

Exhibit 4-2

UNITED STATES PATENT AND TRADEMARK OFFICE CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION

For the years ended September 30, 2007 and 2006

| (Dollars in Thousands) | 2007 | 2006 |
|--|-----------------|-----------------|
| | Earmarked Funds | Earmarked Funds |
| Cumulative Results of Operations | | |
| Beginning Balances | \$ 497,972 | \$ 417,804 |
| Budgetary Financing Sources: | | |
| Transfers In/(Out) Without Reimbursement | — | (100) |
| Total Financing Sources | — | (100) |
| Net (Cost)/Income from Operations | (33,952) | 80,268 |
| Net Change | (33,952) | 80,168 |
| Cumulative Results of Operations | \$ 464,020 | \$ 497,972 |
| Unexpended Appropriations | | |
| Beginning Balances | \$ 26 | \$ 26 |
| Budgetary Financing Sources: | | |
| Appropriations Transferred In/(Out) | (26) | — |
| Total Unexpended Appropriations | \$ — | \$ 26 |
| Net Position, End of Year | \$ 464,020 | \$ 497,998 |

The accompanying notes are an integral part of these financial statements.

UNITED STATES PATENT AND TRADEMARK OFFICE COMBINED STATEMENTS OF BUDGETARY RESOURCES

For the years ended September 30, 2007 and 2006

| (Dollars in Thousands) | 2007 | 2006 |
|---|---------------------|---------------------|
| BUDGETARY RESOURCES | | |
| Unobligated Balance - Brought Forward, October 1 | \$ 5,716 | \$ 5,728 |
| Recoveries of Prior Year Unpaid Obligations | 9,865 | 9,150 |
| Spending Authority from Offsetting Collections: | | |
| Earned: | | |
| Collected | 1,735,310 | 1,595,964 |
| Customer Receivables and Refund Payables | 459 | (116) |
| Change in Unfilled Customer Orders - Advance Received | 55,325 | 69,531 |
| Total Spending Authority from Offsetting Collections | 1,791,094 | 1,665,379 |
| Nonexpenditure Transfers, Net, Anticipated and Actual | (26) | (100) |
| Temporarily not Available Pursuant to Public Law | (12,189) | — |
| Total Budgetary Resources | \$ 1,794,460 | \$ 1,680,157 |
| STATUS OF BUDGETARY RESOURCES | | |
| Obligations Incurred - Reimbursable | \$ 1,766,424 | \$ 1,674,441 |
| Unobligated Balance: | | |
| Apportioned for Current Year | 28,036 | 5,660 |
| Unobligated Balance not Available | — | 56 |
| Total Status of Budgetary Resources | \$ 1,794,460 | \$ 1,680,157 |
| CHANGE IN OBLIGATED BALANCE | | |
| Obligated Balance, Net | | |
| Unpaid Obligations, Brought Forward, October 1 | \$ 553,826 | \$ 402,212 |
| Customer Receivables and Refund Payables, Brought Forward, October 1 | 1,043 | 927 |
| Total Unpaid Obligated Balance Brought Forward, Net | 554,869 | 403,139 |
| Obligations Incurred, Net | 1,766,424 | 1,674,441 |
| Gross Outlays | (1,798,918) | (1,513,677) |
| Recoveries of Prior Year Unpaid Obligations, Actual | (9,865) | (9,150) |
| Change in Customer Receivables and Refund Payables | (459) | 116 |
| Total Unpaid Obligated Balance, Net, Current Year | (42,818) | 151,730 |
| Obligated Balance, Net, End of Year | | |
| Unpaid Obligations | 511,467 | 553,826 |
| Uncollected Customer Receivables and Unpaid Refund Payables | 584 | 1,043 |
| Total Unpaid Obligated Balance, Net, End of Year | \$ 512,051 | \$ 554,869 |
| NET OUTLAYS | | |
| Gross Outlays | \$ 1,798,918 | \$ 1,513,677 |
| Offsetting Collections | (1,790,635) | (1,665,495) |
| Net Outlays/(Collections) | \$ 8,283 | \$ (151,818) |

The accompanying notes are an integral part of these financial statements.

UNITED STATES PATENT AND TRADEMARK OFFICE CONSOLIDATED STATEMENTS OF CASH FLOWS (INDIRECT METHOD)

For the years ended September 30, 2007 and 2006

| (Dollars in Thousands) | 2007 | 2006 |
|---|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net (Cost)/ Income of Operations | \$ (33,952) | \$ 80,268 |
| Adjustments Affecting Cash Flow: | | |
| Increase in Accounts Receivable | (2,196) | (166) |
| (Increase)/Decrease in Advances and Prepayments | (1,818) | 4,045 |
| (Decrease)/Increase in Accounts Payable | (7,788) | 2,620 |
| Increase in Accrued Payroll and Benefits | 10,997 | 5,926 |
| Increase in Accrued Leave and Post-employment Compensation | 8,224 | 4,911 |
| Increase in Customer Deposit Accounts | 8,062 | 9,733 |
| Increase/(Decrease) in Patent Cooperation Treaty Account | 4,971 | (289) |
| Increase/(Decrease) in Madrid Protocol Account | 171 | (55) |
| Increase in Deferred Revenue | 53,645 | 67,691 |
| Increase in Contingent Liability | 402 | 250 |
| Increase in Actuarial Liability | 459 | 192 |
| Depreciation, Amortization, or Loss on Asset Dispositions | 61,734 | 53,864 |
| Total Adjustments | 136,863 | 148,722 |
| Net Cash Provided by Operating Activities | 102,911 | 228,990 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of Property and Equipment | (101,773) | (70,001) |
| Net Cash Used in Investing Activities | (101,773) | (70,001) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Transfers In/(Out) Without Reimbursement | — | (100) |
| Appropriations Transferred In/(Out) | (26) | — |
| Net Cash Used in Financing Activities | (26) | (100) |
| Net Cash Provided by Operating, Investing, and Financing Activities | \$ 1,112 | \$ 158,889 |
| Fund Balance with Treasury and Cash, Beginning of Year | \$ 1,408,561 | \$ 1,249,672 |
| Net Cash Provided by Operating, Investing, and Financing Activities | 1,112 | 158,889 |
| Fund Balance with Treasury and Cash, End of Year | \$ 1,409,673 | \$ 1,408,561 |

The accompanying notes are an integral part of these financial statements.

UNITED STATES PATENT AND TRADEMARK OFFICE NOTES TO FINANCIAL STATEMENTS

As of and for the years ended September 30, 2007 and 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The United States Patent and Trademark Office (USPTO) is an agency of the United States within the U.S. Department of Commerce. The USPTO administers the laws relevant to patents and trademarks and advises the Secretary of Commerce, the President of the United States, and the Administration on patent, trademark, and copyright protection, and trade-related aspects of intellectual property.

These financial statements include the USPTO's three core business activities – granting patents, registering trademarks, and intellectual property protection and enforcement – that promote the use of intellectual property rights as a means of achieving economic prosperity. These activities give innovators, businesses, and entrepreneurs the protection and encouragement they need to turn their creative ideas into tangible products, and also provide protection for their inventions and trademarks.

These financial statements report the accounts for salaries and expenses (13X1006), special fund receipts (135127), customer deposits from the public and other Federal agencies (13X6542), Patent Cooperation Treaty collections (13X6538), and the Madrid Protocol Collections (13X6554) that are under the control of the USPTO. The Federal budget classifies the USPTO under the Other Advancement of Commerce (376) budget function. The USPTO does not have custodial responsibility, nor does it have lending or borrowing authority. The USPTO does not transact business among its own operating units, and therefore, no intra-entity eliminations are necessary.

BASIS OF PRESENTATION

As required by the Chief Financial Officers' Act of 1990 and 31 U.S.C. §3515 (b), the accompanying financial statements present the financial position, net cost of operations, budgetary resources, and cash flows for the USPTO's core business activities. The books and records of the USPTO serve as the source of this information.

These financial statements were prepared in accordance with accounting principles generally accepted in the United States (GAAP) and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in Circular A-136, *Financial Reporting Requirements*, as well as the accounting policies of the USPTO. Therefore, they may differ from other financial reports submitted pursuant to OMB directives for the purpose of monitoring and controlling the use of the USPTO's budgetary resources. The GAAP for Federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which is the official body for setting the accounting standards of the Federal Government. Certain prior year balances were reclassified to conform with current year presentation.

Throughout these financial statements, assets, liabilities, revenues, and costs have been classified according to the type of entity with which the transactions are associated. Intra-governmental assets and liabilities are those from or to other Federal entities. Intra-governmental earned revenues are collections or accruals of revenue from other Federal entities and intra-governmental costs are payments or accruals to other Federal entities.

BASIS OF ACCOUNTING

Transactions are recorded on the accrual basis of accounting, as well as on a budgetary basis. Accrual accounting allows for revenue to be recognized when earned and expenses to be recognized when goods or services are received, without regard to the receipt or payment of cash. Budgetary accounting allows for compliance with the requirements for and controls over the use of Federal funds. The accompanying financial statements are presented on the accrual basis of accounting.

EARMARKED FUNDS

Statement of Federal Financial Accounting Standard 27, *Identifying and Reporting Earmarked Funds*, requires separate identification of the earmarked funds on the *Consolidated Balance Sheets* (Net Position section), *Consolidated Statements of Changes in Net Position*, and further disclosures in a footnote (Note 10).

Earmarked funds are financed by specifically identified revenues, which remain available over time. These specifically identified revenues are required by statute to be used for designated activities, benefits, or purposes, and must be accounted for separately from the Government's general revenues. At the USPTO, earmarked funds include the salaries and expenses fund (13X1006) and the special fund receipts (135127).

BUDGETS AND BUDGETARY ACCOUNTING

Total budgetary resources are primarily comprised of Congressional authority to spend current year fee collections. In FY 2007 and 2006, the USPTO was appropriated up to \$1,771,000 thousand and \$1,683,185 thousand for fees collected during each fiscal year, respectively. As of September 30, 2007, the USPTO collected \$12,189 thousand more than the amount appropriated. As of September 30, 2006, the USPTO collected \$25,669 thousand less than the amount appropriated.

The total temporarily unavailable fee collections pursuant to Public Law as of September 30, 2007 are \$762,216 thousand. Of this amount, certain USPTO collections of \$233,529 thousand were withheld in accordance with the Omnibus Budget Reconciliation Act (OBRA) of 1990, and deposited in a special fund receipt account at the U.S. Department of the Treasury.

The USPTO receives an appropriation of Category A funds from OMB, which apportions budgetary resources by fiscal quarter. The USPTO does not receive any Category B funds, or those exempt from apportionment.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

REVENUE AND OTHER FINANCING SOURCES

The USPTO's fee rates are established by law and, consequently, in some instances may not represent full cost or market price. Since FY 1993, the USPTO's funding has been primarily through the collection of user fees. Fees that are remitted with initial applications and requests for other services are recorded as exchange revenue when received, with an adjustment to defer revenue for services that have not been performed. All amounts remitted by customers without a request for service are recorded as liabilities in customer deposit accounts until services are ordered.

The USPTO also receives some financial gifts and gifts-in-kind. All such transactions are included in the consolidated Gifts and Bequests Fund financial statements of the U.S. Department of Commerce. These gifts are not of significant value and are not reflected in the USPTO's financial statements. Most gifts-in-kind are used for official travel to further attain the USPTO mission and objectives.

ENTITY/NON-ENTITY

Assets that an entity is authorized to use in its operations are termed entity assets, while assets that are held by an entity and are not available for the entity's use are termed non-entity assets. Most of the USPTO's assets are entity assets and are available to carry out the mission of the USPTO, as appropriated by Congress, with the exception of a portion of the Fund Balance with Treasury, cash, and accounts receivable, as highlighted in Note 3.

FUND BALANCE WITH TREASURY

The USPTO deposits fees collected in commercial bank accounts maintained by the Treasury's Financial Management Service (FMS). All moneys maintained in these accounts are transferred to the Federal Reserve Bank on the next business day following the day of deposit. In addition, many customer deposits are wired directly to the Federal Reserve Bank. All banking activity is conducted in accordance with the directives issued by the FMS. Treasury processes all disbursements.

ACCOUNTS RECEIVABLE

Accounts receivable balances are established for amounts owed to the USPTO from its customers. As of September 30, 2007, most of the USPTO's public accounts receivable balance consists of a refund due from the European Patent Office for \$4,655 thousand. As of September 30, 2006, most of the USPTO's public accounts receivable balance consisted of electronic funds transfer and credit card payments for fees that are in transit and have not been credited to the USPTO's Fund Balance with Treasury for a total of \$2,506 thousand.

The remaining portion of accounts receivable is mainly comprised of amounts due from former employees for the reimbursement of education expenses and other benefits. This balance in accounts receivable remains as a very small portion of the USPTO's assets, as the USPTO requires payment prior to the provision of goods or services during the course of its core business activities.

The USPTO has written off, but not closed out, \$132 thousand and \$91 thousand of accounts receivables that are currently not collectible as of September 30, 2007 and 2006, respectively. These offsets are established for receivables older than two years with little or no collection activity that have been transferred to Treasury, subsequently adjusting the gross amount of its employee-related accounts receivable to the net realizable value. The gross amount of USPTO's employee-related accounts receivable as of September 30, 2007 and 2006 was \$555 thousand and \$467 thousand, respectively.

ADVANCES AND PREPAYMENTS

On occasion, the USPTO prepays amounts in anticipation of receiving future benefits. Although a payment has been made, an expense is not recorded until goods have been received or services have been performed. The USPTO has prepayments and advances with non-governmental, as well as governmental vendors.

Total prepayments and advances to non-governmental vendors as of September 30, 2007 and 2006 were \$4,183 thousand and \$2,708 thousand, respectively. The largest prepayments as of September 30, 2007 were \$1,513 thousand for various cooperative efforts with the National Inventors Hall of Fame, the International Intellectual Property Institute, and the World Intellectual Property Organization. Travel advances to personnel as of September 30, 2007 were \$19 thousand.

Total prepayments and advances to governmental vendors as of September 30, 2007 and 2006 were \$1,950 thousand and \$1,607 thousand, respectively. The largest governmental prepayments include the USPTO deposit accounts held with the U.S. Government Printing Office to facilitate recurring transactions. Deposit accounts held with the U.S. Government Printing Office as of September 30, 2007 were \$1,160 thousand.

CASH

Most of the USPTO's cash balance consists of undeposited checks for fees that were not processed at the Balance Sheet date due to the lag time between receipt and initial review. All such undeposited check amounts are considered to be cash equivalents. As of September 30, 2007 and 2006, the cash balance includes undeposited checks of \$4,595 thousand and \$6,788 thousand, respectively. Of these balances, \$29 thousand and \$542 thousand were non-entity Patent Cooperation Treaty Account assets as of September 30, 2007 and 2006, respectively.

The cash balance also consists of electronic funds transfer and credit card payments for deposits that are in transit and have not been credited to USPTO's Fund Balance with Treasury. As of September 30, 2007, \$2,414 thousand was in transit due to the lag time between deposits in commercial bank accounts and the confirmation received from Treasury. Of this balance, \$884 thousand were non-entity deposit account assets, \$105 thousand were non-entity Patent Cooperation Treaty assets, and \$3 thousand were non-entity Madrid Protocol Account assets as of September 30, 2007.

Cash is also held outside the Treasury to be used as imprest funds. As of September 30, 2007 and 2006, the amounts held in an imprest fund by the USPTO were \$1 thousand and \$2 thousand, respectively.

PROPERTY, PLANT, AND EQUIPMENT, NET

The USPTO's capitalization policies are summarized below:

| Classes of Property, Plant, and Equipment | Capitalization Threshold for Individual Purchases | Capitalization Threshold for Bulk Purchases |
|--|--|--|
| IT Equipment | \$25 thousand or greater | \$500 thousand or greater |
| Software | \$25 thousand or greater | \$ 25 thousand or greater |
| Software in Progress | \$25 thousand or greater | \$ 25 thousand or greater |
| Furniture | \$25 thousand or greater | \$ 50 thousand or greater |
| Equipment | \$25 thousand or greater | \$500 thousand or greater |
| Leasehold Improvements | \$25 thousand or greater | Not applicable |

Contractor costs for developing custom internal use software are capitalized when incurred for the design, coding, and testing of the software. Software in progress is not amortized until placed in service.

Property, plant, and equipment acquisitions that do not meet the capitalization criteria are expensed upon receipt. The USPTO does not defer to a future period maintenance on property, plant, and equipment.

INJURY COMPENSATION

Claims brought by USPTO employees for on-the-job injuries fall under the Federal Employees' Compensation Act (FECA) administered by the U.S. Department of Labor (DOL). The DOL bills each agency annually as its claims are paid, but payment on these bills is deferred approximately two years to allow for funding through the budget process. As of September 30, 2007, the USPTO had a \$1,777 thousand liability for estimated claims paid on its behalf during the benefit period July 1, 2005 through September 30, 2007. As of September 30, 2006, the USPTO had a \$1,492 thousand liability for estimated claims paid on its behalf during the benefit period July 1, 2004 through September 30, 2006.

POST-EMPLOYMENT COMPENSATION

USPTO employees who lose their jobs through no fault of their own may receive unemployment compensation benefits under the unemployment insurance program administered by the DOL. The DOL bills each agency quarterly as its claims are paid. As of September 30, 2007 and 2006, the USPTO liability was \$49 thousand and \$71 thousand, respectively, for estimated claims paid by the DOL on behalf of the USPTO.

ANNUAL, SICK, AND OTHER LEAVE

Annual leave and compensatory time are accrued as earned, with the accrual being reduced when leave is taken. An adjustment is made each fiscal quarter to ensure that the balances in the accrued leave accounts reflect current pay rates. No portion of this liability has been obligated. To the extent current or prior year funding is not available to pay for leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of non-vested leave are expensed as used.

Accrued leave as of September 30, 2007 and 2006 was \$51,773 thousand and \$43,812 thousand, respectively.

EMPLOYEE RETIREMENT SYSTEMS AND POST-EMPLOYMENT BENEFITS

USPTO employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). The FERS was established by the enactment of Public Law 99-335. Pursuant to this law, the FERS and Social Security automatically cover most employees hired after December 31, 1983. Employees who had five years of Federal civilian service prior to 1984 and who are rehired after a break in service of more than one year may elect to join the FERS and Social Security system or be placed in the CSRS offset retirement system.

The USPTO's financial statements do not report CSRS or FERS assets, accumulated plan benefits, or liabilities applicable to its employees. The reporting of such amounts is the responsibility of the U.S. Office of Personnel Management (OPM), who administers the plans. While the USPTO reported no liability for future payments to employees under these programs, the Federal Government is liable for future payments to employees through the various agencies administering these programs. The USPTO financial statements recognize an expense, which represents the USPTO's share of the costs to the Federal Government of providing pension, post-retirement health, and post-retirement life insurance benefits to all eligible USPTO employees. The USPTO appropriation requires full funding of the present costs of post-retirement benefits such as the Federal Employees Health Benefit Program (FEHB) and the Federal Employees Group Life Insurance Program (FEGLI), and full funding of the CSRS and FERS pension liabilities. While ultimate administration of any post-retirement benefits or retirement system payments will continue to be administered by various Federal Government agencies, the USPTO is responsible for the payment of the present value associated with these costs calculated using the OPM factors.

For the years ended September 30, 2007 and September 30, 2006, the USPTO made current year contributions through agency payroll contributions and quarterly supplemental payments to OPM equivalent to approximately 18.0 percent and 11.2 percent of the employee's basic pay for those employees covered by CSRS and FERS, respectively, based on OPM cost factors.

All employees are eligible to contribute to a thrift savings plan. For those employees participating in the FERS, a thrift savings plan is automatically established, and the USPTO makes a mandatory contribution to this plan equal to one percent of the employees' compensation. In addition, the USPTO makes matching contributions ranging from one to four percent of the employees' compensation for FERS-eligible employees who contribute to their thrift savings plans. No matching contributions are made to the thrift savings plans for employees participating in the CSRS. Employees participating in the FERS are also covered under the Federal Insurance Contributions Act (FICA), for which the USPTO contributes a matching amount to the Social Security Administration.

DEFERRED REVENUE

Deferred revenue represents fees that have been received by the USPTO for requested services that have not been substantially completed. Two types of deferred revenue are recorded. The first type results from checks received, accompanied by requests for services, which were not yet deposited due to the lag time between receipt and initial review. The second type of deferred revenue relates primarily to fees for applications that have been partially processed. The deferred revenue calculation is a complex accounting estimate, dependent upon numerous business and administrative processes, workloads, and inventories.

ENVIRONMENTAL CLEANUP

The USPTO does not have any liabilities for environmental cleanup.

