Cybersecurity (Non-Add in WCF)</i>		(1,329)
National Archives and Records Administration (NARA)		(5)
General Pricing Level (GPL) Adjustment		22,711
Telecommunications Services – Enterprise Infrastructure Services (EIS)		(912)
Enterprise Services		-
Commerce Business System		-
Federal Protective Service		32
Subtotal, other changes	285	226,461
Total, adjustments to base	285	226,461

PATENT PROGRAM

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

Activity: Patent Program

Sub-Activity:		2022 Actual		2023 Plan		2024 Base		2024 Estimate		Increase/Decrease from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Patent Examining	Pos./Obl	10,162	2,337,664	10,593	2,459,030	10,593	2,595,772	10,828	2,578,648	235	(17,124)
	FTE	9,840		10,186		10,335		10,406		71	
Patent Trial and Appeals	Pos./Obl	415	81,098	415	86,756	415	88,366	415	88,357	-	(9)
	FTE	344		351		350		350		-	
Patent Information Resources	Pos./Obl	153	142,479	183	157,797	155	156,776	155	151,468	-	(5,308)
	FTE	145		168		146		146		-	
Subtotal Direct	Pos./Obl	10,730	2,561,241	11,191	2,703,583	11,163	2,840,914	11,398	2,818,473	235	(22,441)
	FTE	10,329		10,704		10,831		10,902		71	
Mission Support Goal - Allocated	Pos./Obl	896	737,262	1,063	860,706	1,086	899,421	1,102	835,474	16	(63,947)
	FTE	817		943		1,007		1,012		5	
Total	Pos./Obl	11,626	3,298,502	12,253	3,564,289	12,247	3,740,335	12,498	3,653,947	251	(86,387)
	FTE	11,147		11,647		11,838		11,914		76	

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

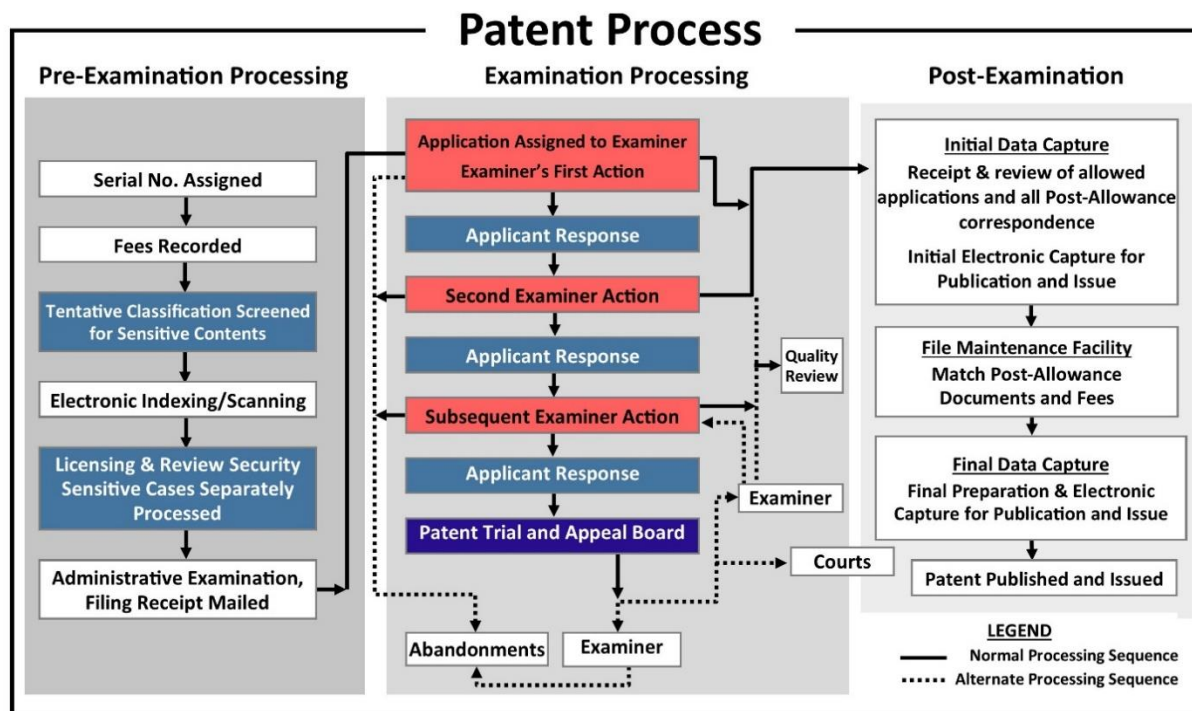
Activity: Patent Program

Goal Statement

The Patent Program carries out the USPTO's mission by delivering patent services that promote inclusive innovation and by partnering domestically and globally to educate and advise on ways to deter IP violations in accordance with laws, regulations, and practices.

Base Program

The Patent Program consists of the activities of the Patent Examination function and the Patent Trial and Appeal Board (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 Patent Program are primarily demand-driven. Thus, the USPTO derived a majority of the requirements for the FY 2024 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 Patent 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 Patent Program align with the USPTO's focus on enhancing the country's innovation ecosystem and providing strong, reliable, and predictable IP rights. Patents and the PTAB are meeting the strategic goals by achieving these objectives and the corresponding initiatives. The objectives include:

- Issue and maintain robust and reliable patents.
- Improve patent application pendency.
- Optimize the patent application process to enable efficiencies for applicants and other stakeholders.
- Enhance internal processes to prevent fraudulent and abusive behaviors that do not embody the USPTO's mission.

Line Item		<u>Explanation and Justification</u>					
		2022		2023		2024	
		Actual		Current		Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Patent Examining	Pos./Obl.	10,162	2,337,664	10,593	2,459,030	10,593	2,595,772
	FTE	9,840		10,186		10,335	
Patent Trial and Appeals	Pos./Obl.	415	81,098	415	86,756	415	88,366
	FTE	344		351		350	
Patent Information Resources	Pos./Obl.	153	142,479	183	157,797	155	156,776
	FTE	145		168		146	
Mission Support Goal - Allocated	Pos./Obl.	896	737,262	1,063	860,706	1,086	899,421
	FTE	817		943		1,007	
Total	Pos./Obl.	11,626	3,298,502	12,253	3,564,289	12,247	3,740,335
	FTE	11,147		11,647		11,838	

Patent Examining

In FY 2022, the USPTO’s largest and oldest contract—the single-vendor, 50-year-old Patent Data Capture contract—ended, providing an opportunity to reassess the organization’s needs and find operational efficiencies. The new contract is a multi-vendor contract that removes the long-standing issue of a single point of failure for this mission-critical work. This approach also adds price competition and embeds more risk management features. Competition among multiple vendors has resulted in cost savings. For FY 2024, the base budget reflects the resulting data capture cost savings.

Continued investment in patent examination quality remains a priority. This includes application readiness, continuation practice, prior art and searching, training, and prosecution changes and enhancements to improve patent durability. The FY 2024 budgeted requirements include the necessary funding for the priorities. The Budget also includes funding for recruitment incentives for incoming hires in the patent examination corps. These incentives aid the USPTO in meeting the hiring goals to keep pace with performance demands, allowing the agency to attract qualified candidates in a competitive science, technology, engineering, and mathematics (STEM) job market.

Patent Pre-examination Processing: \$58.6 Million and 42 Positions

The patent application process begins when the USPTO receives the application. This marks the onset of the pre-examination stage. Patents anticipates receiving 476,000 serialized applications and 602,300 total utility, plant, and reissue (UPR) applications in FY 2024, which represents a 2.0% growth in serialized applications and 1.7% for UPR applications over the previous year. Resources for the pre-examination function allow the agency to conduct an administrative review, determining compliance with requirements for form, content, adequacy, and payment of appropriate fees for paper and electronic filings. Paper filings, which represent about 1% of new applications, use additional resources to convert the files to electronic images. 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. Patent pre-examination resources also support the pre-grant publication process for applicable filings.

Patent Examination Processing: \$2,406.1 Million and 10,513 Positions

The examination stage is critical for achieving many of the USPTO's strategic and performance goals. Patents uses funding to support a highly educated and specialized workforce that produces the office actions needed to process patent applications. The USPTO will require resources to support the 561,300 UPR production units estimated for FY 2024. A staff of over 8,400 patent examiners, supported by management and contractors, IT tools, legal and policy resources, and training and quality investments, generates these units to maintain the USPTO's standards of excellence in patent examination.

The USPTO remains committed to emphasizing 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 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 patent examining staff by investing in a range of opportunities for technical and legal training. These opportunities include training on subjects related to 35 U.S.C. section 102, 35 U.S.C. section 103, 35 U.S.C. section 101, 35 U.S.C. section 112, and search. The USPTO continues to run programs to train stakeholders on USPTO practices and procedures to improve applicant submissions, including initial filings and USPTO action responses, and to improve collaboration between applicants and examiners. The USPTO's quality assurance program remains 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: \$131.1 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 2024 estimate of 308,900 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.

Council for Inclusive Innovation

The CI², formerly known as the National Council for Expanding American Innovation, was established in recent years to support all future American innovators. The council, which comprises representatives from industry, academia, and government, helps guide the USPTO in developing a comprehensive national strategy to build a more diverse and inclusive innovation ecosystem by encouraging participation demographically, geographically, and economically.

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. The PTAB projects the receipt of approximately 5,140 appeals in FY 2024. The FY 2024 base resources fund the legal staffing and support needed to meet statutory requirements, aligning capacity with projected workloads to meet objectives continuously. These base resources enable 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 inventory of open cases and remains committed to maintaining 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 using these resources for judicial and legal staffs, systematic training, data analytics, and trial-related studies. The PTAB is focused on enhancing decisional quality and educating and engaging stakeholders.

The base program also supports the PTAB Pro Bono Program, which is administered by the PTAB Bar Association and matches under resourced inventors with volunteer patent practitioners for free legal assistance with ex parte appeal matters. The program fully launched in FY 2022 and there are future plans to expand to cover AIA trial matters. PTAB proceedings are often intimidating for under resourced or inexperienced inventors and can place a hefty burden on their ability to practice their inventions. The USPTO aims to provide equity in all aspects of the IP system and prioritizes expanding pro bono legal resources to appeals and post-grant matters.

Patent Information Resources

This activity includes funding for Patent Information Resources, which supports the USPTO's key IT objectives of resiliency, increased cloud presence, and improved security. Patent Information Resources also supports the following Patent Product Line key objectives:

- Improve the patent filing experience;
- Increase patent data quality;

- Increase access to prior art; and
- Increase PTAB access to operational AIA data.

Mission Support Program – Allocated

This sub-activity represents all the management activities that support the accomplishment of Patent 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 Program 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
PATENT PROGRAM
PROGRAM CHANGES FOR 2024**
(Dollar amounts in thousands)

		2024 Base		2024 Estimate		Increase/Decrease from 2024 base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Patent Examining	Pos./Obl.	10,593	2,595,772	10,828	2,578,648	235	(17,124)
	FTE	10,335		10,406		71	
<i>Patent Examiner New Hires</i>	Pos./Obl.	10,593	2,069,808	10,828	2,064,316	235	(5,492)
	FTE	10,335		10,406		71	
<i>Overtime / Production Incentives</i>	Pos./Obl.	-	140,778	-	142,720	-	1,942
	FTE	-		-		-	
<i>Workload Processing Contracts</i>	Pos./Obl.	-	385,186	-	371,612	-	(13,574)
	FTE	-		-		-	
Patent Trial and Appeals	Pos./Obl.	415	88,366	415	88,357	-	(9)
	FTE	350		350		-	
Patent Information Resources	Pos./Obl.	155	156,776	155	151,468	-	(5,308)
	FTE	146		146		-	
Direct Total, Patent Program	Pos./Obl.	11,163	2,840,914	11,398	2,818,473	235	(22,441)
	FTE	10,831		10,902		71	

Department of Commerce
U.S. Patent and Trademark Office
PATENT PROGRAM
INCREASES FOR 2024 - 2028
(Dollar amounts in thousands)

		2024		2025		2026		2027		2028	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Patent Examining	Pos./Obl	235	(17,124)	547	(8,026)	842	8,096	1,104	37,420	1,354	77,320
	FTE	71		327		629		912		1,168	
<i>Patent Examiner New Hires</i>	Pos./Obl	235	(5,492)	547	6,130	842	31,599	1,104	62,518	1,354	99,023
	FTE	71		327		629		912		1,168	
<i>Overtime / Production Incentives</i>	Pos./Obl	-	1,942	-	4,072	-	6,031	-	7,923	-	9,724
	FTE	-		-		-		-		-	
<i>Workload Processing Contracts</i>	Pos./Obl	-	(13,574)	-	(18,228)	-	(29,535)	-	(33,021)	-	(31,427)
	FTE	-		-		-		-		-	
Patent Trial and Appeals	Pos./Obl	-	(9)	-	(18)	-	(70)	-	(123)	-	(177)
	FTE	-		-		-		-		-	
Patent Information Resources	Pos./Obl	-	(5,308)	-	(7,818)	-	(15,151)	-	(17,735)	-	(20,372)
	FTE	-		-		-		-		-	
Direct Total, Patent Program	Pos./Obl	235	(22,441)	547	(15,862)	842	(7,126)	1,104	19,562	1,354	56,771
	FTE	71		327		629		912		1,168	

Sub-Activity: Patent Examining

Patent Examining (-\$17.1 Million and +71 FTEs/235 Positions): In FY 2024, 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. 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. The requirements also support the DOC strategic objective of promoting accessible, strong, and effective IP rights to advance innovation, creativity, and entrepreneurship.

The USPTO remains committed to processing patent applications promptly and has established patent timeliness goals based on PTA timeframes. Reducing the number of patent term adjustments issued provides consistently shorter pendency for all applications and gives applicants greater certainty of the timeliness of their own cases. These resources will allow the USPTO to process incoming work for which fees have been paid.

Assuming that Patents successfully executes planned hiring, workload, and productivity levels in FY 2023 and FY 2024, these program requirements collectively will enable Patents to:

- Address 476,000 new serialized applications (total UPR – 602,300 that are expected to be filed in FY 2024 (2.0% above the projected FY 2023 level);
- Reduce the current unexamined UPR inventory to approximately 701,700 by the end of FY 2024;
- Continue to provide timely examination of patent applications by maintaining total PTA compliance for all mailed actions at 79% in FY 2024; and
- Maintain total PTA compliance for all remaining inventory at 86% in FY 2024.

Performance Measures	2024	2025	2026	2027	2028
Total PTA Compliance – all mailed actions (percent)	79	80	80	80	81
Total PTA Compliance – remaining inventory (percent) remaining inventory	86	86	86	86	86
Without Funding:					
Total PTA Compliance – all mailed actions (percent)	79	79	78	77	76
Total PTA Compliance – remaining inventory (percent)	85	85	85	83	82
Outyear Costs:					
Direct Obligations	(17,124)	(8,026)	8,096	37,420	77,320
FTE	71	327	629	912	1,168
Positions	235	547	842	1,104	1,354

Patent Examiner New Hires: In FY 2024, 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 2024 and remain consistent at 2.0% annually through the budget horizon. The USPTO plans to hire 675 patent examiners in FY 2024 and 750 patent examiners annually from FY 2025 through FY 2028. This is partially offset by approximately 500 attritions annually. The increased workforce is based on the filing trends and planned investments in enhanced quality—particularly, the issuance of reliable and predictable patents. The patent examiner corps comprises a highly technical workforce, and the program changes will also fund the continuation of recruitment incentives through the budget horizon to meet the expanded examination capacity needs while combating an increasingly competitive STEM job market. This will allow the USPTO to continue to connect a diverse, elite STEM talent pool with fulfilling federal careers to meet the growing demand for reliable patent services.

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.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	(5,492)	6,130	31,599	62,518	99,023
Budget Authority	(5,492)	6,130	31,599	62,518	99,023
FTE	71	327	629	912	1,168
Positions	235	547	842	1,104	1,354

Council for Inclusive Innovation (CI²): In FY 2024, the USPTO will fund programming that expands on the efforts to increase participation in the innovation ecosystem by encouraging, empowering, and supporting all future innovators, including women and other underrepresented groups. This program change will support the USPTO's CI² objective by expanding the programming for IP community outreach campaigns. This program change will also leverage the USPTO's nationwide workforce as a powerful tool for educating local communities on the importance of IP, along with the goal of increasing IP literacy and participation in the innovation ecosystem across our Nation's population. USPTO IP ambassadors will engage with new audiences on the importance of protecting ideas and brands to help to foster new businesses and economic activity. In addition, this funding will support a laptop reuse partnership initiative and paid internship programs for community college and four-year college students to broaden inclusivity of underrepresented groups by providing a curriculum that will encourage students to seek full-time employment in the IP and innovations ecosystem arena.

Overtime/Production Incentives: The USPTO uses overtime and production incentives to continue to align production with workload demand. 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 and other production incentives is essential to achieving PTA and inventory goals. The inherent flexibility of overtime allows Patents to expand its production capacity easily while also maintaining optimal staffing levels.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	1,942	4,072	6,031	7,923	9,724
Budget Authority	1,942	4,072	6,031	7,923	9,724
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Workload Processing Contracts: Patents uses contractor support to manage the application and issuance processes. The contract costs are based on the number of applications, examiner production, and granted patents. Recently, the USPTO issued a new, multi-vendor contract to perform much of this work. The new contract reduces costs and mitigates cybersecurity risks. 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 capturing granted patents data and generating both a text-searchable file and an image file for paper printing and electronic dissemination on the internet.

Additionally, funding will be used for information security system officers and managers to support the workload contracts, establish security and privacy policies, and protect information.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	(13,574)	(18,228)	(29,535)	(33,021)	(31,427)
Budget Authority	(13,574)	(18,228)	(29,535)	(33,021)	(31,427)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Sub-Activity: Patent Trials and Appeals

PTAB Production and AIA Workload (-\$9.0 thousand and 0 FTEs/0 Positions): For FY 2024 through FY 2028, the PTAB projects that costs will decrease slightly due to efficiencies found in savings via non-compensation that are below the allowed inflationary adjustments.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	(9)	(18)	(70)	(123)	(177)
Budget Authority	(9)	(18)	(70)	(123)	(177)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
APPEALS							
Incoming appeals (Ex parte appeals)	5,039	5,039	5,140	5,243	5,347	5,454	5,563
Appeals disposed (Ex parte appeals decision unit, for FY20 and forward is 1.43 per decision)	8,058	6,513	5,962	5,495	5,429	5,430	5,430
Appeal inventory/backlog (Ex parte appeals)	4,603	3,129	2,307	2,055	1,973	1,997	2,130
Board months of inventory	11	7	5	5	4	4	5
AIA TRIAL							
AIA petitions filed	1,373	1,450	1,457	1,464	1,471	1,478	1,485
AIA petitions disposed	1,458	1,430	1,460	1,457	1,464	1,472	1,479
ADMINISTRATIVE PATENT JUDGES							
Total APJs and PAs (incl. executive APJs and reflect attrition)	306	306	306	306	306	306	306

Sub-Activity: Patent Information Resources

Patent Product Line (-\$5.3 Million and 0 FTEs/0 Positions): The Patent Product Line will focus on the following objectives:

- **Improve the Patent Filing Experience:** Product teams will achieve parity plus in Patent Center, improve incoming data quality and support DOCX, introduce new functionality, and retire legacy tools.

- **Increase Patent Data Quality:** Product teams will leverage a cloud-based solution to launch and achieve parity plus in Event Hub and realize better stability, scalability, performance, and image conversion with reduced stabilization costs.
- **Increase Access to Prior Art:** Product teams will support training content on search for examiners and the public, retire legacy components, maintain compliance with memoranda of understanding with the union, and develop an approach for improving infrastructure.
- **Increase PTAB Executive Access to Operational AIA Data:** Product teams will expand the types of AIA operational data accessible through the Patent Trial and Appeal Tracking System (P-TACTS) for executive decision-making.

[Appendix III](#) to this Budget contains additional information on planned IT activities for Patents.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	(5,308)	(7,818)	(15,151)	(17,735)	(20,372)
Budget Authority	(5,308)	(7,818)	(15,151)	(17,735)	(20,372)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

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: Patent

Program Change:

Full-time permanent

Title:	Grade	Number	Annual Salary	Total Salaries
Patent Examiner	5	1	64,358	64,358
Patent Examiner	7	467	79,717	37,227,679
Patent Examiner	9	296	88,284	26,132,090
Patent Examiner	11	1	98,941	98,941
Patent Attritions	Various	(562)	115,768	(65,084,736)
CI2 Program Analysts	13	2	126,635	253,269
CI2 Initiative Pathways Interns	4	15	42,045	630,675
Patent Examiner Support Positions	Various	15	82,718	1,240,765
Total		<u>235</u>		<u>563,040</u>
Less lapse	69%	<u>(163)</u>		<u>(4,421,983)</u>
Total full-time permanent (FTE)		71		(3,858,943)
2024 Pay Adjustment (5.2%)				<u>(135,171)</u>
Total				<u>(3,994,114)</u>

Personnel Data Summary

Full-Time Equivalent Employment

Full-time permanent	71
Other than full-time permanent	-
Total	<u>71</u>

Authorized Positions:

Full-time permanent	235
Other than full-time permanent	-
Total	<u>235</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: Patent Program

Object Class	2022 Actual	2023 Plan	2024 Base	2024 Estimate	2024 Increase/Decrease from 2024 base
11 Personnel compensation					
11.1 Full-time permanent	1,395,969	1,478,643	1,564,236	1,560,241	(3,994)
11.3 Other than full-time permanent	-	-	-	-	-
11.5 Other personnel compensation	128,602	138,601	144,889	146,831	1,942
11.8 Special personnel services payments	-	-	-	-	-
11.9 Total personnel compensation	1,524,570	1,617,244	1,709,125	1,707,072	(2,052)
12 Civilian personnel benefits	523,114	564,627	599,642	598,145	(1,498)
13 Benefits for former personnel	-	-	-	-	-
21 Travel and transportation of persons	307	5,497	5,607	3,473	(2,134)
22 Transportation of things	-	18	19	13	(6)
23.1 Rental payments to GSA	-	-	-	-	-
23.2 Rental payments to others	4	-	-	-	-
23.3 Communications, utilities and miscellaneous charges	1,531	375	382	381	(2)
24 Printing and reproduction	174,937	183,088	186,750	183,258	(3,492)
25.1 Advisory and assistance services	52,282	52,813	53,869	55,852	1,983
25.2 Other services	117,862	92,818	94,675	84,587	(10,088)
25.3 Purchases of goods & services from Gov't accounts	239	34	35	35	0
25.4 Operation and maintenance of facilities	-	-	-	-	-
25.5 Research and development contracts	-	-	-	-	-
25.6 Medical care	-	-	-	-	-
25.7 Operation and maintenance of equipment	51,985	71,042	72,463	70,051	(2,412)
25.8 Subsistence and support of persons	-	-	-	-	-
26 Supplies and materials	44,505	47,078	48,020	48,901	881
31 Equipment	67,326	66,547	67,878	64,255	(3,623)
32 Lands and structures	-	-	-	-	-
33 Investments and loans	-	-	-	-	-
41 Grants, subsidies and contributions	-	-	-	-	-
42 Insurance claims and indemnities	242	400	448	448	-
43 Interest and dividends	-	2	2	2	(0)
44 Refunds	2,337	2,000	2,000	2,000	-
99 Total obligations	2,561,241	2,703,583	2,840,914	2,818,473	(22,441)

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TRADEMARK PROGRAM

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

Activity: Trademark Program

Line Item		2022 Actual		2023 Current		2024 Base		2024 Estimate		Increase/Decrease from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Trademark Examining	Pos./Obl	1,060	201,634	1,165	247,587	1,165	278,858	1,235	288,151	70	9,293
	FTE	966		1,114		1,163		1,215		51	
Trademark Appeals and Inter Partes Proceedings	Pos./Obl	86	16,301	92	19,773	92	22,252	96	23,370	4	1,118
	FTE	70		84		92		96		4	
Trademark Information Resources	Pos./Obl	63	63,187	83	59,898	81	62,172	84	59,057	3	(3,115)
	FTE	58		75		75		76		1	
Subtotal Direct	Pos./Obl	1,209	281,122	1,340	327,258	1,338	363,283	1,415	370,579	77	7,296
	FTE	1,094		1,273		1,330		1,387		57	
Mission Support Goal - Allocated	Pos./Obl	197	148,788	232	146,143	240	152,792	243	151,236	3	(1,556)
	FTE	182		206		220		221		1	
Total	Pos./Obl	1,407	429,909	1,572	473,402	1,578	516,075	1,658	521,815	80	5,740
	FTE	1,275		1,479		1,550		1,608		58	

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

Activity: Trademark Program

Goal Statement

The USPTO's Trademark Program carries out the USPTO's mission by delivering trademark services that promote inclusive innovation and by partnering domestically and globally to educate and advise on ways to deter IP violations and fraudulent behavior in accordance with laws, regulations, and practices.

Base Program

The Trademark 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

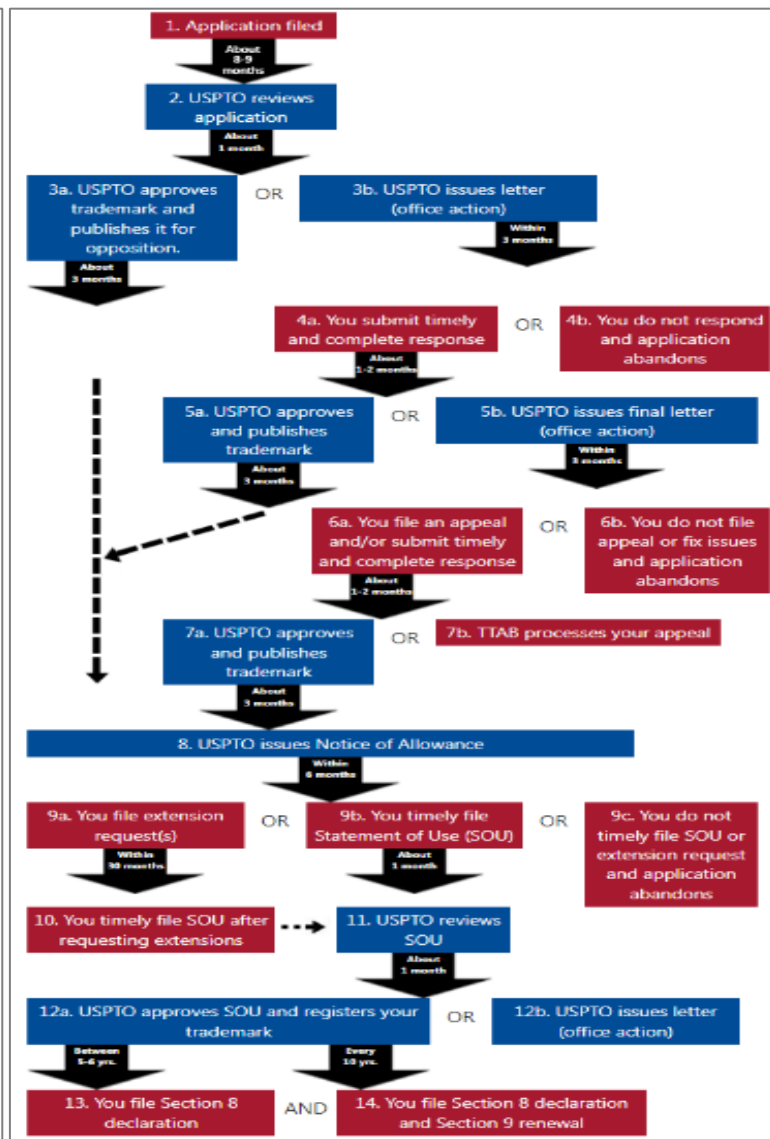
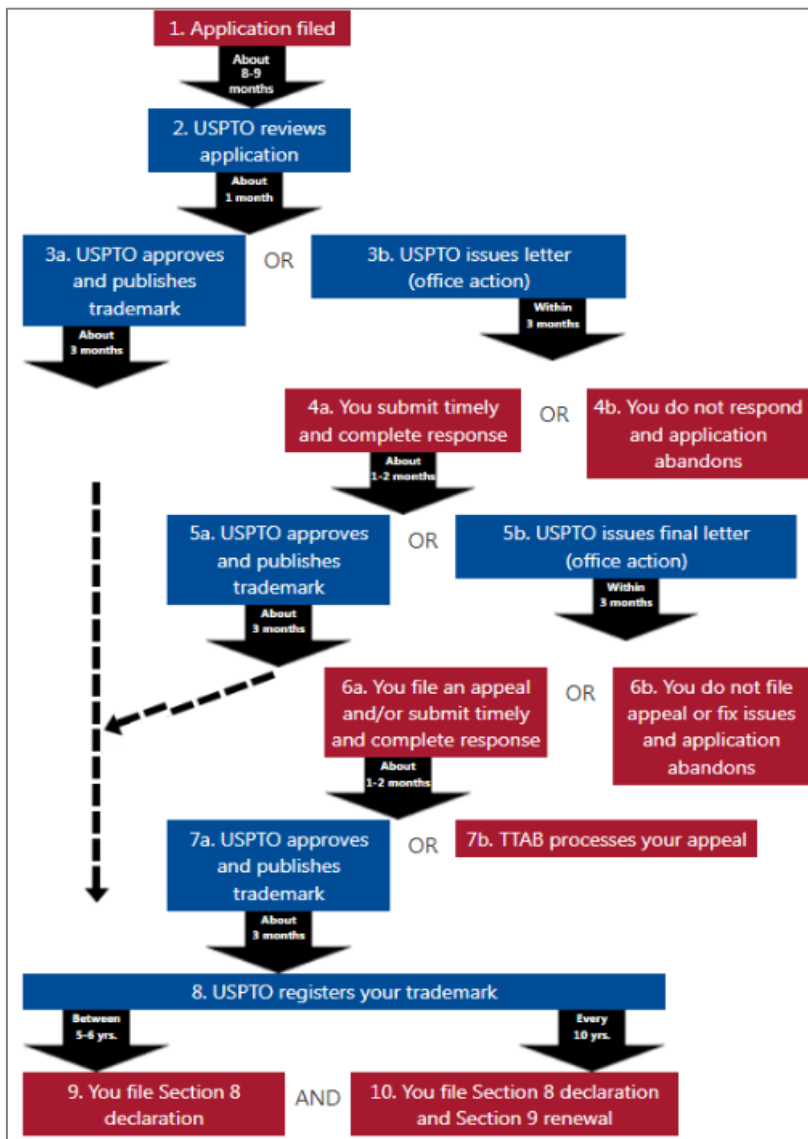
Some of the major objectives included in Trademark goals are:

- Protect the integrity of the trademark registry;
- Improve trademark application pendency; and
- Optimize trademark application processes to enable efficiencies for applicants and other stakeholders.

