

**UNITED STATES
PATENT AND TRADEMARK OFFICE**



USPTO Financial Update

Jay Hoffman, Chief Financial Officer

March 10, 2022

Patent Public Advisory Committee public meeting

UNITED STATES
PATENT AND TRADEMARK OFFICE



Agenda

- FY 2022 status
- On the horizon
- Fee schedule summary

FY 2022 USPTO funding - CR

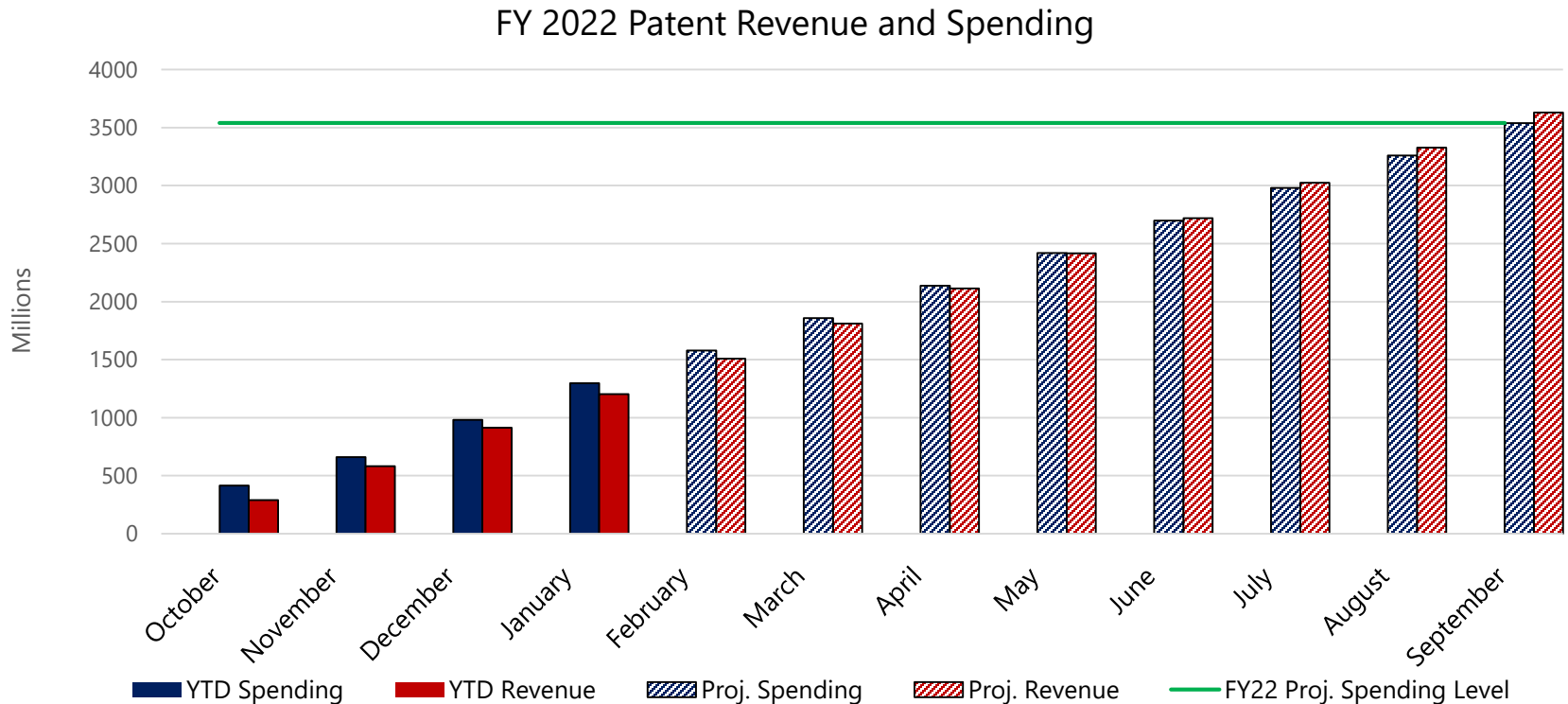
<i>\$ in millions</i>	Patents	Trademarks	Total USPTO
Fee revenue (CR authorized level through Mar 11 th) ^{1/}	\$ 1,441.9	\$ 197.2	\$ 1,639.1
+ Operating reserve balance (apportioned carryover)	\$ 475.9	\$ 207.8	\$ 683.7
+ Other revenue ^{2/}	\$ 16.6	\$ 1.6	\$ 18.2
Total funding sources available through Mar 11th	\$ 1,934.4	\$ 406.6	\$ 2,341.0