NOTE 2. FUND BALANCE WITH TREASURY

As of September 30, 2007 and 2006, Fund Balance with Treasury consisted of the following:

| (Dollars in Thousands) | 2007 | 2006 |
|--|---------------------|---------------------|
| Fund Balances: | | |
| Special Fund | \$ 233,529 | \$ 233,529 |
| General Fund | 1,068,774 | 1,077,083 |
| Deposit Funds | 100,360 | 91,159 |
| Total Fund Balance with Treasury | \$ 1,402,663 | \$ 1,401,771 |
| Status of Fund Balance with Treasury: | | |
| Obligated Balance Not Yet Disbursed | \$ 512,051 | \$ 554,869 |
| Unobligated Balance Available | 28,036 | 5,660 |
| Unobligated Balance Unavailable | — | 56 |
| Temporarily Not Available Pursuant to Public Law | 528,687 | 516,498 |
| Non-Budgetary Fund Balance with Treasury | 333,889 | 324,688 |
| Total Fund Balance with Treasury | \$ 1,402,663 | \$ 1,401,771 |

No discrepancies exist between the Fund Balance reflected in the general ledger and the balance in the Treasury accounts.

As of September 30, 2007 and 2006, the Non-Budgetary Fund Balance with Treasury includes surcharge receipts of \$233,529 thousand and Non-Entity Fund Balance with Treasury of \$100,360 thousand and \$91,159 thousand, respectively.

NOTE 3. NON-ENTITY ASSETS

Non-entity assets consist of amounts held on deposit for the convenience of the USPTO customers and fees collected on behalf of the World Intellectual Property Organization (WIPO) and the European Patent Office (EPO). Customers have the option of maintaining a deposit account at the USPTO to facilitate the order process. Customers can draw from their deposit account when they place an order and can replenish their deposit account as desired. Funds maintained in customer deposit accounts are not available for the USPTO use until an order has been placed. Once an order has been placed, the funds are reclassified to entity funds. Also, in accordance with the Patent Cooperation Treaty and the Madrid Protocol Implementation Act, the USPTO collects international fees on behalf of the WIPO and the EPO.

| (Dollars in Thousands) | 2007 | 2006 |
|---|-------------------|------------------|
| Fund Balance with Treasury: | | |
| Intragovernmental Deposit Accounts | \$ 4,779 | \$ 4,498 |
| Other Customer Deposit Accounts | 86,206 | 78,224 |
| Patent Cooperation Treaty Account | 8,928 | 8,158 |
| Madrid Protocol Account | 447 | 279 |
| Total Fund Balance with Treasury | 100,360 | 91,159 |
| Cash: | | |
| Other Customer Deposit Accounts | 884 | — |
| Patent Cooperation Treaty Account | 134 | 542 |
| Madrid Protocol Account | 3 | — |
| Accounts Receivable: | | |
| Other Customer Deposit Accounts | — | 1,085 |
| Patent Cooperation Treaty Account | 4,655 | 46 |
| Total Non-Entity Assets | \$ 106,036 | \$ 92,832 |

NOTE 4. PROPERTY, PLANT, AND EQUIPMENT, NET

As of September 30, 2007, property, plant, and equipment, net consisted of the following:

(Dollars in Thousands)

| Classes of Property, Plant, and Equipment | Depreciation/ Amortization Method | Service Life (Years) | Acquisition Value | Accumulated Depreciation/ Amortization | Net Book Value |
|---|---|----------------------------|----------------------|--|-------------------|
| IT Equipment | SL | 3-5 | \$ 255,929 | \$ 193,123 | \$ 62,806 |
| Software | SL | 3-5 | 226,315 | 184,156 | 42,159 |
| Software in Progress | — | — | 25,104 | — | 25,104 |
| Furniture | SL | 5 | 25,330 | 11,471 | 13,859 |
| Equipment | SL | 3-5 | 10,883 | 8,854 | 2,029 |
| Leasehold Improvements | SL | 5-20 | 71,385 | 12,765 | 58,620 |
| Total Property, Plant, and Equipment | | | \$ 614,946 | \$ 410,369 | \$ 204,577 |

As of September 30, 2006, property, plant, and equipment, net consisted of the following:

(Dollars in Thousands)

| Classes of Property, Plant, and Equipment | Depreciation/ Amortization Method | Service Life (Years) | Acquisition Value | Accumulated Depreciation/ Amortization | Net Book Value |
|---|---|----------------------------|----------------------|--|-------------------|
| IT Equipment | SL | 3-5 | \$ 227,350 | \$ 180,831 | \$ 46,519 |
| Software | SL | 3-5 | 198,492 | 166,811 | 31,681 |
| Software in Progress | — | — | 8,041 | — | 8,041 |
| Furniture | SL | 5 | 21,986 | 7,969 | 14,017 |
| Equipment | SL | 3-5 | 11,659 | 8,648 | 3,011 |
| Leasehold Improvements | SL | 5-20 | 69,765 | 8,496 | 61,269 |
| Total Property, Plant, and Equipment | | | \$ 537,293 | \$ 372,755 | \$ 164,538 |

NOTE 5. LIABILITIES

The USPTO records liabilities for amounts that are likely to be paid as the direct result of events that have already occurred. The USPTO considers liabilities covered by three types of resources: realized budgetary resources; unrealized budgetary resources that become available without further Congressional action; and cash and Fund Balance with Treasury. Realized budgetary resources include obligated balances funding existing liabilities and unobligated balances as of September 30, 2007. Unrealized budgetary resources are amounts that were not available for spending through September 30, 2007, but become available for spending on October 1, 2007 once apportioned by the OMB. In addition, cash and Fund Balance with Treasury cover liabilities that will never require the use of a budgetary resource. These liabilities consist of deposit accounts, refunds payable to customers for fee overpayments, undeposited collections, and amounts collected by the USPTO on behalf of other organizations.

Liabilities not covered by budgetary resources include Accounts Payable, Accrued Post-employment Compensation, Accrued Payroll and Benefits, Accrued Leave, Deferred Revenue, Actuarial Liability, and Contingent Liability. Although future appropriations to fund these liabilities are probable and anticipated, Congressional action is needed before budgetary resources can be provided.

As of September 30, 2007 and 2006, liabilities covered and not covered by budgetary resources were as follows:

| (Dollars in Thousands) | 2007 | 2006 |
|---|---------------------|---------------------|
| Liabilities Covered by Resources | | |
| Intragovernmental: | | |
| Accounts Payable | \$ 4,491 | \$ 9,799 |
| Accrued Payroll and Benefits | 6,846 | 6,174 |
| Customer Deposit Accounts | 4,779 | 4,498 |
| Total Intragovernmental | 16,116 | 20,471 |
| Accounts Payable | 90,928 | 92,101 |
| Accrued Payroll and Benefits | 32,811 | 27,798 |
| Customer Deposit Accounts | 87,090 | 79,309 |
| Patent Cooperation Treaty Account | 13,717 | 8,746 |
| Madrid Protocol Account | 450 | 279 |
| Deferred Revenue | 32,602 | 11,962 |
| Total Liabilities Covered by Resources | \$ 273,714 | \$ 240,666 |
| Liabilities Not Covered by Resources | | |
| Intragovernmental: | | |
| Accounts Payable | \$ 1,183 | \$ 2,366 |
| Accrued Post-employment Compensation | 1,826 | 1,563 |
| Total Intragovernmental | 3,009 | 3,929 |
| Accounts Payable | — | 124 |
| Accrued Payroll and Benefits | 28,896 | 23,584 |
| Accrued Leave | 51,773 | 43,812 |
| Deferred Revenue | 795,468 | 762,463 |
| Actuarial Liability | 7,929 | 7,470 |
| Contingent Liability | 652 | 250 |
| Total Liabilities Not Covered by Resources | \$ 887,727 | \$ 841,632 |
| Total Liabilities | \$ 1,161,441 | \$ 1,082,298 |

NOTE 6. DEFERRED REVENUE

As of September 30, 2007, deferred revenue consisted of the following:

| (Dollars in Thousands) | Patent | Trademark | Total |
|-------------------------------|-------------------|------------------|-------------------|
| Unearned Fees | \$ 753,452 | \$ 70,052 | \$ 823,504 |
| Undeposited Checks | 4,026 | 540 | 4,566 |
| Total Deferred Revenue | \$ 757,478 | \$ 70,592 | \$ 828,070 |

As of September 30, 2006, deferred revenue consisted of the following:

| (Dollars in Thousands) | Patent | Trademark | Total |
|-------------------------------|-------------------|------------------|-------------------|
| Unearned Fees | \$ 693,174 | \$ 75,005 | \$ 768,179 |
| Undeposited Checks | 5,538 | 708 | 6,246 |
| Total Deferred Revenue | \$ 698,712 | \$ 75,713 | \$ 774,425 |

NOTE 7. ACTUARIAL LIABILITY

The FECA provides income and medical cost protection to covered Federal civilian employees injured on the job and for those who have contracted a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits under the FECA for the USPTO's employees are administered by the DOL and are paid ultimately by the USPTO.

The DOL estimated the future workers compensation liability by applying actuarial procedures developed to estimate the liability for FECA benefits. The actuarial liability estimates for FECA benefits include the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases, plus a component for incurred but not reported claims. The actuarial liability is updated annually.

The DOL method of determining the liability uses historical benefit payment patterns for a specific incurred period to predict the ultimate payments for that period. Consistent with past practice, these projected annual benefit payments have been discounted to present value using the OMB's economic assumptions for ten-year Treasury notes and bonds. Interest rate assumptions utilized for discounting were as follows:

| 2007 | 2006 |
|--|--|
| 4.93% in year 1, 5.08% in year 2, and thereafter | 5.17% in year 1, 5.31% in year 2, and thereafter |

Based on information provided by the DOL, the U.S. Department of Commerce estimated the USPTO's liability as of September 30, 2007 and 2006 was \$7,929 thousand and \$7,470 thousand, respectively.

NOTE 8. LEASES

OPERATING LEASES:

The General Services Administration (GSA) negotiates long-term office space leases and levies rent charges, paid by the USPTO, approximate to commercial rental rates. These operating lease agreements for the USPTO's office buildings expire at various dates between FY 2008 and FY 2024. During the years ended September 30, 2007 and 2006, the USPTO paid \$87,893 thousand and \$82,651 thousand, respectively, to the GSA for rent.

Under existing commitments, the future minimum lease payments as of September 30, 2007 are as follows:

| Fiscal Year | (Dollars in Thousands) |
|--|------------------------|
| 2008 | \$ 62,894 |
| 2009 | 60,226 |
| 2010 | 58,165 |
| 2011 | 57,375 |
| 2012 | 57,392 |
| Thereafter | 665,316 |
| Total Future Minimum Lease Payments | \$ 961,368 |

The commitments shown above relate primarily to the operating lease for the USPTO headquarters in Alexandria, Virginia, beginning in FY 2004 and extending to FY 2024. The operating lease commitments for the USPTO offices in Crystal City, Virginia, will expire in FY 2009.

NOTE 9. POST-EMPLOYMENT BENEFITS

As of September 30, 2007 and 2006, the post-employment benefit expenses were as follows:

| (Dollars in Thousands) | 2007 | 2006 |
|------------------------|-------------------|-------------------|
| CSRS | \$ 14,895 | \$ 15,578 |
| FERS | 71,782 | 59,208 |
| FEHB | 41,091 | 32,972 |
| FEGLI | 121 | 95 |
| FICA | 50,201 | 40,903 |
| Total Cost | \$ 178,090 | \$ 148,756 |

NOTE 10. EARMARKED FUNDS

Earmarked funds are financed by specifically identified revenues, which remain available over time. These specifically identified revenues are required by statute to be used for designated activities, benefits, or purposes, and must be accounted for separately from the Government's general revenues. At the USPTO, earmarked funds include the salaries and expenses fund and the special fund receipts. Non-entity funds, as disclosed in Note 3, are not earmarked funds and are therefore excluded from the below amounts.

The following tables provide the status of the USPTO's earmarked funds as of and for the years ended September 30, 2007 and 2006.

| (Dollars in Thousands) | Salaries and Expenses Fund | Surcharge Fund | Total Earmarked Funds |
|---|-------------------------------|-------------------|--------------------------|
| Balance Sheet as of September 30, 2007 | | | |
| Fund Balance with Treasury | \$ 1,068,774 | \$ 233,529 | \$ 1,302,303 |
| Cash | 5,989 | — | 5,989 |
| Accounts Receivable, Net | 423 | — | 423 |
| Other Assets | 210,710 | — | 210,710 |
| Total Assets | \$ 1,285,896 | \$ 233,529 | \$ 1,519,425 |
| Total Liabilities | \$ 1,055,405 | \$ — | \$ 1,055,405 |
| Cumulative Results of Operations | 230,491 | 233,529 | 464,020 |
| Total Liabilities and Net Position | \$ 1,285,896 | \$ 233,529 | \$ 1,519,425 |
| Statement of Net Cost For the Year Ended September 30, 2007 | | | |
| Total Program Cost | \$ 1,769,658 | \$ — | \$ 1,769,658 |
| Less Earned Revenue | (1,735,706) | — | (1,735,706) |
| Net Cost from Operations | \$ 33,952 | \$ — | \$ 33,952 |
| Statement of Changes in Net Position For the Year Ended September 30, 2007 | | | |
| Net Position, Beginning of Year | \$ 264,469 | \$ 233,529 | \$ 497,998 |
| Budgetary Financing Sources | \$ (26) | \$ — | \$ (26) |
| Net Cost from Operations | (33,952) | — | (33,952) |
| Change in Net Position | \$ (33,978) | \$ — | \$ (33,978) |
| Net Position, End of Year | \$ 230,491 | \$ 233,529 | \$ 464,020 |

| (Dollars in Thousands) | Salaries and Expenses Fund | Surcharge Fund | Total Earmarked Funds |
|---|-------------------------------|-------------------|--------------------------|
| Balance Sheet as of September 30, 2006 | | | |
| Fund Balance with Treasury | \$ 1,077,083 | \$ 233,529 | \$ 1,310,612 |
| Cash | 6,248 | — | 6,248 |
| Accounts Receivable, Net | 1,751 | — | 1,751 |
| Other Assets | 168,853 | — | 168,853 |
| Total Assets | \$ 1,253,935 | \$ 233,529 | \$ 1,487,464 |
| Total Liabilities | \$ 989,466 | \$ — | \$ 989,466 |
| Unexpended Appropriations | \$ 26 | \$ — | \$ 26 |
| Cumulative Results of Operations | 264,443 | 233,529 | 497,972 |
| Total Liabilities and Net Position | \$ 1,253,935 | \$ 233,529 | \$ 1,487,464 |
| Statement of Net Cost For the Year Ended September 30, 2006 | | | |
| Total Program Cost | \$ 1,514,169 | \$ — | \$ 1,514,169 |
| Less Earned Revenue | (1,594,437) | — | (1,594,437) |
| Net Income from Operations | \$ (80,268) | \$ — | \$ (80,268) |
| Statement of Changes in Net Position For the Year Ended September 30, 2006 | | | |
| Net Position, Beginning of Year | \$ 184,301 | \$ 233,529 | \$ 417,830 |
| Budgetary Financing Sources | \$ (100) | \$ — | \$ (100) |
| Net Income from Operations | 80,268 | — | 80,268 |
| Change in Net Position | \$ 80,168 | \$ — | \$ 80,168 |
| Net Position, End of Year | \$ 264,469 | \$ 233,529 | \$ 497,998 |

The **Salaries and Expenses Fund** contains moneys used for the administering of the laws relevant to patents and trademarks and advising the Secretary of Commerce, the President of the United States, and the Administration on patent, trademark, and copyright protection, and trade-related aspects of intellectual property. This fund is used for the USPTO's three core business activities – granting patents, registering trademarks, and intellectual property protection and enforcement – that promote the use of intellectual property rights as a means of achieving economic prosperity. These activities give innovators, businesses, and entrepreneurs the protection and encouragement they need to turn their creative ideas into tangible products, and also provide protection for their inventions and trademarks. The USPTO may use moneys from this account only as authorized by Congress via appropriations.

The **Surcharge Fund** was created in FY 1992 through the Patent and Trademark Office Surcharge provision in the OBRA of 1990 (Section 10101, Public Law 101-508). This required that the USPTO impose a surcharge on certain patent fees and set in statute the amounts of money that the USPTO should deposit in a special fund receipt account at the U.S. Department of the Treasury. This surcharge was eliminated in FY 1999. The USPTO may use moneys from this account only as authorized by Congress, and only as made available by the issuance of a Treasury warrant.

NOTE 11. INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

Total intragovernmental costs and exchange revenue, by Strategic Goal, for the years ended September 30, 2007 and 2006 were as follows:

| (Dollars in Thousands) | 2007 | | | |
|---|--------------|-------------|----------------------------------|--------------|
| | Patent | Trademark | Intellectual Property Protection | Total |
| Strategic Goal 1: Optimize Patent Quality and Timeliness | | | | |
| Intragovernmental Gross Cost | \$ 293,657 | \$ — | \$ — | \$ 293,657 |
| Gross Cost with the Public | 1,239,394 | — | — | 1,239,394 |
| Total Program Cost | 1,533,051 | — | — | 1,533,051 |
| Intragovernmental Earned Revenue | (7,678) | — | — | (7,678) |
| Earned Revenue from the Public | (1,499,316) | — | — | (1,499,316) |
| Total Program Earned Revenue | (1,506,994) | — | — | (1,506,994) |
| Net Program Cost | \$ 26,057 | \$ — | \$ — | \$ 26,057 |
| Strategic Goal 2: Optimize Trademark Quality and Timeliness | | | | |
| Intragovernmental Gross Cost | \$ — | \$ 39,177 | \$ — | \$ 39,177 |
| Gross Cost with the Public | — | 165,350 | — | 165,350 |
| Total Program Cost | — | 204,527 | — | 204,527 |
| Intragovernmental Earned Revenue | — | (266) | — | (266) |
| Earned Revenue from the Public | — | (228,446) | — | (228,446) |
| Total Program Earned Revenue | — | (228,712) | — | (228,712) |
| Net Program Income | \$ — | \$ (24,185) | \$ — | \$ (24,185) |
| Strategic Goal 3: Improve Intellectual Property Protection and Enforcement Domestically and Abroad | | | | |
| Intragovernmental Gross Cost | \$ — | \$ — | \$ 6,145 | \$ 6,145 |
| Gross Cost with the Public | — | — | 25,935 | 25,935 |
| Total Program Cost | — | — | 32,080 | 32,080 |
| Net Cost/(Income) from Operations | \$ 26,057 | \$ (24,185) | \$ 32,080 | \$ 33,952 |
| Total Entity | | | | |
| Total Program Cost (Notes 12 and 13) | \$ 1,533,051 | \$ 204,527 | \$ 32,080 | \$ 1,769,658 |
| Total Earned Revenue | (1,506,994) | (228,712) | — | (1,735,706) |
| Net Cost/(Income) from Operations | \$ 26,057 | \$ (24,185) | \$ 32,080 | \$ 33,952 |

(Dollars in Thousands)

2006

| | Patent | Trademark | Intellectual Property Protection | Total |
|---|--------------|-------------|--|--------------|
| Strategic Goal 1: Optimize Patent Quality and Timeliness | | | | |
| Intragovernmental Gross Cost | \$ 264,360 | \$ — | \$ — | \$ 264,360 |
| Gross Cost with the Public | 1,047,970 | — | — | 1,047,970 |
| Total Program Cost | 1,312,330 | — | — | 1,312,330 |
| Intragovernmental Earned Revenue | (6,870) | — | — | (6,870) |
| Earned Revenue from the Public | (1,377,404) | — | — | (1,377,404) |
| Total Program Earned Revenue | (1,384,274) | — | — | (1,384,274) |
| Net Program Income | \$ (71,944) | \$ — | \$ — | \$ (71,944) |
| Strategic Goal 2: Optimize Trademark Quality and Timeliness | | | | |
| Intragovernmental Gross Cost | \$ — | \$ 33,994 | \$ — | \$ 33,994 |
| Gross Cost with the Public | — | 134,757 | — | 134,757 |
| Total Program Cost | — | 168,751 | — | 168,751 |
| Intragovernmental Earned Revenue | — | (252) | — | (252) |
| Earned Revenue from the Public | — | (209,911) | — | (209,911) |
| Total Program Earned Revenue | — | (210,163) | — | (210,163) |
| Net Program Income | \$ — | \$ (41,412) | \$ — | \$ (41,412) |
| Strategic Goal 3: Improve Intellectual Property Protection and Enforcement Domestically and Abroad | | | | |
| Intragovernmental Gross Cost | \$ — | \$ — | \$ 6,665 | \$ 6,665 |
| Gross Cost with the Public | — | — | 26,423 | 26,423 |
| Total Program Cost | — | — | 33,088 | 33,088 |
| Net (Income)/Cost from Operations | \$ (71,944) | \$ (41,412) | \$ 33,088 | \$ (80,268) |
| Total Entity | | | | |
| Total Program Cost (Notes 12 and 13) | \$ 1,312,330 | \$ 168,751 | \$ 33,088 | \$ 1,514,169 |
| Total Earned Revenue | (1,384,274) | (210,163) | — | (1,594,437) |
| Net (Income)/Cost from Operations | \$ (71,944) | \$ (41,412) | \$ 33,088 | \$ (80,268) |

Intragovernmental expenses relate to the source of the goods or services, not the classification of the related revenue.