Trademark Process

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

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



Line Item		<u>Explanation and Justification</u>					
		2022		2023		2024	
		Actual		Current		Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Trademark Examining	Pos./Obl.	1,060	201,634	1,165	247,587	1,165	278,858
	FTE	966		1,114		1,163	
Trademark Trial and Appeals	Pos./Obl.	86	16,301	92	19,773	92	22,252
	FTE	70		84		92	
Trademark Information Resources	Pos./Obl.	63	63,187	83	59,898	81	62,172
	FTE	58		75		75	
Mission Support Goal Allocated	Pos./Obl.	197	148,788	232	146,143	240	152,792
	FTE	182		206		220	
Total	Pos./Obl.	1,407	429,909	1,572	473,402	1,578	516,075
	FTE	1,275		1,479		1,550	

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, business owners can survey marks currently in use or proposed for use by using support services or online resources available to customers who are preparing to file their applications with the USPTO. These support services consist 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: \$19 Million and 80 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. During 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 of application and registration data that the USPTO uses throughout the processing, examination, and maintenance of registered trademarks and the information that the agency makes 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: \$250 Million and 1,050 Positions

One of the more than 700 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. The examining attorney searches a database of more than 3 million registered marks and 1.2 million pending marks to determine whether the mark in the subject application is confusingly similar to an existing mark. Based upon this evaluation, examining attorneys make a determination to approve or deny an application for registration.

Trademarks publishes an approved application prior to registration to notify 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. The USPTO ensures that all examining attorneys possess the knowledge, skills, and abilities necessary to perform their jobs as part of the agency's commitment to improving the quality of examination. For example, examining attorneys can take a series of self-paced e-learning tutorials. Trademarks also implements new e-learning modules throughout the year based on topics that are identified through quality review evaluations.

Trademarks continues its efforts to improve quality in a cost-effective manner. To raise the bar, Trademarks 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 Trademark Trial and Appeal Board (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 examination cost.

Trademark Post-Registration Processing: \$10 Million and 35 Positions

Trademark registrations can be maintained indefinitely, as long as the registered mark is in use under the Trademark Act of 1946, as amended. 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 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 registration date. 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 Trial and Appeals

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

Trademark Information Resources supports the USPTO's key IT objectives of resiliency, increased cloud presence, and improved security. Trademark Information Resources also supports the following Trademark Product Line key objectives:

- Retire Trademark Reporting and Monitoring (TRAM);
- Implement the Trademark Modernization Act of 2020 (TMA) (Phase 2); and
- Modernize the trademark filing experience.

Mission Support Goal – Allocated

This sub-program represents all the mission support activities that support the accomplishment of Trademark goals. These activities can be related to Trademark or cross-cutting management functions that support overall USPTO activities, such as financial management systems. The Mission Support Program 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
Trademark Program
PROGRAM CHANGES FOR 2024**
(Dollar amounts in thousands)

		2024 Base		2024 Estimate		Increase/Decrease from 2024 base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Trademark Examining	Pos./Obl.	1,165	278,858	1,235	288,151	70	9,293
	FTE	1,163		1,215		51	
Trademark Trial and Appeals	Pos./Obl.	92	22,252	96	23,370	4	1,118
	FTE	92		96		4	
Trademark Information Resources	Pos./Obl.	81	62,172	84	59,057	3	(3,115)
	FTE	75		76		1	
Direct Total, Trademark Program	Pos./Obl.	1,338	363,283	1,415	370,579	77	7,296
	FTE	1,330		1,387		57	

**Department of Commerce
U.S. Patent and Trademark Office
TRADEMARK PROGRAM
PROGRAM CHANGES FOR 2024 - 2028**
(Dollar amounts in thousands)

		2024		2025		2026		2027		2028	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Trademark Examining	Pos./Obl.	70	9,293	143	11,782	221	19,321	301	32,484	386	47,460
	FTE	51		150		211		283		342	
Trademark Trial and Appeals	Pos./Obl.	4	1,118	8	2,299	12	3,163	16	4,378	16	4,829
	FTE	4		8		11		15		16	
Trademark Information Resources	Pos./Obl.	3	(3,115)	7	(13,394)	10	(16,354)	13	(17,387)	13	(18,175)
	FTE	1		4		6		10		13	
Direct Total, Trademark Program	Pos./Obl.	77	7,296	158	688	243	6,130	330	19,476	415	34,114
	FTE	57		161		228		308		371	

Sub-Activity: Trademark Examining

Trademark Examining (+\$9.3 Million and +51 FTEs/70 Positions): The USPTO requires an increase of \$9.3 million and 70 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 roughly 100 trademark examiners annually for FY 2024 through FY 2028 (approximately 50 over estimated annual attrition levels). Trademarks will need additional contractual services in areas such as examination surge contractor support and trademark examination process reengineering and optimization. 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, 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. This swift increase led the USPTO to revise its first action pendency target upward, to 8.5 months for FY 2024 with the goal to maintain pendency at approximately 8 months in the near term. The pendency adjustment recognizes that working through the unprecedented surge and backlog will take several years and that hiring is insufficient to address the sudden yet temporary surge. Moreover, with the increase in fraudulent behavior, the examination process tends to be more complex and time-consuming, which compounds the pendency challenge. Trademarks projects a 4.5% increase in application filings in FY 2023 and growth rates ranging from 5.0% to 8.0% 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 strong and effective IP rights.

Performance Measures:	2024	2025	2026	2027	2028
First Action Pendency (months) with increase	8.5	9.0	9.0	9.0	9.5
First Action Pendency (months) without increase	10	11.5	12.5	14	15
Outyear Costs:					
Direct Obligations	9,293	11,782	19,321	32,484	47,460
Budget Authority	9,293	11,782	19,321	32,484	47,460
FTE	51	150	211	283	342
Positions	70	143	221	301	386

Sub-Activity: Trademark Appeals and Trial Proceedings

TTAB Staffing (+\$1.1 Million and +4 FTEs/4 Positions): The USPTO requires an increase of \$1.1 million and four positions to handle projected workload increases in ex parte appeals and trial cases in FY 2024 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. These additional resources will ensure that the TTAB 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 TTAB closer to its goals. In FY 2024 and beyond, the proposed additional ATJ FTEs will again be critical to allowing the TTAB to meet its goals and enabling it to sustain pendency at expected levels.

Performance Measures (<i>in months</i>)	2024	2025	2026	2027	2028
Final Decision Pendency for Appeals with increase	<12	<12	<12	<12	<12
Final Decision Pendency for Appeals without increase	12-15	12-16	12-17	12-18	12-19
Final Decision Pendency for Trials with increase	<15	<15	<15	<15	<15
Final Decision Pendency for Trials without increase	15-19	15-20	15-21	15-22	15-23
Outyear Costs:					
Direct Obligations	1,118	2,299	3,163	4,378	4,829
Budget Authority	1,118	2,299	3,163	4,378	4,829
FTE	4	8	11	15	16
Positions	4	8	12	16	16

Sub-Activity: Trademark Information Resources

Trademark Information Resources (-\$3.1 Million and 1 FTEs/3 Positions): The Trademark Product Line will focus on the following objectives:

- **Retire TRAM:** The core services that TRAM provides (database, docketing, workflow, batch processing) will be re-platformed to cloud-based services.

- **Implement the TMA (Phase 2):** All functionality needed to support the TMA will be developed and deployed in full use using the modernized Trademark Exam platform.
- **Modernize the Trademark Filing Experience:** The modernized filing experience will be intuitive and will assist each customer segment as appropriate. A unified brand and experience will be established across trademark products to simplify navigation and information.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	(3,115)	(13,394)	(16,354)	(17,387)	(18,175)
Budget Authority	(3,115)	(13,394)	(16,354)	(17,387)	(18,175)
FTE	1	4	6	10	13
Positions	3	7	10	13	13

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
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Trademark

Program Change:

Full-time permanent

Title:

	Grade	Number	Annual Salary	Total Salaries
Examining Attorney	11	93	86,450	8,039,825
Supervisory Attorney	15	4	155,700	622,801
Madrid Specialist	11	1	78,593	78,593
Interns	9	8	64,958	519,661
Branding/CX Service	12	3	94,200	282,600
Outreach Coordinator	15	3	155,700	467,101
Staff Attorney - Enforcement	15	1	155,700	155,700
Staff Attorney	15	3	155,700	467,101
Paralegal - Petitions	15	1	155,700	155,700
ID Class Attorney	15	1	171,271	171,271
Exam Policy Analyst	11	1	78,593	78,593
Program Analyst	13	1	112,015	112,015
Program Analyst-Workforce Dev.	14	1	132,368	132,368
IT Liaison	15	1	171,271	171,271
Advanced Proj. & Joint Development Analyst	14	1	132,368	132,368
Data Quality Mgmt. & System Sustainment Division	14	1	132,368	132,368
Business Operations Specialist	14	1	132,368	132,368
TM Attritions	Various	(52)	135,838	(7,063,574)
TTAB Administrative Trademark Judge	AD	2	206,978	413,956
Interlocutory Attorney	15	2	184,868	369,736
Total		<u>77</u>		<u>5,571,821</u>
Less Lapse	26%	<u>(20)</u>		<u>85,248</u>
Total full-time permanent (FTE)		57		5,657,069
2024 Pay Adjustment (5.2%)				<u>159,765</u>
Total				<u>5,816,834</u>

Personnel Data Summary

Full-Time Equivalent Employment

	Number
Full-time permanent	57
Other than full-time permanent	-
Total FTE	<u>57</u>
Authorized Positions:	
Full-time permanent	77
Other than full-time permanent	-
Total Positions	<u>77</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: Trademark Program

Object Class	2022 Actual	2023 Current	2024 Base	2024 Estimate	Increase/Decrease from 2024 base
11 Personnel compensation					
11.1 Full-time permanent	152,823	176,192	196,779	202,596	5,817
11.3 Other than full-time permanent	-	-	-	-	-
11.5 Other personnel compensation	15,304	23,789	27,126	27,126	-
11.8 Special personnel services payments	-	-	-	-	-
11.9 Total personnel compensation	168,127	199,982	223,904	229,721	5,817
12 Civilian personnel benefits	55,967	63,896	74,730	76,951	2,221
13 Benefits for former personnel	-	-	-	-	-
21 Travel and transportation of persons	31	260	265	257	(8)
22 Transportation of things	-	2	2	1	(1)
23.1 Rental payments to GSA	-	-	-	-	-
23.2 Rental payments to others	-	160	163	1	(163)
23.3 Communications, utilities and miscellaneous charges	2	8	8	1	(8)
24 Printing and reproduction	12	66	67	-	(67)
25.1 Advisory and assistance services	155	4,847	4,944	3,350	(1,595)
25.2 Other services	4,114	7,960	8,119	8,435	316
25.3 Purchases of goods & services from Gov't accounts	70	1,667	1,701	1,172	(529)
25.4 Operation and maintenance of facilities	-	-	-	-	-
25.5 Research and development contracts	-	-	-	-	-
25.6 Medical care	-	-	-	-	-
25.7 Operation and maintenance of equipment	17,909	35,925	36,644	22,939	(13,705)
25.8 Subsistence and support of persons	-	-	-	-	-
26 Supplies and materials	1,689	2,226	2,270	4,063	1,792
31 Equipment	32,443	9,705	9,899	23,135	13,236
32 Lands and structures	-	-	-	-	-
33 Investments and loans	-	-	-	-	-
41 Grants, subsidies and contributions	-	-	-	-	-
42 Insurance claims and indemnities	-	-	-	-	-
43 Interest and dividends	-	-	-	-	-
44 Refunds	603	555	566	555	(11)
99 Total obligations	281,122	327,258	363,283	370,579	7,296

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

Sub-Activity:		2022 Actual		2023 Current		2024 Base		2024 Estimate		Increase/Decrease from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Policy, External Affairs and Administrative	Pos./Obl	95	28,901	116	33,379	116	36,475	118	36,582	2	108
	FTE	88		107		116		117		1	
Global Intellectual Property Academy	Pos./Obl	16	3,294	19	4,735	19	5,226	19	5,282	-	55
	FTE	14		18		19		19		-	
IP Attaché Program	Pos./Obl	3	14,020	3	17,269	3	17,627	3	17,236	-	(391)
	FTE	3		3		3		3		-	
IPPE&P Information	Pos./Obl	-	-	-	-	-	-	-	-	-	-
	FTE	-		-		-		-		-	
Subtotal Direct	Pos./Obl	114	46,215	138	55,383	138	59,328	140	59,100	2	(228)
	FTE	106		128		138		139		1	
Mission Support Goal - Allocated	Pos./Obl	103	35,054	122	45,296	122	49,093	129	49,050	7	(43)
	FTE	69		94		106		108		2	
Total	Pos./Obl	217	81,269	260	100,679	260	108,421	269	108,150	9	(271)
	FTE	175		221		244		248		3	

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 Intellectual Property Policy, Enforcement and Protection Program (IPPE&P) remains dedicated to carrying out the USPTO's mission by bringing innovation to positive impact and partnering domestically and globally to educate and advise on ways to deter IP violations in accordance with laws, regulations, and practices.

Base Program

The USPTO promotes the enforcement and protection of the IP of American innovators and creators both domestically and internationally. 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. The IPPE&P 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 IP protection. 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 GIPA, and the IP Attaché Program.

Statement of Operating Objectives

Some of the major objectives included in IPPE&P's goals are:

- Help those pursuing IP protection identify available funding sources;
- Promote the protection and domestic deployment of federally funded innovations; and
- Facilitate partnerships across the U.S. government, foreign governments, and the private sector to improve global IP enforcement and reduce domestic and global IP crime and infringement.

Explanation and Justification

Line Item		2022 Actual		2023 Current		2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Policy, External Affairs and Administrative Support	Pos./Obl.	95	28,901	116	33,379	116	36,475
	FTE	88		107		116	
Global Intellectual Property Academy (GIPA)	Pos./Obl.	16	3,294	19	4,735	19	5,226
	FTE	14		18		19	
IP Attaché Program	Pos./Obl.	3	14,020	3	17,269	3	17,627
	FTE	3		3		3	
IPPE&P Information Resources	Pos./Obl.	-	-	-	-	-	-
	FTE	-		-		-	
Mission Support Goal - Allocated	Pos./Obl.	103	35,054	122	45,296	122	49,093
	FTE	69		94		106	
Total	Pos./Obl.	217	81,269	260	100,679	260	108,421
	FTE	175		221		244	

Intellectual Property Policy, Enforcement and Protection Base Program

For FY 2024, funding is required to continue the USPTO’s critical role in the U.S. government’s efforts and obligations to provide IP technical assistance throughout the world, including the provision of policy advice and the definition of a method of action 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 related 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 several administrative support specialists who support the entire agency.

Intellectual Property Policy

OPIA participates in the World Intellectual Property Organization (WIPO), a specialized agency of the United Nations (UN) devoted to IP matters; 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 U.S. government's IP technical representative in several cases—most recently, the U.S. government'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 the 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](#) 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, ongoing research and policy planning. The CE assists the USPTO and other U.S. government 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 Visiting Scholars Program enlists the services of leaders in academia and the IP industry who devote up to one year of full-time service to the agency.

Governmental Affairs (GA)

GA formulates legislative and policy proposals and prepares supporting documentation for 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 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 subject matter experts (SMEs) throughout the United States a variety of programs, information booths, and educational materials 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 Brazil, India, and China. Visit the [Global Intellectual Property Academy webpage](#) for more information on GIPA.

Intellectual Property 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 2024, 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. In addition, one IP Specialist Locally Employed Staff (LES) position will be added to the program in Berlin, Germany. 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. Visit the [IP Attaché Program | USPTO](#) to access more information.

Intellectual Property, Enforcement and Protection Program Information Resources

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

Mission Support Goal – Allocated

This sub-program represents all 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 Program 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 2024**
(Dollar amounts in thousands)

		2024 Base		2024 Estimate		Increase/Decrease from 2024 base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Policy, External Affairs and Administrative Support	Pos./Obl.	116	36,475	118	36,582	2	108
	FTE	116		117		1	
Global Intellectual Property Academy (GIPA)	Pos./Obl.	19	5,226	19	5,282	-	55
	FTE	19		19		-	
IP Attaché Program	Pos./Obl.	3	17,627	3	17,236	-	(391)
	FTE	3		3		-	
IPPE&P Information Resources	Pos./Obl.	-	-	-	-	-	-
	FTE	-		-		-	
Direct Total, IP, PE&P	Pos./Obl	138	59,328	140	59,100	2	(228)
	FTE	138		139		1	

**Department of Commerce
U.S. Patent and Trademark Office
IP Policy, Enforcement and Protection Program
PROGRAM CHANGES FOR 2024 - 2028**
(Dollar amounts in thousands)

		2024		2025		2026		2027		2028	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Policy, External Affairs and Administrative Support	Pos./Obl.	2	108	2	73	2	(81)	2	(238)	2	(398)
	FTE	1		2		2		2		2	
Global Intellectual Property Academy (GIPA)	Pos./Obl.	-	55	-	26	-	(5)	-	(36)	-	(69)
	FTE	-		-		-		-		-	
IP Attaché Program	Pos./Obl.	-	(391)	-	(728)	-	(1,071)	-	(1,422)	-	(1,780)
	FTE	-		-		-		-		-	
IP P,E&P Information Resources	Pos./Obl.	-	-	-	-	-	-	-	-	-	-
	FTE	-		-		-		-		-	
Direct Total, IP, Enforcement, and Protection Program	Pos./Obl.	2	(228)	2	(628)	2	(1,157)	2	(1,697)	2	(2,246)
	FTE	1		2		2		2		2	

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

IP Policy Activities (+\$0.1 Million and +1 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. A recent workforce assessment supports this funding requirement.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	108	73	(81)	(238)	(398)
Budget Authority	108	73	(81)	(238)	(398)
FTE	1	2	2	2	2
Positions	2	2	2	2	2

Sub-Activity: Global Intellectual Property Academy

IP Policy Activities (+\$0.05 Million and 0 FTEs/0 Positions): This funding will support existing GIPA program activities, such as the U.S. Department of State Memorandum of Understanding (MOU) and Distance Learning project. The funding for GIPA programs helps to provide training to approximately 7,000 people across 140 programs and stakeholders in over 80 countries.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	55	26	(5)	(36)	(69)
Budget Authority	55	26	(5)	(36)	(69)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Sub-Activity: IP Attaché Program

IP Policy Activities (-\$0.4 Million and 0 FTEs/0 Positions): This funding will continue to support operations for 16 IP Attaché Program offices abroad in FY 2024. The USPTO will continue working with stakeholders to support the USPTO mission of protecting IP rights both domestically and abroad.

	2024	2025	2026	2027	2028
Outyear Costs:					

	2024	2025	2026	2027	2028
Direct Obligations	(391)	(728)	(1,071)	(1,422)	(1,780)
Budget Authority	(391)	(728)	(1,071)	(1,422)	(1,780)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Sub-Activity: IPPE&P Information Resources

IPPE&P Business Projects (-\$0.00 Million and 0 FTEs/0 Positions): A reduced level of funds is required to continue existing IT systems that are utilized for IP performance reporting.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	0	0	0	0	0
Budget Authority					
FTE	0	0	0	0	0
Positions	0	0	0	0	0

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

Activity: Intellectual Property Policy, Enforcement and Protection Program
Program Change:

Title:	Grade	Number	Annual Salary	Total Salaries
Attorney Advisor	14	<u>2</u>	150,017	<u>300,034</u>
Total		2		300,034
less Lapse	29%	<u>(1)</u>		<u>(86,114)</u>
Total full-time permanent (FTE)		1		213,920
2024 Pay Adjustment (5.2%)				<u>10,786</u>
Total				<u>224,705</u>

Personnel Data

Full-Time Equivalent Employment	
Full-time permanent	1
Other than full-time permanent	<u>-</u>
Total	1

Authorized Positions:

Full-time permanent	2
Other than full-time permanent	<u>-</u>
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	2022 Actual	2023 Current	2024 Base	2024 Estimate	Increase/Decrease from 2024 base
11 Personnel compensation					
11.1 Full-time permanent	17,143	20,204	22,605	22,830	225
11.3 Other than full-time permanent	-	-	-	-	-
11.5 Other personnel compensation	1,052	1,181	1,333	1,333	-
11.8 Special personnel services payments	-	-	-	-	-
11.9 Total personnel compensation	18,196	21,385	23,938	24,163	225
12 Civilian personnel benefits	6,151	7,162	8,017	8,094	77
13 Benefits for former personnel	-	-	-	-	-
21 Travel and transportation of persons	798	1,949	1,988	1,920	(68)
22 Transportation of things	-	1	1	1	(0)
23.1 Rental payments to GSA	-	-	-	-	-
23.2 Rental payments to others	-	14	14	27	13
23.3 Communications, utilities and miscellaneous charges	-	-	-	-	-
24 Printing and reproduction	7	4	4	11	7
25.1 Advisory and assistance services	1,834	389	397	150	(247)
25.2 Other services	3,845	4,361	4,448	4,992	544
25.3 Purchases of goods & services from Gov't accounts	13,998	18,526	18,897	18,014	(883)
25.4 Operation and maintenance of facilities	-	-	-	-	-
25.5 Research and development contracts	-	-	-	-	-
25.6 Medical care	-	-	-	-	-
25.7 Operation and maintenance of equipment	717	356	363	527	164
25.8 Subsistence and support of persons	-	-	-	-	-
26 Supplies and materials	548	990	1,009	661	(348)
31 Equipment	121	247	251	540	289
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	46,215	55,383	59,328	59,100	(228)

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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

		2022 Actual		2023 Current		2024 Base		2024 Estimate		Increase/Decrease from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction and Communications	Pos./Obl	129	21,167	169	35,601	169	42,447	193	45,905	24	3,458
	FTE	67		116		148		155		7	
Financial Management Services	Pos./Obl	152	40,356	176	50,454	176	54,778	177	53,434	1	(1,344)
	FTE	137		168		176		177		1	
Human Resource Management and Administrative Services	Pos./Obl	245	53,738	302	62,164	302	69,127	303	70,964	1	1,838
	FTE	231		275		293		294		1	
Legal Services	Pos./Obl	128	31,123	137	36,192	137	38,511	137	38,401	-	(111)
	FTE	120		134		137		137		-	
Mission Support Information Resources	Pos./Obl	108	78,305	128	107,422	129	110,775	129	111,678	-	903
	FTE	104		115		118		118		-	
IT Infrastructure and IT Support Services	Pos./Obl	434	427,587	504	453,168	533	465,853	533	422,448	-	(43,405)
	FTE	408		435		460		460		-	
Miscellaneous General Expense	Pos./Obl	-	268,827	-	307,144	-	319,815	-	292,929	-	(26,885)
	FTE	-		-		-		-		-	
Total	Pos./Obl	1,196	921,104	1,416	1,052,145	1,446	1,101,306	1,472	1,035,760	26	(65,546)
	FTE	1,068		1,243		1,333		1,341		8	

		2022 Actual		2023 Current		2024 Base		2024 Estimate		Increase/Decrease from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Mission Support Goal-Allocation:											
Patent Program	Pos./Obl	896	737,262	1,062	860,706	1,085	899,421	1,101	835,474	16	(63,947)
	FTE	817		943		1,007		1,012		5	
Trademark Program	Pos./Obl	197	148,788	232	146,143	240	152,792	243	151,236	3	(1,556)
	FTE	182		206		220		221		1	
IPPE&P Program	Pos./Obl	103	35,054	122	45,296	122	49,093	129	49,050	7	(43)
	FTE	69		94		106		108		2	
Total Mission Support Goal Allocation	Pos./Obl	1,196	921,104	1,416	1,052,145	1,446	1,101,306	1,472	1,035,760	26	(65,546)
	FTE	1,068		1,243		1,333		1,341		8	

**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 promote inclusive innovation, bring innovation to positive impact, and provide 21st-century service and organizational excellence.

Base Program

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

Statement of Operating Objectives

Some of the major objectives included in Mission Support's goals are:

- Foster the innovation mindset of all Americans;
- Equitably deliver exceptional customer experiences;
- Develop modern IT infrastructure and applications;
- Expand opportunity, discovery, and accountability through greater data maturity; and
- Resource mission success.

Explanation and Justification

Line Item		2022 Actual		2023 Current		2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction and Communications	Pos./Obl	129	21,167	169	35,601	169	42,447
	FTE	67		116		148	
Financial Management Services	Pos./Obl	152	40,356	176	50,454	176	54,778
	FTE	137		168		176	
Human Resource Management and Administrative Services	Pos./Obl	245	53,738	302	62,164	302	69,127
	FTE	231		275		293	
Legal Services	Pos./Obl	128	31,123	137	36,192	137	38,511
	FTE	120		134		137	
Mission Support Information Resources	Pos./Obl	108	78,305	128	107,422	129	110,775
	FTE	104		115		118	
IT Infrastructure and IT Support Services	Pos./Obl	434	427,587	504	453,168	533	465,853
	FTE	408		435		460	
Miscellaneous General Expense	Pos./Obl	-	268,827	-	307,144	-	319,815
	FTE	-		-		-	
Total	Pos.	1,196	921,104	1,416	1,052,145	1,446	1,101,306
	FTE/Obl	1,068		1,243		1,333	

Mission Support Program

For FY 2024, the USPTO base totals \$1,101 million and 1,333 FTEs/1,446 positions for the Mission Support Program. The USPTO has already allocated the costs associated with Mission Support Program activities to Patent, Trademark, and IPPE&P programs 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 PPAC and TPAC advise the Under Secretary of Commerce for Intellectual Property and Director of the USPTO 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 to achieve its policy goals. In FY 2024, the USPTO will continue to manage agency policies to ensure it meets its mission and vision while supporting government-wide efforts to attract and retain STEM students, especially as their education relates to IP. Through collaboration with other federal agencies, school districts and universities, and nonprofit organizations, the USPTO will continue leading initiatives that focus on incentivizing innovation, especially in underserved communities and in key technology areas, as well as developing policies aimed at protecting and promoting innovation while advancing competition in the U.S. economy.

The USPTO seeks to promote and protect innovation through its outreach efforts as well as tap into communities traditionally underrepresented in the innovation ecosystem. Innovation creates jobs and promotes economic prosperity, expanding access to the innovation ecosystem in every corner of the country. The USPTO contributes to the ongoing effort to build a stronger and more inclusive innovation sector by maintaining strategic partnerships with organizations such as the Urban Alliance and offering paid work experience to ensure opportunities reach a broader and more diverse audience. By maintaining partnerships with the National Science & Technology Medals Foundation and the National Inventors Hall of Fame, the USPTO continues participating in and supporting educational programs that bolster innovation through invention, entrepreneurship, and creativity.

Financial Management Services

Financial Management Services helps to manage organizational resources effectively. As of FY 2022, the USPTO has earned an unmodified audit opinion on its annual financial statements for the 30th consecutive year. The AGA (formerly Association of Government Accountants) awarded the USPTO the Certificate of Excellence in Accountability Reporting (CEAR) for the 20th consecutive year for its FY 2021 Performance and Accountability Report (PAR). In addition to being recognized as a CEAR recipient, the USPTO received "Best in Class" honors for the best agency head and Chief Financial Officer (CFO) message and the "Value-Added Distinction Award" for the best overall report among all 21 CEAR award winners across the federal government. Financial Management Services supports the strategic goals by:

- Efficiently and effectively formulating and executing the budget to achieve optimal performance levels across all business units, reviewing and setting fees to recover aggregate costs, and providing actionable analysis to inform agency decisions;
- Awarding high-quality, fiscally responsible, and timely procurement actions by anticipating and exceeding the USPTO's ever-changing business needs and applying knowledge of business practices and market dynamics, innovative strategies, and well-defined and standardized processes; and
- Implementing and managing financial accounting and control systems, collecting financial data, and analyzing financial reports to enable the USPTO to make sound financial decisions.

