

## **Appendix VII**

**FY 2016 Annual Performance Plan/FY 2014 Annual Performance Report**

**U. S. Patent and Trademark Office**

## **Part 1: Agency and Mission Information**

### **Section 1.1: Overview**

The United States Patent and Trademark Office (USPTO/Office) is an agency within the United States Department of Commerce (DOC). The Office is led by the Under Secretary of Commerce for Intellectual Property and Director of the USPTO, who consults with the Patent Public Advisory Committee (PPAC) and the Trademark Public Advisory Committee (TPAC) on Office policies, goals, performance, budget, and user fees.

The USPTO fosters innovation and competitiveness by providing high quality and timely examination of patent and trademark applications, guiding domestic and international intellectual property (IP) policy, and delivering IP information and education worldwide. Two distinct business lines, Patents and Trademarks, administer the patent and trademark laws which provide protection to inventors and businesses for their inventions and corporate and product identifications, and encourage innovation and scientific and technical advancement of United States (U.S.) industry through the preservation, classification, and dissemination of patent and trademark information.

The USPTO is a user fee-funded, performance-based organization. The USPTO contributes to the fulfillment of the DOC's mission, goals and strategic objectives, and its annual budget justification relies heavily on the goals, objectives, initiatives and performance results documented in the *USPTO 2014-2018 Strategic Plan*. As a result, the entire annual budget essentially serves as the USPTO's Annual Performance Plan (APP), and should be referenced in conjunction with this Annual Performance Plan (APP).

The Patent organization is under the direction of the Commissioner for Patents, and the Trademark organization is under the direction of the Commissioner for Trademarks. The Commissioners each enter into an annual performance agreement with the Secretary of Commerce, which outlines the measurable organizational goals for which each is responsible.

In FY 2016, the USPTO is expected to employ approximately 13,500 federal employees including patent examiners, trademark examining attorneys, computer scientists, attorneys, and administrative staff. Employee engagement, which helps facilitate the recruitment and retention of a highly qualified workforce, is a core component of the Office's business strategy. The USPTO was ranked #2 out of 314 agency subcomponents in the 2014 Best Places to Work in the Federal Government® report of the non-profit Partnership for Public Service.

The USPTO serves inventors, entrepreneurs, businesses, and attorneys in the United States and around the world. Stakeholders also include intellectual property organizations and international entities, such as the World Intellectual Property Organization (WIPO).

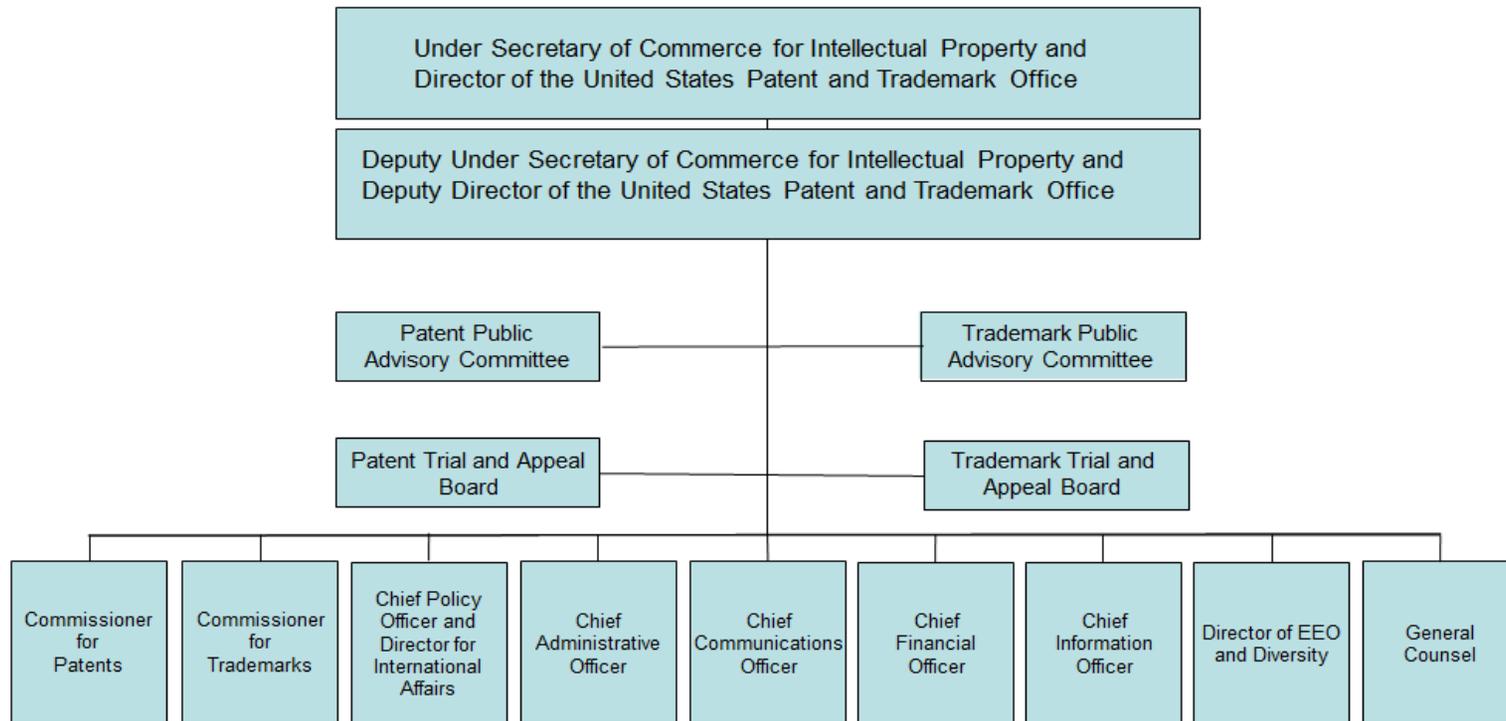
The USPTO is headquartered in Alexandria, Virginia. In FY 2012, the USPTO opened a satellite office in Detroit, Michigan, and identified three other sites – Denver, Colorado; Silicon Valley, California; and Dallas, Texas -- where the USPTO has been operating from temporary spaces. The permanent Denver satellite office opened in June 2014, the Silicon Valley office is on track to open in the spring of 2015, and the Dallas satellite office is scheduled to open in the fall of 2015. In addition, the USPTO has two storage facilities located in Virginia and Pennsylvania.

Section 1.2: Mission Statement

The USPTO Mission is to: Foster innovation, competitiveness and economic growth, domestically and abroad by delivering high quality and timely examination of patent and trademark applications, guiding domestic and international intellectual property policy, and delivering intellectual property information and education worldwide, with a highly-skilled, diverse workforce.

