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A **patent** is an intellectual property right granted by the government of the United States of America to an inventor "to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States" for a limited time in exchange for public disclosure of the invention.

A **trademark** is a word, phrase, symbol or design, or a combination of words, phrases, symbols, or designs, that identifies and distinguishes the source of the goods of one party from those of others.

### Did you know ...

79% (8,073) of all Patent staff are patent examiners and 66% (622) of all Trademark staff are trademark examining attorneys?

### Coming soon ...

We are in the process of updating our Strategic Plan, so stay tuned for a new mission and vision.

## Agency objectives

As an agency within the Department of Commerce (DOC), the United States Patent and Trademark Office (USPTO) is uniquely situated to support DOC's mission to create the conditions for economic growth and opportunity. The agency is led by the Under Secretary of Commerce for Intellectual Property and Director of the USPTO who consults with Patent and Trademark Public Advisory Committees created by statute ([www.uspto.gov/about/advisory/](http://www.uspto.gov/about/advisory/)). The Advisory Committees consist of citizens of the United States chosen to represent the interests of the diverse users of the USPTO goods and services.

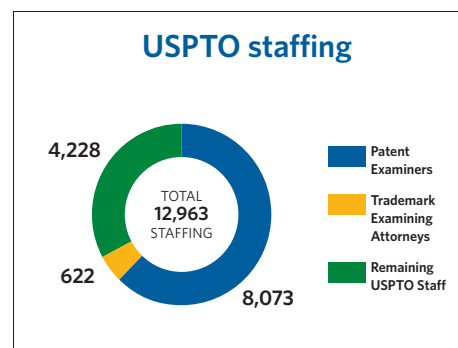
The USPTO examines applications, issues patents, registers trademarks, and advises the President of the United States, through the Secretary of Commerce, and the Administration on patent, trademark, and copyright protection, and trade-related aspects of intellectual property (IP). These activities give inventors, entrepreneurs, and innovators the protection and encouragement they need to turn their creative ideas into marketable products, and they also provide protection for innovation and brands.

Headquartered in Alexandria, Virginia, the USPTO also has regional offices in Detroit, Michigan; Denver, Colorado; Dallas, Texas; and San Jose, California and has employees throughout the United States working through the USPTO's leading-edge telework program.

## Patent and Trademark milestones

In fiscal year (FY) 2021, the USPTO celebrated the 10th anniversary of the Leahy-Smith America Invents Act (AIA) of 2011. The AIA made several major changes to U.S. patent law, including implementing a first-to-file system for determining a patent's priority date and establishing the Patent Trial and Appeal Board to hear post-issuance challenges to patents as a more affordable and streamlined alternative to district court patent litigation. This year also marked the 75th anniversary of the Lanham (Trademark) Act of 1946, which created the national system of trademarks that protects brands and consumers. In addition to celebrating this significant milestone, the Trademarks organization developed new rules for implementing the Trademark Modernization Act (TMA) of 2020. This Act provides business owners with additional tools to help clear the federal Trademark Register of unused marks, and it enables the USPTO to move applications through the system more efficiently.

The USPTO's mission is derived from Article 1, Section 8 of the Constitution, "to promote the progress of science and useful arts." Beginning with first principles, our patent system was designed for the public good, and we must stay focused on this. We must ensure our innovation ecosystem works to inclusively incentivize more innovation, including in key technologies; protect that innovation in the United States and worldwide; and bring that innovation to impact to create jobs and foster economic prosperity.



# How USPTO has performed in 2021

KEY PERFORMANCE MEASURES	FY 2018	FY 2019	FY 2020	FY 2021
Percentage of patent actions mailed within statutory timeframes for not issuing patent term adjustment (i.e., with no required adjustment in the period of time the patent is in force)	80%	81%	83%	83%
Percentage of total patent inventory within statutory timeframes for not issuing patent term adjustment (i.e., with no required adjustment to the period of time the patent is in force)	n/a	88%	88%	86%
Percentage of frequent patent practitioners satisfied with overall quality of patent examination <sup>1</sup>	92%	93%	94%	94%
Average number of months before trademark review is initiated	3.4	2.6	3.0	6.3
Average number of months to obtain a trademark	9.6	9.3	9.5	11.2
Percentage of first office actions consistent with the quality standards established by the Trademarks organization	96.9%	96.4%	95.7%	96.3%
Percentage of final office actions consistent with the quality standards established by the Trademarks organization	97.9%	97.4%	98.1%	98.7%

<sup>1</sup> This measure was discussed in the narrative of the FY 2021 PAR; it is represented here as a statistic.

## 2021 agency mission

Fostering innovation, competitiveness, and job growth in the United States by conducting high-quality and timely Patent and Trademark examination and review proceedings in order to produce reliable and predictable intellectual property rights, guiding intellectual property policy and improving intellectual property rights protection, and delivering intellectual property information and education worldwide.

## 2021 agency vision

Leading the nation and the world in intellectual property protection and policy.

