

THE LEAHY-SMITH AMERICA INVENTS ACT

PROMOTING AMERICAN INNOVATION, CREATING AMERICAN JOBS, GROWING AMERICA'S ECONOMY

Ensuring Funding For The U.S. Patent And Trademark Office

The U.S. Patent and Trademark Office is entirely funded by the fees that it collects.

The Leahy-Smith America Invents Act will make important improvements to the patent system **to ensure that the U.S. Patent and Trademark Office (USPTO) receives adequate funding** to efficiently and effectively process patent applications.

The USPTO is entirely user fee-funded, but it is subject to the same annual appropriations process as other government agencies. As a result, **the USPTO can suffer funding shortfalls, if the fees it collects are not returned to the Office** through the appropriations process.

The Leahy-Smith America Invents Act will ensure adequate funding for the USPTO.

The Leahy-Smith America Invents Act will help ensure adequate funding for the USPTO. Patent reform leaders in the House forged a compromise with House appropriators **that will reduce any incentive to divert fees from the USPTO and instead provide the Office with access to all of its fees**, while keeping the USPTO within the appropriations process.

The Leahy-Smith America Invents Act creates a new Patent and Trademark Fee Reserve Fund into which all fees collected by USPTO in excess of the amount appropriated in a fiscal year are to be deposited. Fees in the Reserve Fund may only be used for the operations of the USPTO.

House appropriators also agreed to carry language in their appropriations bills that would **guarantee that fees collected by the USPTO in excess of the appropriated amounts would remain available to the USPTO** until expended, and could be accessed by the USPTO through reprogramming procedures. These agreements will keep USPTO-collected funds reserved for USPTO operations.

Fee setting authority will allow USPTO to reduce the current patent backlog.

The Leahy-Smith America Invents Act gives the U.S. Patent and Trademark Office (USPTO) Director authority to set or adjust its fees, subject to significant oversight by Congress. Under current law, most of the USPTO's fees are set by Congress, which does not allow the office to respond promptly to the challenges it faces.

Fee setting authority will **enable the USPTO to dedicate appropriate resources to reduce the current backlog in patent applications**, and devote greater resources to each patent that is reviewed. The America Invents Act also **mandates a reduction of fees by 50 percent for small entities and 75 percent for micro-entities**.