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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 ...

83% of all Patents staff are patent examiners, and 65% of all Trademarks staff are trademark examining attorneys?

Agency objectives

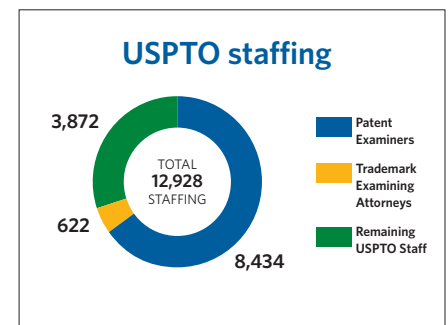
As an agency within the Department of Commerce (DOC), the United States Patent and Trademark Office (USPTO) is uniquely situated to support DOC's mission to create the conditions for economic growth and opportunity. The agency is led by the Under Secretary of Commerce for Intellectual Property and Director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

The USPTO examines and issues patents and 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 innovators, businesses, and entrepreneurs the protection and encouragement they need to turn their creative ideas into tangible products, and they also provide protection for inventions and trademarks.

The USPTO has two major components, the Patents organization and the Trademarks organization, that are teamed with several other supporting units. Our policy and international work is spearheaded by the Office of Policy and International Affairs. Headquartered in Alexandria, Virginia, the USPTO also has regional offices in Detroit, Michigan; Denver, Colorado; Dallas, Texas; and San Jose, California.

COVID-19 pandemic

In fiscal year (FY) 2020, the USPTO worked to mitigate COVID-19's effect on the innovation community. With the authority provided by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the USPTO temporarily extended deadlines for filing many patent and trademark documents and paying certain fees. The USPTO also instituted a number of initiatives to promote research related to COVID-19. The COVID-19 Prioritized Examination Pilot Program lets small and micro entities accelerate prosecution, at no charge, for inventions that are subject to approvals by the Food and Drug Administration for use in treating COVID-19. For applications in this program, the USPTO hopes to issue final decisions within six months of filing, so long as applicants are prompt in responding to office actions. To support research related to COVID-19, the USPTO also launched the Patents 4 Partnerships webpage, which provides a repository of patents and applications related to COVID-19 and creates a platform for connecting patentees and potential licensees.



How the USPTO has progressed

KEY PERFORMANCE MEASURES	FY 2017	FY 2018	FY 2019	FY 2020
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) ¹	81%	80%	81%	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) ¹	n/a	n/a	88%	88%
Percentage of frequent patent practitioners satisfied with overall quality of patent examination ²	91%	92%	93%	94%
Average number of months before trademark review is initiated	2.7	3.4	2.6	3.0
Average number of months to obtain a trademark	9.5	9.6	9.3	9.5
Percentage of first office actions consistent with the quality standards established by the Trademarks organization	97.3%	96.9%	96.4%	95.7%
Percentage of final office actions consistent with the quality standards established by the Trademarks organization	98.3%	97.9%	97.4%	98.1%

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.

Agency vision

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

The above subset of performance metrics is 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 the speed, quality, and cost-effectiveness of information technology (IT) delivery;
- Ensure financial stability for effective operations; and
- Enhance interactions with internal and external stakeholders and the public.

These steps also support DOC's focus on accelerating American leadership, enhancing job creation, strengthening U.S. economic and national security, fulfilling constitutional requirements, supporting economic activity, and delivering customer-centric service excellence. Complete discussions of the above performance metrics can be found in the 2020 Performance and Accountability Report, located at www.uspto.gov/annualreport, in the Performance Information section beginning on page 55.

1. This measure was first reported in the FY2020 Performance and Accountability Report (PAR)

2. This measure was discussed in the narrative of the FY2020 PAR; it is represented here as a statistic.

Did you know ...

that the USPTO issued 399,055 patents in FY 2020?

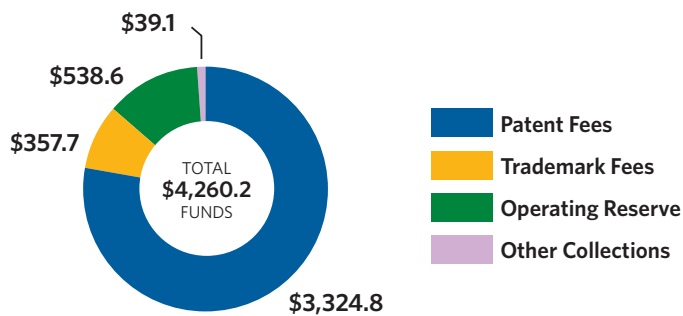
Did you know ...

that the USPTO registered 295,728 trademarks in FY 2020?