The above subset of performance metrics are used to measure actions taken in line with the USPTO 2018–2022 Strategic Plan, which was designed to strengthen the capacity of the USPTO by focusing on a specific set of goals and the steps that will be taken to reach those goals, as follows:

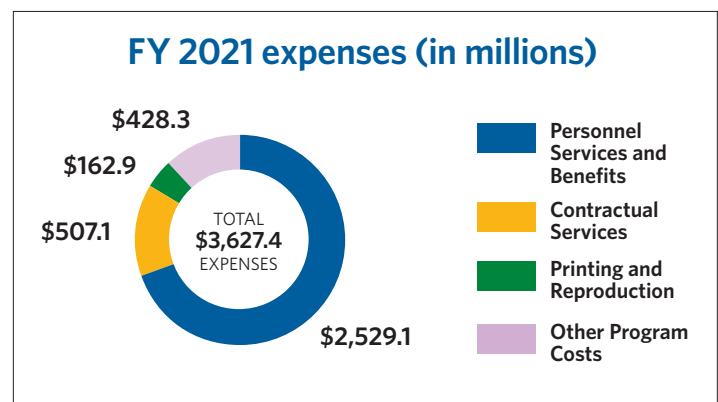
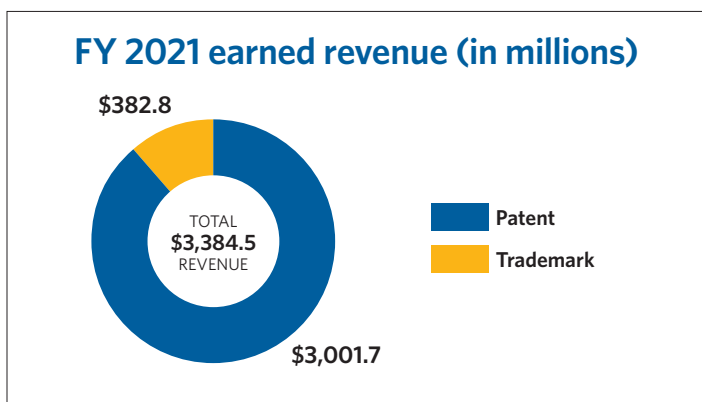
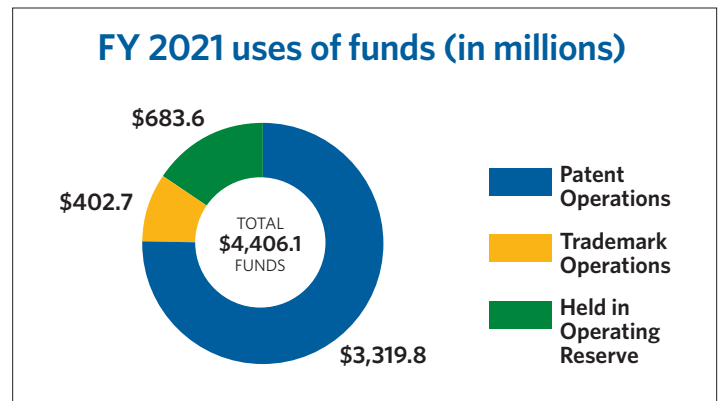
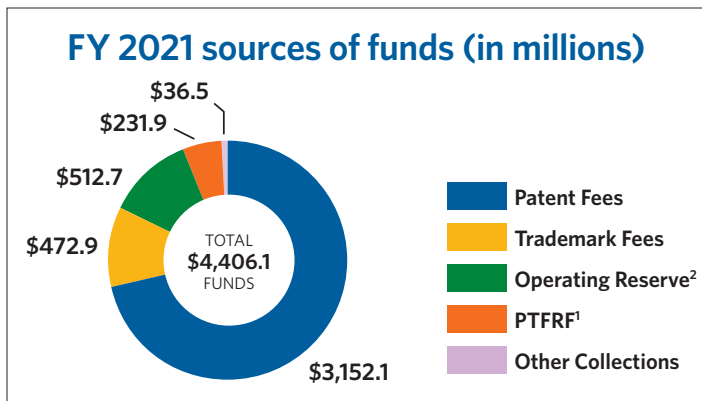
- Optimize patent and trademark application pendency;
- Issue highly reliable patents;
- Issue high-quality trademarks;
- Foster business effectiveness;
- Enhance operations of both the Patent Trial and Appeal Board and the Trademark Trial and Appeal Board;
- Provide leadership and education on domestic and international IP policy and awareness;
- Enhance human capital management and foster employee engagement;

- Optimize speed, quality, and cost-effectiveness of IT delivery;
- Ensure financial stability for effective operations; and
- Enhance interactions with internal and external stakeholders and the public.

Despite the continuing impacts of the global pandemic, the USPTO was extremely busy and productive during FY 2021. Patent application filings at the USPTO remained strong, finishing the year on an upward trajectory. Meanwhile, trademark application filings experienced an unprecedented surge in FY 2021, driven in part by the growth of e-commerce and the desire among more Americans to develop new products and start new companies. Complete discussions of the above performance metrics can be found in the 2021 Performance and Accountability Report, located at [www.uspto.gov/annualreport](http://www.uspto.gov/annualreport) in the Performance Information section beginning on page 58.