NOTE 12. PROGRAM COSTS

Program costs consist of both costs related directly to the individual business lines and overall support costs allocated to the business lines. All costs are assigned to specific programs. Total program or operating costs for the years ended September 30, 2007 and 2006 by cost category were as follows:

| (Dollars in Thousands) | 2007 | | |
|---|---------------------|-------------------|---------------------|
| | Direct | Allocated | Total |
| Personnel Services and Benefits | \$ 979,905 | \$ 79,835 | \$ 1,059,740 |
| Travel and Transportation | 4,717 | 809 | 5,526 |
| Rent, Communications, and Utilities | 81,172 | 33,931 | 115,103 |
| Printing and Reproduction | 70,806 | 973 | 71,779 |
| Contractual Services | 249,846 | 133,246 | 383,092 |
| Training | 4,099 | 1,857 | 5,956 |
| Maintenance and Repairs | 6,510 | 38,581 | 45,091 |
| Supplies and Materials | 9,127 | 1,270 | 10,397 |
| Equipment not Capitalized | 4,611 | 6,452 | 11,063 |
| Insurance Claims and Indemnities | 34 | 143 | 177 |
| Depreciation, Amortization, or Loss on Asset Dispositions | 39,965 | 21,769 | 61,734 |
| Total Program Costs | \$ 1,450,792 | \$ 318,866 | \$ 1,769,658 |

| (Dollars in Thousands) | 2006 | | |
|---|---------------------|-------------------|---------------------|
| | Direct | Allocated | Total |
| Personnel Services and Benefits | \$ 816,761 | \$ 66,591 | \$ 883,352 |
| Travel and Transportation | 2,597 | 6,082 | 8,679 |
| Rent, Communications, and Utilities | 79,244 | 32,092 | 111,336 |
| Printing and Reproduction | 72,201 | 399 | 72,600 |
| Contractual Services | 212,862 | 110,128 | 322,990 |
| Training | 3,542 | 1,400 | 4,942 |
| Maintenance and Repairs | 9,189 | 27,292 | 36,481 |
| Supplies and Materials | 8,050 | 1,372 | 9,422 |
| Equipment not Capitalized | 5,927 | 4,490 | 10,417 |
| Insurance Claims and Indemnities | 85 | 1 | 86 |
| Depreciation, Amortization, or Loss on Asset Dispositions | 31,318 | 22,546 | 53,864 |
| Total Program Costs | \$ 1,241,776 | \$ 272,393 | \$ 1,514,169 |

The unfunded portion of personnel services and benefits for the years ended September 30, 2007 and 2006 was \$13,994 thousand and \$7,328 thousand, respectively.

NOTE 13. PROGRAM COSTS BY CATEGORY AND RESPONSIBILITY SEGMENT

The program costs for the years ended September 30, 2007 and 2006 by cost category and business line were as follows:

| (Dollars in Thousands) | 2007 | | | |
|--|---------------------|-------------------|--|---------------------|
| | Patent | Trademark | Intellectual Property Protection | Total |
| Direct Costs | | | | |
| Personnel Services and Benefits | \$ 867,064 | \$ 99,762 | \$ 13,079 | \$ 979,905 |
| Travel and Transportation | 1,134 | 120 | 3,463 | 4,717 |
| Rent, Communications, and Utilities | 71,141 | 7,792 | 2,239 | 81,172 |
| Printing and Reproduction | 69,960 | 752 | 94 | 70,806 |
| Contractual Services | 223,589 | 24,355 | 1,902 | 249,846 |
| Training | 3,609 | 301 | 189 | 4,099 |
| Maintenance and Repairs | 5,361 | 1,014 | 135 | 6,510 |
| Supplies and Materials | 8,523 | 282 | 322 | 9,127 |
| Equipment not Capitalized | 3,177 | 1,118 | 316 | 4,611 |
| Insurance Claims and Indemnities | 34 | — | — | 34 |
| Depreciation, Amortization, or Loss on Asset Dispositions | 32,257 | 7,307 | 401 | 39,965 |
| Subtotal Direct Costs | 1,285,849 | 142,803 | 22,140 | 1,450,792 |
| Allocated Costs | | | | |
| Automation | 100,955 | 34,250 | 2,102 | 137,307 |
| Resource Management | 146,247 | 27,474 | 7,838 | 181,559 |
| Subtotal Allocated Costs | 247,202 | 61,724 | 9,940 | 318,866 |
| Total Program Costs | \$ 1,533,051 | \$ 204,527 | \$ 32,080 | \$ 1,769,658 |

The unfunded portion of personnel services and benefits for the year ended September 30, 2007 was \$13,994 thousand.

(Dollars in Thousands)**2006**

| | Patent | Trademark | Intellectual Property Protection | Total |
|--|--------------------|-------------------|---|--------------------|
| Direct Costs | | | | |
| Personnel Services and Benefits | \$ 714,411 | \$ 88,766 | \$ 13,584 | \$ 816,761 |
| Travel and Transportation | 856 | 118 | 1,623 | 2,597 |
| Rent, Communications, and Utilities | 69,291 | 7,819 | 2,134 | 79,244 |
| Printing and Reproduction | 71,891 | 292 | 18 | 72,201 |
| Contractual Services | 181,491 | 25,083 | 6,288 | 212,862 |
| Training | 3,275 | 111 | 156 | 3,542 |
| Maintenance and Repairs | 7,498 | 1,463 | 228 | 9,189 |
| Supplies and Materials | 7,238 | 526 | 286 | 8,050 |
| Equipment not Capitalized | 4,915 | 799 | 213 | 5,927 |
| Insurance Claims and Indemnities | — | 85 | — | 85 |
| Depreciation, Amortization, or Loss on Asset Dispositions | 24,843 | 6,010 | 465 | 31,318 |
| Subtotal Direct Costs | 1,085,709 | 131,072 | 24,995 | 1,241,776 |
| Allocated Costs | | | | |
| Automation | 96,442 | 13,288 | 3,117 | 112,847 |
| Resource Management | 130,179 | 24,391 | 4,976 | 159,546 |
| Subtotal Allocated Costs | 226,621 | 37,679 | 8,093 | 272,393 |
| Total Program Costs | \$1,312,330 | \$ 168,751 | \$ 33,088 | \$1,514,169 |

The unfunded portion of personnel services and benefits for the year ended September 30, 2006 was \$7,328 thousand.

NOTE 14. COMMITMENTS AND CONTINGENCIES

COMMITMENTS

In addition to the future lease commitments discussed in Note 8, the USPTO is obligated for the purchase of goods and services that have been ordered, but not yet received. Total undelivered orders for all of the USPTO's activities were \$383,106 thousand and \$423,310 thousand as of September 30, 2007 and 2006, respectively. Of these amounts, \$376,973 thousand and \$418,995 thousand, respectively, were unpaid.

CONTINGENCIES

The USPTO is a party to various routine administrative proceedings, legal actions, and claims brought by or against it, including threatened or pending litigation involving labor relations claims, some of which may ultimately result in settlements or decisions against the Federal Government.

As of September 30, 2007, management expects it is reasonably possible that approximately \$74,352 thousand may be owed for awards or damages involving labor relations claims. As of September 30, 2006, management expects it is reasonably possible that approximately \$67,821 thousand may be owed for awards or damages involving labor relations claims.

The USPTO is subject to suits where adverse outcomes are probable and claims are \$652 thousand and \$250 thousand as of September 30, 2007 and 2006, respectively.

For the year ended September 30, 2007, there were no payments made on behalf of the USPTO from the Judgment Fund. However, the USPTO was required to make a \$5 thousand contribution to the Judgment Fund during FY 2007 based on a recent settlement. For the year ended September 30, 2006, there were no payments made on behalf of the USPTO from the Judgment Fund.

NOTE 15. RECONCILIATION OF NET COST OF OPERATIONS TO BUDGET

Most entity transactions are recorded in both budgetary and proprietary accounts. However, because different accounting bases are used for budgetary and proprietary accounting, some transactions may appear in only one set of accounts. The following reconciliation provides a means to identify the relationships and differences that exist between the aforementioned budgetary and proprietary accounts.

The reconciliation of net cost of operations to budget for the years ended September 30, 2007 and 2006, is as follows:

| (Dollars in Thousands) | 2007 | 2006 |
|---|--------------|--------------|
| RESOURCES USED TO FINANCE ACTIVITIES | | |
| Budgetary Resources Obligated: | | |
| Obligations Incurred | \$ 1,766,424 | \$ 1,674,441 |
| Spending Authority from Offsetting Collections and Recoveries | (1,800,959) | (1,674,529) |
| Net Obligations | (34,535) | (88) |
| Total Resources Used to Finance Activities | (34,535) | (88) |
| RESOURCES USED TO FINANCE ITEMS NOT PART OF THE NET COST OF OPERATIONS | | |
| Change in Budgetary Resources Obligated for Goods, Services and Benefits Ordered but not yet Provided | 40,204 | (141,315) |
| Resources that Fund Costs Recognized in Prior Periods | (1,378) | — |
| Budgetary Offsetting Collections that do not Affect Net Cost of Operations | 55,277 | 69,531 |
| Resources that Finance the Acquisition of Assets Capitalized on the Balance Sheet | (101,773) | (70,001) |
| Total Resources Used to Finance Items not Part of the Net Cost of Operations | (7,670) | (141,785) |
| COMPONENTS OF NET COST OF OPERATIONS THAT WILL NOT REQUIRE OR GENERATE RESOURCES IN THE CURRENT PERIOD | | |
| Components Requiring or Generating Resources in Future Periods: | | |
| Costs that will be Funded by Resources in Future Periods | 14,468 | 7,580 |
| Net (Increase)/Decrease in Revenue Receivables not Generating Resources until Collected | (75) | 80 |
| Total Components of Net Cost of Operations that will Require or Generate Resources in Future Periods | 14,393 | 7,660 |
| Components not Requiring or Generating Resources: | | |
| Depreciation, Amortization, or Loss on Asset Dispositions | 61,734 | 53,864 |
| Other Costs that will not Require Resources | 30 | 81 |
| Total Components of Net Cost of Operations that will not Require or Generate Resources | 61,764 | 53,945 |
| Total Components of Net Cost of Operations that will not Require or Generate Resources in the Current Period | 76,157 | 61,605 |
| Net Cost/(Income) from Operations | \$ 33,952 | \$ (80,268) |

Independent Auditors' Report



accountability

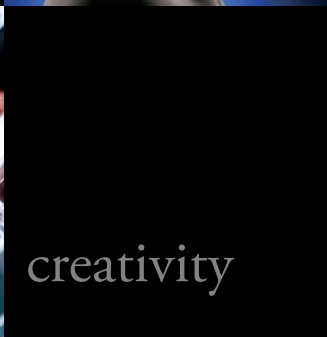


innovation



creativity

results



creativity



UNITED STATES DEPARTMENT OF COMMERCE
The Inspector General
Washington, D.C. 20230

November 6, 2007

MEMORANDUM FOR: Jon W. Dudas
Under Secretary of Commerce for Intellectual Property and
Director of the U.S. Patent and Trademark Office

FROM: Elizabeth T. Barlow
Acting Inspector General

SUBJECT: *USPTO's FY 2007 Financial Statements*
Audit Report No. FSD-18531-8-0002

I am pleased to provide you with the attached audit report required by the Chief Financial Officers Act of 1990, as amended, which presents an unqualified opinion on the U.S. Patent and Trademark Office's FY 2007 financial statements. The audit results indicate that USPTO's internal controls facilitate the preparation of reliable financial and performance information. We commend USPTO for attaining an unqualified opinion for the 15th consecutive year.

The independent public accounting firm of KPMG LLP performed the audit of USPTO's financial statements for the fiscal year ended September 30, 2007. The contract required that the audit be done in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget Bulletin 07-04, *Audit Requirements for Federal Financial Statements*.

In its audit of USPTO, KPMG found that

- the financial statements were fairly presented, in all material respects and in conformity with U.S. generally accepted accounting principles;
- there were no material weaknesses in internal controls, as defined in the independent auditors' report;
- there were no instances in which the USPTO's financial management systems did not substantially comply with the requirements of the Federal Financial Management Improvement Act of 1996;
- there was one potential violation of the Anti-Deficiency Act and the Patent and Trademark Fee Fairness Act of 1999 during FY 2005 that is being reviewed by the Department of Commerce's Office of General Counsel. However, a conclusion has not yet been reached.

My office oversaw the audit's performance and delivery. We reviewed KPMG's report and related documentation, and made inquiries of its representatives. Our review disclosed no instances where KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards. However, our review cannot be construed as an audit in accordance with U.S. generally accepted government auditing standards. It was not intended



to enable us to express, and we do not express, any opinion on USPTO's financial statements, conclusions about the effectiveness of internal controls, or conclusions on compliance with laws and regulations. KPMG is solely responsible for the attached audit report dated November 6, 2007, and the conclusions expressed in the report.

If you wish to discuss the contents of this report, please call me on (202) 482-4661, or John Seeba, Assistant Inspector General for Auditing, on (202) 482-5910. We appreciate the cooperation and courtesies USPTO extended to KPMG and my staff during the audit.

Attachment

cc: Barry K. Hudson
Chief Financial Officer
U.S. Patent and Trademark Office

Otto J. Wolff
Chief Financial Officer and Assistant Secretary for Administration
Department of Commerce



KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Auditors' Report

Acting Inspector General, U.S. Department of Commerce and
Under Secretary of Commerce for Intellectual Property and
Director of the U.S. Patent and Trademark Office:

We have audited the accompanying consolidated balance sheets of the U.S. Patent and Trademark Office (USPTO), an agency within the U.S. Department of Commerce, as of September 30, 2007 and 2006, and the related consolidated statements of net cost, changes in net position, cash flows, and combined statements of budgetary resources (hereinafter referred to as "financial statements") for the years then ended. The objective of our audits was to express an opinion on the fair presentation of these financial statements. In connection with our fiscal year 2007 audit, we also considered the USPTO's internal control over financial reporting and performance measures and tested the USPTO's compliance with certain provisions of applicable laws, regulations, and contracts that could have a direct and material effect on these financial statements.

SUMMARY

As stated in our opinion on the financial statements, we concluded that the USPTO's financial statements as of and for the years ended September 30, 2007 and 2006, are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles.

As discussed in our opinion, the USPTO changed its method of reporting the reconciliation of net cost of operations to budget in fiscal year 2007.

Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses as defined in the Internal Control Over Financial Reporting section of this report. We noted no matters involving the internal control and its operation that we considered to be material weaknesses as defined in this report.

We noted no deficiencies involving the design of the internal control over the existence and completeness assertions related to key performance measures.

The results of our tests of compliance with certain provisions of laws, regulations, and contracts disclosed a potential instance of noncompliance with the Anti-Deficiency Act that is required to be reported under *Government Auditing Standards*, issued by the Comptroller General of the



United States, and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*.

The following sections discuss our opinion on the USPTO's financial statements; our consideration of the USPTO's internal controls over financial reporting and performance measures; our tests of the USPTO's compliance with certain provisions of applicable laws, regulations, and contracts, and management's and our responsibilities.

OPINION ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated balance sheets of the U.S. Patent and Trademark Office as of September 30, 2007 and 2006, and the related consolidated statements of net cost, changes in net position, cash flows, and the combined statements of budgetary resources for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the U.S. Patent and Trademark Office as of September 30, 2007 and 2006, and its net costs, changes in net position, budgetary resources, and cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 15 to the financial statements, the USPTO changed its method of reporting the reconciliation of net cost of operations to budget in fiscal year 2007.

The information in the Management's Discussion and Analysis section is not a required part of the financial statements, but is supplementary information required by U.S. generally accepted accounting principles and OMB Circular A-136, *Financial Reporting Requirements*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and, accordingly, we express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The information in the Other Accompanying Information section on pages 101 through 138 is presented for purposes of additional analysis and is not required as part of the financial statements. This information has not been subjected to auditing procedures and, accordingly, we express no opinion on it.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Our consideration of the internal control over financial reporting was for the limited purpose described in the Responsibilities section of this report and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination



of control deficiencies, that adversely affects the USPTO's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the USPTO's financial statements that is more than inconsequential will not be prevented or detected by the USPTO's internal control over financial reporting. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the USPTO's internal control.

In our fiscal year 2007 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

INTERNAL CONTROL OVER PERFORMANCE MEASURES

Our tests of internal control over performance measures, as described in the Responsibilities section of this report, disclosed no deficiencies involving the design of the internal control over the existence and completeness assertions related to key performance measures.

COMPLIANCE AND OTHER MATTERS

Our tests of compliance with certain provisions of laws, regulations, and contracts, as described in the Responsibilities section of this report, exclusive of those referred to in the *Federal Financial Management Improvement Act of 1996* (FFMIA), disclosed a potential instance of noncompliance with the Anti-Deficiency Act (ADA) and the *Patent and Trademark Office Fee Fairness Act of 1999* that is required to be reported herein under *Government Auditing Standards* and Office of Management and Budget (OMB) Bulletin No. 07-04, and is described below.

Potential Anti-Deficiency Act Violation. In fiscal year 2007, we were informed that in fiscal year 2005, obligations related to the processing of patent applications temporarily exceeded fees collected related to these applications. As a result, fees intended for use in processing trademark registrations were used temporarily to fund patent obligations. The U.S. Department of Commerce Office of General Counsel is reviewing this matter to determine whether a violation of the Anti-Deficiency Act and the *Patent and Trademark Fee Fairness Act of 1999* occurred, but a conclusion has not yet been reached. Since OGC's review is not complete, the outcome of this matter, and any resulting ramifications, is not presently known.

The results of our tests of FFMIA disclosed no instances in which the USPTO's financial management systems did not substantially comply with the three requirements discussed in the Responsibilities section of this report.

* * * * *



RESPONSIBILITIES

Management's Responsibilities. The United States Code Title 31 Section 3515 and 9106 require agencies to report annually to Congress on their financial status and any other information needed to fairly present their financial position and results of operations. To meet these reporting requirements, the USPTO prepares and submits financial statements in accordance with OMB Circular A-136.

Management is responsible for the financial statements, including:

- Preparing the financial statements in conformity with U.S. generally accepted accounting principles;
- Preparing the Management's Discussion and Analysis (including the performance measures);
- Establishing and maintaining effective internal controls over financial reporting; and
- Complying with laws, regulations, and contracts applicable to the USPTO.

In fulfilling this responsibility, management is required to make estimates and judgments to assess the expected benefits and related costs of internal control policies.

Auditors' Responsibilities. Our responsibility is to express an opinion on the fiscal year 2007 and 2006 financial statements of the USPTO based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Bulletin No. 07-04. Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the USPTO's internal control over financial reporting. Accordingly, we express no such opinion.

An audit also includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the accounting principles used and significant estimates made by management; and
- Evaluating the overall financial statement presentation.

We believe that our audits provide a reasonable basis for our opinion.



In planning and performing our fiscal year 2007 audit, we considered the USPTO's internal control over financial reporting by obtaining an understanding of the USPTO's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in *Government Auditing Standards* and OMB Bulletin No. 07-04. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*. The objective of our audit was not to express an opinion on the effectiveness of the USPTO's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the USPTO's internal control over financial reporting.

As required by OMB Bulletin No. 07-04 in our fiscal year 2007 audit, with respect to internal control related to performance measures determined by management to be key and reported in the Management's Discussion and Analysis section, we obtained an understanding of the design of internal controls relating to the existence and completeness assertions and determined whether these internal controls had been placed in operation. We limited our testing to those controls necessary to report deficiencies in the design of internal control over key performance measures in accordance with OMB Bulletin No. 07-04. However, our procedures were not designed to provide an opinion on internal control over reported performance measures and, accordingly, we do not provide an opinion thereon.

As part of obtaining reasonable assurance about whether the USPTO's fiscal year 2007 financial statements are free of material misstatement, we performed tests of the USPTO's compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 07-04, including certain provisions referred to in FFMIA. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations, and contracts applicable to the USPTO. However, providing an opinion on compliance with laws, regulations, and contracts was not an objective of our audit and, accordingly, we do not express such an opinion.

Under OMB Bulletin No. 07-04 and FFMIA, auditors are required to report whether the USPTO's financial management systems substantially comply with (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Government Standard General Ledger at the transaction level. To meet this requirement, we performed tests of compliance with FFMIA Section 803(a) requirements.

This report is intended solely for the information and use of the USPTO's and the Department of Commerce's management, the U.S. Department of Commerce's Office of Inspector General, OMB, the U.S. Government Accountability Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 6, 2007

Other Accompanying Information



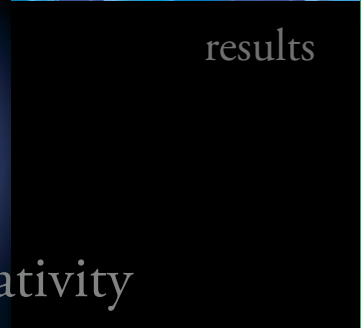
accountability



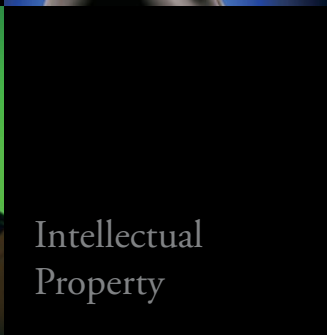
innovation



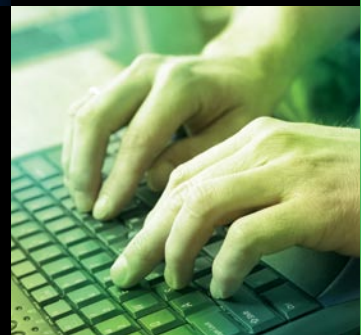
creativity




results



Intellectual
Property





Management and Performance Challenges Identified by the Inspector General

Acting Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the United States Patent and Trademark Office

Jon W. Dudas

Under Secretary for Commerce for Intellectual Property

Director of the United States Patent and Trademark Office

In accordance with the provisions in the Reports Consolidation Act of 2000, we submit for your consideration, the management challenges facing USPTO, as identified by the Office of Inspector General. Detailed information about our work is available on our web site at www.oig.doc.gov.