Section 1.3: Organizational Structure

**UNITED STATES PATENT AND TRADEMARK OFFICE**



Stakeholder Engagement – The USPTO engages its stakeholders in the strategic planning process upon which this APP is based. This was done by posting a draft strategic plan and providing a dedicated e-mail address for public comment; holding a public forum; and sending a draft plan to the USPTO’s two public advisory committees, three bargaining unit Presidents, DOC, OMB and the Congress. All comments were reviewed by senior managers from all business units, and appropriate changes made to the final plan. On-going, the USPTO ensures that stakeholder input is received on critical issues, such as the Patent initiative to work with stakeholders to refine long-term pendency goals, while considering requirements of the IP community.

**Part 2: Cross-Agency Priority Goals**

The USPTO neither leads nor contributes to cross-agency priority goals.

**Part 3: Strategic Goals and Objectives**

*Section 3.1: Corresponding DOC Strategic Goals and Objectives*

<b>DOC Goal</b>	<b>DOC Objective Number</b>	<b>DOC Objective Name</b>	<b>USPTO Strategic Goal</b>	<b>USPTO Leader: Name, Title, Organization/Activity</b>
TRADE AND INVESTMENT: Expand the U.S. economy through increased exports and inward foreign investment that lead to more and better American jobs.	#1.1	Increase opportunities for U.S. companies by opening markets globally.	Provide Domestic and Global Leadership to Improve Intellectual Property Policy, Protection and Enforcement Worldwide	<u>Shira Perlmutter</u> , Chief Policy Officer and Director for International Affairs
INNOVATION: Foster a more innovative U.S. economy – one that is better at inventing, improving, and commercializing products and technologies that lead to higher productivity and competitiveness.	#2.2	Increase the capacity of U.S. regional economies to accelerate the production of value-added goods and services by providing services to and investment in businesses and communities.	Optimize Patent Quality and Timeliness	<u>Margaret Focarino</u> , Commissioner for Patents <u>Mary Boney Denison</u> , Commissioner for Trademarks <u>Shira Perlmutter</u> , Chief Policy Officer and Director for International Affairs
	#2.3	Strengthen the Nation’s digital economy by championing policies that will maximize the potential of the internet, expanding broadband capacity, and enhancing cybersecurity to provide a robust environment for innovation.	Optimize Trademark Quality and Timeliness	
	#2.5	Accelerate growth of innovation-intensive economic sectors by building public and private capacity to invent, improve and commercialize new products and services.	Provide Domestic and Global Leadership to Improve Intellectual Property Policy, Protection and Enforcement Worldwide	

### Section 3.2: Strategies for Objectives

In its *2014-2018 Strategic Plan*, the USPTO adopted the following strategies to continue progress in meeting its mission and achieving its vision as a model IP office for the world.

- Rely on a balanced approach of skilled human capital, application of the best technologies, and continually improved processes to achieve a quality focused, cost effective and responsive organization.
- Maintain a cadre of talented staff with the technical and legal expertise and vision to guide and support the USPTO of the 21<sup>st</sup> century.
- Achieve a sustainable funding model that provides the resources for a high-performing organization, while recognizing budgetary pressures and the need for cost containment.
- Enhance international cooperation and harmonization in IP legislation, regulatory requirements, policies, and procedures.

### Section 3.3: Progress Update for DOC Strategic Objectives

**Benefits:** In a global economy, the property rights of American inventors must be protected not only in the United States, but internationally as well. The USPTO plays a leadership role in promoting effective domestic and international protection and enforcement of IP rights by advocating U.S. government IP rights policy, working to develop unified standards for international IP rights, providing policy guidance on domestic IP rights issues, and fostering innovation. The USPTO advises the President and Federal agencies on national and international IP rights policy matters and trade-related aspects of IP rights, and conducts technical assistance and capacity-building programs for foreign governments seeking to develop or improve their IP rights regulatory and enforcement mechanisms.

**Objective 1.1:** Increase opportunities for U.S. companies by opening markets globally.

The USPTO will pursue strategies to ensure U.S. commercial and economic interests are advanced in trade agreements and in other international fora, and with foreign governments; and work to reduce foreign trade barriers.

The USPTO contributes to the fulfillment of this objective by training foreign government officials on best practices to protect and enforce IP.

- **Progress to Date:** In FY 2014 4,960 foreign officials were trained on best practices to protect and enforce IP.
- **Next Steps:** Continue training foreign officials.

**Objective 2.2:** Increase the capacity of U.S. regional economies to accelerate the production of value-added goods and services by providing services to and investment in businesses and communities.

- Progress to Date: The USPTO opened the Denver Satellite Office on June 30, 2014, and signed a lease for permanent space in Silicon Valley in July 2014.
- Next Steps: Progress is on-going to open permanent locations in Silicon Valley, California in spring 2015 and Dallas, Texas in fall 2015.

**Objective 2.3:** Strengthen the Nation's digital economy by championing policies that will maximize the potential of the internet, expanding broadband capacity, and enhancing cybersecurity to provide a robust environment for innovation.

The USPTO and NTIA will develop public record and policy recommendations on critical digital copyright issues identified in the Copyright Green Paper.

- Progress to Date: The *Green Paper on Copyright Policy, Creativity, and Innovation in the Digital Economy* was released in July 2013. In April 2014, the DOC's Internet Policy Task Force announced a series of roundtable discussions that were held between May and July 2014 in cities around the country. The IPTF also worked on the issues identified in the Green Paper; i.e., (1) establishing an ongoing multi-stakeholder dialogue on improving the operation of the notice and takedown system under the Digital Millennium Copyright Act (DMCA); (2) soliciting public comment and convening roundtables around the country on three policy issues—the legal framework for the creation of remixes, the relevance and scope of the first sale doctrine in the digital environment, and the application of statutory damages in the context of individual file-sharers and secondary liability for large scale online infringement; and (3) convening an interagency group to consider the appropriate role for the government, if any, to help improve the online licensing environment, including access to comprehensive public and private databases of rights information.
- Next Steps: Prepare a draft of the Copyright White Paper.
- Risk/Challenges: Polarization of public debates on digital copyright.

**Objective 2.5:** Accelerate growth of innovation-intensive economic sectors by building public and private capacity to invent, improve and commercialize new products and services.

USPTO Key Strategies: Optimize patent and trademark application review efficiency and quality and improve enforcement of IP rights.

The USPTO contributes to the fulfillment of this objective through its Agency Priority Goal to *Improve Patent Processing Time and Quality* -- By September 30, 2015, the Department of Commerce will reduce patent pendency for first action and total pendency from the end of FY 2012 levels of 21.9 and 32.4 months to 15.7 and 26.4 months; as well as reduce the unexamined patent application backlog of 608,300 to 534,900. Additionally, the patent quality composite score will be improved from 72.4 percent to 100 percent of the FY 2015 target.

\* Note: Currently projecting not to meet APG targets by end of FY 2015.

In addition, the USPTO will implement Glossary Pilot Program as part of Executive Action No. 2; (2) complete patent examiner transition to Cooperative Patent Classification (CPC) system; and (3) advise and assist international counterparts in promoting meaningful, effective and balanced IP protection and enforcement worldwide.