## Finances and budget

The USPTO finances operations with fees for patent and trademark services. No taxpayer dollars are used.



<sup>1</sup> Patent and Trademark Fee Reserve Fund (PTFRF); represents fees deposited in the PTFRF in FY 2020 and made available in FY 2021 for USPTO spending

<sup>2</sup> From prior year fees.

For the 29th consecutive year, the USPTO received a clean audit opinion from the independent public accounting firm of KPMG LLP on its FY 2021 financial statements. This assures to the public that the information presented in the USPTO financial statements is fairly presented and in conformity with accounting principles generally accepted in the United States of America. In addition, KPMG LLP reported no material weaknesses in the USPTO's internal control, and no instances of non-compliance with laws and regulations affecting the financial statements. The agency has also secured its IT security and has received a clean bill of health.

The top two charts above represent the budgetary resources made available to the USPTO during FY 2021 (e.g., the timing of when fees are collected), and the use of such funds (e.g.,

when the USPTO enters into agreements to pay for goods and services, as well as the operating reserve). The bottom two charts above represent the USPTO earning revenue by performing the work that was ordered by customers (e.g., the fees previously collected for patent and trademark products and services), and the expenses that were incurred in performing the work.

The complete financial information and the audit opinion can be found in the 2021 Performance and Accountability Report located at [www.uspto.gov/annualreport](http://www.uspto.gov/annualreport), in the Management's Discussion and Analysis section (beginning on page 32) and in the Independent Auditors' Report section (beginning on page 175), respectively.

**Did you know ...** the agency is redefining its mission and vision to bring more innovation to impact, inclusively and in key technology areas. It will meet you with the education and tools to help you innovate and create companies and to protect your efforts.

## What's ahead

As of April 2022, the USPTO is now under new leadership with Director Kathi Vidal confirmed as the Under Secretary and Director. As an organization, the agency is working together to:

1. Increase access to innovation and protection to all Americans;
2. Work as a catalyst to solve world problems, including COVID, cancer, and greenhouse emissions;
3. Work as a catalyst to increase jobs and economic prosperity for all;
4. Reduce abuses on the intellectual property ecosystem that create a barrier to hard working Americans protecting their innovations and companies; and
5. Enhance IT and technical capabilities to provide a better customer experience and to increase the robustness and reliability of patents and trademarks.

### Did you know ...

in FY 2021, the USPTO expanded access to the innovation ecosystem demographically and economically by partnering with the U.S. Small Business Administration (SBA) and SBA-funded small business support organizations, U.S. Customs and Border Protection, and the U.S. Copyright Office? In addition, the Council for Inclusive Innovation (CI<sup>2</sup>) began a series of Innovation Chat webinars to further the discussion on how to increase opportunities for all Americans to participate in innovation.

[www.uspto.gov/initiatives/equity](http://www.uspto.gov/initiatives/equity)

### Did you know ...

the average weekly earnings for those employed in IP-intensive industries — utilizing patents, trademarks, and copyrights — are 60% higher than weekly earnings for workers in other industries?

### Did you know ...

workers in IP-intensive industries make \$1,517 per week on average, compared to \$947 for those in other industries?

### Did you know ...

IP-intensive industries also offer better fringe benefits; retirement plans; health insurance; more full-time employment opportunities, which means greater job stability?

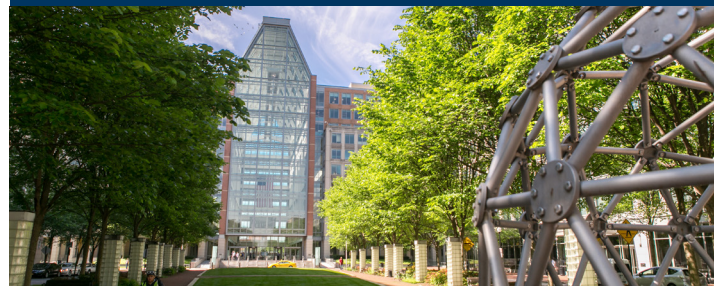
### Did you know ...

IP industries accounted for \$7.8 trillion — or 41% of total U.S. GDP in 2019? Directly, our innovation-intensive industries employ 47.2 million Americans, and indirectly they employ another 15.5 million. They account for 44% of all the jobs in the United States.

## Additional information

Complete patent and trademark workload information can be found in the FY 2021 Workload Tables, beginning on page 200 in the Other Information section of 2021 Performance and Accountability Report located at [www.uspto.gov/annualreport](http://www.uspto.gov/annualreport).

**We would like to hear from you. Please let us know what you think about this report by emailing [PARmail@uspto.gov](mailto:PARmail@uspto.gov).**



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#### 2021 Performance and Accountability Report

[www.uspto.gov/annualreport](http://www.uspto.gov/annualreport)