ENSURE THAT USPTO USES ITS AUTHORITIES AND FLEXIBILITIES AS A PERFORMANCE-BASED ORGANIZATION TO ACHIEVE BETTER RESULTS

USPTO plays a critical role in promoting the nation's technological progress and protecting intellectual property rights—a task often viewed as daunting given the increasing number and complexity of patent applications. The agency's *21st Century Strategic Plan* outlined numerous initiatives to help reduce its large backlog of applications, ensure the quality of granted patents, and improve the productivity of its examiner corps. An OIG report on USPTO's patent examiner production goals,

performance appraisal plans, and awards highlighted actions the agency could take to stimulate and reward examiner production. A more recent GAO report on USPTO's recruitment and retention efforts also called on agency managers to reassess examiner production goals, and noted that examiners often cited those goals as a primary reason for leaving the agency. In addition, GAO reported that attrition is continuing to offset USPTO's hiring progress even with the use of many incentives and flexibilities to retain the workforce for longer periods.

One of those workplace incentives has been USPTO's expansion of telework, allowing examiners to use laptops to work at offsite locations. Lost laptops and data security problems at other Commerce bureaus underscore the need for strong policies, procedures, and controls at USPTO to avoid similar problems and the potential compromise of sensitive patent information. (Information security is a separate challenge for the agency, as discussed below.)

The long-standing and growing backlog highlights other issues for USPTO and OIG attention: the need to expedite a fully electronic patent examination process and to carefully monitor the agency's billion-dollar investment in high-risk time and materials and award fee contracts for related information technology services.

Clearly, recruitment, attrition, and information technology remain serious challenges for the agency. We will continue to monitor USPTO's progress in those areas as well as its training programs and human resources or personnel operations, where we earlier found some questionable practices and the need for improved management controls.

STRENGTHEN INFORMATION SECURITY

The Federal Information Security Management Act (FISMA) requires that we annually assess USPTO's efforts to safeguard data processed by its computer systems and networks. The continuing expansion of information technology means federal agencies face ever-increasing challenges in performing their missions while providing for the security of their sensitive information. Since enactment of FISMA in 2002, agencies have spent millions of dollars to improve the security of information on their computer systems and shared via the Internet. Yet weaknesses persist and breaches continue. At USPTO, IT security is a material weakness under the Federal Managers Financial Integrity Act.

The system security certification process is supposed to provide officials with complete, accurate, and trustworthy information on a system's security status so they can make timely, credible, risk-based decisions on whether to authorize operation. Our review of USPTO's certification and accreditation (C&A) packages continues to find a process that does not adequately identify and assess needed security controls. As a result, authorizing officials do not have the information they need to make sound accreditation decisions.

Two USPTO packages were included in our FY 2007 review sample—one for an agency system and one for a contractor system. Both lacked sufficient evidence to confirm that operational and technical controls are in place and operating as intended, leaving the certification agents and the authorizing official without adequate information about remaining vulnerabilities. Therefore, we recommended that USPTO again report IT security as a material weakness.

Senior management officials at USPTO are keenly aware and supportive of the need for improving the IT security program. The agency's CIO has devoted considerable personal attention and resources to improving C&A. These efforts demonstrate a high level of commitment; unfortunately, their benefits have yet to translate into C&A processes that consistently produce packages showing adequate implementation of the required baseline level of security. Our annual FISMA work has been important in gauging the nature and extent of problems and progress at USPTO, and for offering solutions to help the agency fully comply with the law.

Elizabeth T. Barlow
Acting Inspector General



The Nature of the Training Provided to USPTO Examiners

Achieving organizational excellence demands a high performance work force that delivers high quality work products and provides customer service excellence. Training is a critical component in achieving consistently high quality products and services. Patent examiners and Trademark examining attorneys received extensive legal, technical and automation training in FY 2007. The USPTO has a comprehensive training program for new patent examiners and trademark examining attorneys, embedding a well-established curriculum including initial legal training, automation training and training in examination practice and procedure. Automation training is provided to all examiners as new systems are deployed and existing systems are enhanced. More than 2,030 automation classes were conducted on patent examination tools in FY 2007. New technology-specific legal and technical training was conducted throughout the examining operations. This specific training either focuses on practices particular to a technology or was developed to address training needs identified through patent and trademark examination reviews or staff requests.

The USPTO training staff works with the Patent and Trademark business units to address specific training concerns and serve as consultants to design specific internal programs to fit the education needs of each business unit. Training is reviewed and evaluated on an ongoing basis to ensure it is up-to-date and that coursework reflects developments and changes that have taken place in the industry. In FY 2007, the USPTO continued to expand training opportunities by developing additional computer-based training and instructional videos.

PATENT EXAMINER TRAINING

New U.S. Patent Training Academy

- Mandatory training for first year examiners

Training in the Academy

This Program provides training for new examiners in Legal, Procedural, Automation, Life Skills, Technical, and Professional Development. Participants attend eight consecutive months of training in a university style environment. Each class is composed of up to 160 new examiners, starting at specific dates during the year. The training is delivered in large group lectures or a small group workshop. The class is then split into groups of approximately 16 examiners for labs, small group discussions, and tailored training in their specific fields of study. Examiners have access to tutors, library and search assistance, and automation guidance. In addition to extensive lecture and lab training, attendees spend considerable time learning their jobs through the examination of real patent applications in a setting that provides immediate assistance when needed. The training is structured to provide new examiners with advanced entry-level competencies, as well as providing instruction in a variety of skills that will produce well-rounded, motivated employees.

Curriculum

Training in the Academy includes the legal and procedural training, plus enhanced instruction in areas such as: Classification Systems, Searching (classification, text), Claim Interpretation, Advanced Text Searching, Writing an Effective Examiner's Answer, Appeal Procedure and Practice (Appeal Conference & Pre-Conference; Prevent Administrative Remand).

Technical training in the Academy encompasses: Introduction to examining applications in specific areas of technology, the current state of specific technologies, ongoing technology topics, etc.

Examiners attending the Academy receive extensive training in automation, including classes in more than a dozen specialized applications used in patent examination, multiple search systems, databases, and commonly used office applications.

The Academy provides new examiners training in life skills such as: time management, physical security, ethics, stress management, balancing quality and production, professionalism, balancing work and personal life, diversity training, dealing with conflict and difficult situations, and benefits and financial planning basics.

Individual Development Plan

The Academy training program includes creating an Individual Development Plan (IDP) for each examiner. The IDP is composed of formal training courses, development assignments, and on-the-job training. The IDP is designed to assist the examiner from day one, through the first 24 months of employment. When the examiner graduates from the Academy, and is transferred to a Technology Center, the IDP will continue to enable the examiner to acquire the competencies essential to perform assigned duties and to prepare for further development.

Programs for all Examiners■ **Continuing Education**

Continuing education courses are for patent examiners. Courses include: Federal Circuit Court Decisions Affecting USPTO Practice - Key Cases of the Past Year and mastery of updated automation tools.

■ **Legal Training**

TC Level courses taught by TC personnel, some developed within the TC's. Examples include: 101 Training, 102/103 Training, Obviousness Type Double Patenting.

Patent Law & Evidence

■ **Non-Duty Legal Studies program**

This is a voluntary program established to provide reimbursement for additional legal training.

■ **Non-Duty Technical Training Program**

This is a voluntary program established to provide reimbursement for additional technical training

■ **Examiner Technical Training (Technology Center Focused)**

Includes attendance at technology fairs; seminars and lectures in the fields of biotechnology, computer software and hardware technology, semiconductors, communication technology, and knowledge management.

■ **Automation Training**

TC-Focused Classes: EAST Databases, EAST: Automated Searching for Design Examiners, EAST and Optical Character Recognition, OACS Basics for Design Examiners, Non-Patent Literature Web Resources in Your Art Area, Classification and Security Review.

TRADEMARK EXAMINING ATTORNEY TRAINING

In FY 2007 in the Trademark Organization, data gathered from the results of quality reviews were analyzed and used to prepare the content of online e-learning training materials for trademark examining attorneys. Fourteen e-learning modules were developed and released covering the following list of topics.

- Concurrent User Applications
- Section 2(d) - Likelihood of Confusion - Weak and Diluted Marks
- Section 2(a) - Scandalous and Disparaging Marks
- Amendments to Goods and Services - Are They Within The Scope?
- Section 2(d) - Likelihood of Confusion - Relatedness of Goods and Services: A General Framework
- Section 2(d) - Likelihood of Confusion - Relatedness of Goods and Services: Evidence
- Section 2(d) - Likelihood of Confusion - Relatedness of Goods and Services: Food and Beverages Goods and Services
- Varietal and Cultivar Names
- Office of Petitions
- Nice Agreement 9th Ed. – Changes Effectuated
- Amendments to Color Features of Marks
- Examination Procedures for Drawings that Contain Black, White, or Gray
- Marks that Identify Authors, Artists, and Titles of Creative Works
- Representing an Applicant or Registrant Before the USPTO

Nine examination tips have been developed and released.

- Consent to Register a Mark Identifying a Particular Living Individual
- TEAS Allegations of Use
- Marks Containing the Term “Your” in Combination with Descriptive or Generic Matter
- Claiming Prior Registrations
- When is the Term “Official” Considered Descriptive?
- Foreign Agents and Attorneys
- Standard Character Marks
- Guidelines For Examining Specimens
- Examples of Excellent Actions Regarding the Examination of Specimens

Five issues of a multi-issue examination reminders newsletter have been developed and released.

Fiscal Year 2007 USPTO Workload Tables

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TABLE 1

SUMMARY OF PATENT EXAMINING ACTIVITIES
(FY 2003 - FY 2007)**(PRELIMINARY FOR FY 2007)¹**

| PATENT EXAMINING ACTIVITY | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|----------------|----------------|----------------|----------------|----------------|
| Applications filed, total² | 355,418 | 378,984 | 409,532 | 445,613 | 467,243 |
| Utility ³ | 331,729 | 353,319 | 381,797 | 417,453 | 438,576 |
| Reissue | 938 | 996 | 1,143 | 1,204 | 994 |
| Plant | 785 | 1,212 | 1,288 | 1,103 | 1,047 |
| Design | 21,966 | 23,457 | 25,304 | 25,853 | 26,626 |
| Provisional Applications Filed⁴ | 92,517 | 102,268 | 111,753 | 121,471 | 132,352 |
| First actions | | | | | |
| Design | 19,013 | 17,328 | 20,108 | 23,291 | 29,029 |
| Utility, Plant, and Reissue | 283,111 | 288,315 | 297,287 | 320,349 | 367,953 |
| PCT/Chapter | 23,277 | 17,935 | 22,795 | 25,034 | 24,741 |
| Patent application disposals, total | 303,635 | 304,921 | 298,838 | 332,535 | 362,227 |
| Allowed patent applications, total | 205,879 | 195,611 | 182,254 | 186,593 | 195,530 |
| Design | 17,596 | 16,262 | 18,161 | 20,721 | 25,747 |
| Utility, Plant, and Reissue | 188,283 | 179,349 | 164,093 | 165,872 | 169,783 |
| Abandoned, total | 97,745 | 109,295 | 116,564 | 145,912 | 166,690 |
| Design | 1,569 | 1,471 | 1,332 | 2,125 | 2,661 |
| Utility, Plant, and Reissue | 96,176 | 107,824 | 115,232 | 143,787 | 164,029 |
| Statutory invention registration disposals, total | 11 | 15 | 20 | 30 | 7 |
| PCT/Chapter II examinations completed | 21,005 | 19,439 | 12,594 | 7,295 | 5,336 |
| Applications Published⁵ | 243,007 | 248,561 | 291,221 | 291,259 | 302,678 |
| Patents issued⁶ | 189,590 | 187,170 | 165,483 | 183,187 | 184,377 |
| Utility | 171,493 | 169,296 | 151,077 | 162,509 | 160,308 |
| Reissue | 394 | 343 | 195 | 500 | 546 |
| Plant | 1,178 | 998 | 816 | 1,106 | 979 |
| Design | 16,525 | 16,533 | 13,395 | 19,072 | 22,544 |
| Pendency time of average patent application ⁷ | 26.7 | 27.6 | 29.1 | 31.1 | 31.9 |
| Reexamination certificates issued | 193 | 138 | 223 | 329 | 367 |
| PCT international applications received by USPTO as receiving office ² | 42,969 | 45,396 | 46,926 | 52,524 | 54,214 |
| National requirements received by USPTO as designated/elected office ^{2,8} | 32,753 | 37,173 | 41,256 | 48,158 | 52,339 |
| Patents renewed under Public Law (Pub.L.) 102-204 ⁹ | 253,475 | 269,815 | 268,935 | 324,913 | 343,894 |
| Patents expired under Pub.L. 102-204 ⁹ | 57,770 | 63,552 | 67,534 | 72,654 | 67,122 |

¹ FY 2007 data are preliminary and will be finalized in the FY 2008 PAR.² FY 2006 application data has been updated with final end of year numbers.³ Utility patents include chemical, electrical and mechanical applications.⁴ Provisional applications provided for in Pub.L. 103-465.⁵ Eighteen-month publication of patent applications provided for in the American Inventors Protection Act of 1999, Pub.L. 106-113.⁶ Excludes withdrawn numbers. Past years' data may have been revised from prior year reports.⁷ Average time (in months) between filing and issuance or abandonment of utility, plant, and reissue applications. This average does not include design patents.⁸ FY 2005 data has been updated.⁹ The provisions of Pub.L. 102-204 regarding the renewal of patents superseded Pub.L. 96-517 and Pub.L. 97-247.

TABLE 2

**PATENT APPLICATIONS FILED
(FY 1987 - FY 2007)**

(PRELIMINARY FOR FY 2007)¹

| Year | Utility | Design | Plant | Reissue | Total |
|-------------------|----------------|---------------|--------------|------------|----------------|
| 1987 | 125,677 | 10,766 | 364 | 366 | 137,173 |
| 1988 | 136,253 | 11,114 | 377 | 439 | 148,183 |
| 1989 | 150,418 | 11,975 | 418 | 495 | 163,306 |
| 1990 | 162,708 | 11,140 | 395 | 468 | 174,711 |
| 1991 | 166,765 | 10,368 | 414 | 536 | 178,083 |
| 1992 | 171,623 | 12,907 | 335 | 581 | 185,446 |
| 1993 | 173,619 | 13,546 | 362 | 572 | 188,099 |
| 1994 | 185,087 | 15,431 | 430 | 606 | 201,554 |
| 1995 | 220,141 | 15,375 | 516 | 647 | 236,679 |
| 1996 | 189,922 | 15,160 | 557 | 637 | 206,276 |
| 1997 | 219,486 | 16,272 | 680 | 607 | 237,045 |
| 1998 | 238,850 | 16,576 | 658 | 582 | 256,666 |
| 1999 | 259,618 | 17,227 | 759 | 664 | 278,268 |
| 2000 | 291,653 | 18,563 | 786 | 805 | 311,807 |
| 2001 | 324,211 | 18,636 | 914 | 956 | 344,717 |
| 2002 | 331,580 | 19,706 | 1,134 | 974 | 353,394 |
| 2003 | 331,729 | 21,966 | 785 | 938 | 355,418 |
| 2004 | 353,319 | 23,457 | 1,212 | 996 | 378,984 |
| 2005 | 381,797 | 25,304 | 1,288 | 1,143 | 409,532 |
| 2006 ² | 417,453 | 25,853 | 1,204 | 1,103 | 445,613 |
| 2007 | 438,576 | 26,626 | 1,047 | 994 | 467,243 |

¹ FY 2007 data are preliminary and will be finalized in the FY 2008 PAR.

² FY 2006 application data has been updated with final end of the year numbers.

TABLE 3**PATENT APPLICATIONS PENDING PRIOR TO ALLOWANCE¹
(FY 1987 - FY 2007)**

| Year | Awaiting action by examiner | Total applications pending² |
|-------------|------------------------------------|---|
| 1987 | 65,010 | 209,911 |
| 1988 | 75,678 | 215,280 |
| 1989 | 92,377 | 222,755 |
| 1990 | 104,179 | 244,964 |
| 1991 | 104,086 | 254,507 |
| 1992 | 112,201 | 269,596 |
| 1993 | 99,904 | 244,646 |
| 1994 | 107,824 | 261,249 |
| 1995 | 124,275 | 298,522 |
| 1996 | 139,943 | 303,720 |
| 1997 | 112,430 | 275,295 |
| 1998 | 224,446 | 379,484 |
| 1999 | 243,207 | 414,837 |
| 2000 | 308,056 | 485,129 |
| 2001 | 355,779 | 542,007 |
| 2002 | 433,691 | 636,530 |
| 2003 | 471,382 | 674,691 |
| 2004 | 528,685 | 756,604 |
| 2005 | 611,114 | 885,002 |
| 2006 | 701,147 | 1,003,884 |
| 2007 | 760,924 | 1,112,517 |

¹ Includes patent applications pending at end of period indicated, and includes utility, reissue, plant, and design applications. Does not include allowed applications.

² Applications under examination, including those in preexamination processing.

TABLE 4**PATENT PENDENCY STATISTICS¹
(FY 2007)**

| UPR Pendency Statistics by Technology Center (in months) | Average First Action Pendency | Total Average Pendency |
|---|-------------------------------|------------------------|
| Total UPR Pendency | 25.3 | 31.9 |
| Tech Center 1600 - Biotechnology & Organic Chemistry | 22.7 | 34.3 |
| Tech Center 1700 - Chemical & Materials Engineering | 26.1 | 34.4 |
| Tech Center 2100 - Computer Architecture, Software & Information Security | 30.7 | 42.9 |
| Tech Center 2600 - Communications | 34.0 | 43.1 |
| Tech Center 2800 - Semiconductor, Electrical, Optical Systems & Components | 17.7 | 26.5 |
| Tech Center 3600 - Transportation, Construction, Agriculture, & Electronic Commerce | 25.9 | 31.6 |
| Tech Center 3700 - Mechanical Engineering, Manufacturing & Products | 23.1 | 29.8 |

¹ Pendency is calculated based on the most recent filing date.

TABLE 5**SUMMARY OF TOTAL PENDING PATENT APPLICATIONS
(FY 2007)**

| Stage of processing | Utility, plant and reissue applications | Design applications | Total patent applications |
|---|---|---------------------|---------------------------|
| Pending patent applications, total | 1,145,202 | 39,131 | 1,184,333 |
| In preexamination processing, total | 174,256 | 4,130 | 178,386 |
| Under examination, total | 908,751 | 24,750 | 933,501 |
| Undocketed | 173,066 | 5,222 | 178,288 |
| Awaiting first action by examiner | 389,966 | 14,284 | 404,250 |
| Rejected, awaiting response by applicant | 241,325 | 4,043 | 245,368 |
| Amended, awaiting action by examiner | 78,695 | 1,096 | 79,791 |
| In interference | 294 | 1 | 295 |
| On appeal, and other ¹ | 25,405 | 104 | 25,509 |
| In post-examination processing, total | 62,195 | 10,251 | 72,446 |
| Awaiting issue fee | 44,854 | 5,841 | 50,695 |
| Awaiting printing ² | 14,261 | 4,409 | 18,670 |
| D-10s (secret cases in condition for allowance) | 3,080 | 1 | 3,081 |

¹ Includes cases on appeal and undergoing petitions.

² Includes withdrawn cases.