- Progress to Date: The USPTO made progress in achieving its long-term pendency targets, although the interim targets for FY 2014 were slightly below plan due to a focus on carrying out new initiatives. The USPTO initiated the examiner transition to the CPC in October 2013; launched the six-month Glossary Pilot program on June 2, 2014; hosted the third in a regular series of public Software Partnership meetings in December 2013, and another in July 2014; and modified examiner production and workflow systems in October 2013 to reduce the backlog of RCEs..
- Next Steps: Continue progress meeting performance targets; by January 2015, examiners will complete CPC training, enabling them to search in CPC and place CPC symbols on published patent applications and patent grants; continue with the Glossary Pilot; and reduce the backlog of RCE's by almost 65 percent from the beginning of FY 2013 through the end of FY 2016.
- Risk/Challenge: Lack of full access to fee revenue could prevent/delay execution of agency initiatives.

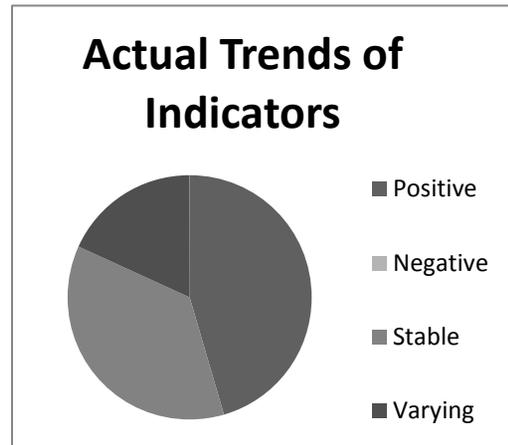
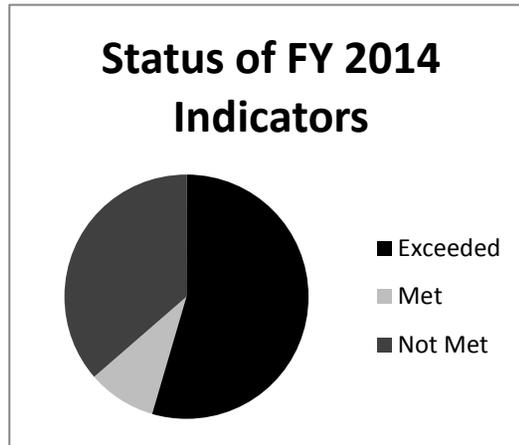
FY 2014 Accomplishments are addressed in the Progress to Date narratives above, as follows:

- Implement Cooperative Patent Classification System (CPC) – CPC is operational at USPTO. Substantial progress towards completing examiners' transition to CPC was made in FY 2014, with full implementation expected by January 2015.
- Implement White House Executive Actions – The USPTO has taken, and continues to take, actions to implement all seven Executive Actions; for example expanding patent examiner technical training, hosting roundtables with regard to AIA trials, establishing a patent litigation web site, and holding additional Pro Bono programs.
- Reduce Application Backlog – The backlog of unexamined patent applications has been reduced by almost 16 percent since FY 2009.
- Advise and assist international counterparts in promoting meaningful, effective, and balanced IP protection and enforcement worldwide – The USPTO trained 4,960 foreign government officials on best practices to protect and enforce IP.

- The USPTO opened the Denver Satellite Office on June 30, 2014, and signed a lease for permanent space in Silicon Valley in July 2014.
- The USPTO continued work on The *Green Paper on Copyright Policy, Creativity, and Innovation in the Digital Economy* that was released in July 2013. The next step will be preparation of the Copyright white paper.

**Part 4: Performance Goals / Indicators**

Section 4.1: Summary of Performance



Status is based on the following standard:

Exceeded	More than 100 percent of target
Met	90 - 100 percent of target
Not Met	Below 90% of target

An indicator with a positive trend is one in which performance is improving over time while a negative trend is an indicator that has declining performance. A stable trend is one in which the goal is to maintain a standard, and that that is occurring. A varying trend in one in which the data fluctuates too much to indicate a trend. At a minimum these indicators must have three years of data.

Section 4.2: Summary of Indicator Performance

Objective 1.1: Increase opportunities for U.S. companies by opening markets globally.

Indicator	Target	Actual	Status	Trend
Number of Foreign Government Officials Trained on Best Practices to Protect and Enforce Intellectual Property	4,300	4,960	Exceeded	Varying

Objective 2.5: Accelerate growth of innovation-intensive economic sectors by building public and private capacity to invent, improve and commercialize new products and services.

Indicator	Target	Actual	Status	Trend
Patent Average First Action Pendency (Months)	17.4	18.4	Met	Positive
Patent Average Total Pendency (Months)	26.7	27.4	Met	Positive
Patent UPR Unexamined Application Backlog	593,700	605,646	Met	Positive
Patent Quality Composite Score	83-91	75.0	Not Met	Positive

<b>Indicator</b>	<b>Target</b>	<b>Actual</b>	<b>Status</b>	<b>Trend</b>
Trademark Average First Action Pendency (Months)	2.5 – 3.5	3.0	Met	Stable
Trademark Average Total Pendency (Months)	12.0	9.8	Exceeded	Stable
Trademark First Action Compliance Rate (Percent)	95.5	95.8	Exceeded	Stable
Trademark Final Compliance Rate (Percent)	97.0	97.2	Exceeded	Stable
Trademark Exceptional Office Action (Percent)	28.0	43.0	Exceeded	Positive
Percentage of prioritized countries for which country teams have implemented at least 75 percent of action steps in the country-specific action plans toward progress along following dimensions: 1. Institutional improvements of IP office administration for advancing IPR 2. Institutional improvements of IP enforcement entities 3. Improvements in IP laws and regulations 4. Establishment of government-to-government cooperative mechanisms	75.0	100	Exceeded	Varying

Section 4.3: Detailed Indicator Plans and Performance

Objective 1.1: Increase opportunities for U.S. companies by opening markets globally.

INDICATOR	NUMBER OF FOREIGN GOVERNMENT OFFICIALS TRAINED ON BEST PRACTICES TO PROTECT AND ENFORCE INTELLECTUAL PROPERTY – DOC STRATEGIC OBJECTIVE 1.1							
Description	The Global Intellectual Property Academy (GIPA) offers training programs on protection, utilization and enforcement of IP rights, patents, trademarks, and copyrights. It is through the GIPA training programs that the USPTO is instrumental in achieving its objectives of advancing IP right policies and halting IP theft.							
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Target	N/A	N/A	N/A	N/A	N/A	4,300	6,300	6,500
Actual	N/A	N/A	4,338	9,217	7,078	4,960		
Status			N/A	N/A	N/A	Met		
Trend	The trend line indicates that the performance trend is variable with significant variability of the direction of the trend line in predicting future results.							
Actions to be taken/Future Plans	Continue to promote the protection and enforcement of IP of American innovators and creators on both the domestic and international levels.							
Adjustments to targets	The USPTO is authorized by statute to provide guidance, to conduct programs and studies, and to interact with IP offices worldwide and with international intergovernmental organizations on matters involving IP.							
<b><u>Validation and Verification</u></b>								
<b><u>Data Source</u></b>	<b><u>Frequency</u></b>	<b><u>Data Storage</u></b>	<b><u>Internal Control Procedures</u></b>			<b><u>Data Limitations</u></b>	<b><u>Actions to be Taken</u></b>	
Policy and International Affairs' reports and databases	Monthly input and reporting	Reports	Manual reports and analysis.			None	None	

Objective 2.5: Accelerate growth of innovation-intensive economic sectors by building public and private capacity to invent, improve and commercialize new products and services.