Human Resource Management and Administrative Services

In FY 2024, the Chief Administrative Officer is responsible for effectively managing human resources, providing administrative services, and executing telework programs by:

- Analyzing organizational capacity through workforce assessments to align workload demand with direct capacity in human resources;
- Investing in a post-pandemic, hybrid operating model by creating a centrally managed hoteling program;
- 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 and 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 (e.g., occupational, safety, and 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; and
- Protecting 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:

- Ensuring EEO for USPTO employees and applicants by providing DEIA-focused training and discussion sessions to managers and employees, providing EEO counseling services to aggrieved persons, and overseeing the investigation of EEO complaints.
- Improving accessibility for users of programs and services the USPTO operates or funds. OEEOD supports the USPTO's commitment to 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 of and outreach to minority-serving institutions and organizations.
- Sponsoring special emphasis programs and promoting employee groups to increase cultural fluency, cross-cultural awareness and education, and bias mitigation.
- 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 workforce demographic data to senior leaders 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, enhance supervisory skills or prepare employees for employment opportunities.
- Standing up and conducting DEIA initiatives that address barriers to minority and underserved communities' full participation in USPTO programs and services through an agency-wide DEIA Steering Committee, an enhanced communication strategy for DEIA programming and training, and the coordination of data gathering to support accurate annual reporting.
- 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 collaborates with the DOC on interagency IP law matters; defends PTAB and TTAB decisions 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 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. 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 related to attorney and patent agent misconduct; determines the appropriate disciplinary proceedings; and suspends or excludes from practice before the USPTO any person, attorney, or registered patent 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 the Patent Pro Bono Program. The USPTO's Patent Pro Bono program supports 21 regional programs, and the Law School Clinic Certification Program includes over 60 participating law school clinics. These programs provide legal services at no charge to inventors and small business owners. Base funding covers the expansion of Patent Pro Bono legal programming (a USPTO priority), which increases opportunities for more innovators to receive free patent legal services to help bring their innovations to reality.

Mission Support Information Resources

The Mission Support Information Resources Program supports the USPTO's key IT objectives of resiliency, increased cloud presence, and improved security. The program also supports the following Enterprise Business Product Line (EBPL) key objectives:

- Gain business efficiencies;
- Engage, educate, and enable data processes and tools; and
- Manage customer relationships more effectively.

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 USPTO staff and customers progressively better, faster, and cheaper essential technologies and services while supporting the agency's key IT objectives of resiliency, increased cloud presence, and improved security. The product line achieves its mission by conducting exceptional research, design, testing, procurement, implementation, integration, operations, maintenance, and support for the USPTO's internal and external 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. In addition to prioritizing business units' needs, EIPL continues to prioritize the continuous, sustainable replacement and improvement of desktop equipment, network hardware, and storage and server services. EIPL's key objectives are:

- Implement zero-trust architecture (ZTA); and
- Increase hybrid cloud usage.

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, transportation, postage, and the agency's participation in the DOC Working Capital Fund. The sub-program also includes funding for post-retirement benefits, whereby the USPTO funds the present costs of post-retirement benefits for the Federal Employees Health Benefits (FEHB) Program, Federal Employees Group Life Insurance (FEGLI) Program, and CSRS and 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 2024**
(Dollar amounts in thousands)

		2024 Base		2024 Estimate		Increase/Decrease from 2024 base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction and Communications	Pos./Obl.	169	42,447	193	45,905	24	3,458
	FTE	148		155		7	
Financial Management Services	Pos./Obl.	176	54,778	177	53,434	1	(1,344)
	FTE	176		177		1	
Human Resources Mgmt. and Admin.	Pos./Obl.	302	69,127	303	70,964	1	1,838
	FTE	293		294		1	
Legal Services	Pos./Obl.	137	38,511	137	38,401	-	(111)
	FTE	137		137		-	
Mission Support Information Resources	Pos./Obl.	129	110,775	129	111,678	-	903
	FTE	118		118		-	
IT Infrastructure and IT Support	Pos./Obl.	533	465,853	533	422,448	-	(43,405)
	FTE	460		460		-	
Miscellaneous General Expense (MGE)	Pos./Obl.	-	319,815	-	292,929	-	(26,885)
	FTE	-		-		-	
Direct Total, Mission Support Program	Pos./Obl.	1,446	1,101,306	1,472	1,035,760	26	(65,546)
	FTE	1,333		1,341		8	

**Department of Commerce
U.S. Patent and Trademark Office
MISSION SUPPORT PROGRAM
PROGRAM CHANGES FOR 2024 - 2028**
(Dollar amounts in thousands)

		2024		2025		2026		2027		2028	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive and Comms.	Pos./Obl.	24	3,458	20	4,884	5	4,442	5	2,012	5	1,767
	FTE	7		21		19		5		5	
Financial Management	Pos./Obl.	1	(1,344)	2	(1,468)	2	(1,748)	2	(5,844)	2	(6,196)
	FTE	1		2		2		2		2	
Human Resources Mgmt. and Admin	Pos./Obl.	1	1,838	1	1,260	1	699	1	199	1	(232)
	FTE	1		1		1		1		1	
Legal Services	Pos./Obl.	-	(111)	-	(222)	-	(1,335)	-	(1,451)	-	(1,568)
	FTE	-		-		-		-		-	
Mission Support Information	Pos./Obl.	-	903	-	(817)	-	(5,571)	-	(7,360)	-	(9,185)
	FTE	-		-		-		-		-	
IT Infrastructure and IT Support Services	Pos./Obl.	-	(43,405)	-	(51,599)	-	(63,116)	-	(70,754)	-	(78,544)
	FTE	-		-		-		-		-	
Miscellaneous General Expense (MGE)	Pos./Obl.	-	(26,885)	-	(41,589)	-	(48,405)	-	(42,498)	-	(50,113)
	FTE	-		-		-		-		-	
Direct Total, Mission Support	Pos./Obl.	26	(65,546)	23	(89,551)	8	(115,034)	8	(125,694)	8	(144,072)
	FTE	8		24		22		8		8	

Sub-Activity: Executive Director, Communication, and Outreach

Office of the Under Secretary and Director and Chief Communications Office (+\$3.5 Million and +7 FTEs/24 Positions): This request will help the USPTO to increase communication, outreach, and education capacity by:

- Promoting and supporting inclusive innovation. Through funding for this program change, the USPTO continues to expand its efforts to increase participation in the innovation ecosystem by encouraging, empowering, and supporting all future innovators. The USPTO works to increase the involvement of women and other underrepresented groups in the innovation ecosystem as part of its efforts to encourage innovation.
- Funding targeted investments in education and outreach services for teachers and youth, including the provision of an educator-focused Master Teacher of Invention Education Program (MTIP) in Intellectual Property and Invention Education, the development of digital IP content and web-based learning programs, and the establishment of an innovation outreach center. Through these programs and several others in development, the USPTO aims to teach the value of innovation and protecting it with IP and encourage a more inclusive pipeline of STEM talent.

In support of the administration’s and the Under Secretary of Commerce for Intellectual Property and Director of the USPTO’s priority to promote inclusive innovation, this request also increases staffing by expanding the quantity, quality, and depth of messaging on the importance of the American system of IP protection. This request enables the USPTO to deliver messaging to the public through regional and local media, including messaging that incorporates regional offices’ emphases on services and programming.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	3,458	4,884	4,442	2,012	1,767
Budget Authority	3,458	4,884	4,442	2,012	1,767
FTE	7	21	19	5	5
Positions	24	20	5	5	5

Sub-Activity: Financial Management Services

Office of the Chief Financial Officer Staff (-\$1.3 Million and +1 FTE/1 Position): In FY 2024, the Office of the Chief Financial Officer (OCFO) will increase the Office of Planning and Budget’s staff by one position. The additional FTE supports accurate and timely projections of both fee revenue and future spending requirements.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	(1,344)	(1,468)	(1,748)	(5,844)	(6,196)
Budget Authority	(1,344)	(1,468)	(1,748)	(5,844)	(6,196)
FTE	1	2	2	2	2
Positions	1	2	2	2	2

Sub-Activity: Human Resource Management and Administrative Services

Administrative Services Staff (+\$1.8 Million and +1 FTE/1 Position): This program change and base resources will provide funding to support the USPTO’s staffing and recruitment efforts, including its effort to fill agency mission-critical positions while meeting ever-growing DOC requirements and OPM regulatory changes. This program change will also enable the USPTO to provide DEIA-focused training to all employees.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	1,838	1,260	699	199	(232)
Budget Authority	1,838	1,260	699	199	(232)
FTE	1	1	1	1	1
Positions	1	1	1	1	1

Sub-Activity: Legal Services

Legal Services (-\$0.1 Million and 0 FTEs/0 Positions): This request supports the USPTO’s maintenance of existing disciplinary workload standards for all legal services at the agency. The total requested funding provides the resources necessary for the USPTO to continue administering legal programs, including pro bono initiatives, to enable greater participation in the IP system and broaden education and patent legal resources in underrepresented communities.

	2024	2025	2026	2027	2028
Outyear Costs:					

	2024	2025	2026	2027	2028
Direct Obligations	(111)	(222)	(1,335)	(1,451)	(1,568)
Budget Authority	(111)	(222)	(1,335)	(1,451)	(1,568)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Sub-Activity: Mission Support Information Resources

Mission Support Information Resources (+\$0.9 Million and 0 FTEs/0 Positions): This request will fund the following EBPL objectives:

- Gain business efficiencies. The EBPL automates business processes and centralizes critical business infrastructure tools to enable USPTO mission delivery.
- Engage, educate, and enable data processes and tools. The EBPL implements data governance and incorporates the management of data as an enterprise asset into the USPTO culture.
- Manage customer relationships more effectively. The EBPL builds a robust customer attribute and behavior data set to streamline customer interactions.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	903	(817)	(5,571)	(7,360)	(9,185)
Budget Authority	903	(817)	(5,571)	(7,360)	(9,185)
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 (-\$43.4 Million and 0 FTEs/0 Positions): This request will fund the EIPL’s key objectives and provide the infrastructure and IT support all USPTO business units need to meet their mission.

- Implement ZTA. In its operational environments, the USPTO strongly authenticates every access request through security policies, authorizes requests within policy constraints, and inspects requests for anomalies before granting users access. The USPTO uses everything from the user’s identity to the application’s hosting environment to prevent breaches. To minimize lateral movement, the USPTO uses applied micro-segmentation and principles of least-privileged access. The USPTO uses rich intelligence and analytics to identify what happened, what was compromised, and how to prevent it from happening again.
- Increase hybrid cloud usage. The USPTO implements Amazon Web Services, Azure, and Google Cloud Platforms with a full authority to operate (ATO); fully supports Patent, Trademark, and Enterprise Business products migrating to the cloud until their migration is complete; defines and implements ZTA for all cloud solutions, including full security-related goal achievement; and tracks business product metered costs and use through cloud usage payment models.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	(43,405)	(51,599)	(63,116)	(70,754)	(78,544)
Budget Authority	(43,405)	(51,599)	(63,116)	(70,754)	(78,544)
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/MGE

Improvements to Cross-Cutting Services/MGE (-\$26.8 Million and 0 FTEs/0 Positions): This request will support the USPTO’s 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 through general agency management for which other areas of the budget do not provide. Most program changes in this function require one-time investments with lower costs for operations and maintenance, resulting in the reductions reflected in this document. These cross-cutting activities also facilitate the USPTO’s adherence to regulations, EOs, and guidance documents. Additionally, program changes reflect offsets caused by reductions in rent projections and nonrecurring projects. This sub-activity requires FY 2024 funds to:

- Release of two main campus buildings in Alexandria, VA resulting in an aggregate footprint reduction of more than 1 million square feet by August 2024.

- Relocate the San Jose Regional Office, if needed. The fifth option year of the current lease expires October 4, 2025. 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.
- Invest in a post-pandemic hybrid operating model by creating a centrally managed hoteling program and funding Telework Enhancement Act Program (TEAP) travel.

	2024	2025	2026	2027	2028
Outyear Costs:					
Direct Obligations	(26,885)	(41,589)	(48,405)	(42,498)	(50,113)
Budget Authority	(26,885)	(41,589)	(48,405)	(42,498)	(50,113)
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

Program Change:

Full-time permanent

Title:

	Grade	Number	Annual Salary	Total Salaries
Program Management Analyst	14	1	150,017	150,017
Historian	13	1	126,949	126,949
Writer – Editor	13	1	126,949	126,949
Supervisory Program Specialist	15	2	155,700	311,401
Program Support Specialist	12	1	106,761	106,761
Administrative Support Assistant	9	1	73,619	73,619
Management Program Analyst	11	1	78,593	78,593
Administrative Specialist	12	1	106,761	106,761
MTIP Fellow/Education Associate	12	15	106,761	1,601,417
Education Specialist MTIP Admin	13	2	126,949	253,898
Attrit	11	(1)	101,912	(101,912)
Physical Security Specialist	12	1	106,496	106,496
Total		26		2,940,948
less Lapse	69%	(18)		(1,967,505)
Total full-time permanent (FTE)		8		973,443
2024 Pay Adjustment (5.2%)				32,453
Total				1,005,896

Personnel Data Summary

Full-Time Equivalent Employment

Full-time permanent

Other than full-time permanent

Total FTE

8

-

8

Authorized Positions:

Full-time permanent

Other than full-time permanent

Total Positions

26

-

26

**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	2022 Actual	2023 Current	2024 Base	2024 Estimate	Increase/Decrease from 2024 base
11 Personnel compensation					
11.1 Full-time permanent	150,264	173,830	197,347	198,353	1,006
11.3 Other than full-time permanent	-	-	-	-	-
11.5 Other personnel compensation	11,244	12,752	14,025	14,025	-
11.8 Special personnel services payments	-	-	-	-	-
11.9 Total personnel compensation	161,508	186,582	211,372	212,378	1,006
12 Civilian personnel benefits	160,532	178,161	188,784	189,155	371
13 Benefits for former personnel	-	-	-	-	-
21 Travel and transportation of persons	1,283	2,922	2,980	2,966	(14)
22 Transportation of things	252	254	259	297	38
23.1 Rental payments to GSA	89,482	92,250	94,095	89,010	(5,085)
23.2 Rental payments to others	13,368	15,803	16,119	16,111	(8)
23.3 Communications, utilities and miscellaneous charges	9,891	14,973	15,272	15,202	(70)
24 Printing and reproduction	219	244	249	396	147
25.1 Advisory and assistance services	2,764	3,221	3,285	3,278	(7)
25.2 Other services	30,693	40,626	41,438	40,756	(683)
25.3 Purchases of goods & services from Gov't accounts	30,554	48,905	49,883	36,659	(13,224)
25.4 Operation and maintenance of facilities	27,035	40,299	41,105	89,010	47,905
25.5 Research and development contracts	-	-	-	-	-
25.6 Medical care	-	-	-	-	-
25.7 Operation and maintenance of equipment	336,778	339,412	346,200	251,595	(94,606)
25.8 Subsistence and support of persons	-	-	-	-	-
26 Supplies and materials	2,200	2,449	2,498	2,755	256
31 Equipment	54,341	86,017	87,737	86,194	(1,543)
32 Lands and structures	-	-	-	-	-
33 Investments and loans	-	-	-	-	-
41 Grants, subsidies and contributions	-	-	-	-	-
42 Insurance claims and indemnities	179	4	4	-	(4)
43 Interest and dividends	24	24	25	(0)	(25)
44 Refunds	-	-	-	-	-
99 Total obligations	921,104	1,052,145	1,101,306	1,035,760	(65,546)

EXHIBITS 16–42

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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	2022 Actual	2023 Current	2024 Base	2024 Estimate	Increase/Decrease from 2024 base
11.1 Salaries	1,716,199	1,848,870	1,980,967	1,984,020	3,053
11.5 Other personnel compensation	156,202	176,323	187,372	189,314	1,942
11.9 Total personnel compensation	1,872,401	2,025,193	2,168,339	2,173,334	4,995
12.1 Civilian personnel benefits	745,764	813,846	871,174	872,345	1,171
13 Benefits to Former Employees	-	-	-	-	-
21 Travel and transportation of persons	2,419	10,628	10,840	8,616	(2,224)
22 Transportation of things	252	275	281	312	31
23.1 Rental payments to GSA	89,482	92,250	94,095	89,010	(5,085)
23.2 Rental payments to others	13,372	15,977	16,296	16,139	(158)
23.3 Communications, util., and misc. charges	11,424	15,356	15,663	15,583	(80)
24 Printing and reproduction	175,175	183,402	187,070	183,665	(3,405)
25.1 Advisory and assistance services	57,035	61,270	62,495	62,630	135
25.2 Other services from non-federal sources	156,515	145,764	148,680	138,769	(9,910)
25.3 Other goods and services from federal sources	44,860	69,132	70,515	55,879	(14,636)
25.4 Operation and maintenance of facilities	27,035	40,299	41,105	30,548	(10,557)
25.7 Operation and maintenance of equipment	407,389	446,735	455,670	403,574	(52,096)
26 Supplies and materials	48,942	52,743	53,798	56,379	2,581
31 Equipment	154,231	162,515	165,765	174,123	8,358
32 Land and Structures	-	-	-	-	-
4x Insurance claims, indemnities, and refunds	3,384	2,985	3,045	3,005	(40)
99.9 Total Obligations	3,809,681	4,138,370	4,364,831	4,283,912	(80,919)
Fee Collections	(4,090,043)	(4,105,340)	(4,195,799)	(4,195,799)	-
Less prior year other income/recoveries	(53,366)	(58,000)	(58,000)	(58,000)	-
Less prior year unobligated balance	(683,646)	(1,015,374)	(1,037,894)	(1,037,894)	-
Less end year unobligated balance	1,015,374	1,037,894	924,413	1,005,331	80,919
Total Budget Authority	(2,000)	(2,450)	(2,450)	(2,450)	-
Personnel Data					
Full-Time equivalent Employment	12,597	13,348	13,632	13,770	137
Positions	13,250	14,085	14,085	14,425	340

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

Object Class	2022 Actual	2023 Current	2024 Base	2024 Estimate	Increase/Decrease from 2024 base
11.1 Salaries	1,528,707	1,633,018	1,739,952	1,736,950	(3,002)
11.5 Other personnel compensation	138,358	149,685	157,124	159,066	1,942
11.9 Total personnel compensation	1,667,065	1,782,703	1,897,076	1,896,016	(1,060)
12.1 Civilian personnel benefits	666,041	723,291	767,944	766,809	(1,135)
13 Benefits to Former Employees	-	-	-	-	0
21 Travel and transportation of persons	1,904	9,203	9,387	7,200	(2,187)
22 Transportation of things	211	231	235	263	27
23.1 Rental payments to GSA	77,114	79,500	81,090	76,708	(4,382)
23.2 Rental payments to others	11,523	13,626	13,899	13,902	4
23.3 Communication, util., and misc. charges	9,890	12,937	13,196	13,197	1
24 Printing and reproduction	175,125	183,293	186,959	183,607	(3,352)
25.1 Advisory and assistance services	55,609	55,421	56,530	58,363	1,833
25.2 Other services from non-federal sources	146,159	129,150	131,733	121,496	(10,237)
25.3 Other goods and services from federal sources	34,313	52,838	53,895	41,937	(11,958)
25.4 Operation and maintenance of facilities	23,429	34,899	35,597	26,448	(9,148)
25.7 Operation and maintenance of equipment	324,496	367,829	375,186	332,894	(42,292)
26 Supplies and materials	46,756	49,757	50,752	51,636	883
31 Equipment	111,797	136,745	139,480	136,170	(3,310)
32 Land and Structures	-	-	-	-	0
4x Insurance claims, indemnities, and refunds	2,756	2,426	2,474	2,450	(24)
99.9 Total Obligations	3,354,186	3,633,848	3,815,431	3,729,095	(86,337)
Fee Collections	(3,631,745)	(3,629,783)	(3,696,094)	(3,696,094)	-
Less prior year other income/recoveries	(46,875)	(48,858)	(48,858)	(48,858)	-
Less prior year unobligated balance	(475,870)	(798,531)	(841,153)	(841,153)	-
Less end year unobligated balance	798,531	841,153	768,503	854,840	86,337
Total Budget Authority	(1,774)	(2,170)	(2,170)	(2,170)	-
Personnel Data					
Full-Time equivalent Employment	11,267	11,801	12,009	12,088	79
Positions	11,779	12,436	12,430	12,689	258

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

Object Class	2022 Actual	2023 Current	2024 Base	2024 Estimate	Increase/Decrease from 2024 base
11.1 Salaries	187,492	215,852	241,015	247,070	6,055
11.5 Other personnel compensation	17,844	26,638	30,248	30,248	-
11.9 Total personnel compensation	205,337	242,490	271,263	277,318	6,055
12.1 Civilian personnel benefits	79,723	90,555	103,229	105,536	2,306
13 Benefits to Former Employees	-	-	-	-	-
21 Travel and transportation of persons	514	1,425	1,454	1,416	(38)
22 Transportation of things	41	44	45	49	4
23.1 Rental payments to GSA	12,367	12,750	13,005	12,302	(703)
23.2 Rental payments to others	1,849	2,350	2,398	2,236	(161)
23.3 Communication, util., and misc. charges	1,534	2,419	2,467	2,387	(81)
24 Printing and reproduction	50	109	112	58	(53)
25.1 Advisory and assistance services	1,427	5,849	5,966	4,267	(1,698)
25.2 Other services from non-federal sources	10,355	16,614	16,947	17,273	327
25.3 Other goods and services from federal sources	10,548	16,294	16,620	13,943	(2,678)
25.4 Operation and maintenance of facilities	3,607	5,400	5,508	4,100	(1,409)
25.7 Operation and maintenance of equipment	82,893	78,906	80,484	70,680	(9,804)
26 Supplies and materials	2,187	2,986	3,045	4,743	1,698
31 Equipment	42,434	25,770	26,285	37,954	11,669
32 Land and Structures	-	-	-	-	-
4x Insurance claims, indemnities, and refunds	629	559	570	555	(16)
99.9 Total Obligations	455,494	504,522	549,399	554,817	5,418
Fee Collections	(458,297)	(475,558)	(499,706)	(499,706)	-
Less prior year other income/recoveries	(6,491)	(9,142)	(9,142)	(9,142)	-
Less prior year unobligated balance	(207,776)	(216,843)	(196,741)	(196,741)	-
Less end year unobligated balance	216,843	196,741	155,909	150,491	(5,418)
Total Budget Authority	-	-	-	-	-
Personnel Data	(226)	(280)	(280)	(280)	-
Full-Time equivalent Employment	1,330	1,546	1,623	1,682	59
Positions	1,471	1,649	1,655	1,737	82

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

1....[\$4,253,404,000] \$4,195,799,000
 ...[2023] 2024
 ...[2024] 2025

2. *Provided further*, That the Director of USPTO shall submit a *spending plan* 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:

Explanation of Proposed Changes to Appropriation Language

Proposed Change	Explanation
2024	2025
<i>Removal of sentence due to redundancy</i>	in either fiscal year 2023 2024 or fiscal year

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

FY 2024

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, ~~\$4,253,404,000~~ \$4,195,799,000, 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 ~~2023~~ 2024, so as to result in a fiscal year ~~2023~~ 2024 appropriation from the general fund estimated at \$0: *Provided further*, That during fiscal year ~~2023~~ 2024, should the total amount of such offsetting collections be less than ~~\$4,253,404,000~~ \$4,195,799,000, this amount shall be reduced accordingly: *Provided further*, That any amount received in excess of ~~\$4,253,404,000~~ \$4,195,799,000 in fiscal year ~~2023~~ 2024 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 504 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 2024 2025 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 2023-2024 or fiscal year~~: *Provided further*, That from amounts provided herein, not to exceed \$13,500 shall be made available in fiscal year ~~2023~~ 2024 for official reception and representation expenses: *Provided further*, That in fiscal year ~~2023~~ 2024 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 (FEGLI), shall be transferred to the Civil Service Retirement and Disability Fund, the FEGLI 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, \$2,450,000 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.
- Unleashing American Innovators Act of 2022 (Pub. L. 117-328), provides fee reductions for small and micro entity discounts, establishment of satellite and community outreach offices, updates to the Patent pro bono program, and pre-prosecution assessment pilot program

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

	2022 Actual	2023 Current	2024 Estimate
Patent Cooperation Treaty (PCT) outsourcing	32,759	33,724	35,691
Patent Classification services	15,784	17,058	18,029
IT consulting services	564	2,315	2,060
Other	7,929	8,173	6,851
Total	57,035	61,270	62,630

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, the USPTO can meet 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**

	2022 Actual	2023 Current	2024 Estimate
Periodicals	46,433	47,009	48,585
Pamphlets	-	-	-
Audiovisuals	-	-	-
Total	46,433	47,009	48,585

Technical literature documents in the form of periodicals are essential to 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 table above reflects the cost of these materials.

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

	2022 Actual	2023 Current	2024 Estimate
Average ES Grade	N/A	N/A	N/A
Average GS Grade	13	13	13
Average GS Salary with Benefits	136,243	138,516	143,315

**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 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 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 Inspector General (IG)s' Semiannual Report to Congress (SAR).

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

Report Number	OIG OIG-22-010-I
Report Title	USPTO Has Opportunities to Improve its Patent Examination Process and to Advance Patent Decision-Making
Issue Date	12/2/2021
Recommendation Number	1
Recommendation	Direct the Commissioner for Patents to (1) measure the effectiveness of the Office of Patent Quality Assurance (OPQA) process and its targets, and (2) take appropriate action to remedy any shortcomings.
Action(s) Planned	1-a) Establish a team to explore and construct appropriate quality targets related to OPQA random reviews. 1-b) Establish a team to explore and identify appropriate effectiveness measures for the OPQA. 1-c) Create a Standard Operating Procedure (SOP) that will include processes for: • obtaining feedback and recommendations on effectiveness measures for the OPQA • measuring the effectiveness of the OPQA based on the feedback and recommendations • reporting the OPQA's effectiveness measures on an ongoing basis. The SOP will also include a framework for taking appropriate actions to remedy any shortcomings. Dependency: Completion of 1-b)

Action Status (Planned, In-Progress, or Complete)	1-a) Complete 1-b) Complete 1-c) Complete
Target Completion Date	1-a) 10/31/21 1-b) 2/28/22 1-c) 5/31/22
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG OIG-22-010-I
Report Title	USPTO Has Opportunities to Improve its Patent Examination Process and to Advance Patent Decision-Making
Issue Date	12/2/2021
Recommendation Number	2
Recommendation	Direct the Commissioner for Patents to release more of the OPQA review methodology and data publicly to solicit external feedback on the review process.
Action(s) Planned	2-a) Create an updated USPTO quality metrics webpage that provides additional information regarding the OPQA's review methodology, including information on topics such as: sampling, quality standards, data collection forms, and review processes. In addition, the webpage will include information on the agency's overall approach to quality metrics, including the administration of perception surveys. 2-b) Include in the updated USPTO quality metrics webpage fiscal year data from the OPQA's reviews corresponding to inquiries in the Master Review form, as well as avenues for external stakeholders to communicate with the USPTO regarding the OPQA's review methodology, data, quality metrics, and patent quality in general. In addition, the webpage will provide results from both external and internal customer perception surveys.