TABLE 6

PATENTS ISSUED¹
(FY 1987 - FY 2007)²

| Year | Utility ³ | Design | Plant | Reissue | Total |
|-------------------------|----------------------|---------------|------------|------------|----------------|
| 1987 | 82,141 | 6,158 | 240 | 254 | 88,793 |
| 1988 | 77,317 | 5,740 | 283 | 244 | 83,584 |
| 1989 | 95,829 | 5,844 | 728 | 309 | 102,710 |
| 1990 | 88,972 | 7,176 | 295 | 282 | 96,725 |
| 1991 | 91,819 | 9,387 | 318 | 334 | 101,858 |
| 1992 | 99,406 | 9,612 | 336 | 375 | 109,729 |
| 1993 | 96,675 | 9,946 | 408 | 302 | 107,331 |
| 1994 | 101,270 | 11,138 | 513 | 346 | 113,267 |
| 1995 | 101,895 | 11,662 | 390 | 294 | 114,241 |
| 1996 | 104,900 | 11,346 | 338 | 291 | 116,875 |
| 1997 | 111,977 | 10,331 | 400 | 267 | 122,975 |
| 1998 | 139,298 | 14,419 | 577 | 284 | 154,578 |
| 1999 | 142,852 | 15,480 | 436 | 393 | 159,161 |
| 2000 | 164,486 | 16,718 | 453 | 561 | 182,218 |
| 2001 | 169,571 | 17,179 | 563 | 504 | 187,817 |
| 2002 | 160,839 | 15,096 | 912 | 465 | 177,312 |
| 2003 | 171,493 | 16,525 | 1,178 | 394 | 189,590 |
| 2004 | 169,296 | 16,533 | 998 | 343 | 187,170 |
| 2005 | 151,077 | 13,395 | 816 | 195 | 165,483 |
| 2006 | 162,509 | 19,072 | 1,106 | 500 | 183,187 |
| 2007⁴ | 160,308 | 22,544 | 979 | 546 | 184,377 |

¹ Excludes withdrawn numbers.

² Past years' data may have been revised from prior year reports.

³ Includes chemical, electrical, and mechanical applications.

⁴ FY 2007 data is preliminary.

TABLE 7

PATENT APPLICATIONS FILED BY RESIDENTS OF THE UNITED STATES¹
(FY 2003 - FY 2007)²

| State/Territory | 2003 | 2004 | 2005 | 2006 | 2007 ³ | State/Territory | 2003 | 2004 | 2005 | 2006 | 2007 ³ |
|----------------------|----------------|----------------|----------------|----------------|-------------------|-----------------------------------|--------|--------|--------|--------|-------------------|
| Total | 197,256 | 218,220 | 218,472 | 236,012 | N/A | Nebraska | 477 | 537 | 555 | 532 | N/A |
| Alabama | 843 | 954 | 884 | 837 | N/A | Nevada | 1,281 | 1,515 | 1,400 | 1,426 | N/A |
| Alaska | 94 | 90 | 93 | 86 | N/A | New Hampshire | 1,316 | 1,442 | 1,384 | 1,474 | N/A |
| Arizona | 3,434 | 4,084 | 4,090 | 4,123 | N/A | New Jersey | 7,501 | 7,746 | 7,994 | 8,973 | N/A |
| Arkansas | 295 | 395 | 381 | 365 | N/A | New Mexico | 699 | 721 | 949 | 802 | N/A |
| California | 46,873 | 52,432 | 52,401 | 57,608 | N/A | New York | 12,226 | 13,653 | 13,482 | 14,595 | N/A |
| Colorado | 4,713 | 4,910 | 4,794 | 4,889 | N/A | North Carolina | 4,268 | 4,856 | 4,827 | 5,427 | N/A |
| Connecticut | 3,739 | 4,167 | 3,872 | 4,368 | N/A | North Dakota | 160 | 178 | 200 | 217 | N/A |
| Delaware | 839 | 840 | 873 | 897 | N/A | Ohio | 6,610 | 7,156 | 6,836 | 7,508 | N/A |
| District of Columbia | 213 | 229 | 192 | 223 | N/A | Oklahoma | 1,052 | 1,189 | 1,071 | 1,079 | N/A |
| Florida | 6,691 | 7,103 | 7,309 | 7,896 | N/A | Oregon | 4,008 | 4,968 | 4,912 | 5,197 | N/A |
| Georgia | 3,607 | 3,962 | 3,966 | 4,906 | N/A | Pennsylvania | 6,696 | 7,044 | 6,812 | 7,448 | N/A |
| Hawaii | 218 | 228 | 206 | 245 | N/A | Rhode Island | 658 | 739 | 697 | 652 | N/A |
| Idaho | 3,240 | 3,377 | 2,783 | 3,114 | N/A | South Carolina | 1,240 | 1,432 | 1,255 | 1,541 | N/A |
| Illinois | 8,237 | 8,154 | 8,471 | 9,108 | N/A | South Dakota | 199 | 176 | 168 | 170 | N/A |
| Indiana | 2,916 | 2,878 | 3,209 | 3,085 | N/A | Tennessee | 1,837 | 2,022 | 2,063 | 2,357 | N/A |
| Iowa | 1,391 | 1,393 | 1,428 | 1,580 | N/A | Texas | 12,300 | 14,148 | 13,903 | 14,803 | N/A |
| Kansas | 1,110 | 1,403 | 1,270 | 1,355 | N/A | Utah | 1,765 | 1,995 | 1,987 | 2,304 | N/A |
| Kentucky | 918 | 1,100 | 1,198 | 1,184 | N/A | Vermont | 628 | 882 | 866 | 983 | N/A |
| Louisiana | 852 | 799 | 777 | 808 | N/A | Virginia | 2,727 | 2,827 | 2,993 | 3,242 | N/A |
| Maine | 332 | 383 | 348 | 382 | N/A | Washington | 6,293 | 8,033 | 10,149 | 10,444 | N/A |
| Maryland | 3,379 | 3,298 | 3,450 | 3,731 | N/A | West Virginia | 222 | 308 | 292 | 309 | N/A |
| Massachusetts | 8,728 | 9,981 | 9,990 | 10,506 | N/A | Wisconsin | 3,943 | 4,410 | 4,127 | 4,453 | N/A |
| Michigan | 7,431 | 8,217 | 7,764 | 7,964 | N/A | Wyoming | 146 | 144 | 128 | 147 | N/A |
| Minnesota | 6,330 | 6,796 | 6,871 | 7,755 | N/A | Puerto Rico | 78 | 80 | 84 | 75 | N/A |
| Mississippi | 358 | 360 | 347 | 367 | N/A | Virgin Islands | 14 | 5 | 9 | 7 | N/A |
| Missouri | 1,859 | 2,150 | 2,010 | 2,166 | N/A | U.S. Pacific Islands ⁴ | 3 | 1 | 3 | 2 | N/A |
| Montana | 268 | 326 | 346 | 291 | N/A | United States | 1 | 4 | 3 | 6 | N/A |

¹ Data include utility, plant, design, and reissue applications.

² Finalized data for FY 2003 to 2006 provided.

³ FY 2007 preliminary data should be available December 2007, and finalized in the FY 2008 PAR.

⁴ Represents residents of American Samoa, Guam, and miscellaneous U.S. Pacific Islands.

TABLE 8

**PATENTS ISSUED TO RESIDENTS OF THE UNITED STATES¹
(FY 2007)²**

| State/Territory | 2007 | State/Territory | 2007 | State/Territory | 2007 |
|----------------------|---------------|-----------------|-------|-----------------------------------|-------|
| Total | 94,618 | Kentucky | 500 | Oklahoma | 578 |
| Alabama | 386 | Louisiana | 293 | Oregon | 2,398 |
| Alaska | 27 | Maine | 133 | Pennsylvania | 2,980 |
| Arizona | 1,814 | Maryland | 1,435 | Rhode Island | 381 |
| Arkansas | 151 | Massachusetts | 3,876 | South Carolina | 588 |
| California | 22,888 | Michigan | 3,797 | South Dakota | 72 |
| Colorado | 2,071 | Minnesota | 2,992 | Tennessee | 807 |
| Connecticut | 1,632 | Mississippi | 169 | Texas | 6,316 |
| Delaware | 353 | Missouri | 858 | Utah | 790 |
| District of Columbia | 67 | Montana | 123 | Vermont | 512 |
| Florida | 3,049 | Nebraska | 245 | Virginia | 1,192 |
| Georgia | 1,614 | Nevada | 451 | Washington | 3,822 |
| Hawaii | 83 | New Hampshire | 609 | West Virginia | 118 |
| Idaho | 1,478 | New Jersey | 3,185 | Wisconsin | 1,973 |
| Illinois | 3,795 | New Mexico | 313 | Wyoming | 57 |
| Indiana | 1,350 | New York | 6,007 | Puerto Rico | 33 |
| Iowa | 665 | North Carolina | 1,935 | Virgin Islands | 2 |
| Kansas | 544 | North Dakota | 92 | U.S. Pacific Islands ³ | 1 |
| | | Ohio | 3,058 | United States ⁴ | 2 |

¹ Data include utility, design, plant, and reissue patents.

² FY 2007 data is preliminary.

³ Represents residents of American Samoa, Guam, and miscellaneous U.S. Pacific Islands.

⁴ No state indicated in database.

TABLE 9

UNITED STATES PATENT APPLICATIONS FILED BY RESIDENTS OF FOREIGN COUNTRIES¹
(FY 2003 - FY 2007)

| Residence | 2003 | 2004 | 2005 | 2006 ² | 2007 ³ | Residence | 2003 | 2004 | 2005 | 2006 ² | 2007 ³ |
|---------------------------|----------------|----------------|----------------|-------------------|-------------------|--------------------|--------|--------|--------|-------------------|-------------------|
| Total | 158,162 | 160,764 | 191,060 | 209,601 | N/A | Ethiopia | - | 1 | - | 1 | N/A |
| Afghanistan | - | - | 1 | - | N/A | Fiji | 1 | 1 | - | - | N/A |
| Albania | - | - | 1 | - | N/A | Finland | 1,866 | 1,771 | 2,096 | 2,310 | N/A |
| Algeria | 1 | - | 3 | 2 | N/A | French Polynesia | - | - | 2 | 1 | N/A |
| Andorra | 2 | 1 | 2 | - | N/A | France | 6,887 | 5,618 | 7,515 | 7,228 | N/A |
| Anguilla | - | - | - | 1 | N/A | Georgia | 5 | 3 | 5 | 10 | N/A |
| Antigua & Barbuda | - | 1 | 2 | - | N/A | Germany | 19,646 | 16,394 | 21,598 | 22,263 | N/A |
| Argentina | 123 | 118 | 92 | 133 | N/A | Ghana | - | 1 | 3 | - | N/A |
| Armenia | 1 | - | 3 | 10 | N/A | Gibraltar | - | - | 7 | 10 | N/A |
| Aruba | - | - | 1 | - | N/A | Greece | 44 | 53 | 65 | 81 | N/A |
| Australia | 2,498 | 2,495 | 3,339 | 3,078 | N/A | Grenada | 1 | - | - | - | N/A |
| Austria | 1,009 | 858 | 1,119 | 1,200 | N/A | Guatemala | 1 | - | 1 | 7 | N/A |
| Azerbaijan | 1 | 1 | 3 | 4 | N/A | Honduras | - | 3 | 3 | 1 | N/A |
| Bahamas | 22 | 30 | 16 | 18 | N/A | Hungary | 128 | 91 | 128 | 172 | N/A |
| Bahrain | 1 | 1 | - | 1 | N/A | Iceland | 49 | 60 | 52 | 47 | N/A |
| Bangladesh | 1 | - | 1 | - | N/A | India | 1,105 | 1,274 | 1,444 | 1,862 | N/A |
| Barbados | - | 8 | 9 | 2 | N/A | Indonesia | 26 | 40 | 24 | 31 | N/A |
| Belarus | 6 | 10 | 4 | 13 | N/A | Iran | 5 | 4 | 4 | 10 | N/A |
| Belgium | 1,420 | 1,160 | 1,539 | 1,578 | N/A | Iraq | - | - | - | 1 | N/A |
| Benin | - | - | 1 | - | N/A | Ireland | 382 | 407 | 507 | 528 | N/A |
| Bermuda | 11 | 5 | 7 | 8 | N/A | Israel | 2,611 | 2,547 | 3,191 | 3,617 | N/A |
| Bolivia | - | 2 | 2 | 2 | N/A | Italy | 3,325 | 2,792 | 3,685 | 3,691 | N/A |
| Bosnia & Herzegovina | - | - | 1 | - | N/A | Jamaica | 3 | 3 | 5 | 4 | N/A |
| Brazil | 333 | 287 | 340 | 333 | N/A | Japan | 61,177 | 63,543 | 73,250 | 76,940 | N/A |
| British Virgin Islands | 15 | 17 | 5 | 7 | N/A | Jordan | 6 | 8 | 2 | 7 | N/A |
| Bulgaria | 8 | 98 | 67 | 52 | N/A | Kazakhstan | 2 | 1 | 3 | 4 | N/A |
| Cameroon | - | 1 | 2 | 1 | N/A | Kenya | 28 | 8 | 7 | 7 | N/A |
| Canada | 8,138 | 9,035 | 9,114 | 10,243 | N/A | Korea, Republic of | 9,614 | 13,388 | 16,643 | 21,963 | N/A |
| Cayman Islands | 1 | 4 | 14 | 2 | N/A | Kuwait | 7 | 13 | 23 | 36 | N/A |
| Chad ⁴ | - | - | - | 1 | N/A | Kyrgyzstan | - | - | 1 | - | N/A |
| Chile | 27 | 55 | 56 | 50 | N/A | Latvia | 2 | 6 | 6 | 8 | N/A |
| China (Hong Kong) | 1,159 | 1,379 | 1,319 | 1,318 | N/A | Lebanon | 6 | 5 | 7 | 14 | N/A |
| China (People's Republic) | 1,230 | 1,708 | 2,330 | 3,838 | N/A | Liechtenstein | 34 | 22 | 25 | 27 | N/A |
| Colombia | 22 | 26 | 15 | 15 | N/A | Lithuania | 8 | 20 | 9 | 10 | N/A |
| Costa Rica | 17 | 36 | 47 | 25 | N/A | Luxembourg | 72 | 74 | 78 | 84 | N/A |
| Croatia | 23 | 23 | 42 | 37 | N/A | Macau | 7 | 4 | 3 | 5 | N/A |
| Cuba | 7 | 1 | 16 | 9 | N/A | Macedonia | - | 3 | 1 | - | N/A |
| Cyprus | 7 | 8 | 13 | 11 | N/A | Malaysia | 237 | 334 | 341 | 392 | N/A |
| Czech Republic | 52 | 64 | 87 | 102 | N/A | Malta | 3 | 3 | 6 | 13 | N/A |
| Denmark | 1,145 | 869 | 1,167 | 1,259 | N/A | Mauritius | 2 | - | - | - | N/A |
| Dominican Republic | 5 | 11 | 5 | 8 | N/A | Mexico | 213 | 211 | 217 | 229 | N/A |
| Ecuador | 9 | 7 | 5 | 12 | N/A | Moldova | 2 | 1 | - | 1 | N/A |
| Egypt | 13 | 14 | 17 | 17 | N/A | Monaco | 29 | 15 | 18 | 21 | N/A |
| El Salvador | 2 | 2 | - | - | N/A | Morocco | 5 | 1 | 4 | 2 | N/A |
| Estonia | 6 | 7 | 20 | 14 | N/A | Mozambique | - | 1 | - | - | N/A |
| | | | | | | Netherlands | 2,382 | 2,291 | 3,637 | 4,098 | N/A |

**TABLE 9
CONT.****UNITED STATES PATENT APPLICATIONS FILED BY RESIDENTS OF FOREIGN COUNTRIES¹
(FY 2003 - FY 2007)**

| Residence | 2003 | 2004 | 2005 | 2006 ² | 2007 ³ | Residence | 2003 | 2004 | 2005 | 2006 ² | 2007 ³ |
|----------------------|------|------|------|-------------------|-------------------|-------------------------------------|--------|--------|--------|-------------------|-------------------|
| Netherlands Antilles | 1 | 1 | 1 | - | N/A | South Africa | 263 | 173 | 241 | 243 | N/A |
| New Zealand | 473 | 270 | 416 | 449 | N/A | Spain | 633 | 637 | 855 | 868 | N/A |
| Nigeria | 4 | 2 | 3 | 2 | N/A | Sri Lanka | 3 | 3 | 6 | 9 | N/A |
| Norway | 470 | 366 | 583 | 593 | N/A | Sweden | 2,311 | 1,769 | 2,371 | 2,793 | N/A |
| Oman | 4 | - | 5 | 1 | N/A | Switzerland | 2,362 | 2,053 | 2,651 | 2,968 | N/A |
| Pakistan | 6 | 10 | 12 | 12 | N/A | Syria Arab Rep | 4 | - | 2 | - | N/A |
| Panama | 6 | 9 | 3 | 6 | N/A | Taiwan | 14,537 | 17,703 | 17,933 | 21,165 | N/A |
| Paraguay | - | 1 | - | 1 | N/A | Tanzania | 1 | - | - | - | N/A |
| Peru | 7 | 12 | 3 | 3 | N/A | Thailand | 88 | 109 | 79 | 82 | N/A |
| Philippines | 37 | 82 | 60 | 85 | N/A | Trinidad & Tobago | 4 | - | 6 | 3 | N/A |
| Poland | 48 | 75 | 122 | 93 | N/A | Tunisia | 2 | 3 | 1 | 3 | N/A |
| Portugal | 22 | 24 | 55 | 43 | N/A | Turkey | 41 | 49 | 62 | 68 | N/A |
| Qatar | 1 | 5 | 1 | - | N/A | Turks and Caicos Islands | 6 | 2 | 2 | 1 | N/A |
| Romania | 10 | 13 | 16 | 31 | N/A | Ukraine | 39 | 35 | 34 | 32 | N/A |
| Russian Federation | 345 | 266 | 361 | 377 | N/A | United Arab Emirates | 10 | 19 | 15 | 22 | N/A |
| Saint Kitts & Nevis | 6 | - | - | - | N/A | United Kingdom | 8,215 | 6,679 | 8,603 | 9,127 | N/A |
| Samoa ⁴ | - | - | - | 5 | N/A | Uruguay | 10 | 9 | 11 | 18 | N/A |
| Saudi Arabia | 33 | 37 | 41 | 51 | N/A | Uzbekistan | 1 | 1 | - | 1 | N/A |
| Serbia | - | - | - | 7 | N/A | Vanuatu (New Hebrides) ⁴ | - | - | - | 1 | N/A |
| Serbia & Montenegro | - | 3 | 6 | - | N/A | Venezuela | 30 | 27 | 31 | 33 | N/A |
| Seychelles | 3 | - | 2 | 1 | N/A | Vietnam | 1 | 3 | 6 | 4 | N/A |
| Singapore | 817 | 902 | 949 | 1,183 | N/A | West Bank/Gaza ⁴ | - | - | - | 1 | N/A |
| Slovakia | 6 | 7 | 18 | 29 | N/A | Yugoslavia | 10 | - | - | - | N/A |
| Slovenia | 55 | 46 | 50 | 47 | N/A | Zimbabwe | 1 | 2 | 1 | - | N/A |

- Represents zero.

¹ Data include utility, design, plant, and reissue applications. Country listings include possessions and territories of that country unless listed separately in the table. Data is subject to minor revisions.

² FY 2006 data is updated and final.

³ FY 2007 preliminary data should be available December 2007, and finalized in the FY 2008 PAR.

⁴ Countries/Territories not previously reported.