<b>INDICATOR</b>								
<b>PATENT AVERAGE FIRST ACTION PENDENCY (MONTHS) -- DOC STRATEGIC OBJECTIVE 2.5</b>								
Description	This measure indicates the average time from the Utility, Plant and Reissue (UPR) application filing date to the date of mailing the First Office action. The measure is based on a three-month rolling time period. This is one of the two primary measures to track timeliness in the Patent organization.							
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Target	27.5	25.4	23.0	22.6	18.0	17.4	15.7	14.6
Actual	25.8	25.7	28.0	21.9	18.2	18.4		
Status	Exceeded	Not Met	Not Met	Exceeded	Not Met	Met		
Trend	The trend line indicates that the performance trend is positive with some variability of the direction of the trend line in predicting future results.							
Explanation	The implementation of new initiatives in FY 2014, including the RCE backlog reduction efforts and the implementation of CPC, directly impacted production in the short term. The temporary reduction of resources to RCEs limited the extent to which new-case backlog and patent pendency could be reduced.							
Actions to be taken/Future Plans	The FY 2016 budget plans modify the hiring plans shown in the FY 2015 Budget. Under the revised plans, the Patent organization will begin its soft landing to achieve a patent examiner staffing level that is aligned with an ideal backlog and steady state pendency levels in FY 2015. This will be done by hiring 450 patent examiners in FY 2015 (a net of only 59 after attrition, and 550 less than the 1,000 projected in the FY 2015 President's Budget). In FY 2016, the new hires will be 250 or 95 fewer than projected attritions. This change, coupled with leveraging the nationwide workforce to facilitate hiring examiners with significant prior IP-related experience, and continuing to use overtime and incentives to increase production will enable the USPTO to achieve an optimal working level inventory of unexamined patent applications in FY 2018, and achieve its performance targets of 10 months for first action pendency and 20 months for total patent pendency in FY 2019. This will meet stakeholder expectations and also allow the Office to effectively align the demands of incoming workload with production capacity.							
Adjustments to targets	Reducing patent pendency and the backlog of unexamined patent applications is an Agency Priority Goal. We continue to make progress in reducing patent pendency and will continue, with stakeholder input, to modify long-term Patent plans as needed.							
<b>Validation and Verification</b>								
<b>Data Source</b>	<b>Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>			<b>Data Limitations</b>	<b>Actions to be Taken</b>	
Patent Application Location Monitoring (PALM) system	Daily input, monthly reporting	PALM, automated systems, reports	Accuracy of supporting data is controlled through internal program edits in the PALM system. Final test for reasonableness is performed internally by patent examiners, supervisors, and program management analysts.			None	None	

<b>INDICATOR</b>	<b>PATENT AVERAGE TOTAL PENDENCY (MONTHS) -- DOC STRATEGIC OBJECTIVE 2.5</b>							
Description	Patent total pendency is the average time in months for a complete review of a UPR patent application, from the filing date to issue or abandonment of the application. The measure is based on a three-month rolling time period. This is one of the two primary measures to track timeliness in the Patent organization. Requests for Continued Examination (RCEs) are not included.							
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Target	37.9	34.8	34.5	34.7	30.1	26.7	26.4	24.6
Actual	34.6	35.3	33.7	32.4	29.1	27.4		
Status	Exceeded	Not Met	Exceeded	Exceeded	Exceeded	Met		
Trend	The trend line indicates that the performance trend is positive with little variability of the direction of the trend line in predicting future results. However, the trend line from 2000 to 2010 was negative.							
Explanation	The implementation of new initiatives in FY 2014, including the RCE backlog reduction efforts and the implementation of CPC, directly impacted production in the short term. The temporary reduction of resources to RCEs limited the extent to which new-case backlog and patent pendency could be reduced.							
Actions to be taken/Future Plans	The FY 2016 budget plans modify the hiring plans shown in the FY 2015 Budget. Under the revised plans, the Patent organization will begin its soft landing to achieve a patent examiner staffing level that is aligned with an ideal backlog and steady state pendency levels in FY 2015. This will be done by hiring 450 patent examiners in FY 2015 (a net of only 59 after attrition, and 550 less than the 1,000 projected in the FY 2015 President's Budget). In FY 2016, the new hires will be 250 or 95 fewer than projected attritions. This change, coupled with leveraging the nationwide workforce to facilitate hiring examiners with significant prior IP-related experience, and continuing to use overtime and incentives to increase production will enable the USPTO to achieve an optimal working level inventory of unexamined patent applications in FY 2018, and achieve its performance targets of 10 months for first action pendency and 20 months for total patent pendency in FY 2019. This will meet stakeholder expectations and also allow the Office to effectively align the demands of incoming workload with production capacity.							
Adjustments to targets	Reducing patent pendency and the backlog of unexamined patent applications is an Agency Priority Goal. We continue to make progress in reducing patent pendency and will continue to modify long-term Patent plans as needed.							
<b>Validation and Verification</b>								
<b>Data Source</b>	<b>Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>		<b>Data Limitations</b>		<b>Actions to be Taken</b>	
PALM system	Daily input, monthly reporting	PALM, automated systems, reports	Accuracy of supporting data is controlled through internal program edits in the PALM system. Final test for reasonableness is performed internally by patent examiners, supervisors, and program management analysts.		None		None	