Action Status (Planned, In-Progress, or Complete)	2-a) Complete 2-b) Complete
Target Completion Date	2-a) 11/30/21 2-b) 11/30/21
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG OIG-22-010-I
Report Title	USPTO Has Opportunities to Improve its Patent Examination Process and to Advance Patent Decision-Making
Issue Date	12/2/2021
Recommendation Number	3
Recommendation	Direct the Commissioner for Patents to solicit external stakeholder feedback on responsiveness as an additional performance indicator and to calibrate incentives and expectations.
Action(s) Planned	3-a) Work with a contracted survey research firm to construct and test proposed responsiveness questions for incorporation into the semi-annual External Quality Survey. Dependency: The current contract award for administration of the stakeholder survey is undergoing a re-compete that is scheduled to be completed by the end of August 2022. 3-b) Administer the External Quality Survey that includes new responsiveness question(s). Dependency: Completion of Office of Management and Budget clearance, including Paperwork Reduction Act clearance, and revised survey instrument. 3-c) Analyze and incorporate new responsiveness questions as part of the semi-annual reporting of stakeholder perceptions. Dependency: Completion of 3-b)

Action Status (Planned, In-Progress, or Complete)	3-a) Complete 3-b) In-Progress 3-c) In-Progress
Target Completion Date	3-a) 8/31/22 3-b) 1/31/23 3-c) 4/30/23
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

Report Number	OIG OIG-22-010-I
Report Title	USPTO Has Opportunities to Improve its Patent Examination Process and to Advance Patent Decision-Making
Issue Date	12/2/2021
Recommendation Number	4
Recommendation	Direct the Office of the Chief Information Officer to assess the effectiveness of current tools (e.g., those aiding in performing prior art search and preparation of office actions) to help examiners perform more efficiently.
Action(s) Planned	4-a) Establish a team to evaluate and assess current patent examiner tools. 4-b) Analyze feedback from surveys and examiner usage data to evaluate opportunities for efficiency gains. 4-c) Develop a plan to obtain new functionality on the current patent examiner tools (DAV, OC, and SEARCH). Dependency: Completion of 4-b)
Action Status (Planned, In-Progress, or Complete)	4-a) Complete 4-b) Complete 4-c) Complete

Target Completion Date	4-a) 3/31/22 4-b) 12/31/22 4-c) 3/31/23
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG OIG-22-010-I
Report Title	USPTO Has Opportunities to Improve its Patent Examination Process and to Advance Patent Decision-Making
Issue Date	12/2/2021
Recommendation Number	5
Recommendation	Direct the Commissioner for Patents to establish regular monitoring of consistency in examination decisions, including trainees' decisions, by randomly selecting applications for parallel examination.
Action(s) Planned	5-a) Conduct internal ideation sessions exploring and evaluating possible forms of parallel examination and quantitative or qualitative measures of examination consistency. 5-b) Create testing and evaluation plans for three proposed solutions/scenarios: • Minimize pilot administration impacts on examiners • Minimize pilot administration impacts on stakeholders • Minimize IT and infrastructure costs for pilot administration. Dependency: Completion of 5-a) 5-c) Evaluate proposed testing and evaluation plans for viability based on perceived impacts and efforts. Dependency: Completion of 5-b) 5-d) Pilot viable solution(s) to address the measurement and monitoring of examination consistency. Dependency: Completion of 5-c) and identification of at least one viable solution. 5-e) Implement, in a phased and/or full approach, a corps-wide consistency measurement and monitoring program. Dependency: Completion of 5-d) and receipt of results showing the evidence-based efficacy of piloted solution(s).
Action Status (Planned, In-Progress, or Complete)	5-a) Complete 5-b) Complete 5-c) In-Progress 5-d) In-Progress 5-e) In-Progress

Target Completion Date	5-a) 3/31/22 5-b) 11/30/22 5-c) 1/31/23 5-d) 1/31/24 5-e) 5/31/24
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

Report Number	OIG OIG-22-010-I
Report Title	USPTO Has Opportunities to Improve its Patent Examination Process and to Advance Patent Decision-Making
Issue Date	12/2/2021
Recommendation Number	6
Recommendation	Direct the Commissioner for Patents to establish and empower a quality control oversight body to create a comprehensive internal control system consistent with the guidance in the GAO Green Book.
Action(s) Planned	6-a) Consult with the Office of the Chief Financial Officer's internal control team regarding the structure and function of an internal control board, and how an internal Patents board would align structurally with the USPTO's Senior Assessment Team. 6-b) Identify the expertise required of members of the Patents Internal Control Board (PICB) and select members appropriately. 6-c) Determine and document the specific scope of PICB responsibilities and any resources needed to fulfill them. 6-d) Establish and document an SOP and schedule of operations for the PICB. 6-e) Begin PICB operations.
Action Status (Planned, In-Progress, or Complete)	6-a) Complete 6-b) Complete 6-c) Complete 6-d) Complete 6-e) Complete

Target Completion Date	6-a) 4/30/22 6-b) 2/28/22 6-c) 3/31/22 6-d) 4/30/22 6-e) 6/30/22
Recommendation Status (Planned, In-Progress, or Complete)	Complete

Report Number	OIG OIG-22-010-I
Report Title	USPTO Has Opportunities to Improve its Patent Examination Process and to Advance Patent Decision-Making
Issue Date	12/2/2021
Recommendation Number	7
Recommendation	Direct the Office of Patent Automation to define objective measures of effectiveness for the search tools and training to inform decisions related to prior art search improvements.
Action(s) Planned	7-a) Establish a team to explore and construct appropriate objective measures of the effectiveness of patent examiner search tools and training to inform decisions related to prior art search improvements. 7-b) Create an SOP that will include procedures for: • obtaining feedback and recommendations on objective measures of the effectiveness of patent examiner search tools • measuring the effectiveness of current patent examiner search tools and training • reporting on the effectiveness measures for patent examiner tools and training on an ongoing basis. Dependency: Development/implementation of monitoring capabilities in SEARCH and potential labor concerns. 7-c) Provide continual learning opportunities to the examining corps to promote the efficient and effective use of search tools.
Action Status (Planned, In-Progress, or Complete)	7-a) Complete 7-b) Complete 7-c) In-Progress

Target Completion Date	7-a) 3/31/22 7-b) 1/31/23 7-c) 3/31/23
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	1
Recommendation	Develop controls and 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	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. 1-b) Implement a check for post office boxes and “care of” addresses as part of the pre-publication review of the Official Gazette. 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. 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. 1-e) Implement domestic address review method(s) recommended by 1-d). Dependency: Completion of 1-d).
Action Status (Planned, In-Progress, or Complete)	1-a) Complete 1-b) Complete 1-c) Complete 1-d) Complete 1-e) Complete

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

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 flag for examining attorneys automatically that examination on an application has been paused due to a Special Task Force-initiated investigation of suspicious trademark filings. 2-c) Draft an SOP 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) Complete 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)	Complete
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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	<p>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.</p> <p>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.</p> <p>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.</p> <p>3-d) Conduct a cost/benefit analysis of non-examiners (e.g., support staff and contractors) conducting additional specimen reviews or investigations, including using an Automated Specimen Analysis Product to review specimens for duplicate images in multiple, unrelated submissions.</p> <p>3-e) Implement any specimen review method(s) identified and recommended in 3-d).</p> <p>Dependency: Completion of 3-d).</p>
Action Status (Planned, In-Progress, or Complete)	<p>3-a) Complete</p> <p>3-b) In-Progress</p> <p>3-c) Complete</p> <p>3-d) In-Progress</p> <p>3-e) In-Progress</p>

Target Completion Date	3-a) 12/1/22 3-b) 3/31/23 3-c) 8/1/21 3-d) 3/31/23 3-e) 6/30/23
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 flag for examining attorneys automatically 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 or good, and if sufficient, evaluate costs and 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) Complete 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) 3/31/23 4-d) 3/31/23 4-e) 9/30/23
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) 3/31/23
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

Report Number	OIG-21-033-A
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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) Complete
Target Completion Date	6-a) 10/31/21 6-b) 6/1/22
Recommendation Status (Planned, In-Progress, or Complete)	Complete

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) 6/30/23 7-b) 12/31/23
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

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) Complete 1-b) In-Progress 1-c) Complete 1-d) Complete
Target Completion Date	1-a) 7/31/22 1-b) 1/31/23 1-c) 1/31/23 1-d) 6/30/22
Recommendation Status (Planned, In-Progress, or Complete)	In-Progress

Report Title	USPTO Has Opportunities to Improve Its Internal Controls and Oversight Related to PTA and PTE Calculations
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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 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 IT business logic and 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	<p>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.</p> <p>3-b) Publish a notice of proposed rulemaking proposing to permit e-filing of PTE applications. Dependency: Completion of corrective action 3-a).</p> <p>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.</p>
Action Status (Planned, In-Progress, or Complete)	<p>3-a) Complete</p> <p>3-b) Complete</p> <p>3-c) In-Progress</p>
Target Completion Date	<p>3-a) 10/31/21</p> <p>3-b) 5/31/22</p> <p>3-c) 2/28/23</p>
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	<p>4-a) Complete a feasibility study regarding the implementation of a workflow process or tool for LIE managers.</p> <p>4-b) Analyze document codes and descriptions for clarity. Align document codes to the 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).</p> <p>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).</p>

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 IT business logic and 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	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. 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. Dependency: Completion of corrective action 6-a). 6-c) Educate OPET staff who will conduct the PTA audits on the PTA audit process. Dependency: Completion of corrective action 6-b).
Action Status (Planned, In-Progress, or Complete)	6-a) Complete 6-b) Complete 6-c) Complete
Target Completion Date	6-a) 10/31/21 6-b) 12/31/21 6-c) 2/28/22
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	1-a) Appoint an end user as acting lead product owner (LPO) to serve until a permanent position can be created and filled. 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. 1-c) Advertise and fill new PTAB LPO position. Dependency: 1-b).
Action Status (Planned, In-Progress, or Complete)	1-a) Complete 1-b) Complete 1-c) Complete
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) Complete
Target Completion Date	2-a) 1/31/22 2-b) 3/31/22

Recommendation Status (Planned, In-Progress, or Complete)	Complete
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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 <i>Arthrex</i> decision.
Action(s) Planned	3-a) Review the Supreme Court’s decision in <i>Arthrex</i> 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	<p>4-a) The PTAB will work with 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.</p> <p>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).</p> <p>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).</p>
Action Status (Planned, In-Progress, or Complete)	<p>4-a) Complete</p> <p>4-b) Complete</p> <p>4-c) Complete</p>
Target Completion Date	<p>4-a) 5/10/22</p> <p>4-b) 5/10/22</p> <p>4-c) 8/31/22</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	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	<p>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.</p>
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	2-a) Review recently released 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." Dependency: None. 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). Dependency: 2-a).
Action Status (Planned, In-Progress, or Complete)	2-a) Complete 2-b) Complete
Target Completion Date	2-a) 4/30/21 2-b) 5/31/21
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	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	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. Dependency: None. 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 document the extension to an existing vehicle on a noncompetitive basis adequately, and to ensure timely, collaborative acquisition planning is carried out effectively. Update PM 2016-02 where needed following the review. Dependency: None.
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	<p>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.</p> <p>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.</p> <p>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).</p>
Action Status (Planned, In-Progress, or Complete)	<p>4-a) Complete</p> <p>4-b) Complete</p> <p>4-c) Complete</p>
Target Completion Date	<p>4-a) 12/8/20</p> <p>4-b) 9/10/20</p> <p>4-c) 3/31/21</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	5
Recommendation	Revise the Acquisition File Documentation form to document consideration of vendor performance prior to exercise of option periods.
Action(s) Planned	<p>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), and 4-c).</p>

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 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 the 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 OCIO's 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	<p>8-a) Retire Sprint Review Tool. Dependency: None.</p> <p>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.</p> <p>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).</p>
Action Status (Planned, In-Progress, or Complete)	<p>8-a) Complete</p> <p>8-b) Complete</p> <p>8-c) Complete</p>
Target Completion Date	<p>8-a) 12/30/20</p> <p>8-b) 1/30/21</p> <p>8-c) 6/1/21</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	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	<p>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).</p>
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
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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	<p>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).</p>
Action Status (Planned, In-Progress, or Complete)	<p>3-a) Complete 3-b) Complete 3-c) Complete 3-d) Complete 3-e) Complete 3-f) Complete 3-g) Complete</p>
Target Completion Date	<p>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</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	4

Recommendation	Ensure the Office of Procurement uses the Forecasting and Advanced Acquisition Planning System (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 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 the 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

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 five 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 ago 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 ongoing and future system development for USPTO next-generation applications, and switch PIV enforcement to a per-user basis, when technically feasible.
Target Implementation Date	9/30/2023
Reason No Final Action Taken or Action Not Recommended Taken	It was determined that some of the corrective actions related to this recommendation would require more time than others to complete. Per the OIG's suggestion, the USPTO added sub-actions to its 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 September 30, 2023. They are listed below: 4-a) For systems identified in 4-a) that are not retiring, the 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. 4-c) The 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. The USPTO will reevaluate user-based PIV enforcement annually.
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.

**Department of Commerce
U.S. Patent and Trademark Office
Salaries and Expenses
Description of Tribal Consultations**
(Dollar amounts in thousands)

		2024 Base		2024 Estimate		Increase/Decrease from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Patent Program	Pos./Obl.	-	-	-	-	-	-
	FTE						
Trademark Program	Pos./Obl.	-	-	-	-	-	-
	FTE						
IP Policy, Enforcement & Protection Program	Pos./Obl.	-	-	-	-	-	-
	FTE						
Mission Support Program	Pos./Obl.	-	-	-	-	-	-
	FTE						

Summary Description of Tribal Consultations: None applicable

Summary Description of Tribal Input: None applicable

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APPENDICES

Appendix I - Patent and Trademark Businesses Five-Year Outlook

The USPTO's Budget includes two distinct business lines: Patents and Trademarks. The USPTO receives fee collections for incoming patent and trademark work to finance patent and trademark operations, respectively. The five-year forecast summary reflects the USPTO's point-in-time planning assumptions and budget priorities. The five-year estimates contain inherent uncertainty because the future economic conditions upon which the USPTO bases fee collections and spending requirements are unknown. 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 IV](#) 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, prior-year fee collections are immediately available for use. The USPTO uses all available funding sources (i.e., appropriated fee collections and ORs) to finance agency operations continuously. The ORs supplement annual collections when annual spending requirements exceed collections, help the USPTO manage cash flow when normal seasonal variability causes spending to exceed fee collections periodically, and provide funding for unplanned requirements that are necessary for the USPTO to continue operating. The ORs are not distinct accounts or segregated fund balances. 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 boundary while building the ORs to the optimal level. The agency reviews the OR optimal balance targets biennially and sets balance target levels to mitigate fee collection and spending risk factors. Through its multiyear planning process, the USPTO aims to achieve or approach the OR optimal levels within the five-year forecast.

The annual OR balances do not include amounts the USPTO deposits 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 it deposits in the PTFRF immediately; PTFRF balances do not mitigate short-term operational financing risks. The agency must notify Congress using the congressional reprogramming process before it can use PTFRF deposits to finance USPTO operations.

Long-Term Planning

As a fully fee-funded agency, the USPTO relies on a comprehensive, multiyear budgetary outlook. The agency establishes long-term planning estimates to facilitate effective resource planning and inform fee setting over the five-year budget horizon.

The USPTO sets planning estimates in the Budget that fund its capacity to meet the estimated demand for work; incorporate the agency's efforts to support the CI²; expand the USPTO's ability to deliver IP education and information to underserved communities; enable the agency to meet workload requirements to address previously unprecedented trademark application filings and the resulting backlog of unexamined inventory; strengthen the integrity of the trademark register; improve IT resiliency and failover

capabilities; support a hybrid workforce, including more reliance on telework; and implement EOs addressing key administration priorities.

As mentioned in the [Executive Summary](#), the UAIA was enacted on December 29, 2022. The USPTO is identifying the additional resources and budgetary requirements needed to satisfy the UAIA provisions. The agency plans to continue to develop and/or refine the costs associated with UAIA and the impacts it will have on the operating reserves in future budgets.

Below are some of the more significant provisions of the UAIA:

- **Establish satellite (regional) and community outreach offices** – the law directs the USPTO to establish a Southeast Regional Office by December 2025 and complete a study by December 2024 to determine whether additional satellite offices are necessary. In addition, it directs the USPTO to establish no fewer than four community outreach offices throughout the United States by December 2027. The agency is also required to partner with local organizations to create programs that educate on the patent system, promote career benefits of entrepreneurship and innovation, and educate prospective inventors in underrepresented populations and locations.
- **Updates to the Patent pro bono programs** – the law directs the USPTO to increase efforts to enhance the patent pro bono program, including completing a study by December 2023 and submitting the results to the Committee on the Judiciary of the House of Representatives.
- **Pre-prosecution assessment pilot program** – the law directs the USPTO to establish a pilot program to assist first-time prospective patent applicants in assessing the strengths and weaknesses of a potential patent application by December 2023.
- **Fee reductions for small and micro entities** – the law increased small entity discounts from 50 percent to 60 percent and micro entity discounts from 75 percent to 80 percent on December 29, 2022. It also directs the agency to perform a fee study by December 2024 and submit the results to the Committee of the Judiciary of the Senate and Committee on the Judiciary of the House of Representatives.

Patent Business: Five-Year Outlook

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

In the FY 2024 Budget, the USPTO projects a 2.0% growth annually for serialized (original) filings—the largest component of the overall application growth rate—for each year between FY 2024 and FY 2028. Given current filing trends and other economic behavior assumptions, the USPTO plans to hire roughly 650-675 patent examiners in FY 2023 through FY 2024 and 750 patent

examiners in FY 2025 through FY 2028, as demonstrated in Figure 1(a). As seen in Figure 1(b), the USPTO projects an overall annual growth rate of 1.8% in UPR application filings in FY 2024. The USPTO calculates all patent spending and fee estimates based on these assumptions. The UPR annual growth rate differs from the serialized growth rate in that it also includes RCE filings. RCE filings are roughly 21% of applications filings, annually, and are a function of total disposals. The USPTO continues to engage in various initiatives designed to reduce RCE filings, which would ultimately reduce the total UPR filing growth rate.

The American Inventors Protection Act of 1999 established PTA. A patent term is a measure of the period that a patent is in force, and PTA allows the USPTO to adjust 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 timeframes 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 applicant files the reply or takes the appeal, act on an application within four months after the PTAB or a federal court makes a decision, issue a patent within four months after an issue fee payment, and issue a patent within 36 months of an application’s filing date. The staffing plan included in this Budget provides for the patent examiner staffing level required to address

increasing workloads as well as to balance quality and pendency targets within the PTA examination timeframes. In its ongoing efforts to improve certainty and timeliness, the USPTO will continue to monitor inventory and application filing levels closely 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 changes to planned hiring levels and other assumptions.

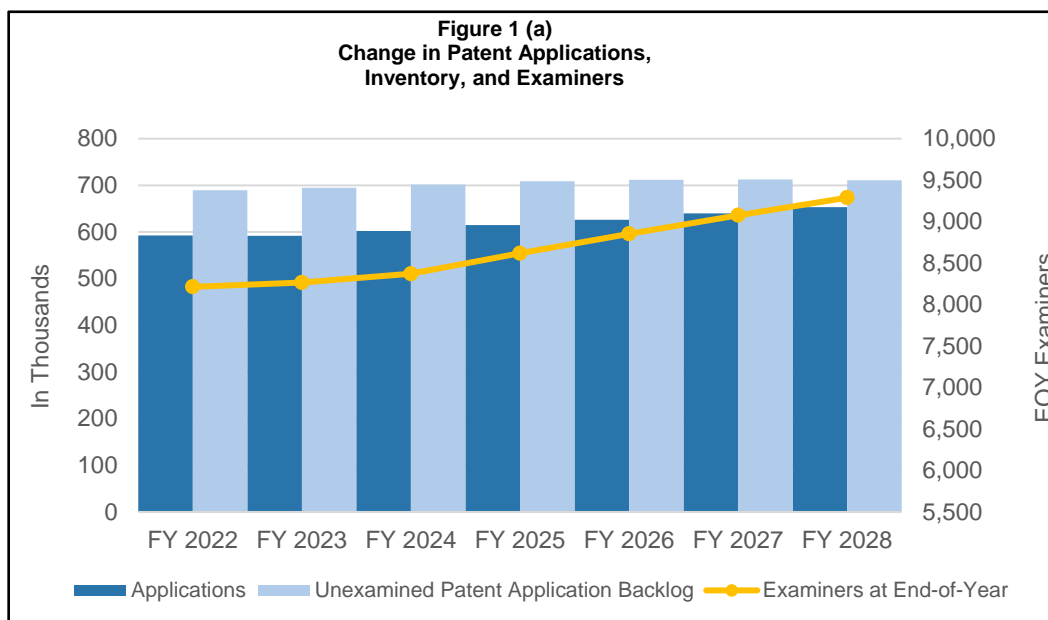


Figure 1(b) - Patent performance outlook

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
UPR applications	592,562	591,700	602,300	614,900	626,200	639,700	653,400
Growth rate	-0.5%	-0.1%	1.8%	2.1%	1.8%	2.2%	2.1%
Serialized applications	457,486	466,600	476,000	485,500	495,200	505,100	515,200
Serialized growth rate	1.6%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Production units	530,952	553,200	561,300	573,100	587,800	602,700	617,600
Total PTA compliance – Mailed actions (percent)	80%	80%	79%	80%	80%	80%	81%
Total PTA compliance – Remaining inventory (percent)	85%	86%	86%	86%	86%	86%	86%
Examiners at EOY	8,214	8,266	8,372	8,618	8,853	9,077	9,288

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

Figure 1(c) - Patent financial outlook

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Estimated fee revenue (Appropriation/Authority)	3,632	3,630	3,696	3,738	3,853	3,948	3,937
Other income	47	49	49	49	49	49	49
OR BOY balance	476	775	841	855	795	737	636
Total estimated funds available	4,154	4,454	4,586	4,641	4,696	4,733	4,621
Total estimated spending	(3,356)	(3,636)	(3,731)	(3,847)	(3,960)	(4,097)	(4,237)
Available at EOY	799	818	855	795	737	636	385
Transfer (to)/from PTFRF	(23)	23	-	-	-	-	-
OR EOY balance	775	841	855	795	737	636	385
Patent & TM Fee Reserve Fund (PTFRF)							
PTFRF BOY Balance	-	23	-	-	-	-	-
Transfer to/(from) PTFRF	23	(23)	-	-	-	-	-
PTFRF EOY Balance	23	-	-	-	-	-	-
EOY OR and PTFRF balances	799	841	855	795	737	636	385

Projected Fee Collections

The USPTO projects that serialized patent application filings will grow by 2.0% annually from FY 2023 through the end of the planning horizon; this growth would reflect a stabilization following a period of volatility associated with the shock of the global health crisis. The filing growth projections directly impact fee collections.

The patent fee collection estimates reflect the patent fee schedule that took effect on December 29, 2022, when the President signed into law the Consolidated Appropriations Act, 2023, which included the Unleashing American Innovators Act of 2022. The law increased small entity discounts from 50 percent to 60 percent and micro entity discounts from 75 percent to 80 percent. The increase in discounts reduced patent fee rates and reducing annual fee collections by approximately \$100 million per year and \$600 million over the planning horizon. The USPTO conducts biennial fee reviews to ensure the fee structure allows the agency to make

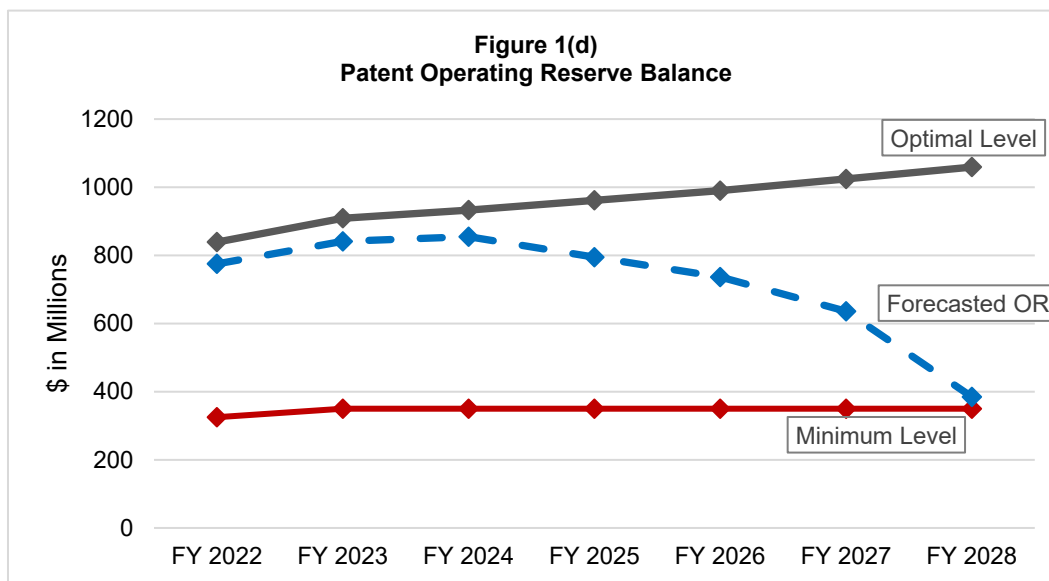
continuous strategic improvements to address stakeholder needs and to maintain a sustainable funding model to avoid disruptions caused by fluctuations in available financial resources. The USPTO is committed to improving the fee schedule design continuously to provide sufficient financial resources for the agency to administer the U.S. IP system effectively while maintaining a rigorous and open 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 4.0% compound annual growth rate (CAGR) through FY 2028, relative to the FY 2022 baseline level.

Patent 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 set the minimum planning level at \$350 million in FY 2023 and FY 2024—just over one month’s operating expenses. The USPTO set the optimal planning level at \$909 million in FY 2023 and \$933 million in FY 2024—approximately three months’ operating expenses (see Figure 1(d)). In 2021, the USPTO conducted a Patents optimal operating reserve assessment that 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 Patent business line and the uncertain legal, judicial, legislative, and policy environments.



Starting in FY 2024 and throughout the planning horizon, patent spending requirements are estimated to exceed patent fee collections (at current fee rates) each year. The decline in forecasted ORs when compared to the balances estimated in the FY 2023 PB is primarily due to the decrease in fee estimates after considering the higher small and micro entity discounts enacted by the UAIA and updated inflationary factors (e.g., civilian pay raises). The patent OR balance at almost optimal levels is mitigating the USPTO’s financing risk as we recalibrate our financial plans beyond FY 2024. 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 in workload, inflationary increases, and decreases in revenue, among other issues, could impact the USPTO’s ability to achieve the projected OR levels. To ensure we

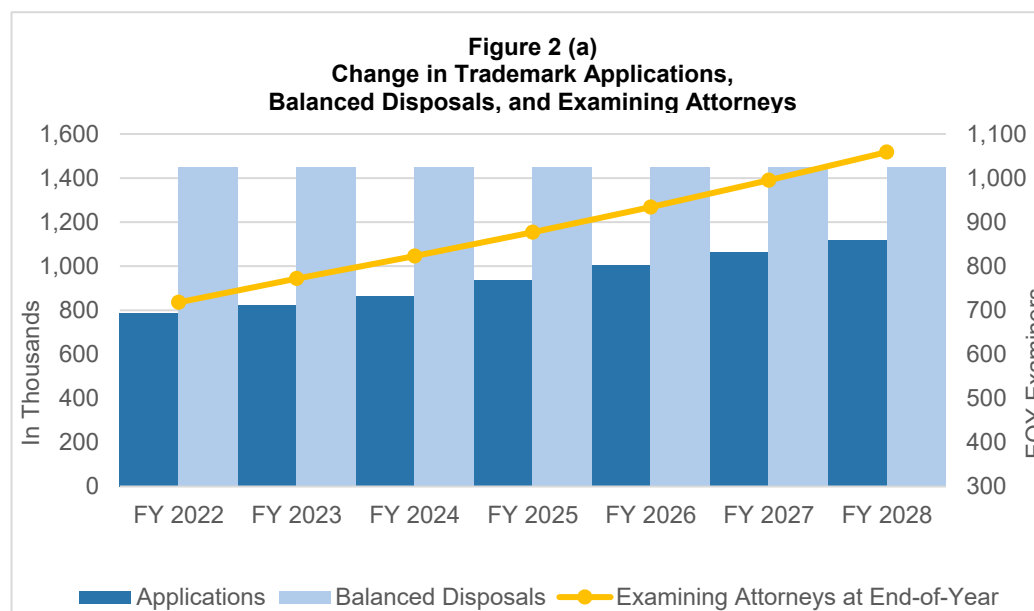
are balancing fees with policy considerations, the USPTO is planning a fee adjustment for the Patents business line in the FY 2025 Budget.

Trademark Business: Five-Year Outlook

The USPTO is committed to maintaining high-quality examination of trademark applications while continuing to focus on timeliness. Historically, trademark application filings exhibited a strong and immediate correlation with the economy (as measured by changes in gross domestic product and venture capital investment). 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. 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 and as of July 2022, Trademarks experienced a gradual deceleration and return to normal operations. The FY 2024 projections build upon the turbulence the USPTO experienced in FY 2020 through FY 2022.

For FY 2024 and beyond, the USPTO projects that filings will grow by an average of about 6% annually. Given that the USPTO anticipates a steady increase in filings and has a 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 seen in Figure 2 (b), the USPTO projects an overall annual growth rate of 5.3% in FY 2024 with steady incline through the budget horizon.

For over a decade, the USPTO maintained first action pendency at between 2.5 and 3.5 months. The USPTO entered FY 2022 with a considerable backlog of unexamined applications the agency attributes to the increase in trademark filings in FY 2020 and FY 2021. This swift increase led the USPTO to revise its first action pendency targets upward to between 2.5 and 8.5 months for FY 2024. The USPTO's goal is to maintain pendency at approximately 8-9 months in the forecast horizon. Total pendency goals are expressed as the optimal target only, currently designated as 14.5 months. The pendency adjustment is the USPTO's recognition that working through the unprecedented surge and backlog will take several years. The pendency goals are conservative estimates because USPTO recognizes that with the many initiatives launched to reduce pendency, it is uncertain when the efficiency gains will materialize and



what the specific impacts will be for each initiative. Nevertheless, USPTO is confident that the following initiatives will help reduce pendency and enhance the timeliness and quality of the examination and registration processes. The USPTO is hiring examining attorneys at a steady state, as well as piloting a program that adds provisional, flexible workforce capacity via non-attorneys to address the high inventory levels more quickly. It is also exploring opportunities to reengineer and automate processes to make examination more efficient. In addition, the TMA, which went into effect on December 27, 2021, sets forth a series of initiatives to improve and strengthen the accuracy and integrity of the federal Trademark Register. Its implementation enabled 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 now have shortened periods to respond 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 and examination areas.

Figure 2(b) - Trademark performance outlook

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Applications	787,795	823,000	867,000	936,000	1,003,000	1,064,000	1,117,000
Growth rate	-16.5%	4.5%	5.3%	8.0%	7.2%	6.1%	5.0%
Balanced disposals	1,448,300	1,591,800	1,662,400	1,784,042	1,925,973	1,980,074	2,081,123
Unexamined applications at EOY	536,972	570,956	614,125	666,120	714,638	798,000	884,292
Avg. first action pendency (months)	8.3	8.5	8.5	9.0	9.0	9.0	9.5
Avg. total pendency (months)	13.8	14.5	14.5	15.0	15.0	15.0	15.5
Examining attorneys at EOY	718	772	823	877	934	995	1,059

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) - Trademark financial outlook

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Estimated fee revenue (Appropriation/Authority)	458	476	500	528	561	596	630
Other income	6	9	9	9	9	9	9
OR BOY balance	208	209	197	150	116	92	68
Total estimated funds available	673	693	706	688	686	696	707
Total estimated spending	(456)	(505)	(555)	(571)	(594)	(629)	(663)
Available at EOY	217	189	150	116	92	68	44

Transfer (to)/from PTFRF	(8)	8	-	-	-	-	-
OR EOY balance	209	197	150	116	92	68	44
PTFRF							
PTFRF BOY balance	-	8	-	-	-	-	-
Transfer to/(from) PTFRF	8	(8)	-	-	-	-	-
PTFRF EOY balance	8	-	-	-	-	-	-
EOY OR and PTFRF balances	217	197	150	116	92	68	44

Projected Fee Collections

Following a surge in trademark application filings in FY 2021 and a correction in FY 2022, the USPTO projects that filings will grow by 4.5% in FY 2023 and 5.3% in FY 2024; these growth rates reflect a return to growth rates that align more closely with the historical pattern over the remainder of the planning horizon. The filing growth projections directly impact estimated fee collections. Trademark fee collection forecasts over the planning horizon are \$545 million less than the estimates included in the FY 2023 PB due to a reduction in the forecast of applications to be filed over the planning horizon. Following growth of 27.9% in FY 2021, the estimates in the FY 2023 PB were based on trademark application filings experiencing a correction and declining by 7.6% in FY 2022; actual filing declined by 16.5%. Further, the FY 2023 PB estimates projected growth of 13.6% in FY 2023 and 10.7% in FY 2024, based on projections of strong Real Gross Domestic Product (RGDP) growth by the Congressional Budget Office (CBO). Following the larger than expected correction, and based on updated analysis of the correlation between RGDP and trademark applications, filings are projected to return to their long-term growth pattern, increasing by 4.5% in FY 2023 and 5.3% in FY 2024.