^{1/} Amount premised on fees collected up to the CR level.

^{2/} Actual other revenue collected through January 31, 2022.

- The current Continuing Resolution (CR) is through March 11, 2022.
 - The USPTO is held to an adjusted spending level calculated from the FY 2021 appropriated level of \$3.695B.
 - This level is \$299M lower than USPTO's requested appropriation level for FY 2022.
 - USPTO is also authorized to spend carryover (operating reserve balance) and other income.
- Currently available funding through the CR will allow USPTO to fund operations without an impact to mission critical activities.

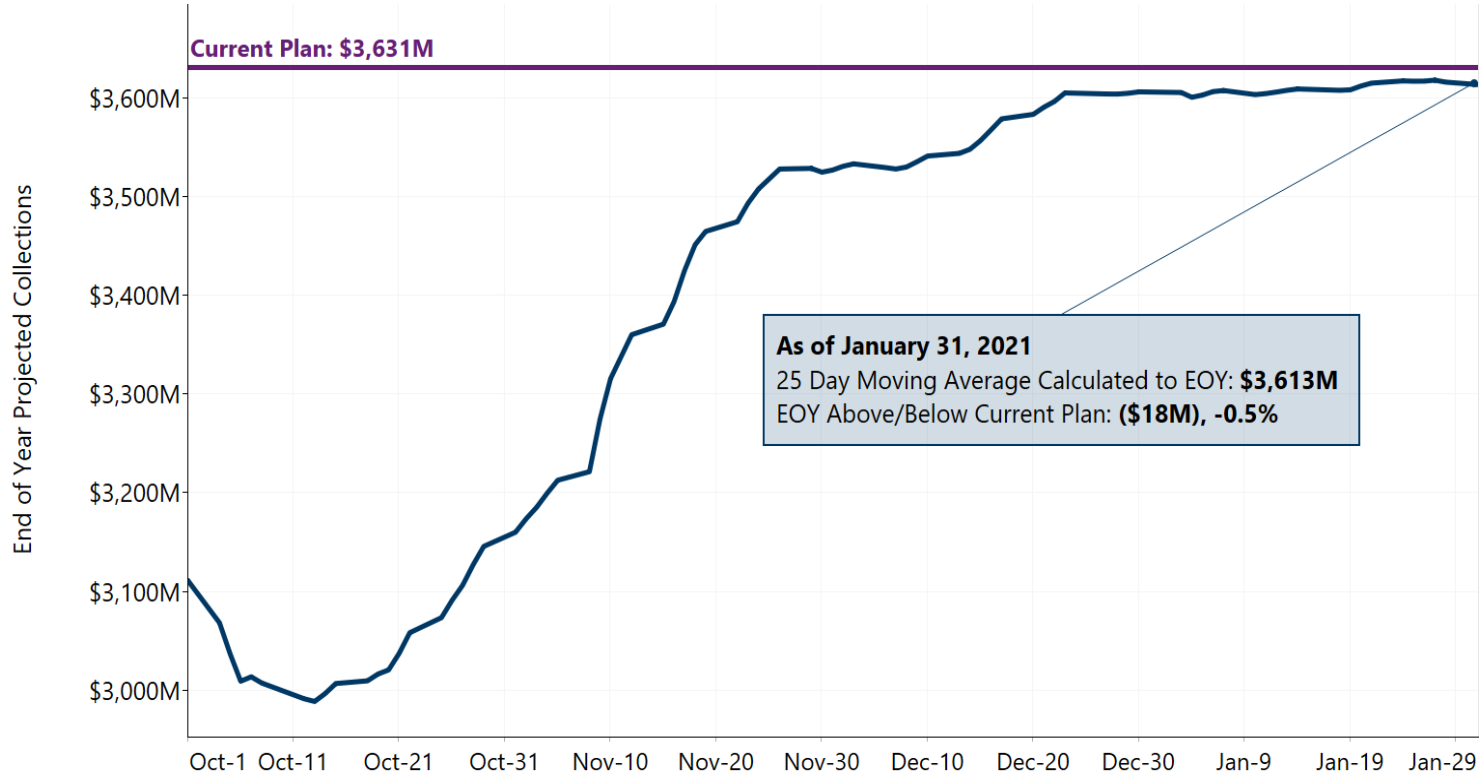
FY 2022 status: Revenue and spending



*YTD spending includes commitments and obligations.

FY 2022 patent revenue

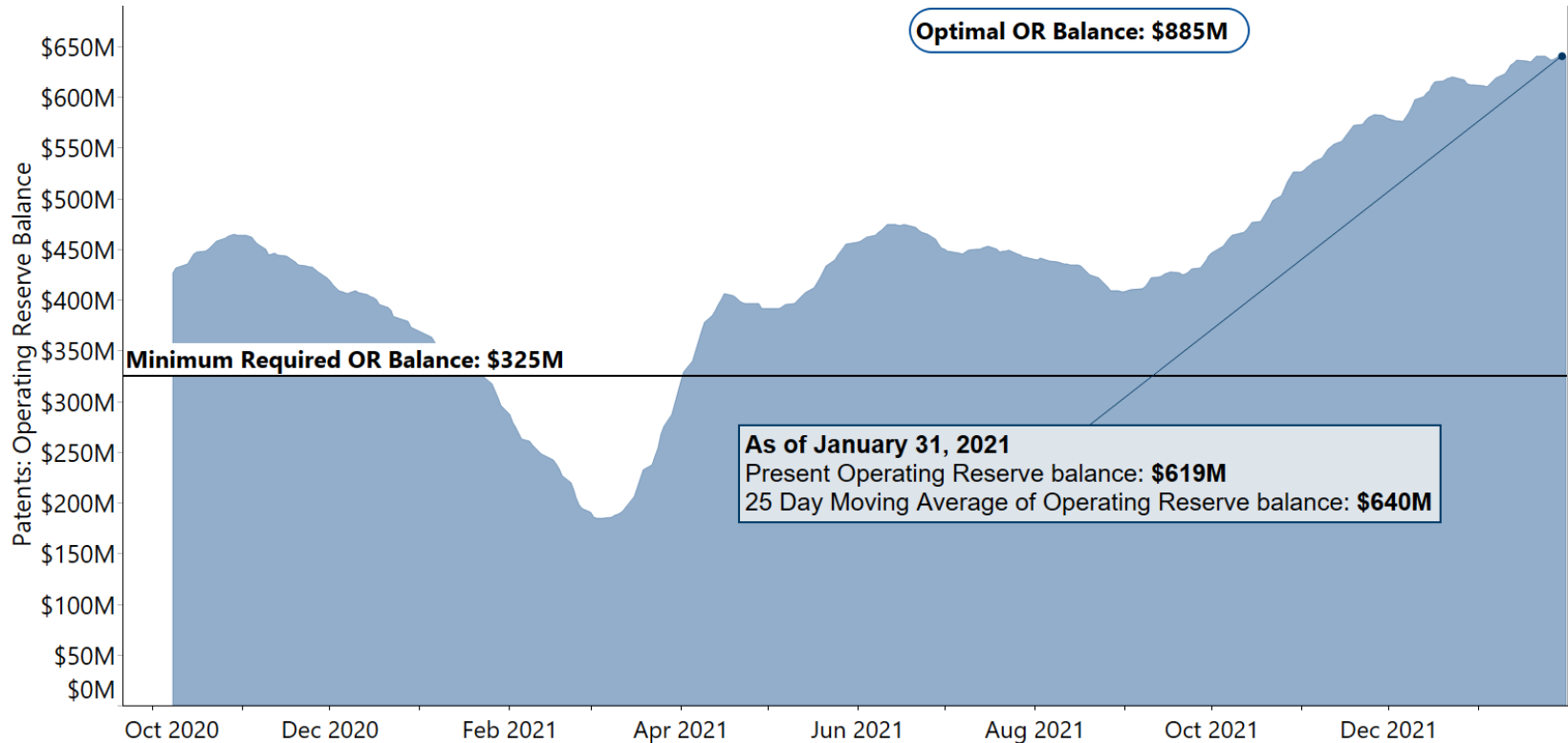
Patent revenue in Q1 is trending below the current plan