INDICATOR	PATENT UPR UNEXAMINED APPLICATION BACKLOG – DOC STRATEGIC OBJECTIVE 2.5							
Description	The unexamined patent application backlog is the number of new utility, plant, and reissue (UPR) patent applications in the pipeline at any given time which are awaiting a First Office Action by the patent examiner. Continuation, continuation-in-part, and divisional applications are included in the total.							
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Target		722,100	659,000	615,300	566,800	593,700	534,900	484,495
Actual	718,835	708,535	669,625	608,283	584,998	605,646		
Status	N/A	Exceeded	Not Met	Exceeded	Not Met	Met		
Trend	The trend line indicates that the performance trend is positive with little variability of the direction of the trend line in predicting future results.							
Explanation	The implementation of new initiatives in FY 2014, including the RCE backlog reduction efforts and the implementation of CPC, directly impacted production in the short term. The temporary reduction of resources to RCEs limited the extent to which new-case backlog and patent pendency could be reduced.							
Actions to be taken/Future Plans	The USPTO has modified the hiring plans shown in the FY 2015 Budget. Under the revised plans, the Patent organization will begin its soft landing to achieve a patent examiner staffing level that is aligned with an ideal backlog and steady state pendency levels in FY 2015. This will be done by hiring 450 patent examiners in FY 2015 (a net of only 59 after attrition, and 550 less than the 1,000 projected in the FY 2015 President's Budget). In FY 2016, the new hires will be 250 or 95 fewer than projected attritions. This change, coupled with leveraging the nationwide workforce to facilitate hiring examiners with significant prior IP-related experience, and continuing to use overtime and incentives to increase production will enable the USPTO to achieve an optimal working level inventory of unexamined patent applications in FY 2018, and achieve its performance targets of 10 months for first action pendency and 20 months for total patent pendency in FY 2019. This will meet stakeholder expectations and also allow the Office to effectively align the demands of incoming workload with production capacity.							
Adjustments to targets	Reducing patent pendency and the backlog of unexamined patent applications is an Agency Priority Goal. We continue to make progress in reducing patent pendency and will continue to modify long-term Patent plans as needed.							
<b>Validation and Verification</b>								
<b>Data Source</b>	<b>Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>		<b>Data Limitations</b>		<b>Actions to be Taken</b>	
PALM system	Daily input, monthly reporting	PALM, automated systems, reports	Accuracy of supporting data is controlled through internal program edits in the PALM system. Final test for reasonableness is performed internally by patent examiners, supervisors, and program management analysts.		None		None	

INDICATOR	PATENT QUALITY COMPOSITE SCORE-- DOC STRATEGIC OBJECTIVE 2.5							
Description	These metrics are measures of the propriety of the final disposition of individual applications, i.e., allowance or final rejection; the propriety of the actions taken during the course of examination in individual applications, i.e., first and subsequent actions on the merits by examiners; the degree to which the initial search performed by the examiner and the First Action on the Merits (FAOM) conforms with the best practices of the USPTO; the degree to which patent examiner behaviors in the prosecution of all patent applications reveals trends indicative of quality concerns; the degree to which the experience of examiners reveals trends and issues indicative of quality concerns. The overall Quality Composite is a weighted combination of these seven components.							
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	N/A	N/A	N/A	48 - 56	65 – 73	83 - 91	100	*
Actual	N/A	N/A	30.7	72.4	71.9	75.0		
Item 1: Final Disposition Compliance Rate (Percent)	94.4	96.3	95.4	96.6	96.2	95.6—97.0	97.0	*
Item 2: In-Process Compliance Rate (Percent)	93.6	94.9	95.2	95.9	96.3	94.6—97.0	97.0	*
Item 3: Pre FAOM Search Review	N/A	N/A	94.6	97.2	97.6	94.6—96.4	97.0	*
Item 4: Complete FAOM Search Review (Percent)	N/A	N/A	90.9	91.2	90.5	90.9—94.0	97.0	*
Item 5: Quality Index Report (Percent)	N/A	N/A	89.5	89.8	90.8	88.3—94.0	94.0	*
Item 6: External Quality Survey (Response Ratio – Positive to Negative)	N/A	N/A	3.0:1	5.2	5.8	3.1—5:1	5:1	*
Item 7: Internal Quality Survey (Response Ratio – Positive to Negative)	N/A	N/A	4.3:1	9.4	7.4	4.3—5.6:1	6:1	*
Status	N/A	N/A	N/A	Exceeded	Met	Not Met		
Trend	The trend line indicates that the performance trend is positive with some variability of the direction of the trend line in predicting future results.							
Explanation	Although the USPTO achieved 100% of goal in six of the seven metrics that comprise the Quality Composite Score, there was one metric that underperformed in FY 2014. The underperforming metric is a relatively new metric that was developed concurrent with the implementation of the Quality Composite Score at the start of FY 2011. As part of its new Quality Initiative, the USPTO believes that further refinements are needed in this metric and intends to work with the PPAC and our stakeholders to reassess the target originally established for this metric.							
Actions to be taken/Future Plans	Quality and training are an integral part of the examination process, and include initiatives focused on pendency reduction based on revised performance plans.							

INDICATOR	PATENT QUALITY COMPOSITE SCORE (Continued)							
Adjustments to targets	* As part of our quality initiatives, we intend to evaluate and refine our quality metrics with our stakeholders, as stated in the 2014-2018 Strategic Plan.							
<b><u>Validation and Verification</u></b>								
<b><u>Data Source</u></b>	<b><u>Frequency</u></b>	<b><u>Data Storage</u></b>	<b><u>Internal Control Procedures</u></b>	<b><u>Data Limitations</u></b>	<b><u>Actions to be Taken</u></b>			
Office of Patent Quality Assurance (OPQA) Database System, PALM and Quality Index Report database and Collected Surveys	Daily input, semi-annual, and quarterly reporting	OPQA database, automated systems, reports	The statistician runs quality control checks in which certain dependent data fields are checked against each other; and data validation and audits per contract specifications	Since the measure is based on a sample, there is sampling error associated with the metric.	None			

<b>INDICATOR</b>	<b>TRADEMARK AVERAGE FIRST ACTION PENDENCY (MONTHS)</b>							
Description	This measure reflects the timeliness of the first office action as measured from the date of application filing (or notification date for 66(a) filings) to the first office action in months.							
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Target	2.5 – 3.5	2.5 – 3.5	2.5 – 3.5	2.5 – 3.5	2.5 – 3.5	2.5 – 3.5	2.5 – 3.5	2.5 – 3.5
Actual	2.7	3.0	3.1	3.2	3.1	3.0		
Status	Met	Met	Met	Met	Met	Met		
Trend	The trend line indicates that the performance trend is maintaining standards with slight variability of the direction of the trend line in predicting future results.							
Actions to be taken/Future Plans	Filings of new applications are expected to increase on average by about five to seven percent year over year. To handle the expected increase in workloads, the Office plans to increase examination staff by a net total of 48 new examining attorney positions, as well as support and specialized positions. Offsetting the incremental costs, the Office expects to manage overtime usage due to timely hiring and by setting appropriate levels of production incentives.							
Adjustments to targets	Trademark applicants have requested first action pendency within 2.5 to 3.5 months as optimal for meeting their needs.							
<b>Validation and Verification</b>								
<b><u>Data Source</u></b>	<b><u>Frequency</u></b>	<b><u>Data Storage</u></b>	<b><u>Internal Control Procedures</u></b>		<b><u>Data Limitations</u></b>		<b><u>Actions to be Taken</u></b>	
Trademark Reporting and Monitoring (TRAM) database	Daily input, monthly reporting	TRAM automated systems, reports	Accuracy of supporting data is controlled through internal program edits in the TRAM system. Final test for reasonableness is performed internally by trademark management, supervisors, and program management analysts.		None		None	