TABLE 10

PATENTS ISSUED BY THE UNITED STATES TO RESIDENTS OF FOREIGN COUNTRIES¹
(FY 2003 - FY 2007)²

| Residence | 2003 | 2004 | 2005 | 2006 | 2007 | Residence | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------------|---------------|---------------|---------------|---------------|---------------|----------------------|--------|--------|--------|--------|--------|
| Total | 89,701 | 89,258 | 80,245 | 87,014 | 89,759 | France | 4,227 | 3,846 | 3,355 | 3,542 | 3,758 |
| Algeria | - | 1 | - | 1 | - | French Polynesia | - | - | - | - | 1 |
| Andorra | 1 | 1 | 2 | - | 1 | Gabon | - | - | - | - | 1 |
| Angola | - | 1 | - | - | - | Georgia | 3 | 4 | 2 | 2 | 7 |
| Anguilla | - | - | - | - | 1 | Germany | 12,361 | 11,623 | 10,502 | 10,083 | 10,256 |
| Arab Emirates | 3 | 3 | 4 | 7 | 5 | Ghana | - | - | - | - | 1 |
| Argentina | 68 | 57 | 37 | 39 | 52 | Gibraltar | - | - | - | - | 1 |
| Armenia | 2 | 1 | - | 3 | 1 | Greece | 26 | 15 | 18 | 22 | 26 |
| Aruba | - | 1 | - | - | - | Guatemala | 3 | - | 1 | 1 | - |
| Australia | 1,042 | 1,079 | 1,091 | 1,413 | 1,493 | Honduras | 1 | - | 1 | - | 2 |
| Austria | 627 | 606 | 546 | 575 | 553 | Hungary | 67 | 62 | 48 | 41 | 55 |
| Azerbaijan | - | 2 | - | 1 | 2 | Iceland | 17 | 18 | 23 | 22 | 20 |
| Bahamas | 6 | 11 | 9 | 7 | 3 | India | 339 | 366 | 405 | 470 | 560 |
| Bangladesh | 1 | - | - | - | - | Indonesia | 13 | 12 | 36 | 11 | 16 |
| Barbados | 2 | - | - | 2 | 2 | Iran | - | - | 1 | - | 4 |
| Belarus | 6 | 2 | 2 | 3 | 7 | Ireland | 180 | 188 | 192 | 186 | 174 |
| Belgium | 762 | 698 | 629 | 665 | 629 | Israel | 1,265 | 1,157 | 1,000 | 1,231 | 1,218 |
| Benin | - | - | - | - | 1 | Italy | 2,015 | 2,009 | 1,706 | 1,817 | 1,791 |
| Bermuda | 7 | 4 | 2 | - | 6 | Ivory Coast | - | 1 | - | - | - |
| Bolivia | 1 | - | - | - | - | Jamaica | 1 | 1 | 1 | - | 1 |
| Brazil | 150 | 192 | 93 | 152 | 112 | Japan | 37,860 | 37,734 | 34,079 | 36,482 | 36,656 |
| British Virgin Islands | 8 | 10 | 7 | 5 | 1 | Jordan | 1 | 2 | - | 1 | 1 |
| Bulgaria | 9 | 8 | 6 | 4 | 3 | Kazakhstan | 1 | 2 | 2 | 1 | 3 |
| Cameroon | - | - | - | - | 1 | Kenya | 7 | 18 | 10 | 4 | 1 |
| Canada | 3,870 | 3,980 | 3,368 | 3,743 | 3,974 | Korea, Republic of | 4,198 | 4,590 | 4,811 | 5,835 | 6,882 |
| Cayman Islands | 11 | 2 | 2 | - | 12 | Kuwait | 5 | 6 | 3 | 6 | 7 |
| Chile | 16 | 17 | 15 | 12 | 25 | Latvia | 2 | 4 | 2 | 2 | 2 |
| China (Hong Kong) | 667 | 672 | 627 | 717 | 733 | Lebanon | 6 | 3 | 1 | 2 | 2 |
| China (Mainland) | 442 | 551 | 583 | 868 | 1,139 | Liechtenstein | 20 | 17 | 16 | 13 | 14 |
| Colombia | 11 | 11 | 9 | 7 | 8 | Lithuania | 4 | 3 | 5 | 6 | 9 |
| Costa Rica | 10 | 7 | 12 | 29 | 14 | Luxembourg | 55 | 56 | 49 | 48 | 58 |
| Croatia | 14 | 9 | 10 | 17 | 15 | Macau | 6 | 2 | 1 | 3 | - |
| Cuba | 8 | 4 | 3 | 2 | 2 | Macedonia, Former | 1 | - | - | - | - |
| Cyprus | 1 | 2 | 6 | 4 | 4 | Malaysia | 65 | 86 | 95 | 124 | 154 |
| Czech Republic | 38 | 41 | 28 | 28 | 39 | Malta | 3 | 2 | 1 | 1 | 1 |
| Denmark | 609 | 580 | 463 | 547 | 494 | Mexico | 93 | 113 | 88 | 93 | 89 |
| Dominican Republic | 1 | - | 1 | 3 | 2 | Moldova, Republic | 1 | 4 | 1 | - | - |
| Ecuador | 5 | 2 | 3 | 2 | 5 | Monaco | 12 | 16 | 8 | 9 | 13 |
| Egypt | 6 | 4 | 7 | 3 | 10 | Morocco | 1 | 1 | - | 4 | 1 |
| El Salvador | - | 2 | 2 | 2 | - | Netherlands | 1,640 | 1,619 | 1,268 | 1,504 | 1,594 |
| Estonia | 4 | 2 | 3 | 4 | 10 | Netherlands Antilles | 1 | - | - | - | 1 |
| Ethiopia | - | - | - | - | 1 | New Guinea | 1 | - | - | - | - |
| Fiji | 2 | 1 | 1 | - | 1 | New Zealand | 171 | 187 | 163 | 159 | 157 |
| Finland | 904 | 1,002 | 778 | 946 | 967 | Nicaragua | - | 1 | - | - | - |
| | | | | | | Nigeria | 5 | 2 | - | - | 1 |

**TABLE 10
CONT.****PATENTS ISSUED BY THE UNITED STATES TO RESIDENTS OF FOREIGN COUNTRIES¹
(FY 2003 - FY 2007)²**

| Residence | 2003 | 2004 | 2005 | 2006 | 2007 | Residence | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------------------------|------|------|------|------|------|--------------------------|-------|-------|-------|-------|-------|
| Norway | 277 | 271 | 245 | 250 | 285 | Slovenia | 16 | 23 | 17 | 21 | 23 |
| Oman | - | - | - | 1 | - | South Africa | 145 | 107 | 115 | 123 | 117 |
| Pakistan | 1 | 3 | 4 | 3 | 4 | Spain | 341 | 337 | 320 | 373 | 350 |
| Palau | - | 1 | - | - | - | Sri Lanka | 14 | 2 | 3 | 1 | 5 |
| Panama | 2 | 2 | 1 | - | - | Sweden | 1,708 | 1,452 | 1,269 | 1,255 | 1,298 |
| Paraguay | - | - | - | 1 | - | Switzerland | 1,513 | 1,406 | 1,214 | 1,295 | 1,283 |
| Peru | 5 | 5 | 4 | 2 | 2 | Syrian Arab Rep | 1 | 1 | - | 3 | 1 |
| Philippines | 17 | 28 | 18 | 30 | 26 | Taiwan | 6,719 | 7,376 | 6,311 | 7,356 | 7,569 |
| Poland | 16 | 18 | 29 | 26 | 37 | Tanzania | 2 | - | - | - | - |
| Portugal | 12 | 16 | 14 | 18 | 16 | Thailand | 53 | 33 | 28 | 38 | 29 |
| Qatar | - | - | 2 | 2 | - | Trinidad & Tobago | 2 | - | - | 3 | 1 |
| Romania | 8 | 8 | 6 | 11 | 11 | Tunisia | - | 1 | 1 | 1 | 1 |
| Russian Federation | 208 | 187 | 160 | 169 | 183 | Turkey | 21 | 31 | 11 | 24 | 19 |
| Saint Kitts & Nevis | 1 | - | - | - | - | Turks and Caicos Islands | 2 | 1 | 7 | 1 | 1 |
| Samoa | - | - | - | - | 4 | Ukraine | 14 | 21 | 18 | 27 | 14 |
| Saudi Arabia | 20 | 13 | 16 | 21 | 23 | United Kingdom | 4,117 | 4,047 | 3,744 | 3,978 | 4,100 |
| Serbia ³ | - | - | - | 2 | 6 | Uruguay | 1 | 1 | 1 | 1 | 3 |
| Serbia and Montenegro ³ | 1 | 1 | 5 | - | - | Uzbekistan | - | 1 | - | 1 | - |
| Seychelles | - | - | - | - | 2 | Venezuela | 23 | 24 | 14 | 14 | 13 |
| Singapore | 443 | 498 | 420 | 424 | 457 | Vietnam | 1 | 1 | 2 | - | 1 |
| Slovakia | 5 | 6 | 1 | 2 | 8 | Zimbabwe | 1 | - | 2 | 1 | 1 |

- Represents zero.

¹ Data include utility, design, plant, and reissue patents. Country listings include possessions and territories of that country unless separately listed in the table.

² FY 2007 numbers are preliminary. Past years' data may have been revised from prior year reports to reflect patent withdrawal information that was updated during the year. It is not uncommon for the withdrawal status of patents issued in prior years to change.

³ Each patent grant is listed under only one country of residence.

TABLE 11**STATUTORY INVENTION REGISTRATIONS PUBLISHED
(FY 2003 - 2007)**

| Assignee | 2003 | 2004 | 2005 | 2006 | 2007 |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
| Air Force | 2 | 5 | 6 | 8 | 7 |
| Army | - | 1 | - | - | - |
| Energy | - | - | - | - | - |
| Navy | 6 | 4 | 3 | 12 | 4 |
| Health & Human Services | 1 | - | - | - | - |
| USA ¹ | - | - | - | 1 | - |
| Other Than U.S. Government | 25 | 17 | 5 | 20 | 16 |
| Total | 34 | 27 | 14 | 41 | 27 |

- Represents zero.

¹ United States of America - no agency indicated in database.

TABLE 12**UNITED STATES GOVERNMENT AGENCY PATENTS¹
(FY 2003 - FY 2007)²**

| AGENCY | 2003 | 2004 | 2005 | 2006 | 2007 | TOTAL |
|------------------|------------|------------|------------|------------|------------|--------------|
| Agriculture | 58 | 51 | 25 | 35 | 31 | 200 |
| Air Force | 75 | 54 | 38 | 58 | 33 | 258 |
| Army | 140 | 130 | 124 | 167 | 155 | 716 |
| Attorney General | 1 | - | - | 1 | - | 2 |
| Commerce | 13 | 9 | 8 | 5 | 2 | 37 |
| Energy | 43 | 46 | 22 | 23 | 22 | 156 |
| EPA | 5 | 11 | 7 | 11 | 9 | 43 |
| FCC | - | - | - | - | - | 0 |
| HEW/HHS | 84 | 125 | 77 | 108 | 116 | 510 |
| Interior | 13 | 7 | 12 | 2 | 6 | 40 |
| NASA | 82 | 108 | 78 | 74 | 65 | 407 |
| Navy | 360 | 353 | 257 | 267 | 255 | 1,492 |
| NSA | 15 | 10 | 10 | 16 | 11 | 62 |
| NSF | - | 1 | - | - | - | 1 |
| Postal Service | 4 | 3 | 7 | 14 | 15 | 43 |
| State Department | - | - | 1 | - | - | 1 |
| Transportation | 5 | 1 | 2 | - | - | 8 |
| TVA | 2 | 1 | 1 | 1 | - | 5 |
| USA ³ | - | 1 | - | 2 | 1 | 4 |
| VA | 4 | 1 | 6 | 2 | 5 | 18 |
| Total | 904 | 912 | 675 | 786 | 726 | 4,003 |

- Represents zero.

¹ Data in this table represent utility patents assigned to agencies at the time of patent issue. Data is subject to minor revisions.

² FY 2007 numbers are preliminary. Past years' data may have been revised from prior year reports to reflect patent withdrawal information that was updated during the year. It is not uncommon for the withdrawal status of patents issued in prior years to change.

³ United States of America - no agency indicated in database.

TABLE 13A**EX PARTE REEXAMINATION
(FY 2003 - FY 2007)**

| ACTIVITY | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|------------|------------|------------|------------|------------|
| Requests filed, total | 392 | 441 | 524 | 511 | 643 |
| By patent owner | 136 | 166 | 166 | 129 | 124 |
| By third party | 239 | 268 | 358 | 382 | 519 |
| Commissioner ordered | 17 | 7 | - | - | - |
| Determinations on requests, total¹ | 381 | 419 | 537 | 458 | 594 |
| Requests granted: | | | | | |
| By examiner | 360 | 408 | 509 | 422 | 575 |
| By petition | 1 | - | 2 | 5 | 2 |
| Requests denied | 20 | 11 | 26 | 31 | 17 |
| Requests known to have related litigation | 109 | 138 | 176 | 229 | 369 |
| Filings by discipline, total | 392 | 441 | 524 | 511 | 643 |
| Chemical | 124 | 130 | 138 | 118 | 133 |
| Electrical | 118 | 156 | 188 | 228 | 275 |
| Mechanical | 150 | 155 | 198 | 165 | 235 |

¹ Past years' data have been revised from prior year reports.

TABLE 13B**INTER PARTES REEXAMINATION
(FY 2003 - FY 2007)**

| ACTIVITY | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|-----------|-----------|-----------|-----------|------------|
| Requests filed, total | 21 | 27 | 59 | 70 | 126 |
| Determinations on requests, total | 20 | 25 | 57 | 47 | 119 |
| Requests granted: | | | | | |
| By examiner | 18 | 25 | 54 | 43 | 118 |
| By petition | - | - | - | - | - |
| Requests denied | 2 | - | 3 | 4 | 1 |
| Requests known to have related litigation | 7 | 5 | 29 | 32 | 81 |
| Filings by discipline, total | 21 | 27 | 59 | 70 | 126 |
| Chemical | 3 | 6 | 17 | 17 | 30 |
| Electrical | 7 | 7 | 20 | 27 | 53 |
| Mechanical | 11 | 14 | 22 | 26 | 43 |

TABLE 14**SUMMARY OF CONTESTED PATENT CASES
(Within the USPTO, as of September 30, 2007)**

| ITEM | TOTAL |
|---|--------------|
| Ex parte cases | |
| Appeals | |
| Cases pending as of 9/30/06 | 1,357 |
| Cases filed during FY 2007 | 4,639 |
| Disposals during FY 2007, total | |
| Decided, total | 3,485 |
| Affirmed | 1,928 |
| Affirmed-in-Part | 469 |
| Reversed | 875 |
| Dismissed/Withdrawn | 43 |
| Remanded | 170 |
| Cases pending as of 9/30/07 | 2,511 |
| Rehearings | |
| Cases pending as of 9/30/07 | 27 |
| Inter partes cases | |
| Cases pending as of 9/30/06 | 96 |
| Cases declared or reinstated during FY 2007 | 58 |
| Inter partes cases, FY 2007 total | 154 |
| Cases terminated during FY 2007 | 95 |
| Cases pending as of 9/30/07 | 59 |

TABLE 15

**SUMMARY OF TRADEMARK EXAMINING ACTIVITIES
(FY 2003 - FY 2007)**

| ITEM | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|------------------|------------------|------------------|------------------|------------------|
| Applications for Registration: | | | | | |
| Applications including Additional Classes | 267,218 | 298,489 | 323,501 | 354,775 | 394,368 |
| Applications Filed | 218,596 | 244,848 | 258,527 | 275,790 | 298,796 |
| Disposal of Trademark Applications: | | | | | |
| Registrations including Additional Classes | 185,182 | 155,991 | 143,396 | 188,899 | 194,327 |
| Abandonments including Additional Classes | 119,858 | 109,931 | 108,879 | 126,884 | 129,200 |
| Trademark First Actions including Additional Classes | 276,568 | 268,865 | 317,757 | 405,998 | 455,802 |
| Applications Approved for Publication including Additional Classes | 168,235 | 186,271 | 211,624 | 288,042 | 344,617 |
| Certificates of Registration Issued:¹ | | | | | |
| 1946 Act Principal Register | 83,022 | 65,797 | 63,088 | 95,188 | 98,564 |
| Principal Register | | | | | |
| ITU-Statements of Use Registered | 54,046 | 49,479 | 43,930 | 45,720 | 44,108 |
| 1946 Act Supplemental Register | 6,356 | 4,780 | 5,477 | 6,210 | 7,392 |
| Total Certificates of Registration | 143,424 | 120,056 | 112,495 | 147,118 | 150,064 |
| Renewal of Registration:* | | | | | |
| Section 9 Applications Filed | 35,210 | 32,352 | 39,354 | 36,939 | 40,786 |
| Section 8 Applications Filed** | 34,189 | 32,389 | 39,659 | 36,952 | 40,798 |
| Registrations Renewed | 34,370 | 34,735 | 32,279 | 37,305 | 47,336 |
| Affidavits, Sec. 8/15: | | | | | |
| Affidavits Filed | 43,151 | 41,157 | 47,752 | 48,444 | 49,241 |
| Affidavits Disposed | 39,603 | 40,765 | 41,466 | 45,676 | 55,888 |
| Affidavits for Benefits: | | | | | |
| Under Sec. 12(c) | 1 | 9 | 1 | - | 4 |
| Published Under Sec. 12(c) | 5 | 4 | 3 | 1 | 13 |
| Amendments to Allege Use Filed | 8,458 | 9,414 | 9,497 | 10,007 | 9,646 |
| Statements of Use Filed | 67,222 | 57,731 | 54,182 | 67,543 | 76,866 |
| Notice of Allowance Issued | 139,332 | 108,684 | 108,268 | 164,752 | 172,422 |
| Total Active Certificates of Registration | 1,184,888 | 1,216,691 | 1,255,570 | 1,322,155 | 1,380,150 |
| Pendency - Average Months: | | | | | |
| Between Filing and Examiner's First Action | 5.4 | 6.6 | 6.3 | 4.8 | 2.9 |
| Between Filing, Registration (Use Applications) | | | | | |
| Abandonments and NOA's - including suspended and inter partes proceedings | 19.8 | 19.5 | 19.6 | 18.0 | 15.1 |
| Between Filing, Registration (Use Applications) | | | | | |
| Abandonments and NOA's - excluding suspended and inter partes proceedings | 16.2 | 16.2 | 17.2 | 15.5 | 13.4 |

- Represents zero.

¹ With the exception of Certificates of Registration, Renewal of Registration, Affidavits filed under Section 8/15 and 12(c), the workload count includes extra classes.

"Applications filed" refers simply to the number of individual trademark applications received by the USPTO. There are, however, 47 different classes of items in which a trademark may be registered. An application must request registration in at least one class, but may request registration in multiple classes. Each class application must be individually researched for registrability. "Applications filed, including additional classes" reflects this fact, and therefore more accurately reflects the Trademark business workload. With the exception of Certificates of Registration, Renewal of Registration, Affidavits filed under Section 8/15 and 12(c), the workload count includes extra classes.

* Renewal of registration is required beginning 10 years following registration concurrent with 20-year renewals coming due.

** Section 8 Affidavit is required for filing a renewal beginning October 30, 1999 (FY 2000) with the implementation of the Trademark Law Treaty.

TABLE 16

**TRADEMARK APPLICATIONS FILED FOR REGISTRATION
AND RENEWAL AND TRADEMARK AFFIDAVITS FILED
(FY 1987 - FY 2007)**

| YEAR | FOR REGISTRATION | FOR RENEWAL ¹ | SECTION 8 AFFIDAVIT | SEC. 12(C) AFFIDAVIT |
|-------------|------------------|--------------------------|---------------------|----------------------|
| 1987 | 70,002 | 5,871 | 16,644 | 34 |
| 1988 | 76,813 | 6,763 | 18,316 | 23 |
| 1989 | 83,169 | 6,127 | 17,986 | 104 |
| 1990 | 127,294 | 6,602 | 20,636 | 5 |
| 1991 | 120,365 | 5,634 | 25,763 | 1 |
| 1992 | 125,237 | 6,355 | 20,982 | 25 |
| 1993 | 139,735 | 7,173 | 21,999 | 5 |
| 1994 | 155,376 | 7,004 | 20,850 | 4 |
| 1995 | 175,307 | 7,346 | 23,497 | - |
| 1996 | 200,640 | 7,543 | 22,169 | 6 |
| 1997 | 224,355 | 6,720 | 20,781 | 2 |
| 1998 | 232,384 | 7,413 | 33,231 | - |
| 1999 | 295,165 | 7,944 | 33,104 | - |
| 2000 | 375,428 | 24,435 | 28,920 | - |
| 2001 | 296,388 | 24,174 | 33,547 | 4 |
| 2002 | 258,873 | 34,325 | 39,484 | - |
| 2003 | 267,218 | 35,210 | 43,151 | 1 |
| 2004 | 298,489 | 32,352 | 41,157 | 9 |
| 2005 | 323,501 | 39,354 | 47,752 | 1 |
| 2006 | 354,775 | 36,939 | 48,444 | - |
| 2007 | 394,368 | 40,786 | 49,241 | 4 |

- Represents zero.

¹ Renewal of registration term changed with implementation of the Trademark Law Reform Act (Pub.L. 100-667) beginning November 16, 1989 (FY1990).

TABLE 17

**SUMMARY OF PENDING TRADEMARK APPLICATIONS
(FY 2007)**

| STAGE OF PROCESSING | APPLICATION FILES | CLASSES |
|---|-------------------|----------------|
| Pending applications, total | 518,080 | 709,001 |
| In preexamination processing | 63,496 | 79,565 |
| Under examination, total | 332,071 | 465,002 |
| Applications under initial examination | 119,128 | 170,476 |
| Amended, awaiting action by Examiner | 116,569 | 167,142 |
| Awaiting first action by Examiner | 2,559 | 3,334 |
| Intent-To-Use applications pending Use | 169,947 | 229,511 |
| Applications under second examination | 11,349 | 14,942 |
| Administrative processing of Statements of Use | 137 | 160 |
| Undergoing second examination | 2,985 | 3,910 |
| Amended, awaiting action by Examiner | 8,227 | 10,872 |
| Other pending applications¹ | 31,647 | 50,073 |
| In post-examination processing | 122,513 | 164,434 |
| (Includes all applications in all phases of publication and issue and registration) | | |

¹ Includes applications pending before the Trademark Trial and Appeal Board, and suspended cases.