The trademark fee collection estimates reflect the trademark fee schedule and fee adjustments in response to the TMA that went into effect on December 18, 2021. The USPTO continues to conduct biennial fee reviews to ensure fees align with the full cost of the relevant products and services to the greatest extent possible. Additionally, the USPTO aims to protect the integrity of the trademark register and promote the efficiency of the examination, appeal, and trial processes while maintaining a rigorous and open review process.

Estimated Spending

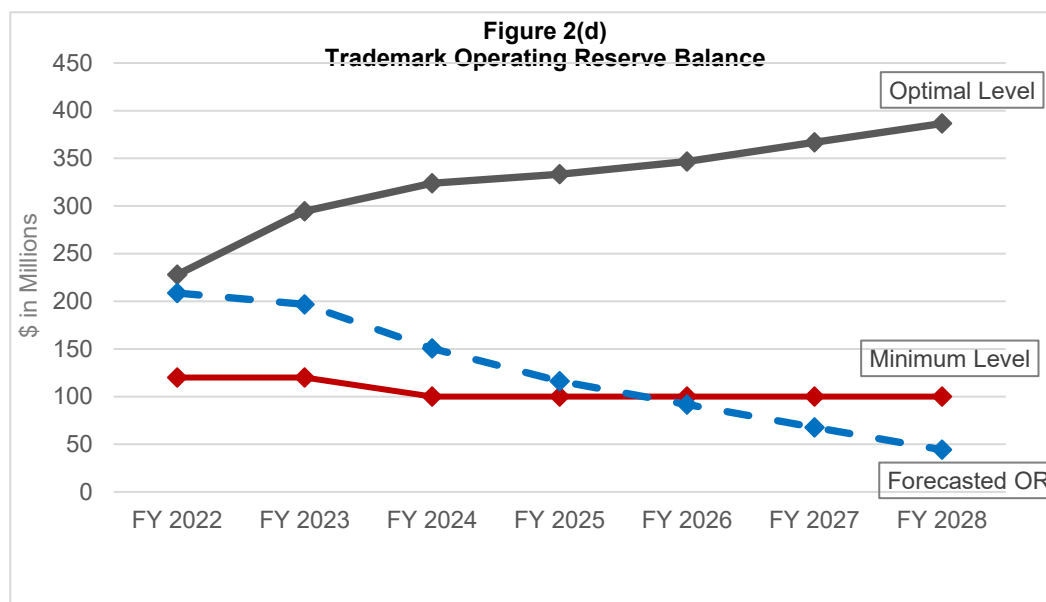
The USPTO anticipates that, overall, filings will increase by about 329,000 applications (classes) by FY 2028 relative to FY 2022, or a 6.0% CAGR. Trademarks will increase the number of examining attorneys and personnel to support increasing workloads and business development and to implement new and improved IT tools to manage the workload more effectively. Total annual Trademark spending requirements will increase at a 6.4% CAGR through FY 2028 relative to the FY 2022 level. These increases to spending requirements include inflationary increases, capacity increases, and continued investments to improve Trademarks' business effectiveness.

Trademark 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. In 2021, the USPTO performed an annual assessment of the minimum planning level for the Trademark business line, which resulted in the decision to increase the minimum planning level temporarily to \$120 million in FY 2023 from the FY 2021 target of \$75 million. The minimum planning level will be \$100 million beginning in FY 2024, slightly above historical levels. The USPTO has set the optimal planning level at approximately seven months of operating expenses, or \$324 million in FY 2024 (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:

- The imperative to balance workload and workforce with the uncertainty of incoming demand levels;
- The impending economic shifts and a higher-than-average risk of future economic correction; and
- A higher-than-normal risk of short- and long-term planning imprecision.

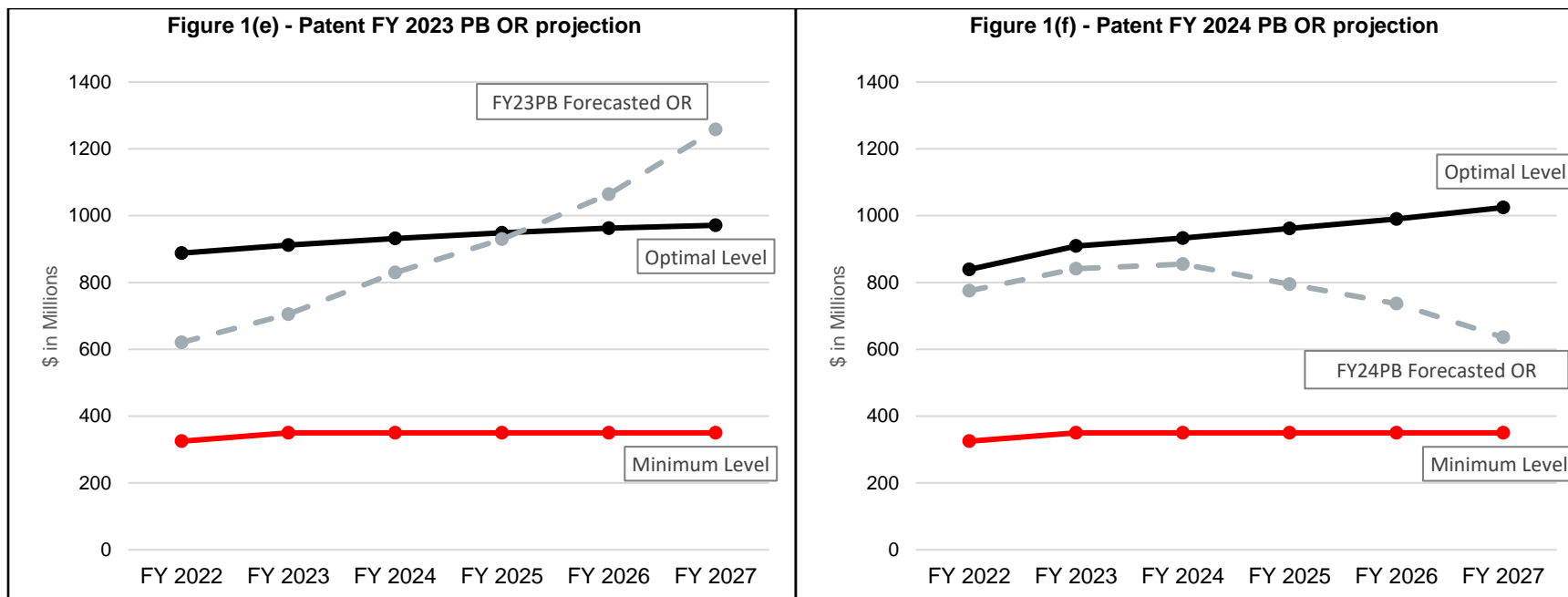
The USPTO estimates the Trademark OR will remain above minimum levels for FY 2023 through FY 2025. In the near years, the USPTO projects Trademark costs will exceed Trademark revenue, resulting in OR levels dipping to minimum by FY 2026 and falling below minimum in FY 2027 and beyond. As a result, the USPTO will include a fee adjustment to the Trademarks business line in the FY 2025 Budget. The drop below minimum levels results from increased annual spending requirements and revisions to long-range modeling assumptions that forecast trademark demand and revenue. Previous assumptions depended more on economic assumptions and less on long-term historic averages. The revised assumptions, which are more conservative, use a combination of the economic assumptions through FY 2024 and the historic averages for FY 2025 and beyond. These changes should result in more conservative and stable planning assumptions moving forward.



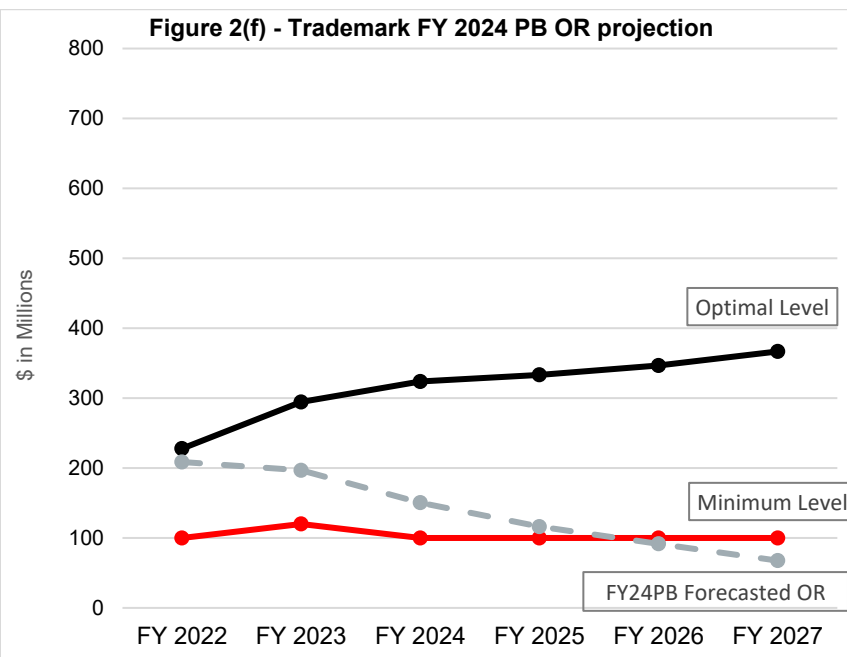
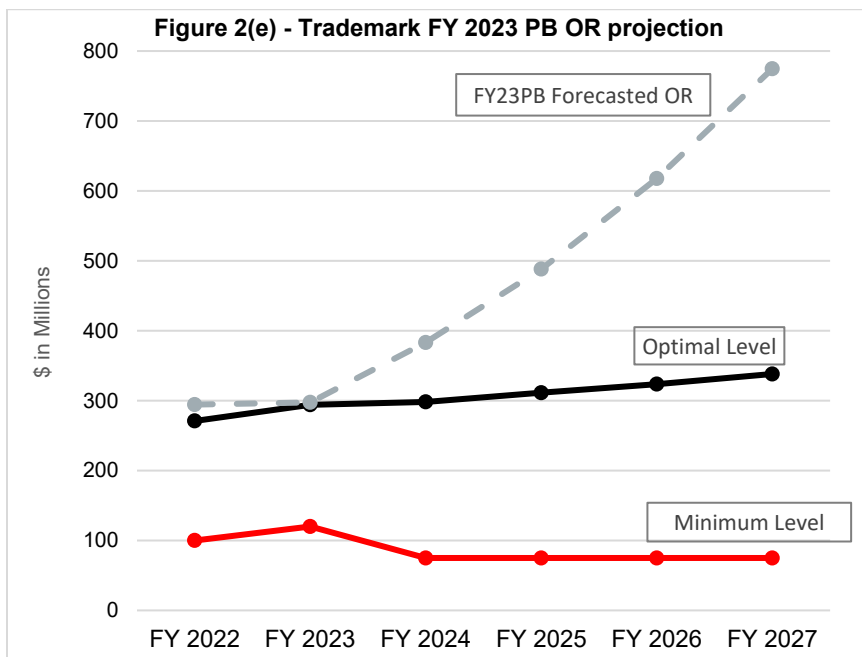
Changes in projected OR levels from the FY 2023 PB to FY 2024 PB

Projected OR levels in the FY 2024 PB have decreased for both the Patent and Trademark business lines as depicted in Figures 1(e) and 1(f) and Figures 2(e) and 2(f).

For the Patent business line, the OR levels have decreased by \$622 million over the budget horizon as compared to the FY 2023 PB projections. Patent revenue cumulatively decreased by \$449 million, due primarily to the UAIA directed increase to small (now 60%) and micro entity (now 80%) discounts. These higher discounts reduce annual fee collections by nearly \$100 million per year. Additional details on fee revenue changes and the impact of UAIA can be found in [Appendix V](#). Lastly, total spending for the Patent business line is projected to increase by approximately \$173 million, largely due to higher than expected pay raises and other inflation related adjustments.



For the Trademark business line, the forecasted OR levels have decreased by \$707 million over the budget horizon as compared to the FY 2023 PB projections. This was caused by a cumulative Trademark revenue decrease of approximately \$545 million and higher operating costs of \$162 million over the five-year horizon. The Trademark forecasted revenue decrease can be explained by two factors. First, the original forecast correctly predicted a decline in Trademark applications in FY 2022, but the forecast underestimated the magnitude of the decline. The forecast was a 7.6% decline versus an actual decline of 16.5% in trademark applications. Second, the original forecast included underlying assumptions of relatively strong RGDP in FY 2023 that in turn were expected to drive Trademark projected growth by 13.6% in FY 2023 and 10.7% in FY 2024. However, RGDP has not met expectation and filings are projected to increase by a more modest 4.5% in FY 2023 and 5.3% in FY 2024. Trademark applications are more sensitive to real time changes in the economy, which in turn is why the USPTO maintains a higher Trademark OR as a percent of Trademark spending as a hedge against fee collection volatility resulting from economic activity. Additional details on fee revenue changes can be found in [Appendix V](#). Lastly, total spending for the Trademark business line is projected to increase approximately \$162 million above previous projections, largely due to higher than expected pay raises and other inflation related adjustments.



Appendix II - 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)

Sub-Activity:	2022			2023			2024		
	Total	Patents	Trademarks	Total	Patents	Trademarks	Total	Patents	Trademarks
Patent Examining	2,337,664	2,337,664	-	2,459,030	2,459,030	-	2,578,648	2,578,648	-
Patent Trial and Appeals	81,098	81,098	-	86,756	86,756	-	88,357	88,357	-
Patent Information Resources	142,479	142,479	-	157,797	157,797	-	151,468	151,468	-
Trademark Examining	201,634	-	201,634	247,587	-	247,587	288,151	-	288,151
Trademark Appeals and Inter Partes Proceedings	16,301	-	16,301	19,773	-	19,773	23,370	-	23,370
Trademark Information Resources	63,187	-	63,187	59,898	-	59,898	59,057	-	59,057
Policy, External Affairs and Administrative Support	28,901	17,856	11,045	33,379	20,664	12,715	36,582	22,677	13,906
Global Intellectual Property Academy (GIPA)	3,294	2,331	963	4,735	3,351	1,384	5,282	3,738	1,544
IP Attaché Program	14,020	9,041	4,979	17,269	11,136	6,133	17,236	11,115	6,121
IP P,E&P Information Resources	-	-	-	-	-	-	-	-	-
Executive Direction and Communications	21,167	17,866	3,301	35,601	30,070	5,531	45,905	38,817	7,088
Financial Management Services	40,356	32,895	7,461	50,454	41,188	9,266	53,434	43,676	9,758
Human Resource Management and Administrative Services	53,738	47,519	6,219	62,164	54,953	7,211	70,964	62,746	8,219
Legal Services	31,123	24,953	6,170	36,192	28,862	7,329	38,401	30,635	7,765
Management Information Resources	78,305	62,531	15,774	107,422	84,902	22,520	111,678	89,194	22,483
IT Infrastructure and IT Support Services	427,587	341,408	86,180	453,168	363,016	90,153	422,448	338,602	83,846
Miscellaneous General Expense	268,827	236,545	32,282	307,144	292,123	15,021	292,929	269,422	23,507
Total	3,809,681	3,354,186	455,494	4,138,370	3,633,848	504,522	4,283,912	3,729,095	554,817

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

Sub-Activity:	2025			2026			2027			2028		
	Total	Patents	Trademarks	Total	Patents	Trademarks	Total	Patents	Trademarks	Total	Patents	Trademarks
Patent Examining	2,692,316	2,692,316	-	2,800,442	2,800,442	-	2,916,827	2,916,827	-	3,040,682	3,040,682	-
Patent Trial and Appeals	87,808	87,808	-	88,686	88,686	-	89,513	89,513	-	90,405	90,405	-
Patent Information Resources	152,505	152,505	-	148,696	148,696	-	149,688	149,688	-	150,699	150,699	-
Trademark Examining	303,373	-	303,373	324,976	-	324,976	352,519	-	352,519	381,282	-	381,282
Trademark Appeals and Inter Partes Proceedings	25,097	-	25,097	26,515	-	26,515	28,331	-	28,331	29,339	-	29,339
Trademark Information Resources	51,100	-	51,100	50,613	-	50,613	51,988	-	51,988	53,364	-	53,364
Policy, External Affairs and Administrative Support	37,682	23,351	14,331	38,587	23,907	14,679	39,549	24,500	15,049	40,470	25,068	15,402
Global Intellectual Property Academy (GIPA)	5,476	3,876	1,601	5,637	3,990	1,648	5,803	4,107	1,696	5,966	4,222	1,744
IP Attaché Program	17,252	11,125	6,127	17,273	11,138	6,134	17,289	11,149	6,140	17,308	11,161	6,147
IP P,E&P Information Resources	-	-	-	-	-	-	-	-	-	-	-	-
Executive Direction and Communications	49,015	41,458	7,556	50,111	42,383	7,728	49,125	41,533	7,592	50,402	42,612	7,790
Financial Management Services	55,532	45,389	10,143	57,219	46,767	10,452	55,208	44,835	10,373	56,802	46,132	10,669
Human Resource Management and Administrative Services	73,650	65,138	8,513	75,874	67,110	8,764	78,147	69,128	9,020	80,459	71,179	9,281
Legal Services	39,480	31,501	7,979	39,494	31,620	7,874	40,530	32,450	8,080	41,558	33,276	8,283
Management Information Resources	112,714	90,556	22,158	110,666	88,978	21,688	111,627	89,785	21,842	112,575	90,582	21,993
IT Infrastructure and IT Support Services	425,776	341,163	84,613	425,379	340,712	84,667	429,016	343,540	85,476	432,657	346,367	86,290
Miscellaneous General Expense	286,964	258,407	28,557	291,266	263,035	28,231	308,634	278,244	30,391	312,792	282,077	30,715
Total	4,415,739	3,844,591	571,148	4,551,435	3,957,464	593,971	4,723,794	4,095,299	628,495	4,896,760	4,234,462	662,298

Appendix III - USPTO IT 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 patent and trademark operations correlate with the performance of their respective IT solutions and the underlying infrastructure on which they operate. The USPTO continuously engages in multiyear efforts to modernize its business systems and the supporting IT infrastructure to keep pace with emerging business, legislative, and judicial needs as well as constantly evolving technological standards.

The USPTO's technology priorities are application and infrastructure resiliency, enhanced security, and adoption of cloud technologies. 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 modern solutions that represent the USPTO's future. The agency remains focused on retiring aging legacy solutions in favor of modern solutions that capitalize on the latest technologies like machine learning, artificial intelligence, and cloud architecture.

The USPTO uses product-based agile principles and practices for IT delivery to drive collective purpose, efficiency, and faster time to delivery. The USPTO continues to prioritize investing in IT to achieve its mission and provide a reliable, predictable IP system for the agency's internal workforce and external stakeholders.

The efforts to stabilize legacy systems and modernize technologies across the USPTO's product catalog required the agency to mature its delivery roles and responsibilities, governance processes, and procurement practices. The USPTO continues to shift delivery teams to a product-based agile operating model and mindset marked by the principles of autonomy, collaboration, empowerment, and agility. This shift applies to mission-focused and mission support IT products. The product-based agile approach targets the business stakeholders' interests and should ultimately deliver IT solutions with higher business value and greater user adoption.

The IT Portfolio Budget

The USPTO's Budget includes \$744.7 million in FY 2024 for the agency's IT program to support Patent, Trademark, IPPE&P, and the Mission Support information resources (IR) sub-programs. The IT program prioritizes optimizing and modernizing IT and retiring legacy systems to achieve greater business value and to:

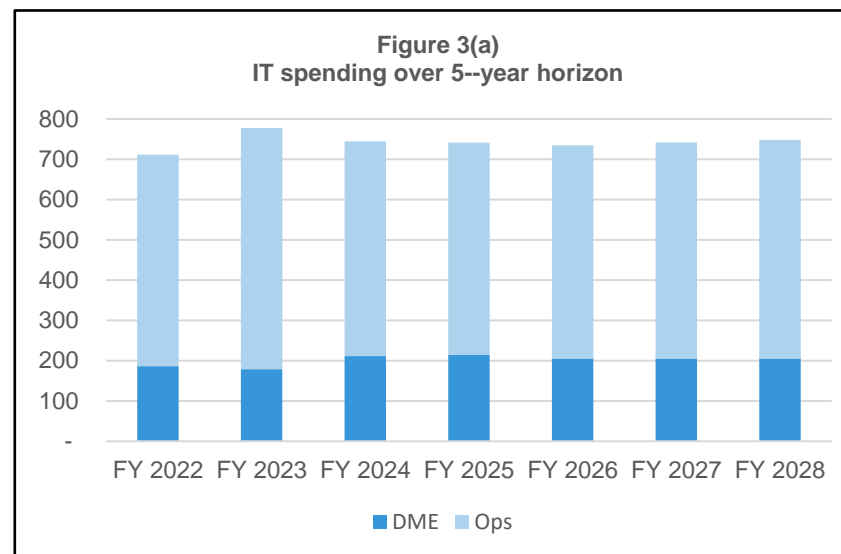
- Achieve efficiencies in business processes.
- Enable data-driven decision-making and improve data quality.
- Improve customer relationship management.
- Improve the customer experience in patent and trademark application filing.
- Increase access to patent prior art.
- Increase cloud presence when supported by a business justification.

- Improve resiliency and cybersecurity.

Of the \$744.7 million in the USPTO's IT budget for FY 2024, \$533.3 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. Ops funds include such items as compensation for all USPTO staff who have a technology focus; operations contracts; data center operations; storage, server, and software maintenance; desktop hardware replacement; telecommunications; and IT support for USPTO locations nationwide.

The USPTO allocates \$211.4 million in FY 2024 to IT Development, Modernization, and Enhancement (DME) efforts. The USPTO groups these resources together in recognition that the agency must continually modernize and invest in new IT technologies and applications to enable future mission success.

Several factors apply upward pressure on the USPTO's IT budget. Inflation, supply chain disruptions, and government-wide pay raises increase the routine costs of operations. Additionally, as a continuous improvement organization, the USPTO has a steady appetite for IT improvements offering business value to our fee-paying customers. Finally, costs in areas such as storage, cloud solutions, and software will continue to increase proportionally with the USPTO's forecasted growth in patent and trademark applications.



Despite the upward pressure, the USPTO is committed to containing its IT costs. The \$744.7 million IT budget for FY 2024 is approximately 4.2% less than the FY 2023 IT budget. Several key areas offer opportunities to offset these upward cost pressures resulting in a relatively flat IT budget as shown in Figure 3(b). First, the USPTO expects that modern equipment in a new data center will cost less to maintain. Next, retiring legacy systems will:

- Reduce the number of teams needed to maintain legacy systems.
- Reduce hardware and software costs.
- Reduce storage and licensing costs.
- Improve technical debt and make patching more efficient.
- Improve cybersecurity.

The USPTO is also committed to improving acquisition outcomes that may reduce labor costs via effective acquisition planning, improved acquisition requirement documents, competition with robust negotiations, and contract administration.

Figure 3(b)
IT Portfolio by Program
(Dollars in Millions)

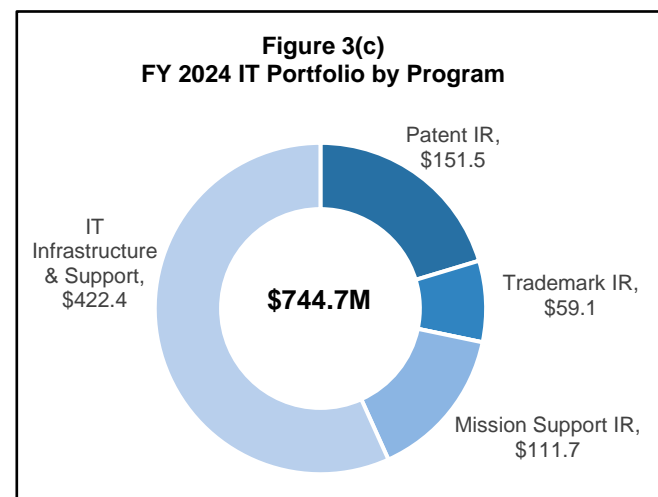
<i>(Dollars in millions)</i>	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Patent IR	142.5	157.8	151.5	152.5	148.7	149.7	150.7
Trademark IR	63.2	59.9	59.1	51.1	50.6	52.0	53.4
IP PP&E IR	-	-	-	-	-	-	-
Mission Support IR	78.3	107.4	111.7	112.7	110.7	111.6	112.6
Management - IT Infrastructure and IT Support Services	427.6	453.2	422.4	425.8	425.4	429.0	432.7
TOTAL	711.6	778.3	744.7	742.1	735.4	742.3	749.3

Total USPTO IT Portfolio by Program

The USPTO has allocated funding by USPTO budget programs in FY 2022 through FY 2028 through the 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 priorities; and
- 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 LPOs to align resources, deliver top priorities, and manage interdependencies. LPOs play a key role in the USPTO’s commitment to agile delivery. The USPTO generally assigns one LPO per product based on the LPO’s business area of interest. LPOs define the product’s objectives and ensure the product aligns 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, including continuous prioritization of a backlog of features to deliver business value. LPOs



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

Patent IR Program

The mission of the Patent IR Program, or Patent Product Line, is to lead stabilization, modernization, and innovation to provide superior products and services to enhance the patent community.

The table below summarizes key objectives and associated value statements that support the Patent IR Program's mission:

Key Objective	Description	Value	Objectives
Improve patent application filing experience	Migrate all patents eCommerce functionality to the new Patent Center IT product	Improved customer service More resilient systems	Product Teams will maintain existing capability while improving incoming data quality, supporting DOCX, introducing new functionality, and retiring legacy tools.
Increase patent data quality	Migrate functionality for data conversion and loading	More resilient systems Reduce risks to operations Improved performance Lower stabilization costs	Product teams will leverage a cloud-based solution, realize better stability, scalability, performance, and image conversion with reduced costs.
Increase access to prior art	Fully transition all internal and external users to modern search tools and retire legacy search tools	Improve access to prior art for the IP community More resilient systems	Product teams will support training content for examiners and the public on search, retire legacy components, maintain compliance with memoranda of understanding with unions, and develop an approach for improving infrastructure.
Increase PTAB executive access to operational AIA data	Collect, store, and provide access to AIA case data necessary to manage the PTAB's operational and reputational risks	Provide PTAB executives with timely and accurate information about AIA cases Increase efficiency of operational management of AIA cases Facilitate AIA case decision openly and consistency	Product teams will expand the types of AIA operational data accessible through P-TACTS for executive decision-making.

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 table below summarizes key objectives and associated value statements that support the Trademark IR Program's mission:

Key Objective	Description (Objective)	Value (The Why)	Objectives (What Success Looks Like)
TM Exam Modernization/ TMA Phase 2	Develop and deploy the functionality to modernize TM Exam and support the TMA	Address customer needs Support TRAM retirement	All functionality needed to support the TMA will be developed and deployed in full use using the modernized TM Exam platform
Modernize trademark filing experience	Replace Trademark Electronic Application System (TEAS) and Trademark Electronic Application System International (TEASi) with a new system for external users to file and manage their documents	All trademark filers must file and manage documents Address customer feedback Support TRAM retirement	Modernized filing experience that is intuitive and assists, as appropriate, each customer segment. Establish a unified brand and experience across trademark systems that simplifies navigation and information.
Retire TRAM	Migrate all data sets, business logic, and docket rules off TRAM mainframe	Stay current with technology	The core services that TRAM provides (database, dockets, workflow, batch processing) will be re-platformed to cloud-based services.

Intellectual Property Policy, Enforcement and Protection Program IR Program

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

- Maximizing and enhancing the tools the USPTO's CE uses to produce high-value analysis and to enable evidence-based decision-making.
- Ensuring compliance with the Privacy Act, Paperwork Reduction Act, and security classification regulations.
- Enhancing GIPA's IT capabilities for interactive, virtual training sessions that provide translation capability. GIPA provides IP training around the world on 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 EBPL, strives to maximize the business value that USPTO support organizations provide.

The table below summarizes key objectives and associated value statements that support the Mission Support IR Program's mission:

Key Objective	Description (Objective)	Value (The Why)	Objectives (What Success Looks Like)
Gain business efficiencies	Leverage technology to make USPTO support business processes as efficient as possible	Achieve enterprise-wide business cost savings Change business focus from repetitive transaction processing to decision analytics Increase position telework eligibility	Automate business processes and centralize tools used in critical business infrastructure that enables USPTO mission delivery.
Engage, educate, and enable data processes and tools	Securely capture, collect, store, and manage authoritative data	Enable data-driven decision-making Enable use of emerging technology platforms	Change USPTO culture to view data as an enterprise asset.
Better manage customer relationships	Improve customer relationship management	Create an appropriate and seamless customer experience Drive strategic decisions based on customer attributes and behaviors	Build a robust customer attribute and behavior data set that is used to streamline customer interactions.