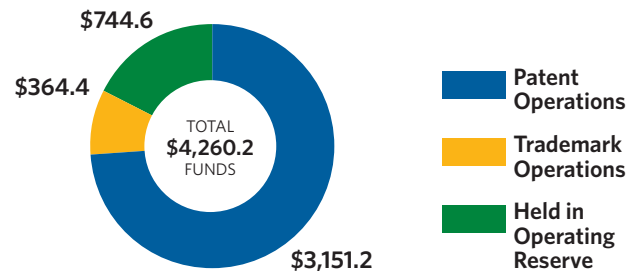
Finances and budget

The USPTO operates using fees for patent and trademark services. No taxpayer dollars are used for agency operations.

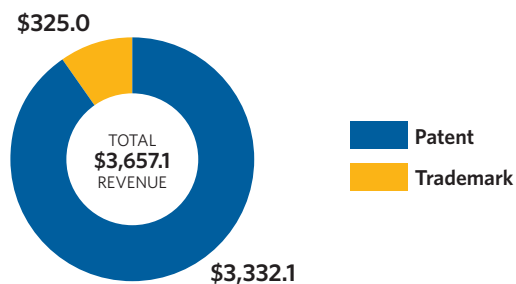
FY 2020 sources of funds (in millions)



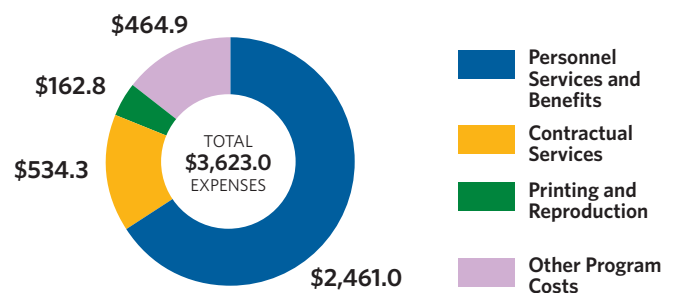
FY 2020 uses of funds (in millions)



FY 2020 earned revenue (in millions)



FY 2020 expenses (in millions)



The USPTO financial management process ensures that management decision-making information is dependable, internal controls over financial reporting are effective, and compliance with laws and regulations is maintained. The USPTO issues financial statements as a part of our effort to continually improve the accuracy and usefulness of our financial management information. Complete financial information can be found in the 2020 Performance and Accountability Report, located at www.uspto.gov/annualreport, in the Management's Discussion and Analysis section beginning on page 30.

The USPTO received an unmodified (clean) audit opinion from the independent public accounting firm of KPMG LLP on our FY 2020 financial statements. This is the 28th consecutive year that the USPTO received a clean opinion. Our unmodified audit opinion provides independent

assurance to the public that the information presented in the USPTO financial statements is fairly presented, in all material respects, 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 noncompliance with laws and regulations affecting the financial statements. The auditors noted one significant deficiency in general IT controls during FY 2020, for which remediation efforts are already underway to address the underlying concerns.

The audit opinion can be found in the 2020 Performance and Accountability Report, located at www.uspto.gov/annualreport, in the Independent Auditors' Report section beginning on page 160.

Management challenges and what's ahead

The USPTO is committed to overcoming our challenges in our implementation of strategic goals, objectives, and initiatives, as enumerated in the 2018–2022 Strategic Plan.

The USPTO faces challenges with respect to stable and sustainable funding, reliance on IT, and legal challenges. The USPTO continues to focus on:

1. Maintaining stable and sustainable funding and continuing to optimize the management of the USPTO's financial resources;
2. Enhancing IT capabilities while maintaining stable and supported systems and infrastructure that meet ongoing business needs; and
3. Managing ongoing legal challenges, such as cases questioning the USPTO's process for appointing administrative patent and trademark judges, and their associated impacts on agency operations.

Did you know ...

Of all 50 states, Wyoming was the state with the largest increase (36%) in registered trademarks in FY 2020?

Did you know ...

The USPTO created the Patents 4 Partnerships online platform to bring together parties who have technologies available for voluntary licensing with those interested in, and who have the ability to commercialize, the technologies?

Did you know ...

The USPTO implemented the Prioritized Examination Pilot Program to accelerate patent and trademark applications directed to technologies related to COVID-19?

www.uspto.gov/initiatives/covid-19-prioritized-examination-pilot

www.uspto.gov/trademarks/laws/covid-19-petition-prioritize-applications

Did you know ...

In FY 2020, the USPTO participated in preparing a [report published by the Department of Homeland Security](#) on combating trafficking in counterfeit and pirated goods?

Did you know ...

Of all 50 states, Indiana was the state with the largest increase (226%) in patents issued in FY 2020?

Additional information

Complete workload information can be found in the FY 2020 Workload Tables, beginning on page 187 in the Other Information section of the 2020 Performance and Accountability Report, located at 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.



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2020 Performance and Accountability Report

www.uspto.gov/annualreport