TABLE 18

**TRADEMARKS REGISTERED, RENEWED, AND PUBLISHED
UNDER SECTION 12(C)¹
(FY 1987 - FY 2007)**

| YEAR | CERTIFICATES OF REGIS. ISSUED | RENEWED² | PUBLISHED UNDER 12(C) | REGISTRATIONS <i>(Incl. Classes)</i> |
|-------------|--------------------------------------|----------------------------|------------------------------|---|
| 1987 | 47,522 | 4,415 | 24 | - |
| 1988 | 46,704 | 5,884 | 29 | - |
| 1989 | 51,802 | 9,209 | 84 | - |
| 1990 | 56,515 | 7,122 | 19 | - |
| 1991 | 43,152 | 6,416 | 19 | - |
| 1992 | 62,067 | 5,733 | 13 | - |
| 1993 | 74,349 | 6,182 | 21 | 86,122 |
| 1994 | 59,797 | 6,136 | 11 | 68,853 |
| 1995 | 65,662 | 6,785 | 4 | 75,372 |
| 1996 | 78,674 | 7,346 | 11 | 91,339 |
| 1997 | 97,294 | 7,389 | 11 | 112,509 |
| 1998 | 89,634 | 6,504 | 8 | 106,279 |
| 1999 | 87,774 | 6,280 | 3 | 104,324 |
| 2000 | 106,383 | 8,821 | 15 | 127,794 |
| 2001 | 102,314 | 31,477 | 11 | 124,502 |
| 2002 | 133,225 | 29,957 | 26 | 164,457 |
| 2003 | 143,424 | 34,370 | 5 | 185,182 |
| 2004 | 120,056 | 34,735 | 4 | 155,991 |
| 2005 | 112,495 | 32,279 | 3 | 143,396 |
| 2006 | 147,118 | 37,305 | 1 | 188,899 |
| 2007 | 150,064 | 47,336 | 13 | 194,327 |

- Represents zero.

¹ Includes withdrawn numbers.

² Includes Renewal of registration term changed with implementation of the Trademark Law Reform Act (Pub.L. 100-667) beginning November 16, 1989 (FY 1990).

TABLE 19**TRADEMARK APPLICATIONS FILED BY RESIDENTS OF THE UNITED STATES
(FY 2007)**

| State/Territory | 2007 | State/Territory | 2007 | State/Territory | 2007 |
|----------------------|----------------|-----------------|--------|-----------------------------------|--------|
| Total | 310,296 | Kentucky | 1,602 | Oklahoma | 1,389 |
| Alabama | 1,660 | Louisiana | 1,510 | Oregon | 3,343 |
| Alaska | 256 | Maine | 806 | Pennsylvania | 8,823 |
| Arizona | 6,351 | Maryland | 5,779 | Rhode Island | 1,120 |
| Arkansas | 988 | Massachusetts | 9,062 | South Carolina | 1,983 |
| California | 68,417 | Michigan | 6,070 | South Dakota | 454 |
| Colorado | 6,533 | Minnesota | 6,177 | Tennessee | 3,910 |
| Connecticut | 4,784 | Mississippi | 637 | Texas | 17,083 |
| Delaware | 3,710 | Missouri | 4,137 | Utah | 3,335 |
| District of Columbia | 2,685 | Montana | 655 | Vermont | 606 |
| Florida | 20,314 | Nebraska | 1,219 | Virginia | 7,001 |
| Georgia | 8,933 | Nevada | 6,235 | Washington | 7,132 |
| Hawaii | 1,085 | New Hampshire | 1,050 | West Virginia | 378 |
| Idaho | 900 | New Jersey | 11,476 | Wisconsin | 4,023 |
| Illinois | 13,648 | New Mexico | 860 | Wyoming | 379 |
| Indiana | 3,016 | New York | 31,182 | Puerto Rico | 352 |
| Iowa | 1,470 | North Carolina | 5,610 | Virgin Islands | 61 |
| Kansas | 1,677 | North Dakota | 258 | U.S. Pacific Islands ¹ | 30 |
| | | Ohio | 7,868 | United States ² | 184 |

¹ Represents residents of American Samoa, Guam, and miscellaneous U.S. Pacific Islands.

² No state indicated in database, includes APO filings.

TABLE 20**TRADEMARKS REGISTERED TO RESIDENTS OF THE UNITED STATES¹
(FY 2007)**

| State/Territory | 2007 | State/Territory | 2007 | State/Territory | 2007 |
|----------------------|----------------|-----------------|-------|-----------------------------------|--------|
| Total | 122,266 | Kentucky | 475 | Oklahoma | 525 |
| Alabama | 382 | Louisiana | 391 | Oregon | 1,196 |
| Alaska | 74 | Maine | 362 | Pennsylvania | 2,452 |
| Arizona | 1,597 | Maryland | 1,511 | Rhode Island | 348 |
| Arkansas | 246 | Massachusetts | 2,056 | South Carolina | 552 |
| California | 13,965 | Michigan | 2,140 | South Dakota | 175 |
| Colorado | 1,866 | Minnesota | 2,289 | Tennessee | 1,049 |
| Connecticut | 1,040 | Mississippi | 176 | Texas | 4,410 |
| Delaware | 23,801 | Missouri | 1,543 | Utah | 905 |
| District of Columbia | 782 | Montana | 198 | Vermont | 240 |
| Florida | 5,779 | Nebraska | 429 | Virginia | 1,905 |
| Georgia | 2,050 | Nevada | 2,777 | Washington | 2,095 |
| Hawaii | 264 | New Hampshire | 334 | West Virginia | 115 |
| Idaho | 260 | New Jersey | 2,691 | Wisconsin | 1,673 |
| Illinois | 3,910 | New Mexico | 246 | Wyoming | 145 |
| Indiana | 1,236 | New York | 7,064 | Puerto Rico | 108 |
| Iowa | 715 | North Carolina | 1,492 | Virgin Islands | 13 |
| Kansas | 557 | North Dakota | 91 | U.S. Pacific Islands ² | 6 |
| | | Ohio | 2,869 | United States ³ | 16,696 |

¹ When a trademark is registered, the trademark database is corrected to indicate the home state of the entity registering the trademark.

² Represents residents of American Samoa, Guam, and miscellaneous U.S. Pacific Islands.

³ No state indicated in database, includes APO filings.

TABLE 21

**TRADEMARK APPLICATIONS FILED BY RESIDENTS OF FOREIGN COUNTRIES
(FY 2003 - FY 2007)**

| Residence | 2003 | 2004 | 2005 | 2006 | 2007 | Residence | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------------|---------------|---------------|---------------|---------------|---------------|-------------------------|-------|-------|-------|-------|--------|
| Total | 49,371 | 46,832 | 60,995 | 71,551 | 84,072 | Dominica | - | 1 | 3 | 6 | 2 |
| Afghanistan | - | - | - | 3 | 2 | Dominican Republic | 57 | 13 | 47 | 64 | 70 |
| Albania | 1 | 1 | 1 | 19 | 1 | East Timor | 1 | - | - | - | - |
| Algeria | - | - | - | - | 1 | Ecuador | 15 | 25 | 18 | 15 | 28 |
| Andorra | 3 | - | 3 | 7 | 2 | Egypt | 8 | 19 | 17 | 8 | 11 |
| Angola | - | - | 2 | - | - | El Salvador | 35 | 55 | 50 | 31 | 69 |
| Anguilla | 7 | 6 | 4 | 8 | 4 | Estonia | 4 | 3 | 16 | 24 | 26 |
| Antigua & Barbuda | - | 2 | 26 | 97 | 2 | Ethiopia | 1 | - | 4 | - | - |
| Argentina | 266 | 202 | 225 | 228 | 253 | Fiji | 3 | 2 | 12 | 1 | 3 |
| Armenia | - | 1 | 2 | 22 | 5 | Finland | 336 | 275 | 374 | 476 | 548 |
| Aruba | 6 | 3 | 24 | - | 18 | France | 3,473 | 2,427 | 4,555 | 4,843 | 5,460 |
| Australia | 1,794 | 1,845 | 2,204 | 2,593 | 3,685 | French Polynesia | 6 | 49 | 16 | 9 | 9 |
| Austria | 444 | 401 | 696 | 1,125 | 1,187 | Georgia | 1 | 2 | 6 | 4 | 2 |
| Azerbaijan | - | 5 | - | - | 2 | Germany | 6,412 | 6,466 | 8,146 | 9,896 | 11,455 |
| Bahamas | 158 | 139 | 207 | 192 | 218 | Gibraltar | 21 | 24 | 65 | 50 | 59 |
| Bahrain | 4 | 10 | 3 | 7 | 17 | Greece | 44 | 236 | 64 | 120 | 126 |
| Bangladesh | - | - | - | - | 10 | Greenland | - | - | - | 5 | - |
| Barbados | 165 | 207 | 213 | 177 | 322 | Grenada | - | - | 1 | 1 | 1 |
| Belarus | 1 | - | 18 | 3 | 16 | Guadeloupe | 2 | 2 | 3 | - | 2 |
| Belgium | 425 | 266 | 581 | 606 | 804 | Guatemala | 8 | 39 | 42 | 31 | 56 |
| Belize | 9 | 9 | 12 | 52 | 30 | Guyana | 1 | 1 | 6 | 5 | 2 |
| Benin | - | 3 | 2 | - | - | Haiti | 5 | 8 | 4 | 3 | 2 |
| Bermuda | 340 | 282 | 251 | 234 | 353 | Honduras | 6 | 5 | 4 | 19 | 5 |
| Bhutan | - | - | - | - | 1 | Hong Kong | 794 | 862 | 1,130 | 1,113 | 1,305 |
| Bolivia | 1 | 2 | 4 | - | 3 | Hungary | 33 | 40 | 88 | 115 | 135 |
| Bosnia & Herzegovina | - | - | - | - | 2 | Iceland | 35 | 86 | 42 | 74 | 140 |
| Brazil | 400 | 453 | 495 | 445 | 525 | India | 291 | 260 | 275 | 346 | 412 |
| British Virgin Islands | 202 | 151 | 389 | 665 | 625 | Indonesia | 45 | 24 | 55 | 32 | 35 |
| Brunei | - | - | 1 | 2 | 3 | Iran | 1 | 20 | 12 | 13 | 9 |
| Bulgaria | 13 | 17 | 84 | 81 | 145 | Ireland | 317 | 359 | 392 | 488 | 634 |
| Cambodia | - | 1 | - | 1 | - | Isle of Man | 27 | 27 | 56 | 59 | 82 |
| Cameroon | - | 2 | - | 8 | - | Israel | 480 | 476 | 534 | 614 | 761 |
| Canada | 6,838 | 7,365 | 7,730 | 8,337 | 9,127 | Italy | 2,115 | 1,577 | 2,894 | 4,057 | 4,912 |
| Cape Verde | 2 | - | - | 1 | 1 | Jamaica | 31 | 50 | 55 | 55 | 32 |
| Cayman Islands | 113 | 81 | 188 | 134 | 296 | Japan | 4,342 | 4,239 | 4,824 | 4,705 | 5,258 |
| Channel Islands | 50 | 27 | 73 | 67 | 104 | Jordan | 6 | 18 | 7 | 14 | 15 |
| Chile | 190 | 183 | 217 | 161 | 201 | Kazakhstan | - | 2 | - | - | 5 |
| China (mainland) | 474 | 594 | 1,246 | 1,784 | 2,364 | Kenya | 21 | 9 | 9 | 13 | 1 |
| Colombia | 151 | 181 | 156 | 185 | 249 | Korea, Dem. Republic of | 6 | - | 1 | 3 | 2 |
| Cook Islands | 4 | 3 | 2 | 6 | - | Korea, Republic of | 758 | 446 | 614 | 1,207 | 1,599 |
| Costa Rica | 32 | 41 | 58 | 73 | 68 | Kuwait | - | 3 | 2 | 12 | 37 |
| Croatia | 6 | 10 | 47 | 34 | 12 | Kyrgyzstan | - | - | 2 | - | - |
| Cuba | - | 2 | 26 | 11 | 3 | Latvia | 7 | 8 | 29 | 29 | 29 |
| Cyprus | 66 | 60 | 73 | 115 | 88 | Lebanon | 13 | 14 | 22 | 14 | 7 |
| Czechoslovakia | 55 | 59 | 93 | 164 | 212 | Liechtenstein | 58 | 56 | 165 | 180 | 202 |
| Denmark | 564 | 353 | 637 | 886 | 922 | Lithuania | 1 | 1 | 9 | 21 | 6 |
| | | | | | | Luxembourg | 130 | 134 | 294 | 403 | 403 |

TABLE 21
CONT.**TRADEMARK APPLICATIONS FILED BY RESIDENTS OF FOREIGN COUNTRIES**
(FY 2003 - FY 2007)

| Residence | 2003 | 2004 | 2005 | 2006 | 2007 | Residence | 2003 | 2004 | 2005 | 2006 | 2007 |
|----------------------|-------|-------|-------|-------|-------|--------------------------|-------|-------|-------|-------|-------|
| Macao | - | 1 | 1 | 4 | 2 | Saint Vincent/Grenadines | - | 1 | 3 | 2 | - |
| Macau | 5 | - | - | - | 1 | Samoa | - | 1 | 2 | 11 | 6 |
| Macedonia | 1 | - | - | 2 | 8 | San Marino | - | 3 | 2 | 4 | 4 |
| Madagascar | - | 2 | - | 1 | - | Saudi Arabia | 26 | 21 | 27 | 50 | 71 |
| Malaysia | 28 | 98 | 97 | 81 | 93 | Scotland | 94 | 35 | 66 | 105 | 93 |
| Malta | 29 | 10 | 8 | 50 | 24 | Senegal, Republic of | - | - | - | 2 | - |
| Marshall Islands | - | 4 | 2 | 4 | - | Serbia/Montenegro | - | 3 | 3 | - | 42 |
| Martinique | - | - | - | - | 1 | Seychelles | 1 | 1 | 5 | 23 | 24 |
| Mauritania | - | - | 2 | - | - | Sierra Leone | - | - | 1 | - | - |
| Mauritius | 44 | 46 | 27 | 61 | 63 | Singapore | 285 | 205 | 311 | 355 | 503 |
| Mexico | 994 | 1,103 | 1,403 | 1,487 | 1,592 | Slovakia | 7 | 2 | 24 | 31 | 67 |
| Micronesia | - | - | 2 | 2 | 1 | Slovenia | 38 | 13 | 53 | 67 | 171 |
| Monaco | 68 | 69 | 81 | 147 | 158 | South Africa | 175 | 194 | 208 | 285 | 241 |
| Mongolia | 3 | 1 | - | - | 1 | Russian Federation | 144 | 118 | 276 | 380 | 441 |
| Montserrat | 1 | - | - | - | - | Spain | 984 | 1,097 | 1,136 | 1,735 | 1,742 |
| Morocco | 2 | 2 | 18 | 33 | 26 | Sri Lanka | 10 | 20 | 12 | 21 | 16 |
| Mozambique | - | - | 1 | - | 4 | Suriname | - | 1 | - | - | - |
| Myanmar | 1 | - | - | - | - | Swaziland | 1 | 1 | 2 | - | - |
| N. Mariana Island | 1 | 4 | 2 | 7 | - | Sweden | 919 | 658 | 1,123 | 1,127 | 1,521 |
| Netherlands | 1,331 | 1,088 | 1,725 | 2,133 | 2,367 | Switzerland | 2,867 | 2,093 | 3,346 | 3,687 | 4,692 |
| Netherlands Antilles | 30 | 22 | 41 | 56 | 130 | Syria | - | 1 | 3 | 3 | 1 |
| New Zealand | 362 | 535 | 510 | 513 | 648 | Taiwan | 1,259 | 1,424 | 1,196 | 1,427 | 1,257 |
| Nicaragua | 7 | 10 | 9 | 2 | 4 | Thailand | 153 | 127 | 114 | 80 | 155 |
| Nigeria | 6 | 1 | 1 | 5 | 12 | Togo | - | - | - | 1 | - |
| Niue | - | - | 2 | - | - | Trinidad & Tobago | 11 | 3 | 7 | 11 | 37 |
| Norway | 178 | 159 | 331 | 354 | 616 | Tunisia | 3 | - | 5 | 3 | 6 |
| Oman | - | 5 | 5 | 2 | 1 | Turkey | 166 | 174 | 349 | 461 | 632 |
| Pakistan | 8 | 18 | 12 | 20 | 25 | Turks and Caicos Islands | - | - | - | 24 | 4 |
| Panama | 46 | 108 | 125 | 131 | 88 | Uganda | 7 | - | - | - | - |
| Papua New Guinea | 1 | - | 1 | - | - | Ukraine | 29 | 19 | 59 | 61 | 81 |
| Paraguay | 2 | 28 | 11 | 18 | 7 | United Arab Emirates | 24 | 21 | 48 | 150 | 171 |
| Peru | 28 | 33 | 50 | 40 | 46 | United Kingdom | 5,586 | 5,432 | 6,273 | 7,557 | 9,431 |
| Philippines | 12 | 26 | 56 | 86 | 55 | Uruguay | 36 | 41 | 47 | 37 | 57 |
| Poland | 99 | 97 | 148 | 189 | 196 | Uzbekistan | - | 1 | - | - | - |
| Portugal | 133 | 77 | 198 | 309 | 268 | Vanuatu | 31 | 6 | 7 | 9 | 30 |
| Qatar | - | - | 6 | 10 | 34 | Venezuela | 112 | 73 | 53 | 61 | 77 |
| Republic Moldova | 22 | 2 | 22 | 16 | 18 | Vietnam | 79 | 60 | 39 | 41 | 40 |
| Romania | 1 | 6 | 48 | 24 | 53 | Yemen | - | 1 | 3 | 6 | 3 |
| St. Kitts & Nevis | - | - | - | 3 | - | Yugoslavia | - | 10 | 9 | 36 | 8 |
| Saint Christ-Nevis | 2 | 2 | 12 | 10 | 26 | Zimbabwe | 2 | 1 | - | - | - |
| Saint Lucia | - | 2 | 8 | 4 | 5 | Other ¹ | 143 | 82 | 261 | 183 | 35 |

- Represents zero.

¹ Country of Origin information not available or not indicated in database, includes African Regional Industrial Property Organization filings.

TABLE 22

**TRADEMARKS REGISTERED TO RESIDENTS OF FOREIGN COUNTRIES
(FY 2003 - FY 2007)**

| Residence | 2003 | 2004 | 2005 | 2006 | 2007 | Residence | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------------|---------------|---------------|---------------|---------------|---------------|-------------------------|-------|-------|-------|-------|-------|
| Total | 25,217 | 22,485 | 19,968 | 27,592 | 27,798 | Denmark | 281 | 219 | 193 | 326 | 349 |
| Afghanistan | - | 2 | 2 | 3 | 3 | Dominica | - | - | 1 | - | 4 |
| Albania | - | - | 1 | 2 | 7 | Dominican Republic | 19 | 26 | 27 | 18 | 29 |
| Algeria | - | - | - | 1 | 4 | East Timor | - | - | - | - | 2 |
| Andorra | 1 | 2 | - | 6 | 2 | Ecuador | 18 | 8 | 10 | 18 | 17 |
| Angola, Republic of | - | - | - | 1 | - | Egypt | 4 | 1 | 3 | 10 | 8 |
| Anguilla | 8 | 3 | 5 | 5 | 2 | Eritrea | - | - | - | - | 1 |
| Antarctica | - | - | - | 1 | 1 | Estonia | 3 | 5 | 4 | 5 | 12 |
| Antigua & Barbuda | 11 | 5 | 4 | 16 | 20 | Ethiopia | 1 | - | - | 1 | 1 |
| Argentina | 108 | 142 | 92 | 123 | 130 | Fiji | 5 | 5 | 2 | 2 | 3 |
| Armenia | 6 | 3 | 1 | 7 | 7 | Finland | 200 | 163 | 130 | 173 | 203 |
| Aruba | 2 | 2 | - | 1 | 2 | France | 2,105 | 1,642 | 1,360 | 2,055 | 2,046 |
| Australia | 845 | 775 | 709 | 1,030 | 1,076 | French Guiana | - | - | - | - | 1 |
| Austria | 268 | 199 | 178 | 267 | 273 | French Polynesia | - | 9 | - | 20 | 7 |
| Bahamas | 79 | 57 | 39 | 32 | 52 | Georgia | 10 | 5 | - | 1 | 1 |
| Bahrain | 1 | 2 | 4 | 2 | 1 | Germany | 3,654 | 2,996 | 2,583 | 3,866 | 3,708 |
| Bangladesh | 2 | 2 | 1 | 3 | 3 | Ghana | 2 | - | - | 1 | 1 |
| Barbados | 38 | 56 | 78 | 94 | 84 | Gibraltar | 4 | 7 | 2 | 15 | 11 |
| Belarus | 2 | - | 2 | 2 | 6 | Greece | 15 | 16 | 18 | 27 | 40 |
| Belgium | 272 | 194 | 152 | 243 | 283 | Greenland | - | - | - | - | 1 |
| Belize | 5 | 16 | 3 | 7 | 11 | Grenada | 2 | - | - | - | 1 |
| Benelux Convention | 2 | - | 6 | 7 | 5 | Guatemala | 17 | 11 | 5 | 15 | 30 |
| Bermuda | 108 | 93 | 148 | 130 | 129 | Guyana | 3 | 5 | 1 | 4 | 2 |
| Bolivia | 3 | - | 1 | 4 | 4 | Haiti | 2 | - | - | 8 | 1 |
| Bosnia & Herzegovina | 2 | - | - | - | - | Honduras | 3 | 2 | 1 | 2 | 2 |
| Brazil | 160 | 181 | 152 | 195 | 164 | Hong Kong | 387 | 391 | 290 | 373 | 424 |
| British Virgin Islands | 177 | 167 | 182 | 211 | 242 | Hungary | 13 | 16 | 27 | 38 | 39 |
| Brunei Darussalam | - | - | - | - | 1 | Iceland | 14 | 17 | 11 | 15 | 32 |
| Bulgaria | 4 | 4 | 7 | 30 | 46 | India | 111 | 115 | 104 | 126 | 129 |
| Burundi | - | 1 | 1 | - | - | Indonesia | 26 | 24 | 17 | 22 | 23 |
| Cambodia | - | 1 | - | - | 1 | Iran | 7 | 2 | 5 | 5 | 12 |
| Cameroon | 1 | - | 1 | 1 | 1 | Ireland | 151 | 133 | 117 | 175 | 165 |
| Canada | 3,398 | 3,187 | 2,917 | 3,562 | 3,168 | Isle of Man | 8 | 11 | 5 | 11 | 12 |
| Cape Verde | - | - | - | - | 1 | Israel | 380 | 248 | 218 | 233 | 240 |
| Cayman Islands | 85 | 81 | 53 | 86 | 129 | Italy | 1,253 | 967 | 899 | 1,542 | 1,693 |
| Channel Islands | 40 | - | 14 | 22 | 25 | Jamaica | 16 | 9 | 23 | 28 | 26 |
| Chile | 110 | 90 | 92 | 109 | 86 | Japan | 1,896 | 2,010 | 1,821 | 2,197 | 2,216 |
| China (mainland) | 326 | 358 | 364 | 697 | 1,020 | Jordan | 3 | 3 | 11 | 1 | 3 |
| Colombia | 69 | 59 | 85 | 91 | 79 | Kazakhstan | - | - | - | 2 | - |
| Congo | - | - | 2 | - | 1 | Kenya | 6 | 7 | 4 | 3 | 2 |
| Cook Islands | 5 | 6 | 1 | - | 1 | Korea, Dem. Republic of | 1 | 8 | 2 | 2 | 4 |
| Costa Rica | 14 | 7 | 17 | 18 | 16 | Korea, Republic of | 431 | 470 | 395 | 409 | 496 |
| Cote D'Ivoire | - | 1 | 1 | 1 | - | Kuwait | 2 | 3 | 1 | - | 1 |
| Croatia | 1 | 3 | 4 | 9 | 8 | Latvia | 3 | 2 | 2 | 6 | 10 |
| Cuba | 8 | 4 | - | 10 | 3 | Lebanon | 7 | 9 | 6 | 6 | 7 |
| Cyprus | 15 | 10 | 11 | 21 | 19 | Liberia | 13 | 13 | 5 | 2 | 4 |
| Czechoslovakia | 30 | 24 | 13 | 26 | 37 | Liechtenstein | 43 | 48 | 44 | 62 | 49 |
| | | | | | | Lithuania | 3 | 2 | 3 | - | 7 |

