

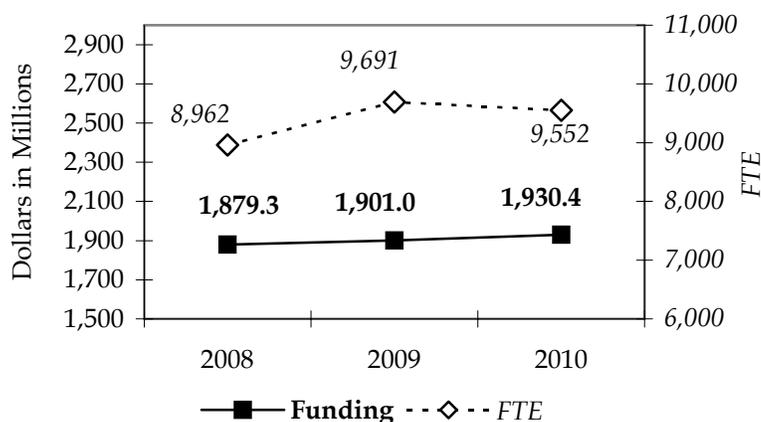
## U.S. Patent and Trademark Office

The mission of the U.S. Patent and Trademark Office (USPTO) is to foster 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. This mission is accomplished by the USPTO through its two distinct business lines, Patents and Trademarks, which administer the patent and trademark laws [15 U.S.C. 113 and 35 U.S.C. 41 and 376]. These laws provide protection to inventors and businesses for their inventions and corporate and product identifications, and encourage innovation and scientific and technical advancement of American industry through the preservation, classification, and

dissemination of patent and trademark information. In addition to the examination of applications for patents and trademark registrations, the USPTO provides technical advice and information to Executive Branch agencies on IP matters and trade-related aspects of IP rights, and assists governments of other countries in establishing regulatory and enforcement mechanisms to meet their international obligations relating to the protection of IP.

Funding requested for FY 2010 focuses on improving the quality and timeliness of Patent and Trademark processes.

**Total Funding and FTE**



## Summary of Appropriations

### Funding Levels

	2008	2009	2010	Increase (Decrease)
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	
New Offsetting Collections/Program Level*	\$1,879,295	\$1,900,950	\$1,930,361	\$29,411
Fee Collections <sup>1</sup>	(1,879,295)	(1,900,950)	(1,930,361)	(29,411)
<b>TOTAL APPROPRIATION</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transfer to DM S&E for NIPLECC	(1,000)	0	0	0
Transfer to IG	0	(2,000)	0	2,000
<b>Budget Authority</b>				
New Offsetting Collections/Program Level*	1,878,295	1,898,950	1,930,361	31,411
Fee Collections <sup>1</sup>	(1,879,295)	(1,900,950)	(1,930,361)	(29,411)
Total Budget Authority <sup>2</sup>	(1,000)	(2,000)	0	2,000
<b>FTE</b>	<b>8,962</b>	<b>9,691</b>	<b>9,552</b>	<b>(139)</b>

\* Excludes collections for reimbursables.

<sup>1</sup> Current fee estimates are below FY2009 estimate

<sup>2</sup> The FY 2009 Budget Authority has been adjusted. As a result, the total shown is different from the total reflected in the FY 2010 budget appendix estimate for FY 2009.

## Highlights of Budget Changes

### Appropriation: Salaries and Expenses

#### Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>2009 Enacted Appropriation</b>				\$0
<b>2009 Enacted fee collections</b>			9,770	2,010,100
<b>Adjustment to reflect re-estimate of USPTO fee collections</b>			(79)	(109,150)
<b>Fee collections in 2009</b>			9,691	1,900,950
<b>Funds currently available, 2009</b>			9,691	1,900,950
<b>Adjustments to Base</b>				
<b><u>Other Changes</u></b>				
2009 Pay raise		\$12,697		
2010 Pay raise		16,684		
Other Comp Adjustments to tie to Comp Model		18,407		
Civil Service Retirement System (CSRS)		(2,128)		
Federal Employees' Retirement System (FERS)		3,405		
Thrift Savings Plan		608		
Federal Insurance Contributions Act (FICA) - OASDI		1,988		
Health insurance		1,372		
Travel		30		
Rent payments to GSA		2,419		
Printing and reproduction		198		
Mandatory Requirements 1)		971		
General Pricing Level Adjustment:		2,449		
Subtotal, Adjustments to Base			(139)	59,100
Less: Cost Saving Measures				(29,689)
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>(139)</b>	<b>29,411</b>
<b>2010 Base</b>			9,552	1,930,361
<b>TOTAL REQUIREMENTS</b>			9,552	1,930,361
Total Offsetting Fee Collections				(1,930,361)
<b>2010 NET APPROPRIATION</b>				<b>0</b>

<sup>1</sup> Increased portion of post-retirement benefits due to Office of Personnel Management as required by USPTO's appropriation and the cost of administering the National Medal of Technology and Innovation Award.