The current plan is based on an updated FY 2022 working estimate refreshed in December 2021.

Patent operating reserve

The balance is healthy and trending upward

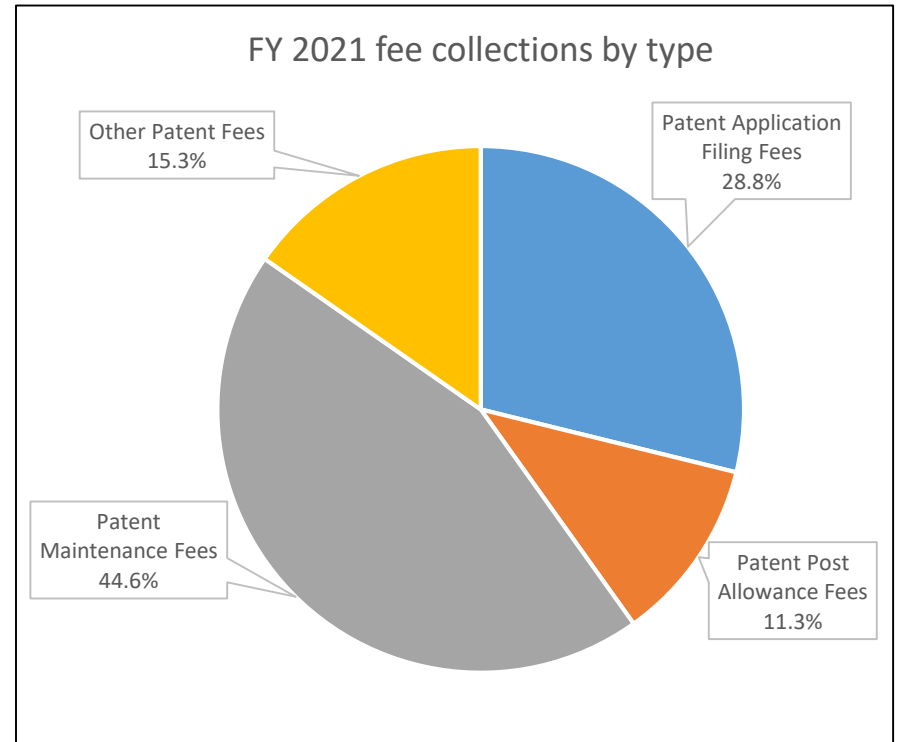


On the horizon

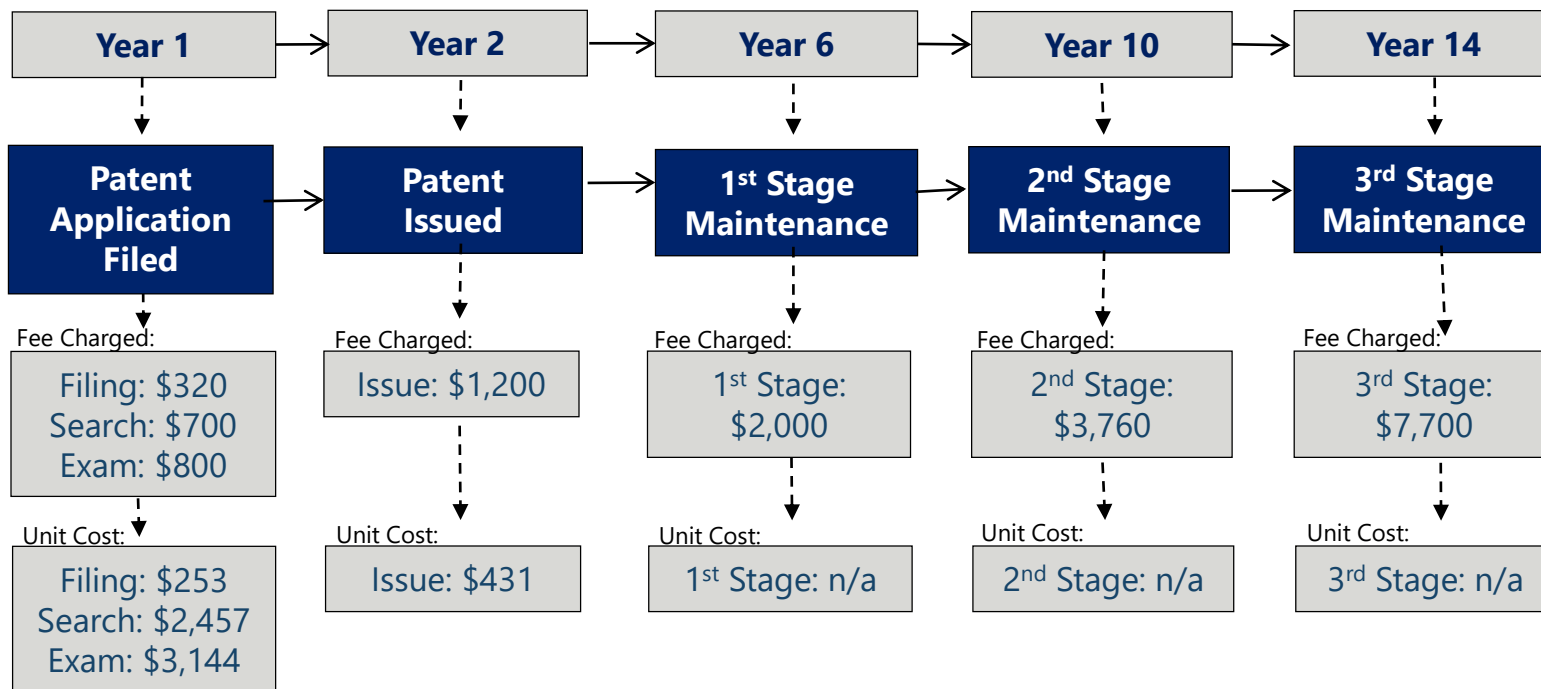
- **FY 2023 budget**
 - We received OMB passback in early February. This communicates their input on USPTO's budget submission.
 - OMB has not finalized the due date for the FY 2023 President's Budget.
- **The USPTO continues to develop its 2022 – 2026 Strategic Plan; the Department of Commerce will release its Strategic Plan with the Budget.**

USPTO fee structure overview

- Patent and Trademark fee collections, in aggregate and respectively, must recover USPTO operating costs.
- Congress established a fee structure that relies on both front-end and back-end fees to support agency operations.
- The current patent fee structure balances multiple policy considerations in order to foster innovation and competition, while also providing financial sustainability.
- Fee discounts of 50% and 75% are available for most patent-related fees for applicants and patent holders meeting small entity and micro entity definitions, respectively.



Basic fee schedule over the life of a patent*



* This is a simplified view of a patent's lifecycle from filing through maintenance with timing based on total pendency of 23.4 months. All fee amounts listed are undiscounted (i.e., do not reflect small or micro entity discounts).



Thank you!

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