INDICATOR	TRADEMARK AVERAGE TOTAL PENDENCY (MONTHS)							
Description	This measure reflects the timeliness of the disposal of a trademark application. It is measured from the date of filing to date of registration, abandonment or issuance of a notice of allowance, excluding applications that are suspended, awaiting further action, or involved in <i>inter partes</i> proceedings.							
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Target	13.0	13.0	12.5	12.0	12.0	12.0	12.0	12.0
Actual	11.2	10.5	10.5	10.2	10.0	9.8		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		
Trend	The trend line indicates that the performance trend is maintaining standards with slight variability of the direction of the trend line in predicting future results.							
Actions to be taken/Future Plans	Filings of new applications are expected to increase on average by about five to seven percent year over year. To handle the expected increase in workloads, the Office plans to increase examination staff by a net total of 48 new examining attorney positions, as well as support and specialized positions. Offsetting the incremental costs, the Office expects to manage overtime usage due to timely hiring and by setting appropriate levels of production incentives.							
Adjustments to targets	Trademark applicants have requested 12.0 months or less total pendency as optimal for meeting their needs.							
<b>Validation and Verification</b>								
<b><u>Data Source</u></b>	<b><u>Frequency</u></b>	<b><u>Data Storage</u></b>	<b><u>Internal Control Procedures</u></b>			<b><u>Data Limitations</u></b>	<b><u>Actions to be Taken</u></b>	
TRAM database	Daily input, monthly reporting	TRAM automated systems, reports	Accuracy of supporting data is controlled through internal program edits in the TRAM system. Final test for reasonableness is performed internally by trademark management, supervisors, and program management analysts.			None	None	

INDICATOR	TRADEMARK FIRST ACTION COMPLIANCE RATE (PERCENT)							
Description	This measure is the percentage of applications reviewed meeting the criteria for decision making conducted on random sample of applications including first office actions to determine the soundness of decision-making under the Trademark Act.							
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Target	95.5	95.5	95.5	95.5	95.5	95.5	95.5	95.5
Actual	96.4	96.6	96.5	96.2	96.3	95.8		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		
Trend	The trend line indicates that the performance trend is maintaining standards with slight variability of the direction of the trend line in predicting future results.							
Actions to be taken/Future Plans	Under the quality assurance program the results of an examiner's first and final office action are reviewed for the quality of the substantive basis for decision making, search strategy, evidence, and writing. Based on the data collected from those reviews, the Office has targeted both electronic and traditional training initiatives addressing specific problem areas. This program also provides prompt feedback to examining attorneys when their work products are reviewed.							
Adjustments to targets	Trademark's management has determined that 95.5 percent first action compliance is an optimal level to operate. A new more rigorous measure of quality has been introduced to expand the criteria for evaluating quality of the examiner's decision and writing.							
<b>Validation and Verification</b>								
<b>Data Source</b>	<b>Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>		<b>Data Limitations</b>		<b>Actions to be Taken</b>	
Office of Trademark Quality Review and Training (OTQRT) Report	Daily input, monthly reporting	OTQRT Report database	Accuracy of supporting data is controlled through internal program edits in the OTQRT system. Final test for reasonableness is performed internally by trademark examiners, supervisors, and program management analysts.		None		None	

<b>INDICATOR</b>	<b>TRADEMARK FINAL COMPLIANCE RATE (PERCENT)</b>							
Description	This measure is the percentage of evaluations meeting the criteria for decision making conducted on a random sample of applications that received a final decision regarding registrability (i.e., registration eligibility) under the Trademark Act either by approval or final refusal.							
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Target	97.0	97.0	97.0	97.0	97.0	97.0	97.0	97.0
Actual	97.6	96.8	97.0	97.1	97.1	97.2		
Status	Exceeded	Not Met	Met	Exceeded	Exceeded	Exceeded		
Trend	The trend line indicates that the performance trend is maintaining standards with slight variability of the direction of the trend line in predicting future results.							
Actions to be taken/Future Plans	Under the quality assurance program the results of an examiner's first and final office action are reviewed for the quality of the substantive basis for decision making, search strategy, evidence, and writing. Based on the data collected from those reviews, the Office has targeted both electronic and traditional training initiatives addressing specific problem areas. This program also provides prompt feedback to examining attorneys when their work products are reviewed.							
Adjustments to targets	Trademark's management has determined that 97.0 percent final action compliance is an optimal level to operate. A new more rigorous measure of quality has been introduced to expand the criteria for evaluating quality of the examiner's decision and writing.							
<b>Validation and Verification</b>								
<b><u>Data Source</u></b>	<b><u>Frequency</u></b>	<b><u>Data Storage</u></b>	<b><u>Internal Control Procedures</u></b>		<b><u>Data Limitations</u></b>		<b><u>Actions to be Taken</u></b>	
OTQRT Report	Daily input, monthly reporting	OTQRT Report database	Accuracy of supporting data is controlled through internal program edits in the OTQRT system. Final test for reasonableness is performed internally by trademark examiners, supervisors, and program management analysts.		None		None	

<b>INDICATOR</b>	<b>TRADEMARK EXCEPTIONAL OFFICE ACTION (PERCENT)</b>							
Description	This measure is the percentage of evaluations exceeding the statutory requirement decision making conducted on a random sample of applications that received a first office action regarding registrability under the Trademark Act.							
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Target	N/A	N/A	15.0	20.0	23.0	28.0	36.0	37.0
Actual	N/A	N/A	23.6	26.1	35.1	43.0		
Status	N/A	N/A	Exceeded	Exceeded	Exceeded	Exceeded		
Trend	The trend line indicates that the performance trend is positive with slight variability of the direction of the trend line in predicting future results.							
Actions to be taken/Future Plans	Under the quality assurance program the results of an examiner's first and final office action are reviewed for the quality of the substantive basis for decision making, search strategy, evidence, and writing. Based on the data collected from those reviews, the Office has targeted both electronic and traditional training initiatives addressing specific problem areas. This program also provides prompt feedback to examining attorneys when their work products are reviewed.							
Adjustments to targets	Trademark's management has determined that 30 percent is an optimal level considering the impact of new hires in the examining corps. This is a new more rigorous measure of quality to expand the criteria for evaluating quality of the examiner's decision making, search strategy and writing.							
	<b>Validation and Verification</b>							
<b>Data Source</b>	<b>Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>		<b>Data Limitations</b>		<b>Actions to be Taken</b>	
OTQRT Report	Daily input, monthly reporting	OTQRT Report database	Accuracy of supporting data is controlled through internal program edits in the OTQRT system. Final test for reasonableness is performed internally by trademark examiners, supervisors, and program management analysts.		None		None	