IT Infrastructure

The mission of the IT Infrastructure Program, or EIPL, is to provide USPTO staff and customers progressively better, faster, and cheaper essential technologies and services while increasing the security, availability, and resilience of the USPTO operational enterprise.

The table below summarizes key objectives and associated value statements that support the EIPL's mission:

Key Objective	Description (Objective)	Value (The Why)	Objectives (What Success Looks Like)
Zero-trust architecture	Move security from the traditional single perimeter where everything inside is trusted to security evaluation by the individual services, devices, and users where every interaction has its own authentication and authorization	Secure USPTO systems to increase visibility of user activity while minimizing cyber-attack threats	<p>The USPTO operates in environments where security policies and execution against those policies ensure that every access request is strongly authenticated, authorized within policy constraints, and inspected for anomalies before granting access anytime and anywhere.</p> <p>Everything from the user's identity to the application's hosting environment is used to prevent breach.</p> <p>Applied micro-segmentation and least privileged access principles are used to minimize lateral movement. Rich intelligence and analytics are used to identify what happened, what was compromised, and how to prevent it from happening again.</p>
Increase hybrid cloud usage	Expand public cloud usage, improve hybrid cloud infrastructure by leveraging cloud enabled infrastructure footprint, enhance cloud security and cost management capabilities	Key contributions toward enterprise strategic goals for cloud, resilience, and security by providing hybrid cloud capable solutions that reduce data center footprint, provide cloud utilization cost management capabilities, and migration support resources for business product component migrations	<p>Amazon Web Services, Azure, Google Cloud Platforms are implemented with a full ATO.</p> <p>Patent, Trademark, and Enterprise Business products migrating to the cloud are fully supported until their migration is complete.</p> <p>ZTA is defined and implemented for all cloud solutions including full security-related goal achievement.</p> <p>Cloud usage payment models to track business product metered costs and utilization are available.</p>

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 [Federal IT Dashboard](#).

Appendix IV - Multiyear Planning by Business Line

Multiyear 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 as demonstrated by strategic plans, the patent production model, the PTAB production model, the trademark production model, and the fee projection model. These plans and models all look out over a five-year period. Specifically, USPTO employees' production work generates future revenue 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 the demand for patent and trademark services and products have a significant impact on the USPTO's efforts to fulfill its mission.

The USPTO uses this information to provide five-year requirements and funding estimates in annual budget documents. The USPTO established and maintains operating reserves to execute multiyear plans. Using fee setting authority and other tools, the USPTO continuously refines its multiyear planning and budgeting processes. Independent fee setting authority allows the USPTO to engage the stakeholder community on fee adjustments effectively, fully recover the aggregate costs of the agency's planned operations, develop and maintain sufficient operating reserves, invest in strategic administration and USPTO initiatives, and respond to changing market demand.

The USPTO operating structure is like a business in that the agency receives requests for services (e.g., applications for patents and trademark registrations) and charges fees projected to cover the cost of performing all the services it provides. But unlike most businesses, fees the USPTO sets for the initial application filing do not cover the full cost of the services the agency performs; some fees are set below cost to promote policy objectives such as promoting access to the patent and trademark systems, while others are set above the individual unit cost to ensure the USPTO recovers costs in the aggregate. Therefore, the USPTO must take a long-term view in projecting its budgetary requirements that considers both the projected out-year workload and the costs associated with processing the workload.

The FY 2024 Budget and multiyear planning framework enable the USPTO to respond to the demands of both the domestic and international economies, to provide robust and timely IP products and services, and to build on the current level of organizational effectiveness and efficiency.

No fee adjustments for patents or trademarks were proposed at the time the USPTO developed this Budget, and the fee estimates reflect the fee rates in effect at the time the USPTO developed the estimates. This includes the increased patent small and micro entity discounts that went into effect on December 29, 2022, when the President signed into law the Consolidated Appropriations Act, 2023, which included the Unleashing American Innovators Act of 2022. 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 biennially reviews the existing patent and trademark fee schedules and researches, analyzes, and develops recommendations for potential revisions and additions to the schedules. The USPTO also researches the optimal fee schedule to enhance the operating environment and facilitate the agency's effective

administration of the U.S. IP system while ensuring the fee schedules continuously meet the needs of the IP environment of the future. Fee reviews are distinct but closely related to the rulemaking process for fee setting.

Operating Reserve

To continue promoting confidence in the U.S. IP system, the USPTO established and maintains a patent operating reserve and a trademark operating reserve to absorb and respond to temporary changes in the economy and the USPTO's operating and financial environments. Research has shown that large, fee-funded, business-like agencies without an operating reserve are at risk of cash flow stress. The USPTO's operating reserves enable the agency to mitigate this risk. For instance, in FY 2019, certain federal government departments and agencies, including the DOC, shut down because of a lapse in appropriations. The USPTO was able to remain open using funds available from the operating reserves. This allowed the USPTO to continue operations, thus preventing a significant degradation in service levels, such as patent pendency timeframes. The USPTO also remained open during two brief lapses in appropriations in FY 2018 and a lapse of appropriations in FY 2014. These examples provide an ongoing, compelling case for the operating reserves' significant value.

A sufficient operating reserve for each of the Patent and Trademark business lines allows the USPTO to maintain an adequate operating tempo during temporary periods of significant revenue and funding disruption. For example, the reserves enable the USPTO to avoid making short-term, crisis-based spending decisions that can prevent the agency from delivering on its strategic and performance commitments. In FY 2020, the agency withstood workload and fee collection declines resulting from the economic impacts of the global pandemic and provided relief from certain fee-related deadlines (Coronavirus Aid, Relief, and Economic Security Act relief) by leveraging the operating reserve balances of both business lines.

The USPTO recognizes that the operating reserve sizes may change over time. These changes could be due to economic volatility and variability in filings and revenue collections, changes to external and internal enterprise risk, or operational reasons. Therefore, the USPTO annually assesses risks, including cash flow and any planned use of the operating reserve funds, as part of the budget process and in accordance with the USPTO's operating reserve policy. The USPTO uses these annual risk assessments to determine the minimum level of reserves necessary to shield core operations against known financial risks in the short-term (i.e., over a two-year horizon).

A FY 2022 healthy reserve for the Trademark business line helped the USPTO ensure that normal fluctuations in fee collections, obligations, and timing of annual congressional spending authority, as well as unanticipated events such as the pandemic, did not disrupted operations. The reserve allowed the Trademark business line to plan and execute within a longer timeframe despite short-term funding uncertainties or shortfalls. In the current forecast, the USPTO projects that Trademark costs will exceed Trademark revenue in the coming years, resulting in OR levels dropping each year and falling below minimum in FY 2026 and beyond.

The patent operating reserve is also healthy and enables the USPTO to continue supporting unplanned near-term stakeholder needs, such as growth in application filings. (As previously discussed, the fees the USPTO collects at application filing are designed to be less than the cost of the USPTO examining applications.) When the operating reserve is near optimal level, it provides sufficient

resources for the USPTO to operate the Patent business line when the revenue stream or funding availability are uncertain; fee collections fall short of estimates; or budgetary requirements grow due to unexpected increases in application filings, capital investment needs, or other factors. The patent operating reserve is currently mitigating financial risk associated with a reduction in planned fees after the UAIA increased small and micro entity fee discounts; the USPTO is able to maintain patent operations while recalibrating costs and fees.

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 aggregate fee collections estimate to guide its internal management and planning. However, estimations of future year fee collections are inherently variable, especially in the current uncertain economic environment. Therefore, in addition to presenting the most likely fee collections estimates in the budget, the USPTO also examines the potential impact on fee collections if some major workload (i.e., requests for services and products) assumptions were to change. This risk-based approach allows the USPTO to have in-depth discussions regarding the estimates and underlying assumptions, which allow the agency to develop thoughtful spending plans.

Economic and Market Outlook

Requests for USPTO services and products depend upon many factors, including economic activity in the United States and around the world. The USPTO considers several economic factors and relevant indicators when forecasting its demand (i.e., 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 leading to the commercialization of new products and services. The most relevant indicator the USPTO uses is RGDP. RGDP is correlated with USPTO patent and trademark application filings, which are the key drivers of patent and trademark workloads. The factors mentioned above provide insight into market conditions and the USPTO's management of IP portfolios, which influence process requests for the year and post-issuance decisions to maintain patent and trademark protection.

RGDP, the broadest measure of economic activity, grew by 5.7% in the 2021 calendar year as the economy recovered from the pandemic. Based on Congressional Budget Office (CBO) estimates, the USPTO projected RGDP growth of 3.8% in 2022, 2.8% in 2023, and 1.6% in 2024. Current and near-future prospects for growth remain uncertain. This uncertainty affects anticipated USPTO workloads and fee collection estimates.

Developing Workload and Fee Collections Estimates

The USPTO considers economic activity 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 develops independent estimates of incoming workload after researching and modeling these elements, as economic and other variables influence patent and trademark activities differently. The estimates of these incoming patent and trademark application filings are susceptible to change in response to global economic fluctuations and shocks.

The USPTO develops estimates of workload production, examination, and process requests by incorporating the efficiencies, tools, and policies necessary to increase examination capacity and improve efficiency. In developing estimates, the USPTO also factors in the resources available for it to complete the work. Certain process actions are mandatory while the USPTO considers others to be 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 incoming work. IP owners carefully manage IP portfolios incorporating current economic and market conditions to decide whether to continue exclusivity of post-allowance rights. The USPTO consistently compares all workload estimates to past and current workloads, and regularly adjusts projection models with additional data, knowledge, and experience. The agency then transforms workload estimates into individual estimates for each of the approximately 475 fee codes on the USPTO fee schedule. Individual estimates, multiplied by the accompanying fee amounts, become the fee collections estimate. The estimates include assumptions about payment behavior based on the current patent and trademark fee schedules. The current patent fee schedule took effect on December 29, 2022, and the current trademark fee schedule took effect on December 18, 2021.

Patent Fee Collections

Patent fees cover patent-related services and products the USPTO provides at different intervals within the patent application examination process and over the life of the pending patent application and granted patent. The USPTO's estimate of FY 2024 patent fee collections includes collections for applications filed in FY 2024, as well as work the agency processed in FY 2024 (e.g., issues), examination and process requests for the year, and post-issuance decisions the USPTO made 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 means the USPTO will collect fewer fees in the current year. A decrease in patent application filings also has out-year impacts because it decreases the total possible production outputs, which, assuming no change in allowance rates or renewal rates, would lead to the USPTO collecting fewer issue and maintenance fee payments in future years.

The USPTO estimates patent fee collections to be \$3,696 million for FY 2024, excluding \$49 million in other income. These projections are based on assumptions that serialized (new) patent filings will have a growth rate of 2.0% and RCEs will grow by 1.0%. Patent issues will reflect the USPTO's continued commitment to strengthened examination reliability, capacity, and efficiencies, with an estimated 308,900 patents printed in FY 2024. Patent maintenance fee payments have rebounded from lower renewal rates during the height of the pandemic. By FY 2024, the USPTO expects that renewal rates will have stabilized, then resumed longer-term trends (particularly the percentage of issued patents which pay third-stage maintenance fees) of slight declines in renewal rates as patent lifecycles shorten.

Trademark Fee Collections

Applicants pay trademark fees in advance of USPTO actions. In its estimates of trademark fee collections, the USPTO includes estimated payment amounts for applications filed each year, as well as affidavit and renewal fees paid on registrations at the sixth and following ten-year intervals. About half of all fees the USPTO collects for trademark-related services and products are from trademark applications and related filings, which are correlated with the strength of the economy and individual businesses and which the USPTO considers more volatile than patent application filings.

The USPTO estimates that trademark fee collections will be \$500 million in FY 2024, excluding \$9 million in other income, based on the economic outlook and the agency's expectation that trademark application filings will grow. These projections are based on assumptions that the trademark filing growth rate will be 5.3%. As with patents, variance in trademark filing growth rates immediately impact current year fee collections, but can also impact future years, as the USPTO processes work and registered trademarks become due for renewal.

Fee Rate Assumptions

The patent fee collection estimates are based on the current patent fee schedule that took effect on December 29, 2022, when the President signed into law the Consolidated Appropriations Act, 2023, which included the UAIA. The law increased small entity discounts from 50 percent to 60 percent and micro entity discounts from 75 percent to 80 percent. The trademark fee collection estimates are based on the current trademark fee schedule that took effect on December 18, 2021.

The USPTO continues to conduct biennial fee reviews to ensure that both the patent and trademark fee structures allow the agency to make continuous strategic improvements to address stakeholder needs and maintain a sustainable funding model to avoid disruptions caused by fluctuations in available financial resources. The USPTO is committed to improving fee schedule design continuously to provide the agency with sufficient financial resources to administrate the U.S. IP system effectively, while maintaining a rigorous and open review process.

Continued Assessment of Estimates

The USPTO monitors the economic environment carefully, especially the current uncertain environment, by following economic indicators and trends in international IP offices, communicating with domestic filers of patent and trademark applications, and conferring with the PPAC and the TPAC. The USPTO continually analyzes workloads and fee collections to assess current and future year estimates and identify trends and behaviors.

Appendix V – USPTO Fees – Change from FY 2023 PB to FY 2024 PB

In comparison to the FY 2023 PB, aggregate projected fee collections in the FY 2024 PB have decreased for both the Patent and Trademark business lines.

Projected patent revenue has decreased, primarily due to increased small and micro entity discounts as part of the Unleashing American Innovators Act of 2022. Without the increased discounts, projected patent fee collections would have been within 0.5% of the previous estimates, decreasing slightly in some years and increasing slightly in other years, as a result of FY 2022 actual data and trends and updated business unit production workload models. Total FY 2022 patent fee collections were within 0.1% of the estimates from the FY 2023 PB, with some fee categories slightly higher than expected and some slightly lower. As a result, the updated estimates do not reflect significantly different levels of fee payments compared to the FY 2023 PB. However, on December 29, 2022, the President signed into law the Consolidated Appropriations Act, 2023, which included the Unleashing American Innovators Act of 2022. The law increased small entity discounts from 50 percent to 60 percent and micro entity discounts from 75 percent to 80 percent, reducing projected fee collections by \$74 million in FY 2023 (with the new discounts in place for only part of the fiscal year) and \$100 million in FY 2024 (with the new rates in effect for the full year).

Trademark application filings declined in FY 2022, which was expected following a surge in FY 2021, but the actual correction was sharper than anticipated. The FY 2024 PB estimates assume trademark filings return to the long-term growth trend. Building off the lower level of application filings in FY 2022, though, projected trademark fee collections have decreased in each year from FY 2023 through FY 2027.

Fiscal Year	2023	2024	2025	2026	2027	2028
Patents	\$3,629,782,528	\$3,696,093,703	\$3,737,720,710	\$3,852,639,832	\$3,947,902,878	\$3,936,664,738
Trademarks	\$475,557,524	\$499,705,646	\$527,990,776	\$560,583,946	\$595,597,094	\$629,995,301
Grand Total	\$4,105,340,052	\$4,195,799,348	\$4,265,711,486	\$4,413,223,778	\$4,543,499,972	\$4,566,660,039

The following tables compare the projected fee collections, in millions, from the FY 2024 PB to the projected fee collections from the FY 2023 PB. The FY 2023 PB only included projections through FY 2027, therefore FY 2028 is not included in the comparison.

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Total USPTO Collections					
FY 2023 PB	\$4,253	\$4,395	\$4,480	\$4,615	\$4,762
FY 2024 PB	\$4,105	\$4,196	\$4,266	\$4,413	\$4,543
Difference	(\$148)	(\$199)	(\$214)	(\$202)	(\$218)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Patents					
FY 2023 PB	\$3,711	\$3,808	\$3,851	\$3,941	\$4,035
Revised Assumptions and Business Unit (Patent, PTAB) Production Models	(\$8)	(\$12)	(\$11)	\$16	\$20
Impact of Increased Small and Micro Entity Discounts (Unleashing American Innovators Act of 2022)	(\$74)	(\$100)	(\$103)	(\$105)	(\$108)
FY 2024 PB	\$3,630	\$3,696	\$3,738	\$3,853	\$3,948
Difference	(\$82)	(\$112)	(\$114)	(\$88)	(\$88)
Trademarks					
FY 2023 PB	\$542	\$586	\$628	\$674	\$726
FY 2024 PB	\$476	\$500	\$528	\$561	\$596
Difference	(\$67)	(\$87)	(\$100)	(\$113)	(\$131)

The table below shows, by category, the actual fee collections from FY 2022, along with FY 2023 and FY 2024 projected fee collections from the FY 2023 PB and the FY 2024 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 2024 PB and the changes since the FY 2023 PB.

<i>(Dollars in Millions)</i>	FY 2022	FY 2023			FY 2024		
	Actuals	FY 2023 PB Working Estimate	FY 2024 PB Working Estimate	Increase/ (Decrease)	FY 2023 PB Working Estimate	FY 2024 PB Working Estimate	Increase/ (Decrease)
Patents							
Filing (with Excess Claims)	\$894.8	\$942.5	\$886.6	(\$55.9)	\$957.9	\$894.8	(\$63.1)
Post Allowance Fees	\$359.6	\$353.8	\$343.2	(\$10.6)	\$359.6	\$338.3	(\$21.3)
Maintenance	\$1,898.9	\$1,918.5	\$1,929.9	\$11.4	\$1,983.7	\$1,988.8	\$5.1
PCT	\$230.4	\$243.7	\$230.4	(\$13.3)	\$252.8	\$235.8	(\$16.9)
Extensions of Time	\$103.7	\$100.5	\$97.1	(\$3.3)	\$101.0	\$96.0	(\$5.0)
Other Patent Fees	\$142.5	\$152.4	\$142.6	(\$9.7)	\$153.2	\$142.4	(\$10.7)
Total Patent Fee Collections	\$3,629.9	\$3,711.3	\$3,629.8	(\$81.5)	\$3,808.2	\$3,696.1	(\$112.1)
Trademarks							

Application Filings	\$255.1	\$313.9	\$259.4	(\$54.5)	\$347.0	\$274.9	(\$72.1)
Maintaining Exclusive Rights	\$115.5	\$116.7	\$120.8	\$4.2	\$119.8	\$123.3	\$3.4
Other Trademark Fees	\$88.6	\$111.5	\$95.3	(\$16.2)	\$119.6	\$101.6	(\$18.1)
Total Trademark Fee Collections	\$459.2	\$542.1	\$475.6	(\$66.5)	\$586.5	\$499.7	(\$86.8)
USPTO Fee Collections	\$4,089.1	\$4,253.4	\$4,183.5	(\$69.9)	\$4,394.6	\$4,296.0	(\$98.7)
Estimation Assumptions							
Patent Filings:	Serialized filings growth rate 1.6% (457,486 filings) RCE filings growth rate -7.0% (135,076 filings)	Serialized filings growth rate 2.0% (466,495 filings) RCE filings growth rate -1.3% (140,698 filings)	Serialized filings growth rate 2.0% (466,636 filings) RCE filings growth rate -7.4% (125,105 filings)	141 more serialized filings, 15,593 fewer RCEs	Serialized filings growth rate 2.0% (475,825 filings) RCE filings growth rate 2.3% (143,889 filings)	Serialized filings growth rate 2.0% (475,968 filings) RCE filings growth rate 1.0% (126,350 RCEs)	143 more serialized filings, 17,539 fewer RCEs
Issue and Publication:	Patents printed of 320,028	Patents Printed of 315,903	Patents Printed of 311,731	4,172 fewer patents printed	Patents Printed of 319,890	Patents Printed of 308,909	10,981 fewer patents printed
Trademark Filings	Filings growth rate -16.5% (787,728 filings)	Filings growth rate 13.6% (991,000 filings)	Filings growth rate 4.5% (823,000 filings)	168,000 fewer filings	Filings growth rate 10.7% (1,097,000 filings)	Filings growth rate 5.3% (867,000 filings)	230,000 fewer filings

Proposed Fee Changes:

- No fee adjustments for patents or trademarks were proposed at the time the USPTO developed this Budget, and the fee estimates reflect the fee rates in effect at the time the USPTO developed the estimates.
- The patent fee collection estimates are based on the patent fee schedule that took effect on December 29, 2022, when the President signed into law the Consolidated Appropriations Act, 2023, which included the Unleashing American Innovators Act of 2022. The law increased small entity discounts from 50 percent to 60 percent and micro entity discounts from 75 percent to 80 percent. This reduced estimated FY 2023 patent fee collections by \$74 million in FY 2023 (with the new discounts in place for only part of the fiscal year). The full-year impact on the estimates ranges from \$100 million in FY 2024 to \$110 million in FY 2028.
- The trademark fee collection estimates are based on the current trademark fee schedule that took effect on December 18, 2021.

- FY 2023 serialized (non-RCE) UPR filings are estimated at 466,636, increasing 2.0% from 457,486 filings in FY 2022. This follows a 1.6% increase from FY 2021 to FY 2022. This reflects continued strong demand for IP rights.
- Serialized filings are estimated to be 475,968 (2.0% growth) in FY 2024, and continue to grow by 2.0% in FY 2025 and beyond. These estimates are similar to what was included in the FY 2023 PB.
- RCE filings are estimated to decrease 7.4% in FY 2023, following a 7.0% decline from FY 2021 to FY 2022. These decreases are due to continued efforts to examine patents efficiently and reduce the need for continued examination, in addition to updated patent production estimates. In FY 2024, RCE filings are estimated to increase by 1.0%, and continue to grow in the following years, as the number of patent applications filed and examined continues to increase. The FY 2023 PB had projected declines in RCE filings in FY 2022 and FY 2023, but the updated estimates are lower based on the most recent data.

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 60.5% in FY 2023 and 60.6% FY 2024, and between 60.5% and 60.7% from FY 2025 through FY 2028. This is below the 63.8% rate that occurred in FY 2022.
- Total patents printed were 320,028 in FY 2022, and are forecasted to decrease 2.6% to 311,731 in FY 2023. The estimate then decreases by 0.9% in FY 2024, to 308,909. However, total patents printed are expected to increase in FY 2025 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 2023 PB, based on recent trends. Renewal rates fell in FY 2020, likely due to economic uncertainty surrounding the pandemic, but recovered stronger than expected over the course of FY 2021 and FY 2022. It is assumed that renewal rates will stabilize in FY 2023, then resume long-term trends.
- Based on updated renewal rate expectations and small and micro entity discounts, FY 2023 projected maintenance fee collections have increased by 0.6% (\$11.4 million) compared to the FY 2023 PB and FY 2024 projected collections have increased by 0.3% (\$5.1 million).

Patent Cooperation Treaty:

- This fee category contains fees collected from patent applications filed through the PCT process. The specific fees included here are similar to those for the patent application filings category, but through a different filing process.

- FY 2022 PCT fee collections were about \$4.4 million (1.9%) lower than projected in the FY 2023 PB. Accordingly, the updated estimates in the FY 2024 PB are lower than those in the FY 2023 PB. When incorporating increased small and micro entity discounts, as well, the estimates have been lowered by \$13.4 million (5.5%) in FY 2023 and \$16.9 million (6.7%) in FY 2024.

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 agency. The amount of the fee is dependent upon the length of the extension.
- Extensions of time have been on the decline, and the FY 2023 PB assumed this would continue in FY 2022. While the overall downward trend has continued, there were slightly more extensions requested in FY 2022 than expected.
- The FY 2024 PB assumes similar, but slightly higher, rates of requests for extensions of time in FY 2023 and FY 2024. However, increased small and micro entity discounts have led to lower projected fee collections. In total, collections in this category are forecasted to be 3.3% (\$3.3 million) lower in FY 2023 and 5.0% (\$5.0 million) lower in FY 2024, compared to the FY 2023 PB.

Trademark Application Filings:

- Trademark application filings declined by 16.5% in FY 2022, returning to more typical levels following a growth of 27.9% in FY 2021. Filings are projected to return to their long-term growth pattern, increasing by 4.5% in FY 2023 and 5.3% in FY 2024.
- Compared to the FY 2023 PB, projections for trademark filings have decreased, reflecting the correction witnessed in FY 2022. The updated production model estimates 823,000 filings in FY 2023 (down from 991,000) and 867,000 in FY 2024 (down from 1,097,000).

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 2023 PB, fee collections in this category are projected to be higher by 3.6% (\$4.2 million) in FY 2023 and 2.9% (\$3.4 million) in FY 2024.

Appendix VI – USPTO Estimates and Actual Fees and Assumptions

	FY 2021		FY 2022	
	Actual	President's Budget	Revised Working Estimate	Actual
	September 2021	May 2021	March 2022	September 2022
<i>(Dollars in Millions)</i>				
Total USPTO Fee Collections	\$3,600	\$4,058	\$4,126	\$4,089
Total Patent Fee Collections	\$3,128	\$3,608	\$3,631	\$3,630
Total Trademark Fee Collections	\$472	\$450	\$495	\$459
Major Patent Fee Collections:				
Filing (with Excess Claims)	\$902	\$904	\$919	\$895
Post-Allowance	\$353	\$377	\$360	\$360
Maintenance	\$1,394	\$1,827	\$1,863	\$1,899
PCT	\$226	\$234	\$235	\$230
Extensions of Time	\$105	\$108	\$102	\$104
Other	\$148	\$159	\$152	\$142
Major Trademark Fee Collections:				
Application Filings	\$280	\$230	\$277	\$255
Maintaining Exclusive Rights	\$101	\$105	\$110	\$116
Other	\$91	\$115	\$109	\$89
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% (440,867 filings) Patent RCE filings growth rate -0.4% (153,715 RCEs) Trademark filings growth rate -11.4% (699,000 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 1.6% (457,486 filings) Patent RCE filings growth rate -7.0% (135,076 filings) Trademark filings growth rate -16.5% (787,728 filings)
Patents Issued:	Patents Printed of 340,092	Patents Printed of 335,856	Patents Printed of 322,950	Patents Printed of 320,028
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	N/A
Trademark Fee Adjustments:	Trademarks Final Rule published November 2020 with effective date of January 2, 2021.	N/A	Changes to implement provisions of the TMA, including some fee adjustments, published November 2021 with effective date of December 18, 2021.	Changes to implement provisions of the TMA, including some fee adjustments, published November 2021 with effective date of December 18, 2021.