<sup>2</sup> Offsets and cost reductions as a result of a comprehensive review.

**Comparison by Activity**

	2009 Currently Avail.		2010 Base		2010 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>DIRECT OBLIGATIONS</b>								
Patents	8,625	\$1,691,041	8,501	\$1,716,917	8,501	\$1,716,917	0	\$0
Trademarks	1,066	202,909	1,051	213,444	1,051	213,444	0	0
<b>DIRECT OBLIGATIONS</b>	9,691	1,893,950	9,552	1,930,361	9,552	1,930,361	0	0
Language Restriction on Obligations		5,000						
<b>FINANCING</b>								
Fees		(1,900,950)				(1,930,361)		
<b>TOTAL BUDGET AUTHORITY</b>	9,691	(2,000)			9,552	0		
Transfers		2,000				0		
<b>TOTAL APPROPRIATION</b>	9,691	0			9,552	0		

**Highlights**

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Patent Process	8,501	\$1,716,917	0	\$0

Resources requested in FY 2010 will be used for examining patent applications, granting patents, improving quality of the examination process, continued maintenance of automated information systems, and improving patent practices worldwide.

Trademark Process	1,051	\$216,444	0	\$0
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The FY 2010 Budget provides resources for examining trademark applications, registering trademarks, maximizing the use of e-government for conducting business with applicants and registrants, and improving trademark practices worldwide.

## USPTO Performance Measures

The USPTO supports the Department's strategic objective to "protect intellectual property and improve the patent and trademark systems". The USPTO focuses on measuring patent and trademark quality and timeliness, and improving IP protection and enforcement domestically and abroad in concert with our focused management priorities.

### Performance Outcomes and Measures

(Dollars reflect obligations in Millions)

	2008*	2009*	2010*
	Actuals	Estimate/Target	Estimate/Target
<b>Outcome 1: Optimize Patent Quality and Timeliness</b>	<b>\$1,600.2</b>	<b>\$1,653.6</b>	<b>\$1,688.8</b>
In-process examination compliance rate	92.5%	93.0%	94.0%
Allowance compliance rate	96.3%	96.5%	96.5%
Patent efficiency (cost per patent production unit)	\$3,773	3,562	3,372
Average first action pendency (months)	25.6	27.5	26.0
Average total pendency (months)	32.2	37.9	37.3
Applications filed electronically	71.7%	80.0%	85.0%
<b>Outcome 2: Optimize Trademark Quality and Timeliness</b>	<b>\$188.7</b>	<b>\$192.7</b>	<b>\$195.0</b>
First action compliance rate	95.8%	95.5%	95.5%
Final compliance rate <sup>1</sup>	N/A	97.0%	97.0%
Trademark efficiency (cost per trademark production unit)	\$470	\$639	\$654
Average first action pendency (months)	3.0	2.5 to 3.5	2.0
Average total pendency (months)	13.9	Discontinued	Discontinued
Average total pendency (months) <sup>2</sup>	11.8	13.0	11.0
Applications processed electronically <sup>3</sup>	N/A	62.0%	62.0%
<b>Goal 3: Improve Intellectual Property Protection and Enforcement Domestically and Abroad</b>	<b>\$45.4</b>	<b>\$47.5</b>	<b>\$46.5</b>
Percentage of countries on the USTR 301 list, awaiting WTO accession, or targeted by OIPPE for improvements that have positively amended or improved their IP systems <sup>4</sup>	N/A	40.0%	50.0%
Number of countries that implemented at least 75% of action steps which improve IP protections in the joint cooperation, action or work plans <sup>4</sup>	N/A	4	6
<b>Total*</b>	<b>\$1,834.3</b>	<b>\$1,893.9</b>	<b>\$1,930.4</b>

\*Direct Obligations only

1 - Final Action Compliance Rate is being replaced in FY 2009 by the Final Compliance Rate which is a more comprehensive measure of quality to include all actions that would result in an application being completed or disposed

2 - Average Total Pendency Including Suspended and *Inter Partes* Proceedings in FY 2009 is replaced by Average Total Pendency Excluding Suspended and *Inter Partes* Proceedings, which is a better indicator of the amount of time it takes to dispose of the trademark application.

3 - New measure for FY 2009 added to show the rate at which application are processed and disposed using the automated system

4 - New outcome oriented measure replace previously reported measures