<b>INDICATOR</b>	<b>PERCENTAGE OF PRIORITIZED COUNTRIES FOR WHICH COUNTRY TEAMS HAVE IMPLEMENTED AT LEAST 75 PERCENT OF ACTION STEPS IN THE COUNTRY-SPECIFIC ACTION PLANS TOWARD PROGRESS ALONG FOLLOWING DIMENSIONS:</b> <b>1. INSTITUTIONAL IMPROVEMENTS OF IP OFFICE ADMINISTRATION FOR ADVANCING IPR</b> <b>2. INSTITUTIONAL IMPROVEMENTS OF IP ENFORCEMENT ENTITIES</b> <b>3. IMPROVEMENTS IN IP LAWS AND REGULATIONS</b> <b>4. ESTABLISHMENT OF GOVERNMENT-TO-GOVERNMENT COOPERATIVE MECHANISMS</b>							
Description	Tracks the USPTO's efforts in relation to prioritizing countries of interest for purposes of improved IP protection and enforcement, capacity building, and legislative reform, including creation of country/region strategic plans and specific action plans.							
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Target	N/A	50.0	75.0	75.0	75.0	75.0	75.0	75.0
Actual	N/A	75.0	100.0	75.0	100.0	100.0		
Status	N/A	Exceeded	Exceeded	Met	Exceeded	Exceeded		
Trend	The trend line indicates that the performance trend is maintaining standards with significant variability of the direction of the trend line in predicting future results.							
Actions to be taken/Future Plans	Continue to promote the protection and enforcement of IP of American innovators and creators on both the domestic and international levels.							
Adjustments to targets	The USPTO is authorized by statute to provide guidance, to conduct programs and studies, and to interact with IP offices worldwide and with international intergovernmental organizations on matters involving IP.							
<b>Validation and Verification</b>								
<b><u>Data Source</u></b>	<b><u>Frequency</u></b>	<b><u>Data Storage</u></b>	<b><u>Internal Control Procedures</u></b>		<b><u>Data Limitations</u></b>		<b><u>Actions to be Taken</u></b>	
Policy and International Affairs' reports and databases	Monthly input and reporting	Reports	Manual reports and analysis.		None		None	

## Non-Recurring Indicators

*Indicator discontinued beginning in FY 2015*

INDICATOR	PERCENT OF FOREIGN OFFICIALS TRAINED WHO HAVE INITIATED OR IMPLEMENTED A POSITIVE CHANGE IN THE IP SYSTEMS IN THEIR ORGANIZATION AND/OR COUNTRIES					
Description	GIPA offers training programs on protection, utilization and enforcement of IP rights, patents, trademarks, and copyrights. It is through the GIPA training programs that the USPTO is instrumental in achieving its objectives of advancing IP right policies and halting IP theft. The USPTO is developing survey tools to evaluate the effectiveness and impact of these training programs. These evaluation and measurement survey tools provide methodologically rigorous data collection and analyses in place of more subjective, ad hoc, non-standardized anecdotal materials. The survey questions are approved by the OMB. The tools will include pre-program, post-program and alumni surveys. The use of the three surveys will allow the USPTO to collect data spanning the life of the GIPA training cycle.					
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
Target	N/A	N/A	N/A	75.0	75.0	75.0
Actual	N/A	N/A	79.0	69.3	100.0	
Status						
Trend	The trend line indicates that the performance trend is positive with significant variability of the direction of the trend line in predicting future results.					
Explanation (if not met in FY 2014)						

## Part 5: Other Information

None

**Part 6: Agency Priority Goals**

APG Statement, Overview and Goal Leader

Goal	Advance Commercialization of New Technologies by Reducing Patent Application Pendency and Backlog			
Performance Indicator(s)	Patent First Action Pendency, Patent Total Pendency, Unexamined Patent Application Backlog, and Patent Quality Composite Score			
Description	By September 30, 2015, the Department will reduce patent pendency for first action and total pendency from the end of FY 2012 levels of 21.9 and 32.4 months to 15.7 and 26.4 months, as well as the unexamined patent application backlog of 608,300 to 534,900. Additionally, the Patent quality composite score will be improved from 72.4 percent to 100 percent of the FY 2015 target.			
	FY 2013 (Actual)	FY 2014	FY 2015*	
Patent First Action Pendency	18.2 months	17.4 months	15.7 months	
Patent Total Pendency	29.1 months	26.7 months	26.4 months	
Unexamined Patent Application Backlog	584,998	593,700	534,900	
Patent Quality Composite Score	65-73	83-91	100 percent of the FY 2015 target	
Comments	Although financial adjustments brought on by budget sequestration and updated estimates of fee revenue early in the year impacted our ability to achieve FY 2013 patent first action pendency target, we continue to make progress in reducing patent pendency.			

\* Note: Currently projecting not to meet APG targets by end of FY 2015

**Part 7: Resource Requirements Table**

<i>(Dollars in thousands)</i>	<b>FY 2014</b>	<b>FY 2015 President's Budget</b>	<b>FY 2015 Current Plan</b>	<b>FY 2016 President's Budget</b>	<b>FY 2017 Estimate</b>	<b>FY 2018 Estimate</b>	<b>FY 2019 Estimate</b>	<b>FY 2020 Estimate</b>
<b>USPTO GOAL 1: OPTIMIZE PATENT QUALITY AND TIMELINESS</b>								
Amount	2,685,191	2,850,075	2,969,569	3,130,701	3,059,340	3,121,438	3,187,084	3,271,624
Full Time Equivalent (FTE)	10,874	12,029	11,768	12,063	12,017	11,953	11,983	12,096
<b>USPTO GOAL 2: OPTIMIZE TRADEMARK QUALITY AND TIMELINESS</b>								
Amount	262,802	274,134	298,715	300,814	296,958	303,190	309,472	318,364
FTE	888	990	987	1,061	1,113	1,158	1,208	1,256
<b>USPTO GOAL 3: PROVIDE DOMESTIC AND GLOBAL LEADERSHIP TO IMPROVE INTELLECTUAL PROPERTY POLICY, PROTECTION AND ENFORCEMENT WORLDWIDE</b>								
Amount	49,464	66,689	62,546	67,533	66,322	67,102	67,825	68,570
FTE	131	184	165	190	190	190	190	190
Amounts not Supporting Goals*	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
USPTO Requirements	2,999,457	3,192,898	3,332,830	3,501,048	3,424,620	3,493,730	3,566,382	3,660,557
FTE	11,894	13,203	12,920	13,314	13,319	13,301	13,381	13,542
Fee Collections	3,172,236	3,441,458	3,142,115	3,206,672	3,284,930	3,563,755	3,661,370	3,863,980
Other Income/Recoveries	35,887	21,800	27,800	27,800	27,800	27,800	27,800	27,800
Funding to(-) / from(+) Operating Reserve	(208,666)	(270,360)	162,915	266,576	111,890	(97,825)	(122,788)	(231,223)
<b>TOTAL FUNDING</b>	<b>2,999,457</b>	<b>3,192,898</b>	<b>3,332,830</b>	<b>3,501,048</b>	<b>3,424,620</b>	<b>3,493,730</b>	<b>3,566,382</b>	<b>3,660,557</b>
Operating Reserve: Patents	493,711	950,851	372,674	142,106	44,775	137,196	246,606	454,854
Operating Reserve: Trademarks	157,246	119,480	115,367	79,359	64,800	70,204	83,582	106,557

\* Amounts transferred to the Department of Commerce Office of the Inspector General (OIG).  
 Due to rounding, 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.