	FY 2022	FY 2023	FY 2024
	Actual	Revised Working Estimate	President's Budget Working Estimate
	(Dollars in Millions) September 2022	February 2023	February 2023
Total USPTO Fee Collections	\$4,089	\$4,105	\$4,196
Total Patent Fee Collections	\$3,630	\$3,630	\$3,696
Total Trademark Fee Collections	\$459	\$476	\$500
Major Patent Fee Collections:			
Filing (with Excess Claims)	\$895	\$887	\$895
Post-Allowance	\$360	\$343	\$338
Maintenance	\$1,899	\$1,930	\$1,989
PCT	\$230	\$230	\$236
Extensions of Time	\$104	\$97	\$96
Other	\$142	\$143	\$142
Major Trademark Fee Collections:			
Application Filings	\$255	\$259	\$275
Maintaining Exclusive Rights	\$116	\$121	\$123
Other	\$89	\$95	\$102
Assumptions Used to Develop Fee Collection Estimates			
Filing Growth Rates:	Patent serialized filings growth rate 1.6% (457,486 filings) Patent RCE filings growth rate -7.0% (135,076 filings) Trademark filings growth rate -16.5% (787,728 filings)	Patent serialized filings growth rate 2.0% (466,636 filings) Patent RCE filings growth rate -7.4% (125,105 filings) Trademark filings growth rate 4.5% (823,000 filings)	Patent serialized filings growth rate 2.0% (475,968 filings) Patent RCE filings growth rate 1.0% (126,350 RCEs) Trademark filings growth rate 5.3% (867,000 filings)
Patents Issued:	Patents Printed of 320,028	Patents Printed of 311,731	Patents Printed of 308,909
Patent Fee Adjustments:	N/A	Based on the patent fee schedule that took effect on December 29, 2022, when the President signed into law the Consolidated Appropriations Act, 2023, which included the Unleashing American Innovators Act of 2022. The law increased small entity discounts from 50 percent to 60 percent and micro entity discounts from 75 percent to 80 percent.	Based on the patent fee schedule that took effect on December 29, 2022, when the President signed into law the Consolidated Appropriations Act, 2023, which included the Unleashing American Innovators Act of 2022. The law increased small entity discounts from 50 percent to 60 percent and micro entity discounts from 75 percent to 80 percent.
Trademark Fee Adjustments:	Changes to implement provisions of the TMA, including some fee adjustments, published November 2021 with effective date of December 18, 2021.	N/A	N/A

Appendix VII – FY 2022 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		\$904,311,258	\$894,790,856
	Patent Post Allowance Fees		\$376,878,733	\$359,605,748
	Patent Maintenance Fees		\$1,826,575,484	\$1,898,911,228
	Patent Extension of Time Fees		\$107,902,100	\$103,708,332
	Patent Trial and Appeals Fees		\$78,966,111	\$68,202,350
	Post Issuance Fees		\$14,674,245	\$13,981,910
	Patent Cooperation Treaty (PCT) Fees		\$233,502,928	\$230,442,969
	Hague International Design Application Fees		\$2,447,335	\$2,815,845
	Patent Petition Fees		\$18,202,935	\$16,861,190
	Patent Service Fees		\$2,789,126	\$2,473,231
	Miscellaneous Patent Fees		\$40,952,323	\$36,997,779
	Patent Enrollment Fees		\$1,040,305	\$1,072,845
	Finance Service Fees		\$26,607	\$45,739
	Total Patents Fees		\$3,608,269,490	\$3,629,910,022
Trademarks Fee Summary:				
	Application Filings		\$230,414,451	\$255,077,385
	Maintaining Exclusive Rights		\$104,627,871	\$115,530,375
	Intent to Use/Use Fees		\$65,487,775	\$51,948,250
	Madrid Protocol Fees		\$10,294,109	\$7,506,200
	Trademark Trial and Appeal Board		\$15,552,297	\$11,928,475
	Other Trademark Fees		\$11,516,368	\$12,771,525
	Trademark Processing Fees		\$12,243,293	\$4,414,300
	Finance Service Fees		\$4,497	\$5,786
	Total Trademarks Fees		\$450,140,661	\$459,182,296
Total United States Patent and Trademark Office			\$4,058,410,151	\$4,089,092,318

<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	\$19,279,812	\$17,528,459
1011	Basic filing fee - Utility (electronic filing)	\$320	\$72,751,299	\$78,132,303
1012	Basic filing fee - Design	\$220	\$4,141,262	\$3,951,685
1013	Basic filing fee - Plant	\$220	\$117,982	\$99,440
1014	Basic filing fee - Reissue	\$320	\$170,007	\$167,040
1017	Basic filing fee - Design (CPA)	\$220	\$167,339	\$146,960
1019	Basic filing fee - Reissue (CPA)	\$320	\$2,533	\$640
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	\$12,083,360	\$11,930,920
1052	Surcharge - Late provisional filing fee or cover sheet	\$60	\$99,120	\$78,360
1053	Non-English translation	\$140	\$273,700	\$231,560
1081	Utility Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$420	\$6,596,590	\$7,367,260
1082	Design Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$420	\$40,049	\$62,580
1083	Plant Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$420	\$4,904	\$0
1084	Reissue Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$420	\$18,798	\$18,480
1085	Provisional Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$420	\$3,173,245	\$3,625,020
1091	Submission of sequence listings of 300MB to 800MB	\$1,060	\$9,231	\$9,540
1092	Submission of sequence listings of more than 800MB	\$10,500	\$10,217	\$21,000
10DX	Non-DOCX Filing Surcharge Fee		\$10,437,131	\$0
1111	Utility Search Fee	\$700	\$158,513,350	\$169,632,790
1112	Design Search Fee	\$160	\$3,148,480	\$2,965,060
1113	Plant Search Fee	\$440	\$237,973	\$198,880
1114	Reissue Search Fee	\$700	\$368,789	\$364,000
1201	Independent claims in excess of three	\$480	\$20,032,708	\$19,659,760
1202	Claims in excess of 20	\$100	\$30,057,100	\$29,658,540
1203	Multiple dependent claim	\$860	\$681,120	\$607,040
1204	Reissue independent claims in excess of three	\$480	\$231,662	\$232,440
1205	Reissue claims in excess of 20	\$100	\$438,000	\$352,700
1311	Utility Examination Fee	\$800	\$181,984,088	\$194,573,390
1312	Design Examination Fee	\$640	\$12,472,248	\$11,874,010
1313	Plant Examination Fee	\$660	\$355,987	\$298,320
1314	Reissue Examination Fee	\$2,320	\$1,232,667	\$1,208,720

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget</u>	
			<u>Planned Fee Collections</u>	<u>Actual Fee Collections</u>
1801	Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	\$1,360	\$113,884,585	\$100,736,920
1817	Request for prioritized examination	\$4,200	\$21,970,200	\$24,599,400
1820	Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114)	\$2,000	\$72,513,389	\$57,164,500
Total Patent Filing Fees (Large Entity)			\$747,498,925	\$737,497,717

Patents

Patent Filing Fees (Small Entity):

2005	Provisional application filing fee	\$150	\$10,937,258	\$9,559,510
2011	Basic filing fee - Utility (paper filing)	\$160	\$56,352	\$40,314
2012	Basic filing fee - Design	\$110	\$2,040,324	\$1,922,820
2013	Basic filing fee - Plant	\$110	\$57,908	\$49,060
2014	Basic filing fee - Reissue	\$160	\$29,601	\$32,000
2017	Basic filing fee - Design (CPA)	\$110	\$59,424	\$39,610
2019	Basic filing fee - Reissue (CPA)	\$160	-\$633	\$320
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	\$2,575,680	\$2,518,000
2052	Surcharge - Late provisional filing fee or cover sheet	\$30	\$81,810	\$56,310
2053	Non-English translation	\$70	\$46,270	\$54,070
2081	Utility Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$210	\$2,137,292	\$2,076,210
2082	Design Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$210	\$22,476	\$17,430
2084	Reissue Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$210	\$409	\$2,100
2085	Provisional Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$210	\$2,060,259	\$1,841,910
2091	Submission of sequence listings of 300MB to 800MB	\$530	\$0	\$13,780
2092	Submission of sequence listings of more than 800MB	\$5,250	\$0	\$15,750
20DX	Non-DOCX Filing Surcharge Fee		\$53,896	\$0
2111	Utility Search Fee	\$350	\$26,970,457	\$28,607,750
2112	Design Search Fee	\$80	\$1,533,520	\$1,413,280
2113	Plant Search Fee	\$220	\$116,585	\$98,560
2114	Reissue Search Fee	\$350	\$64,815	\$70,000
2201	Independent claims in excess of three	\$240	\$3,481,939	\$3,392,070
2202	Claims in excess of 20	\$50	\$7,907,150	\$7,715,220
2203	Multiple dependent claim	\$430	\$217,580	\$195,180
2204	Reissue independent claims in excess of three	\$240	\$37,365	\$40,560

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget</u>	
			<u>Planned Fee Collections</u>	<u>Actual Fee Collections</u>
2205	Reissue claims in excess of 20	\$50	\$87,800	\$64,100
2311	Utility Examination Fee	\$400	\$30,942,816	\$32,780,080
2312	Design Examination Fee	\$320	\$6,070,233	\$5,660,800
2313	Plant Examination Fee	\$330	\$174,728	\$147,510
2314	Reissue Examination Fee	\$1,160	\$215,027	\$232,000
2801	Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	\$680	\$15,273,317	\$14,008,710
2817	Request for prioritized examination	\$2,100	\$12,490,800	\$15,227,400
2820	Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114)	\$1,000	\$9,571,528	\$8,566,100
4011	Basic filing fee - Utility (electronic filing)	\$80	\$6,188,478	\$6,610,785
40DX	Non-DOCX Filing Surcharge Fee		\$1,775,705	\$0
Total Patent Filing Fees (Small Entity)			\$143,278,170	\$143,069,299

Patents

Patent Filing Fees (Micro Entity):

3005	Provisional application filing fee	\$75	\$2,053,609	\$1,602,435
3011	Basic filing fee - Utility (electronic filing)	\$80	\$1,139,475	\$1,131,960
3012	Basic filing fee - Design	\$55	\$515,980	\$783,980
3013	Basic filing fee - Plant	\$55	\$433	\$495
3014	Basic filing fee - Reissue	\$80	\$2,058	\$2,400
3017	Basic filing fee - Design (CPA)	\$55	\$3,951	\$3,305
3019	Basic filing fee - Reissue (CPA)	\$80	\$0	\$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	\$145,320	\$128,480
3052	Surcharge - Late provisional filing fee or cover sheet	\$15	\$48,945	\$29,715
3053	Non-English translation	\$35	\$1,995	\$1,225
3081	Utility Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$105	\$17,470	\$19,215
3082	Design Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$105	\$102	\$2,205
3085	Provisional Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$105	\$25,030	\$8,295
3091	Submission of sequence listings of 300MB to 800MB	\$265	\$0	\$0
3092	Submission of sequence listings of more than 800MB	\$2,625	\$0	\$2,625
30DX	Non-DOCX Filing Surcharge Fee		\$163,506	\$0
3111	Utility Search Fee	\$175	\$2,415,498	\$2,442,150
3112	Design Search Fee	\$40	\$378,680	\$569,600

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget</u>	
			<u>Planned Fee Collections</u>	<u>Actual Fee Collections</u>
3113	Plant Search Fee	\$110	\$873	\$1,100
3114	Reissue Search Fee	\$175	\$4,506	\$4,900
3201	Independent claims in excess of three	\$120	\$173,980	\$163,430
3202	Claims in excess of 20	\$25	\$199,625	\$189,850
3203	Multiple dependent claim	\$215	\$16,340	\$12,695
3204	Reissue independent claims in excess of three	\$120	\$934	\$2,760
3205	Reissue claims in excess of 20	\$25	\$4,425	\$2,650
3311	Utility Examination Fee	\$200	\$2,772,455	\$2,796,830
3312	Design Examination Fee	\$160	\$1,498,721	\$2,279,860
3313	Plant Examination Fee	\$165	\$1,306	\$1,485
3314	Reissue Examination Fee	\$580	\$14,373	\$16,240
3801	Request for continued examination (RCE) - 1st request (see 37 CFR 1.114)	\$340	\$761,837	\$709,255
3817	Request for prioritized examination	\$1,050	\$862,050	\$1,011,200
3820	Request for continued examination (RCE) - 2nd and subsequent request (see 37 CFR 1.114)	\$500	\$310,686	\$303,500
Total Patent Filing Fees (Micro Entity)			\$13,534,164	\$14,223,840

Patents

Patent Post Allowance Fees (Large Entity):

1501	Utility Issue	\$1,200	\$313,142,864	\$298,304,200
1502	Design Issue	\$740	\$12,995,451	\$11,155,600
1503	Plant Issue	\$840	\$572,514	\$483,000
1505	Publication fee for republication	\$320	\$30,068	\$33,960
1506	Suspense Account for Partial Issue Payments	var	\$3,900	\$1,038
1511	Reissue Issue	\$1,200	\$645,148	\$449,400
Total Patent Post Allowance Fees (Large Entity)			\$327,389,944	\$310,427,198

Patents

Patent Post Allowance Fees (Small Entity):

2501	Utility Issue	\$600	\$40,463,920	\$40,967,740
2502	Design Issue	\$370	\$5,299,744	\$4,297,020
2503	Plant Issue	\$420	\$320,091	\$187,740
2505	Publication fee for republication	\$320	\$0	\$320

<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>
2511	Reissue Issue	\$600	\$90,496	\$56,400
Total Patent Post Allowance Fees (Small Entity)			\$46,174,251	\$45,509,220

Patents

Patent Post Allowance Fees (Micro Entity):

3501	Utility Issue	\$300	\$2,502,273	\$2,440,630
3502	Design Issue	\$185	\$808,537	\$1,226,240
3503	Plant Issue	\$210	\$1,539	\$1,260
3511	Reissue Issue	\$300	\$2,189	\$1,200
Total Patent Post Allowance Fees (Micro Entity)			\$3,314,538	\$3,669,330

Patents

Patent Maintenance Fees (Large Entity):

1551	Due at 3.5 years	\$2,000	\$421,137,421	\$437,088,000
1552	Due at 7.5 years	\$3,760	\$627,291,037	\$639,956,080
1553	Due at 11.5 years	\$7,700	\$608,836,031	\$647,755,100
1554	Surcharge - 3.5 year - Late payment within 6 months	\$500	\$1,587,390	\$1,802,500
1555	Surcharge - 7.5 year - Late payment within 6 months	\$500	\$1,550,029	\$1,489,500
1556	Surcharge - 11.5 year - Late payment within 6 months	\$500	\$867,589	\$870,000
1558	Petition for the delayed payment of the fee for maintaining a patent in force	\$2,100	\$1,376,512	\$1,306,200
1559	Patent Unassigned Maintenance Fees	var	\$1,600,000	\$1,194,633
Total Patent Maintenance Fees (Large Entity)			\$1,664,246,010	\$1,731,462,013

Patents

Patent Maintenance Fees (Small Entity):

2551	Due at 3.5 years	\$1,000	\$49,975,034	\$50,089,000
2552	Due at 7.5 years	\$1,880	\$56,533,406	\$58,246,000
2553	Due at 11.5 years	\$3,850	\$45,391,595	\$47,740,150
2554	Surcharge - 3.5 year - Late payment within 6 months	\$250	\$1,496,436	\$1,413,750

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget</u>	
			<u>Planned Fee Collections</u>	<u>Actual Fee Collections</u>
2555	Surcharge - 7.5 year - Late payment within 6 months	\$250	\$907,228	\$1,028,840
2556	Surcharge - 11.5 year - Late payment within 6 months	\$250	\$328,021	\$421,000
2558	Petition for the delayed payment of the fee for maintaining a patent in force	\$1,050	\$1,844,284	\$1,619,800
Total Patent Maintenance Fees (Small Entity)			\$156,476,005	\$160,558,540

Patents

Patent Maintenance Fees (Micro Entity):

3551	Due at 3.5 years	\$500	\$2,549,026	\$2,676,800
3552	Due at 7.5 years	\$940	\$1,612,304	\$2,242,800
3553	Due at 11.5 years	\$1,925	\$1,303,342	\$1,480,325
3554	Surcharge - 3.5 year - Late payment within 6 months	\$125	\$141,048	\$170,500
3555	Surcharge - 7.5 year - Late payment within 6 months	\$125	\$50,641	\$83,125
3556	Surcharge - 11.5 year - Late payment within 6 months	\$125	\$23,053	\$28,875
3558	Petition for the delayed payment of the fee for maintaining a patent in force	\$525	\$174,055	\$208,250
Total Patent Maintenance Fees (Micro Entity)			\$5,853,469	\$6,890,675

Patents

Patent Extension of Time Fees (Large Entity):

1251	Extension for response within first month	\$220	\$14,401,400	\$13,611,440
1252	Extension for response within second month	\$640	\$16,690,800	\$14,941,031
1253	Extension for response within third month	\$1,480	\$32,621,400	\$30,062,402
1254	Extension for response within fourth month	\$2,320	\$3,913,800	\$3,973,820
1255	Extension for response within fifth month	\$3,160	\$6,627,000	\$7,858,720
Total Patent Extension of Time Fees (Large Entity)			\$74,254,400	\$70,447,413

Patents

Patent Extension of Time Fees (Small Entity):

2251	Extension for response within first month	\$110	\$3,036,200	\$3,149,940
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<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget</u>	
			<u>Planned Fee Collections</u>	<u>Actual Fee Collections</u>
2252	Extension for response within second month	\$320	\$5,152,200	\$4,909,830
2253	Extension for response within third month	\$740	\$17,650,500	\$16,966,925
2254	Extension for response within fourth month	\$1,160	\$2,511,300	\$2,411,010
2255	Extension for response within fifth month	\$1,580	\$3,547,500	\$4,105,780
Total Patent Extension of Time Fees (Small Entity)			\$31,897,700	\$31,543,485

Patents

Patent Extension of Time Fees (Micro Entity):

3251	Extension for response within first month	\$55	\$176,750	\$190,295
3252	Extension for response within second month	\$160	\$311,400	\$304,791
3253	Extension for response within third month	\$370	\$963,550	\$943,473
3254	Extension for response within fourth month	\$580	\$157,300	\$146,005
3255	Extension for response within fifth month	\$790	\$141,000	\$132,870
Total Patent Extension of Time Fees (Micro Entity)			\$1,750,000	\$1,717,434

Patents

Patent Trial and Appeal Fees (Large Entity):

1401	Notice of appeal	\$840	\$10,791,798	\$7,641,260
1403	Request for oral hearing	\$1,360	\$538,556	\$401,200
1404	Filing a brief in support of an appeal in an inter partes reexamination proceeding	\$2,100	\$15,015	\$27,200
1405	Petitions to the Chief Administrative Patent Judge under 37 CFR 41.3	\$420	\$15,120	\$49,560
1406	Inter partes review request fee - Up to 20 claims	\$19,000	\$26,540,633	\$25,118,000
1407	Inter partes review request of each claim in excess of 20	\$375	\$1,072,612	\$1,130,625
1408	Post-grant or covered business method review request fee - Up to 20 claims	\$20,000	\$1,523,682	\$940,000
1409	Post-grant or covered business method review request of each claim in excess of 20	\$475	\$177,889	\$51,300
1412	Petition for a derivation proceeding	\$420	\$4,200	\$2,520
1413	Forwarding an appeal in an application or ex parte reexamination proceeding to the Board	\$2,360	\$13,221,922	\$8,696,720
1414	Inter partes review post-institution fee - Up to 20 claims	\$22,500	\$18,722,790	\$19,504,500
1415	Inter partes post-institution request of each claim in excess of 20	\$750	\$1,253,758	\$1,298,350
1416	Post-grant or covered business method review post-institution fee - Up to 20 claims	\$27,500	\$1,159,767	\$400,000

<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>
1417	Post-grant or covered business method review post-institution request of each claim in excess of 20	\$1,050	\$198,563	\$26,000
1418	Pro Hac Vice Admission Fee	\$250	\$305,000	\$235,000
Total Patent Trial and Appeal Fees (Large Entity)			\$75,541,305	\$65,522,235

Patents

Patent Trial and Appeals Fees (Small Entity):

2401	Notice of appeal	\$420	\$1,676,186	\$1,290,000
2403	Request for oral hearing	\$680	\$83,003	\$85,680
2404	Filing a brief in support of an appeal in an inter partes reexamination proceeding	\$1,050	\$797	\$6,300
2413	Forwarding an appeal in an application or ex parte reexamination proceeding to the Board	\$1,180	\$1,474,563	\$1,157,760
Total Patent Trial and Appeals Fees (Small Entity)			\$3,234,549	\$2,539,740

Patents

Patent Trial and Appeals Fees (Micro Entity):

3401	Notice of appeal	\$210	\$88,634	\$62,580
3403	Request for oral hearing	\$340	\$3,539	\$3,060
3404	Filing a brief in support of an appeal in an inter partes reexamination proceeding	\$525	\$266	\$1,575
3413	Forwarding an appeal in an application or ex parte reexamination proceeding to the Board	\$590	\$97,818	\$73,160
Total Patent Trial and Appeals Fees (Micro Entity)			\$190,256	\$140,375

Patents

Post Issuance Fees (Large Entity):

1811	Certificate of correction	\$160	\$1,322,240	\$1,120,980
1812	Ex Parte Reexamination (§ 1.510(a)) Non-streamlined	\$12,600	\$819,000	\$2,608,200
1814	Statutory disclaimer, including terminal disclaimer	\$170	\$8,364,510	\$6,460,870
1816	Processing fee for correcting inventorship in a patent	\$160	\$44,320	\$74,910
1821	Reexamination independent claims in excess of three and also in excess of the number of such claims in the patent under reexamination	\$480	\$18,720	\$25,440

<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>
1822	Reexamination claims in excess of 20 and also in excess of the number of claims in the patent under reexamination	\$100	\$21,500	\$34,700
1825	Refused Reexamination Requests	\$3,780	\$7,560	\$7,560
1826	Request for supplemental examination	\$4,620	\$129,360	\$32,560
1827	Reexamination ordered as a result of supplemental examination	\$12,700	\$215,900	\$50,800
1828	Supplemental Examination Document Size Fee - for nonpatent document having between 21 and 50 sheets	\$180	\$3,240	\$1,080
1829	Supplemental Examination Document Size Fee - for each additional 50 sheets or a fraction thereof in a nonpatent document	\$300	\$900	\$900
1831	Ex Parte Reexamination (§ 1.510(a)) Streamlined	\$6,300	\$138,600	\$132,300
Total Post Issuance Fees (Large Entity)			\$11,085,850	\$10,550,300

Patents

Post Issuance Fees (Small Entity):

2811	Certificate of correction	\$160	\$344,960	\$263,830
2812	Ex Parte Reexamination (§ 1.510(a)) Non-streamlined	\$6,300	\$119,700	\$223,650
2814	Statutory disclaimer, including terminal disclaimer	\$170	\$2,717,450	\$2,357,560
2816	Processing fee for correcting inventorship in a patent	\$160	\$19,520	\$23,360
2821	Reexamination independent claims in excess of three and also in excess of the number of such claims in the patent under reexamination	\$240	\$7,440	\$21,840
2822	Reexamination claims in excess of 20 and also in excess of the number of claims in the patent under reexamination	\$50	\$5,250	\$23,800
2826	Request for supplemental examination	\$2,310	\$23,100	\$41,690
2827	Reexamination ordered as a result of supplemental examination	\$6,350	\$38,100	\$101,600
2828	Supplemental Examination Document Size Fee - for nonpatent document having between 21 and 50 sheets	\$90	\$1,080	\$900
2829	Supplemental Examination Document Size Fee - for each additional 50 sheets or a fraction thereof in a nonpatent document	\$150	\$150	\$1,650
2831	Ex Parte Reexamination (§ 1.510(a)) Streamlined	\$3,150	\$148,050	\$239,400
Total Post Issuance Fees (Small Entity)			\$3,424,800	\$3,299,280

Patents

Post Issuance Fees (Micro Entity):

3811	Certificate of correction	\$160	\$12,480	\$10,400
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<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget</u>	
			<u>Planned Fee Collections</u>	<u>Actual Fee Collections</u>
3812	Ex Parte Reexamination (§ 1.510(a)) Non-streamlined	\$3,150	\$3,150	\$0
3814	Statutory disclaimer, including terminal disclaimer	\$170	\$144,160	\$119,850
3816	Processing fee for correcting inventorship in a patent	\$160	\$1,280	\$2,080
3821	Reexamination independent claims in excess of three and also in excess of the number of such claims in the patent under reexamination	\$120	\$1,320	\$0
3822	Reexamination claims in excess of 20 and also in excess of the number of claims in the patent under reexamination	\$25	\$50	\$0
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)			\$163,595	\$132,330

Patents

PCT Fees - National Stage (Large Entity):

1614	Independent claims in excess of three	\$480	\$6,483,272	\$6,693,200
1615	Claims in excess of 20	\$100	\$7,501,600	\$7,911,560
1616	Multiple dependent claim	\$860	\$433,440	\$476,000
1617	Search fee, examination fee or oath or declaration after the date of commencement of the national stage	\$160	\$4,307,338	\$3,763,960
1618	English translation after thirty months from priority date	\$140	\$224,337	\$235,620
1631	Basic National Stage Fee	\$320	\$25,675,590	\$25,325,020
1632	National Stage Search Fee - all other situations	\$700	\$2,062,930	\$1,466,680
1633	National Stage Examination Fee - all other situations	\$800	\$64,209,857	\$63,158,040
1641	National Stage Search Fee - U.S. was the ISA	\$140	\$333,341	\$371,840
1642	National Stage Search Fee - search report prepared and provided to USPTO	\$540	\$40,747,269	\$40,078,280
1681	National Stage Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$420	\$2,960,333	\$3,257,440
Total PCT Fees - National Stage (Large Entity)			\$154,939,306	\$152,737,640

Patents

PCT Fees - National Stage (Small Entity):

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget</u>	<u>Actual Fee Collections</u>
			<u>Planned Fee Collections</u>	
2614	Independent claims in excess of three	\$240	\$1,392,542	\$1,274,730
2615	Claims in excess of 20	\$50	\$2,844,700	\$2,836,830
2616	Multiple dependent claim	\$430	\$162,540	\$186,540
2617	Search fee, examination fee or oath or declaration after the date of commencement of the national stage	\$80	\$986,787	\$953,605
2618	English translation after thirty months from priority date	\$70	\$80,947	\$75,880
2631	Basic National Stage Fee	\$160	\$4,374,045	\$4,574,210
2632	National Stage Search Fee - all other situations	\$350	\$357,272	\$292,910
2633	National Stage Examination Fee - all other situations	\$400	\$10,746,709	\$11,273,720
2641	National Stage Search Fee - U.S. was the ISA	\$70	\$399,356	\$440,160
2642	National Stage Search Fee - search report prepared and provided to USPTO	\$270	\$5,457,718	\$5,696,520
2681	National Stage Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$210	\$968,729	\$1,160,070
Total PCT Fees - National Stage (Small Entity)			\$27,771,345	\$28,765,175

Patents

PCT Fees - National Stage (Micro Entity):

3614	Independent claims in excess of three	\$120	\$36,781	\$49,685
3615	Claims in excess of 20	\$25	\$52,225	\$54,275
3616	Multiple dependent claim	\$215	\$9,030	\$12,255
3617	Search fee, examination fee or oath or declaration after the date of commencement of the national stage	\$40	\$11,336	\$10,375
3618	English translation after thirty months from priority date	\$35	\$2,527	\$2,520
3631	Basic National Stage Fee	\$80	\$142,952	\$127,905
3632	National Stage Search Fee - all other situations	\$175	\$34,197	\$21,450
3633	National Stage Examination Fee - all other situations	\$200	\$340,331	\$310,970
3641	National Stage Search Fee - U.S. was the ISA	\$35	\$10,252	\$8,260
3642	National Stage Search Fee - search report prepared and provided to USPTO	\$135	\$161,530	\$162,620
3681	National Stage Application Size Fee - for each additional 50 sheets that exceeds 100 sheets	\$105	\$6,232	\$3,570
Total PCT Fees - National Stage (Micro Entity)			\$807,395	\$763,885

Patents

PCT Fees - International Stage (Large Entity):

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget</u>	<u>Actual Fee Collections</u>
			<u>Planned Fee Collections</u>	
1601	Transmittal fee	\$260	\$10,143,509	\$8,953,860
1602	Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16)	\$2,180	\$17,575,232	\$16,729,900
1604	Supplemental search fee when required, per additional invention	\$2,180	\$715,297	\$865,460
1605	Preliminary examination fee - U.S. was the ISA	\$640	\$168,235	\$134,400
1606	Preliminary examination fee - U.S. was not the ISA	\$800	\$176,596	\$71,200
1607	Supplemental examination fee per additional invention	\$640	\$2,400	\$5,120
1619	Late payment fee	var	\$133,305	\$97,685
1621	Transmitting application to Intl. Bureau to act as receiving office	\$260	\$125,316	\$74,600
1624	Suspense Account for PCT Payments		\$0	\$135,012
1627	Late Furnishing Fee for Providing a Sequence Listing in Response to an Invitation Under PCT Rule 13ter	\$320	\$62,080	\$90,560
1628	Petition for the extension of the twelve-month (six-month for designs) period for filing a subsequent application	\$2,100	\$0	\$113,400
Total PCT Fees - International Stage (Large Entity)			\$29,101,970	\$27,271,197

Patents

PCT Fees - International Stage (Small Entity):

2601	Transmittal fee	\$130	\$2,636,356	\$2,595,290
2602	Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16)	\$1,090	\$16,399,525	\$16,374,040
2604	Supplemental search fee when required, per additional invention	\$1,090	\$741,195	\$827,560
2605	Preliminary examination fee - U.S. was the ISA	\$320	\$171,964	\$136,980
2606	Preliminary examination fee - U.S. was not the ISA	\$400	\$23,236	\$14,820
2607	Supplemental examination fee per additional invention	\$320	\$2,800	\$6,080
2619	Late payment fee	var	\$468	\$1,032
2621	Transmitting application to Intl. Bureau to act as receiving office	\$130	\$42,940	\$26,920
2627	Late Furnishing Fee for Providing a Sequence Listing in Response to an Invitation Under PCT Rule 13ter	\$160	\$110,080	\$121,610
2628	Petition for the extension of the twelve-month (six-month for designs) period for filing a subsequent application	\$1,050	\$0	\$138,600
Total PCT Fees - International Stage (Small Entity)			\$20,128,565	\$20,242,932

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>
PCT Fees - International Stage (Micro Entity):				
3601	Transmittal fee	\$65	\$72,595	\$68,440
3602	Search fee - regardless of whether there is a corresponding application (see 35 U.S.C. 361(d) and PCT Rule 16)	\$545	\$630,310	\$534,075
3604	Supplemental search fee when required, per additional invention	\$545	\$36,998	\$29,430
3605	Preliminary examination fee - U.S. was the ISA	\$160	\$10,359	\$13,280
3606	Preliminary examination fee - U.S. was not the ISA	\$200	\$1,033	\$400
3607	Supplemental examination fee per additional invention	\$160	\$0	\$1,600
3619	Late payment fee	var	\$302	\$825
3621	Transmitting application to Intl. Bureau to act as receiving office	\$65	\$2,191	\$1,170
3627	Late Furnishing Fee for Providing a Sequence Listing in Response to an Invitation Under PCT Rule 13ter	\$80	\$560	\$320
3628	Petition for the extension of the twelve-month (six-month for designs) period for filing a subsequent application	\$525	\$0	\$12,600
Total PCT Fees - International Stage (Micro Entity)			\$754,347	\$662,140

Patents**Hague International Design Application Fees (Large Entity):**

1781	Transmittal Fee	\$120	\$10,800	\$7,440
1791	International Design Application First Part U.S. Designation Fee	\$1,020	\$1,840,080	\$1,777,740
1792	(Part II Designation Fee) Issue Fee Paid Through the International Bureau in an International Design Application	\$740	\$200,540	\$402,320
9981	Exchange Rate Gains/Losses for Hague Transactions	var	\$0	\$39,833
9989	Suspense Account for Hague Transactions	var	\$0	-\$1,273
Total Hague International Design Application Fees (Large Entity)			\$2,051,420	\$2,226,060

Patents**Hague International Design Application Fees (Small Entity):**

2781	Transmittal Fee	\$60	\$5,040	\$5,220
2791	International Design Application First Part U.S. Designation Fee	\$510	\$292,740	\$446,670
2792	(Part II Designation Fee) Issue Fee Paid Through the International Bureau in an International Design Application	\$370	\$58,090	\$81,020
Total Hague International Design Application Fees (Small Entity)			\$355,870	\$532,910

<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				
Hague International Design Application Fees (Micro Entity):				
3781	Transmittal Fee	\$30	\$450	\$540
3791	International Design Application First Part U.S. Designation Fee	\$255	\$30,345	\$43,590
3792	(Part II Designation Fee) Issue Fee Paid Through the International Bureau in an International Design Application	\$185	\$9,250	\$12,745
Total Hague International Design Application Fees (Micro Entity)			\$40,045	\$56,875