## **Part 8: Other Information**

### **Section 8.1: Major Management Priorities, Challenges, and Risks**

The USPTO's strategic goals also address the following Department of Commerce – Office of the Inspector General – Management Challenges:

**Innovation:** The USPTO must address a variety of internal and external challenges, including waiting times for filings, responding to stakeholder concerns about patent quality, and advocating for greater protection for IP rights. USPTO must also address challenges related to managing its large and dispersed workforce.

- The USPTO's efforts to reduce the patent backlog, improve processing times, and implement patent reform are addressed in the FY 2016 Budget Plans: Summary of Requirements section of the Executive Summary, and the Patent Program section of this Budget.
- The USPTO advocates for U.S. Government IP policy by increasing its presence and activities domestically and internationally. works with the business, community and other government agencies to secure international protection of IP rights, including the use of bilateral relationships to encourage improvements in the laws and policies of other countries as well as in the implementation of effective enforcement regimes; and to strengthen multilateral arrangements regarding IP rights. The USPTO also leverages its relationships in international fora to strengthen international IP systems and protection to create efficiencies in the patent and trademark areas. Further details are included in the Intellectual Property Policy, Protection, and Enforcement (IP PP&E) Program section of this Budget.
- The USPTO's expansion country-wide through the satellite offices and the telework program emphasizes the importance of managing a large and dispersed work force (for example, by building a Senior Leadership Development Program); ensuring the security of employees at all USPTO locations; continuing to enhance our telework environment by expanding telework opportunities and developing skill sets specific to leadership in a telework environment; and establishing a Labor Management Forum (LMF) to focus on topics of mutual interest.

**Operational Excellence:** This goal calls on all facets of the DOC to maintain “customer-focused” drive.

- The USPTO Strategic Plan contains several objectives/initiatives related to innovation and improvements in customer service, such as:
  - The Patent goal objective to continue and enhance stakeholder and public outreach, focused on key USPTO programs such as the Ombudsman Program, the pro bono program, partnerships, and the CPC system.

- The Trademark goal objective to continue and enhance stakeholder and public outreach that is focused on the law school clinic program, education programs on the value of the Federal trademark registration system, as well as the importance of filing for registrations in foreign countries.
- The IP PP&E goal initiatives focused on improving the methods for increasing awareness of, and educating users here and in foreign countries on the importance of IP.

Major Management Priorities include the following:

- Implementation of the USPTO Management Goal objectives and initiatives that are included in the *USPTO 2014-2018 Strategic Plan*.
- Office-specific contributions to government-wide management initiatives such as priorities established through Executive Order (EO) can be found in the USPTO's FY 2016 Budget: The Congressional Budget Justification where required funding to meet energy conservation requirements under EO 13423 and EO 13514 are documented.
- Execution of the Management goal objective to enhance internal and external relations, which focuses on the processes that are being used to fulfill the USPTO's education/outreach portion of its mission.

Section 8.2: Cross-Agency Collaborations

None

Section 8.3: Evidence Building

The USPTO relies on research and evaluations from a variety of sources to make informed decisions based on analysis. For example, the USPTO considers a number of economic factors and relevant indicators when forecasting its workload, such as 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 USPTO is authorized under title 35 of the U.S. Code to conduct programs, studies, or exchanges of items or services regarding domestic and international intellectual property law and the effectiveness of intellectual property protection domestically and throughout the world. Research and studies are frequently carried out under the auspices of the USPTO's Office of the Chief Economist. For example, in April 2012, Secretary of Commerce John Bryson introduced [\*Intellectual Property and the U.S. Economy: Industries in Focus\*](#), a report jointly authored by the Economics and Statistics Administration (ESA) and the USPTO.

- The USPTO also receives advice from its two Public Advisory Committees (PACs), which reviews the policies, goals, performance, budget, and user fees of the USPTO and prepares annual reports with regard these matters which are sent to the

Congress. The input and advice from the Patent PAC was particularly useful during the recent patent fee setting process. Patent Public Advisory Reports, particularly their input regarding the establishment of the new patent fee schedule in March 2013, which can be found at: <http://www.uspto.gov/about/advisory/ppac/index.jsp>, and Trademark Public Advisory Reports that can be found at: <http://www.uspto.gov/about/advisory/tpac/index.jsp>

- The USPTO regularly engages its stakeholders in the development of new initiatives and pilot program. The USPTO's patent initiatives and pilot programs are described at the following location [http://www.uspto.gov/patents/init\\_events/index.jsp](http://www.uspto.gov/patents/init_events/index.jsp)

In May 2014, the USPTO published a paper entitled "Monetizing Marks: Insights from the USPTO Trademark Assignment Dataset," along with a public-use dataset that contained detailed information on assignments, mergers, security interests, and other transactions involving trademarks that were recorded at the USPTO. These data were released as part of an ongoing initiative to make patent and trademark information available in a form convenient for public use and academic research. In releasing the data, the USPTO aims to encourage new streams of research on trademarks, the market for brands, trademark collateralization, and the evolving ways owners are employing and monetizing their IP assets.

In FY 2014, Congress continued its review of our nation's copyright laws. It held numerous hearings and introduced several pieces of copyright-related legislation in FY 2014. In July 2013, the U.S. Department of Commerce's Internet Policy Task Force (IPTF) released the paper "Copyright Policy, Creativity, and Innovation in the Digital Economy" ("Green Paper") to advance discussion of copyright issues critical to economic growth. The Green Paper was drafted by the USPTO with input from the National Telecommunications and Information Administration (NTIA). In FY 2014, the IPTF worked on the issues identified in the Green Paper. This involved (1) establishing an ongoing multi-stakeholder dialogue on improving the operation of the notice and takedown system under the Digital Millennium Copyright Act (DMCA); (2) soliciting public comment and convening roundtables around the country on three policy issues—the legal framework for the creation of remixes, the relevance and scope of the first sale doctrine in the digital environment, and the application of statutory damages in the context of individual file-sharers and secondary liability for large scale online infringement; and (3) convening an interagency group to consider the appropriate role for the government, if any, to help improve the online licensing environment, including access to comprehensive public and private databases of rights information.

#### Section 8.4: Hyperlinks

Hyperlinks are included in Section 8.3, above.

#### Section 8.5: Data Validation and Verification

The FY 2014 Summary of Performance and Finance Information includes in the Secretary's Statement an assessment of the reliability and completeness of the Department's performance data.

Section 8.6: Lower-Priority Program Activities

Not applicable to the USPTO. The President's Budget identifies the lower-priority program activities, where applicable, as required under the GPRA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access the volume at: <http://www.whitehouse.gov/omb/budget>.