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	\$6,075,300	\$4,878,300
1454	Petition for the delayed submission of a priority or benefit claim, or to restore the right of priority or benefit	\$2,100	\$1,919,400	\$2,039,200
1455	Filing an application for patent term adjustment	\$210	\$72,240	\$83,790
1456	Request for reinstatement of term reduced	\$420	\$3,360	\$0
1457	Extension of term of patent	\$1,180	\$160,480	\$106,200
1458	Initial application for interim extension (see 37 CFR 1.790)	\$440	\$3,960	\$1,320
1459	Subsequent application for interim extension (see 37 CFR 1.790)	\$230	\$460	\$920
1462	Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I)	\$420	\$518,700	\$518,260
1463	Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II)	\$220	\$1,740,640	\$1,799,860
1464	Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III)	\$140	\$1,357,720	\$1,292,620
1783	Petition to convert an international design application to a design application under 35 U.S.C. chapter 16	\$180	\$0	\$180
1784	Petition to excuse applicant's failure to act within prescribed time limits in an international design application	\$2,100	\$2,100	\$0
1824	Petitions in a reexamination proceeding, except for those specifically enumerated in 37 CFR 1.550(i) and 1.937(d)	\$2,040	\$65,280	\$112,200
Total Patent Petition Fees (Large Entity)			\$11,919,640	\$10,832,850

Patents

Patent Petition Fees (Small 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>
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	\$3,747,450	\$3,557,400
2454	Petition for the delayed submission of a priority or benefit claim, or to restore the right of priority or benefit	\$1,050	\$1,031,100	\$985,950
2455	Filing an application for patent term adjustment	\$210	\$10,080	\$22,890
2456	Request for reinstatement of term reduced	\$420	\$0	\$420
2457	Extension of term of patent	\$1,180	\$12,980	\$21,240
2458	Initial application for interim extension (see 37 CFR 1.790)	\$440	\$440	\$1,320
2459	Subsequent application for interim extension (see 37 CFR 1.790)	\$230	\$0	\$460
2462	Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I)	\$210	\$180,810	\$195,950
2463	Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II)	\$110	\$74,250	\$78,310
2464	Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III)	\$70	\$311,570	\$286,440
2784	Petition to excuse applicant's failure to act within prescribed time limits in an international design application	\$1,050	\$0	\$1,050
2824	Petitions in a reexamination proceeding, except for those specifically enumerated in 37 CFR 1.550(i) and 1.937(d)	\$1,020	\$15,300	\$22,440
Total Patent Petition Fees (Small Entity)			\$5,383,980	\$5,173,870

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	\$743,925	\$689,350
3454	Petition for the delayed submission of a priority or benefit claim, or to restore the right of priority or benefit	\$525	\$117,600	\$135,500
3455	Filing an application for patent term adjustment	\$210	\$210	\$1,470
3456	Request for reinstatement of term reduced	\$420	\$840	\$0
3458	Initial application for interim extension (see 37 CFR 1.790)	\$440	\$0	\$0
3462	Petitions requiring the petition fee set forth in 37 CFR 1.17(f) (Group I)	\$105	\$23,625	\$18,170
3463	Petitions requiring the petition fee set forth in 37 CFR 1.17(g) (Group II)	\$55	\$4,015	\$2,805
3464	Petitions requiring the petition fee set forth in 37 CFR 1.17(h) (Group III)	\$35	\$8,575	\$7,175
3784	Petition to excuse applicant's failure to act within prescribed time limits in an international design application	\$525	\$525	\$0
Total Patent Petition Fees (Micro Entity)			\$899,315	\$854,470

Patents

Patent Service Fees:

<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>
8001	Printed copy of patent w/o color, delivery by USPS, USPTO Box, or electronic means	\$3	\$42,783	\$37,251
8003	Printed copy of plant patent in color	\$15	\$1,380	\$2,625
8004	Color copy of patent (other than plant patent) containing a color drawing	\$25	\$0	\$0
8005	Patent Application Publication (PAP)	\$3	\$15	\$0
8007	Copy of patent application as filed	\$35	\$1,374,555	\$1,188,950
8010	Individual application documents, other than application as filed, per document	\$25	\$9,300	\$7,075
8013	Copy of office records, except copies of applications as filed	\$25	\$168,975	\$190,425
8014	For assignment records, abstract of title and certification, per patent	\$35	\$788,375	\$715,505
8020	International type search report	\$40	\$0	\$0
8021	Recording each patent assignment, agreement or other paper, per property - if not submitted electronically	\$50	\$23,250	\$11,250
8022	Publication in Official Gazette	\$25	\$2,900	\$4,950
8026	Handling fee for incomplete or improper application	\$140	\$35,420	\$43,820
8051	Copy Patent File Wrapper, Paper Medium, Any Number of Sheets	\$290	\$110,200	\$81,200
8052	Copy Patent File Wrapper, Electronic Medium, Any Size or Provided Electronically	\$60	\$137,220	\$156,720
8053	Additional Fee for Overnight Delivery	\$40	\$29,640	\$6,120
8054	Additional Fee for Expedited Service	\$170	\$45,390	\$26,690
8901	REPS	var	\$17,773	-\$1,043
8904	Library service	\$50	\$1,950	\$1,693
Total Patent Service Fees			\$2,789,126	\$2,473,231

Patents

Miscellaneous Patent Fees (Large Entity):

1802	Request for expedited examination of a design application	\$1,600	\$584,171	\$985,600
1803	Request for voluntary publication or republication	\$140	\$18,200	\$21,990
1806	Submission of an Information Disclosure Statement	\$260	\$27,196,520	\$23,157,360
1807	Processing fee for provisional applications	\$50	\$322,000	\$269,700
1808	Other publication processing fee	\$140	\$7,000	\$41,980
1809	Filing a submission after final rejection (see 37 CFR 1.129(a))	\$880	\$51,040	\$19,360
1810	For each additional invention to be examined (see 37 CFR 1.129(b))	\$880	\$1,760	-\$840
1818	Document fee for third-party submissions (see 37 CFR 1.290(f))	\$180	\$61,380	\$72,540
1819	Correction of inventorship after first action on merits	\$640	\$671,360	\$536,880

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget</u>	
			<u>Planned Fee Collections</u>	<u>Actual Fee Collections</u>
1830	Processing fee, except in provisional applications	\$140	\$2,756,740	\$2,625,420
1999	Patent Unassigned Fees	var	\$2,552,147	\$2,069,649
Total Miscellaneous Patent Fees (Large Entity)			\$34,222,318	\$29,799,639

Patents

Miscellaneous Patent Fees (Small Entity):

2802	Request for expedited examination of a design application	\$800	\$1,007,940	\$985,150
2803	Request for voluntary publication or republication	\$140	\$2,380	\$2,660
2806	Submission of an Information Disclosure Statement	\$130	\$3,323,060	\$3,001,310
2807	Processing fee for provisional applications	\$50	\$217,550	\$182,000
2808	Other publication processing fee	\$140	\$6,020	\$8,280
2809	Filing a submission after final rejection (see 37 CFR 1.129(a))	\$440	\$40,040	\$11,880
2810	For each additional invention to be examined (see 37 CFR 1.129(b))	\$440	\$440	\$0
2818	Document fee for third-party submissions (see 37 CFR 1.290(f))	\$90	\$8,100	\$13,860
2819	Correction of inventorship after first action on merits	\$320	\$244,160	\$208,980
2830	Processing fee, except in provisional applications	\$70	\$843,360	\$909,510
Total Miscellaneous Patent Fees (Small Entity)			\$5,693,050	\$5,323,630

Patents

Miscellaneous Patent Fees (Micro Entity):

3802	Request for expedited examination of a design application	\$400	\$915,131	\$1,758,000
3803	Request for voluntary publication or republication	\$140	\$420	\$560
3806	Submission of an Information Disclosure Statement	\$65	\$47,125	\$42,245
3807	Processing fee for provisional applications	\$50	\$10,300	\$4,350
3808	Other publication processing fee	\$140	\$140	\$280
3809	Filing a submission after final rejection (see 37 CFR 1.129(a))	\$220	\$880	\$1,760
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	\$12,000	\$10,080
3830	Processing fee, except in provisional applications	\$35	\$50,960	\$57,015

<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)			\$1,036,956	\$1,874,510

Patents

Patent Enrollment Fees:

9001	Application fee (non-refundable)	\$110	\$282,370	\$269,720
9003	Registration to practice or grant of limited recognition under §11.9(b) or (c)	\$210	\$149,730	\$194,680
9004	Administrative Reinstatement Fee	\$210	\$2,940	\$6,510
9005	Certificate of good standing as an attorney or agent	\$40	\$11,080	\$11,120
9006	Certificate of good standing as an attorney or agent, suitable for framing	\$50	\$950	\$1,000
9010	For test administration by commercial entity	\$210	\$506,520	\$473,550
9012	Review of decision by the Director of Enrollment and Discipline under §11.2(c)	\$420	\$1,260	\$1,680
9013	Review of decision of the Director of Enrollment and Discipline under §11.2(d)	\$420	\$420	\$420
9014	Application fee for person disciplined, convicted of a felony or certain misdemeanors under §11.7(h)	\$1,680	\$18,480	\$20,160
9020	Delinquency fee	\$50	\$150	\$100
9024	Unspecified other services, excluding labor	var	\$5,645	\$6,520
9025	Registration to practice for change of practitioner type	\$110	\$28,160	\$37,180
9026	On Grant of Limited Recognition Under §11.9(b)	\$210	\$1,680	\$4,830
9028	For USPTO-Assisted Change of Address Within the Office of Enrollment and Discipline Information System	\$70	\$30,450	\$23,870
9029	For USPTO-Administered Review of Registration Examination	\$470	\$470	\$0
9030	Request for extension of time in which to schedule examination for registration to practice (non-refundable)	\$115	\$0	\$21,505
Total Patent Enrollment Fees			\$1,040,305	\$1,072,845

Patents

Finance Service Fees:

9101	Processing each payment refused or charged back	\$50	\$6,500	\$6,658
9209	Partial Service Charge for Closing a Deposit Account	var	\$20,107	\$39,082
Total Finance Service Fees			\$26,607	\$45,739

Trademarks

<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>
Application Filings:				
6001	Application for registration, per international class (paper filing)	\$750	\$0	\$0
6006	Dividing an application, per new application (file wrapper) created	\$200	\$5,089	\$0
6008	Additional fee for application that doesn't meet TEAS Plus or TEAS RF filing requirements, per class	\$100	\$0	\$0
7001	Application for registration, per international class (electronic filing, TEAS Regular application filed prior to February 15, 2020)	\$500	\$0	\$800
7006	Dividing an application, per new application (file wrapper) created	\$100	\$299,375	\$471,900
7007	Application for registration, per international class (electronic filing, TEAS Plus application)	\$250	\$77,775,973	\$99,063,375
7008	Additional fee for application that doesn't meet TEAS Plus filing requirements, per class	\$100	\$136,886	\$436,750
7009	Application for registration, per international class (electronic filing, TEAS Standard application)	\$350	\$117,806,328	\$118,326,350
7931	Application Fee Filed at WIPO	\$500	\$31,639,536	\$34,737,685
7933	Subsequent Designation Fee Filed at WIPO	\$500	\$2,751,264	\$2,040,525
Total Application Filings			\$230,414,451	\$255,077,385

Trademarks

Maintaining Exclusive Rights:

6201	Application for renewal under §9, per class	\$500	\$0	\$0
6203	Additional fee for filing renewal application during grace period, per class	\$200	\$0	\$0
6204	Correcting a deficiency in a renewal application	\$200	\$0	\$0
6205	Filing §8 affidavit, per class	\$325	\$0	-\$225
6206	Additional fee for filing §8 affidavit during grace period, per class	\$200	\$0	\$0
6207	Correcting a deficiency in a §8 affidavit	\$200	\$0	\$0
6208	Filing §15 affidavit, per class	\$300	\$0	-\$300
6210	Publication of mark under §12(c), per class	\$200	\$0	\$0
6211	Issuing new certificate of registration	\$200	\$0	\$0
6212	Certificate of correction, registrant's error	\$200	\$0	\$0
6213	Filing disclaimer to registration	\$200	\$0	\$0
6214	Filing amendment to registration	\$200	\$0	\$0
7012	Deletion of Goods or Services Under Section 8 as a Result of a Post Registration Audit, per Class	\$250	\$827,340	\$837,750
7201	Application for renewal under §9, per class	\$300	\$33,189,101	\$34,089,300
7203	Additional fee for filing renewal application during grace period, per class	\$100	\$1,106,303	\$1,222,900
7204	Correcting a deficiency in a renewal application	\$100	\$110,600	\$63,600

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget</u>	
			<u>Planned Fee Collections</u>	<u>Actual Fee Collections</u>
7205	Filing §8 affidavit, per class	\$225	\$47,633,170	\$55,009,550
7206	Additional fee for filing §8 affidavit during grace period, per class	\$100	\$2,117,000	\$2,853,500
7207	Correcting a deficiency in a §8 affidavit	\$100	\$211,700	\$350,900
7208	Filing §15 affidavit, per class	\$200	\$18,653,893	\$20,530,200
7210	Publication of mark under §12(c), per class	\$100	\$0	\$500
7211	Issuing new certificate of registration	\$100	\$1,000	\$13,200
7212	Certificate of correction, registrant's error	\$100	\$748,764	\$539,100
7213	Filing disclaimer to registration	\$100	\$0	\$0
7214	Filing amendment to registration	\$100	\$29,000	\$20,400
Total Maintaining Exclusive Rights			\$104,627,871	\$115,530,375

Trademarks

Intent to Use/Use Fees:

6002	Filing an Amendment to Allege Use under §1(c), per class	\$200	\$0	\$0
6003	Filing a Statement of Use under §1(d)(1), per class	\$200	\$0	\$300
6004	Filing a Request for a Six-month Extension of Time for Filing a Statement of Use under §1(d)(1), per class	\$225	\$0	\$0
7002	Filing an Amendment to Allege Use under §1(c), per class	\$100	\$1,097,775	\$29,700
7003	Filing a Statement of Use under §1(d)(1), per class	\$100	\$15,040,000	\$11,958,800
7004	Filing a Request for a Six-month Extension of Time for Filing a Statement of Use under §1(d)(1), per class	\$125	\$49,350,000	\$39,959,450
Total Intent to Use/Use Fees			\$65,487,775	\$51,948,250

Trademarks

Madrid Protocol Fees:

6901	Certifying an International application based on single application or registration, per class	\$200	\$0	\$0
6902	Certifying an International application based on more than one basic application or registration, per class	\$250	\$0	\$0
6903	Transmitting a Request to Record an Assignment or restriction under §7.23 or §7.24	\$200	\$0	\$0
6904	Filing a Notice of Replacement under §7.28, per class	\$200	\$0	\$0
6905	Filing an affidavit under §71 of the Act, per class	\$325	\$0	\$0
6906	Surcharge for filing affidavit under §71 of the Act during grace period, per class	\$200	\$0	\$0
6907	Transmitting a subsequent designation under §7.21	\$200	\$0	\$0

<u>Fee Code</u>	<u>Fee Title</u>	<u>Fee Rate</u>	<u>President's Budget</u>	
			<u>Planned Fee Collections</u>	<u>Actual Fee Collections</u>
6908	Correcting a deficiency in an affidavit under §71 of the Act	\$200	\$0	\$0
7013	Deletion of Goods or Services Under Section 71 as a Result of a Post Registration Audit, per Class	\$250	\$131,992	\$290,500
7901	Certifying an International application based on single application or registration, per class	\$100	\$1,611,553	\$2,177,300
7902	Certifying an International application based on more than one basic application or registration, per class	\$150	\$405,468	\$429,900
7903	Transmitting a Request to Record an Assignment or restriction under §7.23 or §7.24	\$100	\$200	\$2,900
7904	Filing a Notice of Replacement under §7.28, per class	\$100	\$1,000	\$0
7905	Filing an affidavit under §71 of the Act, per class	\$225	\$7,599,297	\$4,004,100
7906	Surcharge for filing affidavit under §71 of the Act during grace period, per class	\$100	\$337,747	\$378,300
7907	Transmitting a subsequent designation under §7.21	\$100	\$204,804	\$170,400
7908	Correcting a deficiency in an affidavit under §71 of the Act	\$100	\$2,048	\$52,800
Total Madrid Protocol Fees			\$10,294,109	\$7,506,200

Trademarks

Trademark Trial and Appeal Board:

6401	Petition for cancellation, per class	\$700	\$0	\$0
6402	Notice of opposition, per class	\$700	\$0	\$6,300
6403	Ex parte appeal, per class	\$325	\$0	\$2,275
6404	Filing a request for an extension of time to file a notice of opposition under §2.102(c)(1)(ii) or (c)(2)	\$400	\$0	\$0
6405	Filing a request for an extension of time to file a notice of opposition under §2.102(c)(3)	\$500	\$0	\$0
7401	Petition for cancellation, per class	\$600	\$2,625,494	\$1,995,400
7402	Notice of opposition, per class	\$600	\$7,293,037	\$5,962,800
7403	Ex parte appeal, per class	\$225	\$1,367,445	\$1,104,300
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	\$2,431,012	\$1,674,700
7405	Filing a request for an extension of time to file a notice of opposition under §2.102(c)(3)	\$400	\$1,458,608	\$950,800
7406	Filing a Brief in an Ex Parte Appeal to the Board, per Class	\$200	\$133,600	\$149,400
7407	Filing a Second or Subsequent Request for an Extension of Time to File an Appeal Brief, per Application	\$100	\$121,551	\$38,500
7408	Request for an Oral Hearing, per Proceeding	\$500	\$121,551	\$44,000
Total Trademark Trial and Appeal Board			\$15,552,297	\$11,928,475

Trademarks

Other Trademark Fees:

<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>
6991	Recordal application fee	\$20	\$600	\$780
6992	Renewal application fee	\$20	\$720	\$520
6993	Late fee for renewal application	\$20	\$180	\$40
6994	Application fee for reactivation of insignia, per request	\$20	\$80	\$80
6999	Trademark Unassigned Fees	var	\$336	-\$3,910
7932	Renewal Fee Filed at WIPO	\$300	\$2,486,400	\$3,194,400
8501	Printed copy of registered mark, delivery by USPS, USPTO Box, or electronic means	\$3	\$279	\$0
8503	Certified copy of registered mark, with title and/or status, regular service	\$15	\$56,355	\$49,500
8504	Certified copy of registered mark, with title and/or status, expedited local service	\$30	\$19,890	\$27,210
8507	Certified copy of trademark application as filed	\$15	\$251,940	\$252,630
8508	Certified or uncertified copy of trademark-related file wrapper and contents	\$50	\$48,600	\$43,500
8513	Certified or uncertified copy of trademark document, unless otherwise provided	\$25	\$11,400	\$11,800
8514	For assignment records, abstracts of title and certification per registration	\$25	\$12,700	\$12,100
8521	Recording trademark assignment, agreement or other paper, first mark per document	\$40	\$2,319,320	\$2,719,760
8522	For second and subsequent marks in the same document	\$25	\$6,290,350	\$6,350,400
8533	Additional fee for overnight delivery	\$40	\$840	\$600
8534	Additional fee for expedited service	\$160	\$13,760	\$8,160
8901	REPS	var	\$418	-\$25
8904	Library Service	\$50	\$2,200	\$2,457
9990	International Bureau Unassigned Fees	var	\$0	\$101,523
Total Other Trademark Fees			\$11,516,368	\$12,771,525

Trademarks

Trademark Processing Fees:

6005	Petitions to the Director (Paper Correspondence)	\$350	\$0	\$1,750
6010	Petition for Revival or Reinstatement on Paper	\$250	\$0	\$0
7005	Petitions to the Director (Electronic Correspondence)	\$250	\$8,141,250	\$656,350
7010	Petitions for Revival or Reinstatement Filed through TEAS	\$150	\$447,450	\$3,479,100
7011	Letter of Protest	\$50	\$240,393	\$191,000
7014	Petition for expungement and/or reexamination	\$400	\$0	\$83,600
7015	Extension of time for filing a response to an Office action	\$125	\$0	\$2,500

<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>
70ER	Petition for Expungement and/or Reexamination		\$2,765,935	\$0
70EX	For filing a request for extension of time for filing a response to Office action under §§ 2.62(a)(2), 2.141(a), 2.163(c), 2.165(c), 2.184(b)(2) or 2.186(c) via TEAS		\$648,266	\$0
Total Trademark Processing Fees			\$12,243,293	\$4,414,300

Trademarks

Finance Service Fees:

9101	Processing Each Payment Refused or Charged Back	\$50	\$1,100	\$842
9209	Partial service charge for closing a deposit account	var	\$3,397	\$4,944
Total Finance Service Fees			\$4,497	\$5,786

Appendix VIII – Draft 2022–2026 USPTO Strategic Plan

Mission: Drive U.S. innovation, inclusive capitalism, and global competitiveness

Vision: Unleashing America’s Potential

Goal 1: Drive inclusive U.S. innovation and global competitiveness

- Objective 1.1: Enhance the United States’ role as a global innovation leader
- Objective 1.2: Promote inclusive innovation through active engagement and widespread, ready access to IP resources and tools
- Objective 1.3: Foster an innovation mindset in all Americans, starting with our youth

Goal 2: Promote the efficient delivery of reliable IP rights

- Objective 2.1: Issue and maintain robust and reliable patents that incentivize and protect innovation
- Objective 2.2 Issue and maintain accurate and reliable trademark registrations that protect brands and investments
- Objective 2.3: Improve patent application pendency
- Objective 2.4: Improve trademark application pendency
- Objective 2.5: Optimize patent and trademark application processes to enable efficiencies for applicants and other stakeholders

Goal 3: Promote the protection of IP against new and persistent threats

- Objective 3.1: Protect patents from fraudulent and abusive behaviors
- Objective 3.2: Protect the integrity of the trademark register
- Objective 3.3: Facilitate partnerships to improve domestic IP enforcement and reduce domestic IP crime and infringement
- Objective 3.4: Facilitate partnerships to improve global IP enforcement and reduce global IP crime and infringement
- Objective 3.5: Support the development and enforcement of clear IP laws
- Objective 3.6: Work with and on behalf of stakeholders to enable them to better protect their IP

Goal 4: Bring innovation to positive impact

- Objective 4.1: Help those pursuing IP protection identify available funding sources
- Objective 4.2: Promote the protection and domestic deployment of federally funded innovations
- Objective 4.3: Provide leadership to foster domestic and global ecosystems that support innovation

Goal 5: Generate impactful employee and customer experiences by maximizing agency operations

- Objective 5.1: Create employee experiences that balance productivity, wellness, inclusion, and community connectedness
- Objective 5.2: Equitably deliver exceptional customer experiences
- Objective 5.3: Develop modern IT infrastructure and applications
- Objective 5.4: Expand opportunity, discovery, and accountability through greater data maturity
- Objective 5.5: Resource mission success

Appendix IX – FY 2023/2024 Annual Performance Plan and Report Back Up

Overview of Bureau Accomplishments

The following strategic objectives from [DOC's Strategic Plan | 2022–2026](#) apply to the USPTO. For more information about DOC's Strategic Plan or DOC's Performance Plans and Reports, please visit their [Budget and performance](#) webpage.

Strategic Objective (SO) 1.5, Promote accessible, strong, and effective intellectual property rights to advance innovation, creativity, and entrepreneurship.

- Enhance patent quality and compact prosecution: 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 to ensure examiner production time is sufficient for current examination responsibilities across different technology areas and will account for the needs of underrepresented groups, first-time filers, independent inventors, and small businesses.
- Reduce trademark pendency: The USPTO's Trademark organization is committed to improving the quality of trademark application examination and ensuring that all examining attorneys 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 on the existing first and final action standards for correct decision-making.
- Protect and enforce IP abroad: The USPTO concluded cooperative agreements designed to improve IP systems and enhance the enforcement of rights with the IP offices of Japan, the European Union, Saudi Arabia, Malaysia, France, and Peru as well as the National Research Development Corporation of India and the World Intellectual Property Office. In addition, progress continues on similar agreements with the IP offices of Laos, Moldova, Egypt, Tunisia, Qatar, Taiwan, Morocco, Nepal, Papua New Guinea, Malaysia, and Indonesia.
 - The USPTO continues its active engagement with other patent and trademark offices around the world through the IP5, the Trademark 5 (TM5), and the Industrial Design 5 (ID5). The IP5 comprises 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, the CNIPA, the European Union Intellectual Property Office, the JPO, and the KIPO. These offices 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 support the monitoring of compliance with trade agreements actively. The agency participates in reviews of foreign laws as part of World Trade Organization Trade Policy Reviews and trade agreements, such as phase one of the United States-China trade agreement.

Strategic Objective (SO) 5.3, Equitably deliver exceptional customer experience

USPTO – Customer Experience (CX): The USPTO is a high impact service provider (HISP), as [identified by the Office of Management and Budget](#) (OMB), and conducts yearly CX capacity assessments and service improvement action planning, as well as publicly reports customer satisfaction and trust data quarterly. This year, the USPTO unified its CX efforts across Patents and Trademarks to become a single HISP, and completed its first Agency-wide CX Action Plan covering FY 2023 and FY 2024. In alignment with the [President's Management Agenda](#) and [Executive Order 14058: Transforming Federal Customer Experience and Service Delivery To Rebuild Trust in Government](#), the USPTO has prioritized improvements to the design and delivery of its services with an emphasis on meeting the needs of underserved communities, and will provide additional assistance to pro se applicants when filling a patent application. Building on the HISP accomplishment in unifying the USPTO CX efforts across the agency, the USPTO has assigned a CX Lead role for one senior executive to lead the efforts in meeting OMB HISP requirements and in establishing an agency-wide CX governance to further streamline CX activities across the agency and establish the long-term sustainability of CX efforts. In FY 2022, the USPTO completed a new Paperwork Reduction Act (PRA) generic clearance to allow for more rapid development of CX research information collections and allowing public reporting and accountability for performance.

Planned Actions through FY 2024

USPTO - Patents: The USPTO continues its commitment to processing patent applications in a timely manner and has established patent timeliness goals based on PTA, our overall adherence to statutorily defined timeframes. Reducing the number of PTAs 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 172,000 application classes by FY 2025 compared to FY 2022. 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 while pursuing several initiatives to enhance efficiency.

USPTO - Office of Policy and International Affairs: The USPTO continues its efforts to improve international IP protection and enforcement, capacity building, and legislative reform, including the creation of country/regional strategic plans and specific action plans in relation to the prioritized countries of interest.

USPTO - Customer Experience (CX): The USPTO will continue to build awareness of customer experience and build capacity to understand customer needs and contribute to an overall positive experience for customers.

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 PTA. The USPTO is a fee funded agency however, if the USPTO is not appropriated its full fee amount it may impact targets.

Trademarks: The USPTO trademark quality targets have been met or exceeded. Pendency has increased and continues to fall outside our targets. This trend was expected given the large backlog we have as a result of the surge in applications during the pandemic. The USPTO is a fee funded agency however, if the USPTO is not appropriated its full fee amount it may 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, if the USPTO is not appropriated its full fee amount it may impact targets.

Explanation of Targets for FY 2023 and FY 2024

The USPTO targets will generally stay consistent for FY 2023 and FY 2024. The USPTO is a fee funded agency however, if USPTO is not appropriated our full fee amount it may impact our targets.

Progression of the Performance Indicators

The USPTO's performance depends on workload demand, fee collection estimates derived from production and workload models, and 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 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2022 Target	FY 2023 Target	FY 2024 Target
Current/Recurring	1.5	Patents total PTA compliance, all mailed actions	n/a	n/a	83%	83%	80%	80%	80%	79%
Current/Recurring	1.5	Patents total inventory compliance, remaining inventory	n/a	n/a	88%	86%	85%	87%	86%	86%
Current/Recurring	1.5	Patent statutory compliance metrics (percentage), statute 35 U.S.C. 101 (including utility and eligibility)	96.8%	97.7%	97.7%	98.3%	98.3%	>94%	>94%	>94%
Current/Recurring	1.5	Patent statutory compliance metrics (percentage), statute 35 U.S.C. 102 (prior art compliance)	95.2%	94.4%	94.3%	95.1%	95.3%	>94%	>94%	>94%
Current/Recurring	1.5	Patent statutory compliance metrics (percentage), statute 35 U.S.C. 103 (prior art compliance)	92.0%	89.9%	88.9%	90.7%	91.5%	>91%	>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))	92.9%	92.2%	90.6%	92.2%	94.6%	>92%	>92%	>92%
Current/Recurring	1.5	Trademark average first action pendency (months)	3.4	2.6	3.0	6.3	8.3	2.5-7.5	8.5	8.5
Current/Recurring	1.5	Average processing time for trademark applications (months)	9.6	9.3	9.5	11.2	13.8	13.5	14.5	14.5
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%	66%	100%	100%	100%	66%	66%	66%
New	5.3	Percentage of customers who indicate positive satisfaction with designated priority services <ul style="list-style-type: none"> Patents: Seeking assistance as a pro se applicant when filing a patent application 							82%	TBD
New	5.3	Percentage of customers who indicate positive satisfaction with designated priority services <ul style="list-style-type: none"> Trademarks: Filing an initial application form for a trademark registration 							70%	TBD
New	5.3	Percentage of customers who indicate the employees they interacted with were helpful <ul style="list-style-type: none"> Patents 							82%	TBD
New	5.3	Percentage of customers who indicate the employees they interacted with were helpful <ul style="list-style-type: none"> Trademarks 							75%	TBD