TABLE 22
CONT.**TRADEMARKS REGISTERED TO RESIDENTS OF FOREIGN COUNTRIES**
(FY 2003 - FY 2007)

| Residence | 2003 | 2004 | 2005 | 2006 | 2007 | Residence | 2003 | 2004 | 2005 | 2006 | 2007 |
|--------------------------|------|------|------|------|------|--------------------------|-------|-------|-------|-------|-------|
| Luxembourg | 56 | 57 | 71 | 103 | 131 | San Marino | 1 | - | 4 | 1 | 3 |
| Macao | - | - | - | 3 | 1 | Saudi Arabia | 12 | 3 | 12 | 11 | 10 |
| Macau | - | - | 3 | - | - | Scotland | 18 | 18 | 12 | 10 | 8 |
| Macedonia | - | 1 | - | - | 1 | Senegal | 1 | - | - | - | 1 |
| Malaysia | 21 | 27 | 27 | 37 | 52 | Serbia/Montenegro | - | - | - | 3 | 2 |
| Mali | - | - | - | - | 1 | Seychelles | 6 | 21 | 9 | 1 | 5 |
| Malta | 4 | 9 | 5 | 6 | 3 | Sierra Leone | - | - | - | 1 | - |
| Marshall Islands | - | 3 | 1 | 1 | 2 | Singapore | 95 | 102 | 100 | 110 | 134 |
| Mauritius | 12 | 16 | 16 | 10 | 13 | Slovakia | 4 | 10 | 2 | 11 | 12 |
| Mexico | 435 | 396 | 433 | 544 | 589 | Slovenia | 9 | 5 | 3 | 10 | 14 |
| Micronesia | 1 | 1 | - | - | 1 | South Africa | 117 | 92 | - | - | - |
| Monaco | 18 | 14 | 19 | 22 | 25 | Russian Federation | 53 | 46 | 37 | 132 | 118 |
| Mongolia | - | - | 1 | - | - | Spain | 560 | 482 | 432 | 687 | 709 |
| Morocco | 1 | 1 | 2 | 2 | 1 | Sri Lanka | 3 | 5 | 5 | 10 | 13 |
| Mozambique | - | - | - | - | 1 | Sudan | 1 | - | - | - | 1 |
| Namibia | 1 | 1 | - | - | 1 | Swaziland | 1 | 1 | 1 | 1 | 5 |
| Nauru | - | - | - | 1 | - | Sweden | 532 | 460 | 381 | 486 | 441 |
| N. Mariana Island | 1 | 1 | 4 | 4 | 7 | Switzerland | 1,261 | 1,078 | 932 | 1,427 | 1,345 |
| Netherlands | 782 | 615 | 610 | 879 | 788 | Syria | 3 | 6 | 3 | 1 | 3 |
| Netherlands Antilles | 33 | 29 | 17 | 30 | 33 | Taiwan | 698 | 662 | 683 | 768 | 820 |
| Nepal | 3 | - | 1 | - | - | Thailand | 55 | 62 | 52 | 65 | 57 |
| New Zealand | 196 | 165 | 136 | 228 | 194 | Tonga | - | 1 | - | - | - |
| Nicaragua | 1 | 4 | 2 | 4 | 2 | Trinidad & Tobago | 8 | 24 | 8 | 10 | 8 |
| Nigeria | 5 | 4 | 2 | 5 | 4 | Tunisia | - | 1 | - | - | - |
| Niue | - | - | - | 1 | - | Turkey | 43 | 48 | 57 | 127 | 169 |
| Norway | 145 | 84 | 71 | 90 | 142 | Turks and Caicos Islands | 14 | - | - | 1 | 1 |
| Oman | - | - | 2 | - | 1 | Uganda | - | - | 1 | - | - |
| Pakistan | 7 | 5 | 7 | 5 | 7 | Ukraine | 6 | 4 | 3 | 22 | 19 |
| Panama | 34 | 43 | 42 | 45 | 63 | United Arab Emirates | 6 | 10 | 12 | 14 | 21 |
| Paraguay | 1 | - | 3 | 5 | - | United Kingdom | 2,357 | 2,234 | 1,777 | 2,384 | 2,246 |
| Peru | 22 | 22 | 16 | 13 | 26 | Upper Volta | - | 1 | - | - | - |
| Philippines | 25 | 23 | 16 | 34 | 27 | Uruguay | 9 | 12 | 23 | 20 | 17 |
| Poland | 25 | 31 | 36 | 62 | 60 | Uzbekistan | - | - | 1 | - | 1 |
| Portugal | 64 | 60 | 48 | 70 | 89 | Vanuatu | - | 1 | 1 | 3 | 1 |
| Qatar | - | 1 | - | 1 | 1 | Venezuela | 43 | 39 | 28 | 34 | 26 |
| Republic Moldova | 1 | - | 3 | 11 | 4 | Vietnam | 21 | 35 | 35 | 50 | 32 |
| Romania | 11 | 3 | 8 | 18 | 13 | Western Samoa/Samoa | 1 | 1 | 1 | 1 | 4 |
| Saint Christ & Nevis | 6 | 15 | 18 | 10 | 10 | Yugoslavia | - | 1 | - | - | - |
| St. Kitts & Nevis | - | - | - | 3 | 4 | Zimbabwe | 2 | - | - | - | - |
| Saint Lucia | 3 | - | 1 | 2 | 2 | Other ¹ | 15 | 12 | 15 | 11 | 3 |
| Saint Vincent/Grenadines | 2 | - | 4 | 4 | - | | | | | | |

- Represents zero.

¹ Country of origin information not available.

TABLE 23

SUMMARY OF CONTESTED TRADEMARK CASES
(Within the USPTO, as of September 30, 2007)

| ACTIVITY | EX PARTE | CANCELLATIONS | USE | INTERFERENCE | OPPOSITION | TOTAL |
|---|--------------|---------------|------------|--------------|--------------|---------------|
| Cases pending as of 9/30/06, total | 2,958 | 1,799 | 115 | - | 7,479 | 12,351 |
| Cases filed during FY 2007 | 3,220 | 1,602 | 35 | - | 6,327 | 11,184 |
| Disposals during FY 2007, total | 3,446 | 1,554 | 48 | - | 6,123 | 11,171 |
| Before hearing | 3,009 | 1,528 | 48 | - | 6,000 | 10,585 |
| After hearing | 437 | 26 | - | - | 123 | 586 |
| Cases pending as of 9/30/07, total | 2,732 | 1,847 | 102 | - | 7,683 | 12,364 |
| Awaiting decision | 109 | 17 | - | - | 36 | 162 |
| In process before hearing ¹ | 2,623 | 1,830 | 102 | - | 7,647 | 12,202 |
| Requests for extension of time to oppose FY 2007 | - | - | - | - | - | 20,281 |

- Represents zero.

¹ Includes suspended cases.

TABLE 24

**ACTIONS ON PETITIONS TO THE COMMISSIONER
OF PATENTS AND TRADEMARKS
(FY 2003 - FY 2007)**

| NATURE OF PETITION | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|---------------|---------------|---------------|---------------|---------------|
| Patent matters | | | | | |
| Actions on patent petitions, total | 49,049 | 46,568 | 44,361 | 41,271 | 51,420 |
| Acceptance of: | | | | | |
| Late assignments | 42 | 33 | 432 | 477 | 619 |
| Late issue fees | 2,362 | 1,441 | 938 | 1,195 | 1,787 |
| Late priority papers | 1,184 | 1,112 | 27 | 16 | 7 |
| Access | 3 | - | 10 | 5 | 12 |
| Certificates of correction | 32,455 | 30,406 | 27,763 | 23,129 | 28,715 |
| Deferment of issue | 40 | 40 | 21 | 13 | 20 |
| Entity Status Change | - | 1,621 | 1,289 | 963 | 1,389 |
| Filing date | 1,776 | 1,267 | 1,815 | 1,129 | 1,090 |
| Maintenance fees | 2,002 | 1,913 | 2,208 | 2,038 | 2,355 |
| Revivals | 4,154 | 4,400 | 5,190 | 6,075 | 8,279 |
| Rule 47 (37 CFR 1.47) | 2,045 | 1,519 | 2,055 | 1,492 | 1,864 |
| Supervisory authority | 196 | 69 | 131 | 163 | 137 |
| Suspend rules | 1,441 | 1,006 | 290 | 272 | 214 |
| Withdrawal from issue | 881 | 1,451 | 1,950 | 1,996 | 1,476 |
| Withdrawals of holding of aband./pat. lapse | 468 | 290 | 242 | 2,308 | 3,456 |
| Late Claim for Priority* | - | 531 | 843 | 788 | 981 |
| Withdraw as Attorney* | - | - | - | 3,030 | 5,246 |
| Matters Not Provided For (37 CFR 1.182)* | - | 788 | 1,270 | 961 | 994 |
| To Make Special* | - | - | - | 2,018 | 3,913 |
| Patent Term Adjustment/Extension* | - | 369 | 684 | 687 | 608 |
| Trademark matters | | | | | |
| Actions on trademark petitions, total | 18,493 | 17,791 | 22,377 | 17,590 | 21,755 |
| Affidavits of Use and extensions | 3 | - | - | - | 1 |
| Decision by examiner | 20 | 23 | 10 | 19 | 24 |
| Filing date restorations ¹ | 495 | 270 | 211 | 65 | 72 |
| Grant application filing date | 21 | 8 | 17 | 11 | 4 |
| Inadvertently issued registrations | 516 | 220 | 181 | 217 | 173 |
| Interferences | - | - | 1 | 2 | - |
| Letters of Protest | - | 765 | 811 | 722 | 735 |
| Madrid Petitions* | - | - | - | 13 | 19 |
| Make special | 138 | 167 | 208 | 185 | 205 |
| Miscellaneous | 46 | 74 | 68 | 81 | 195 |
| Oppositions and extensions | 4 | 1 | 2 | 10 | - |
| Record documents affecting title | 4 | - | - | 15 | 4 |
| Reinstatements ² | 3,845 | 2,972 | 1,964 | 552 | 575 |
| Restore jurisdiction to examiner | 8 | 19 | 3 | 12 | 27 |
| Review board decisions | 14 | 5 | 8 | 6 | 13 |
| Revive (reviewed on paper) | 12,771 | 12,476 | 18,134 | 4,379 | 4,275 |
| Revive (granted electronically) ³ | - | - | - | 10,689 | 14,850 |
| Section 7 correction/amendment | 10 | 16 | 20 | 30 | 29 |
| Section 9 renewal | 28 | 21 | 10 | 23 | 46 |
| Section 8 or 15 | 61 | 86 | 73 | 112 | 3 |
| Section 44(e) Amendment | 493 | 622 | 629 | 436 | 488 |
| Review Letter of Protest Decision | 2 | 4 | 3 | 4 | 6 |
| Waive fees/refunds | 14 | 42 | 24 | 7 | 11 |
| Petitions awaiting action as of 9/30 | | | | | |
| Trademark petitions awaiting response | 354 | 253 | 222 | 275 | 166 |
| Trademark petitions awaiting action | 1,791 | 2,179 | 379 | 177 | 117 |
| Trademark pending filing date issues | 8 | 1 | 7 | 22 | 2 |

- Represents zero.

¹ Trademark applications entitled to a particular filing date; based on clear evidence of Trademark organization error.

² Trademark applications restored to pendency; inadvertently abandoned by the Trademark organization.

³ The petition to revive numbers were not separated into two categories (paper versus electronic) in previous years.

* Not reported in previous years.

TABLE 25

CASES IN LITIGATION
(Selected Courts of the United States, FY 2007)

| | PATENTS | TRADEMARKS | OED | TOTAL |
|--|--------------|--------------|----------|---------------|
| United States District Courts | | | | |
| Civil actions pending as of 9/30/06, total | 16 | - | - | 16 |
| Filed during FY 2007 | 14 | 5 | 1 | 20 |
| Disposals, total | 16 | 4 | - | 20 |
| Affirmed | 3 | - | - | 3 |
| Reversed | 1 | - | - | 1 |
| Remanded | 1 | 1 | - | 2 |
| Dismissed | 9 | 3 | - | 12 |
| Amicus/intervene | - | - | - | - |
| Transfer | 2 | - | - | 2 |
| Civil actions pending as of 9/30/07, total | 14 | 1 | 1 | 16 |
| United States Courts of Appeals¹ | | | | |
| Ex parte cases | | | | |
| Cases pending as of 9/30/06 | 28 | 11 | 3 | 42 |
| Cases filed during FY 2007 | 40 | 6 | - | 46 |
| Disposals, total | 39 | 14 | 3 | 56 |
| Affirmed | 21 | 8 | 3 | 32 |
| Reversed | 1 | - | - | 1 |
| Remanded | 6 | - | - | 6 |
| Dismissed | 9 | 6 | - | 15 |
| Vacated | - | - | - | - |
| Transfer | 1 | - | - | 1 |
| Writs of mandamus: | - | - | - | - |
| Granted | - | - | - | - |
| Granted-in-part | - | - | - | - |
| Denied | - | - | - | - |
| Dismissed | 1 | - | - | 1 |
| Total ex parte cases pending as of 9/30/07 | 29 | 3 | - | 32 |
| Inter partes cases | | | | |
| Cases pending as of 9/30/06 | 3 | 12 | - | 15 |
| Cases filed during FY 2007 | 7 | 14 | - | 21 |
| Disposals, total | 6 | 18 | - | 24 |
| Affirmed | 1 | 9 | - | 10 |
| Reversed | - | 2 | - | 2 |
| Remanded | 2 | 1 | - | 3 |
| Dismissed | 2 | 6 | - | 8 |
| Amicus/intervene | - | - | - | - |
| Transferred | 1 | - | - | 1 |
| Total inter partes cases pending as of 9/30/07 | 4 | 8 | - | 12 |
| Total United States Courts of Appeals cases pending as of 9/30/07 | 33 | 11 | - | 44 |
| Supreme Court | | | | |
| Ex parte cases | | | | |
| Cases pending as of 9/30/06 | 2 | - | 1 | 3 |
| Cases filed during FY 2007 | 1 | - | 1 | 2 |
| Disposals, total | 2 | - | 2 | 4 |
| Cases pending as of 9/30/07, total | 1 | - | - | 1 |
| Notices of Suit filed in FY 2007 | 4,927 | 5,284 | - | 10,211 |

- Represents zero.

¹ Includes Federal Circuit and others.

TABLE 26**PATENT CLASSIFICATION ACTIVITY
(FY 2003 - FY 2007)**

| ACTIVITY | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|----------------------|---------------|---------------|---------------|----------------|
| Original patents professionally reclassified - completed projects | 10,802 | 20,370 | 12,170 | 6,264 | 14,875 |
| Subclasses established | 2,023 | 552 | 496 | 498 | 1,466 |
| Reclassified patents clerically processed, total | 205,476 | 58,738 | 50,932 | 33,376 | 192,898 |
| Original U.S. patents | 16,202 | 20,555 | 16,572 | 9,740 | 4,991 |
| Cross-reference U.S. patents | 189,274 ¹ | 38,183 | 34,360 | 23,636 | 187,907 |

¹ FY 2003 cross-reference U.S. patents includes 1,800 European Classification System-based subclasses that were added to the semiconductor classes in United States Patent Classification System.

TABLE 27**SCIENTIFIC AND TECHNICAL INFORMATION CENTER ACTIVITY
(FY 2007)**

| ACTIVITY | QUANTITY |
|---|----------------|
| Prior Art Search Services Provided: | |
| Automated Prior Art Searches Completed | 34,194 |
| Genetic Sequence Searches Completed | 12,775 |
| Number of Genetic Sequences Searched | 31,341 |
| CRF Submissions Processed | 12,969 |
| PLUS Searches Completed | 51,352 |
| Foreign Patent Searches Completed | 5,603 |
| Document Delivery Services Provided: | |
| Document Delivery/Interlibrary Loan Requests Processed | 35,883 |
| Copies of Foreign Patents Provided: | 11,605 |
| Information Assistance and Automation Services: | |
| One-on-One Examiner Information Assistance | 20,773 |
| One-on-One Examiner Automation Assistance | 10,794 |
| Patents Employee Attendance at Automation Classes | 34,206 |
| Foreign Patents Assistance for Examiners and Public | 3,232 |
| Examiner Briefings on STIC Information Sources and Services | 12,075 |
| Translation Services Provided for Examiners: | |
| Written Translations of Documents | 7,104 |
| Number of Words Translated (Written) | 22,814,832 |
| Documents Orally Translated | 5,996 |
| Total Number of Examiner Service Contacts | 302,374 |
| Collection Usage and Growth: | |
| Print/Electronic (NPL) Collection Usage | 1,424,000 |
| Print Books/Subscriptions Purchased | 73,535 |
| Full Text Electronic Journal Titles Available | 31,987 |
| Full Text Electronic Book Titles Available | 27,863 |
| NPL Databases Available for Searching (est.) | 1,544 |

TABLE 28**END OF YEAR PERSONNEL¹
(FY 2003 - FY 2007)**

| ACTIVITY | 2003 | 2004 | 2005 | 2006 | 2007 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Business | | | | | |
| Patent Business Line | 5,990 | 6,060 | 6,494 | 7,283 | 7,959 |
| Trademark Business Line | 733 | 756 | 869 | 906 | 954 |
| Total USPTO | 6,723 | 6,816 | 7,363 | 8,189 | 8,913 |
| Examination Staff | | | | | |
| Patent Examiners | | | | | |
| UPR Examiners | 3,579 | 3,681 | 4,177 | 4,779 | 5,376 |
| Design Examiners | 58 | 72 | 81 | 104 | 101 |
| Total UPR and Design Examiners | 3,637 | 3,753 | 4,258 | 4,883 | 5,477 |
| Trademark Examining Attorneys | 256 | 286 | 357 | 413 | 404 |

¹ Number of positions

TABLE 29A TOP 50 TRADEMARK APPLICANTS (FY 2007)

| NAME OF APPLICANT | CLASSES ¹ |
|--|----------------------|
| MATTEL, INC. | 851 |
| DISNEY ENTERPRISES, INC. | 714 |
| UltraConcurrent, Inc. | 434 |
| Manheim Auctions, Inc. | 391 |
| JOHNSON & JOHNSON | 386 |
| GLAXO GROUP LIMITED | 332 |
| NOVARTIS AG | 310 |
| THE PROCTER & GAMBLE COMPANY | 298 |
| Bath & Body Works Brand Management, Inc. | 270 |
| New Line Productions, Inc. | 227 |
| Wynn Resorts Holdings, LLC | 226 |
| LF, LLC | 224 |
| IGT | 221 |
| VIACOM INTERNATIONAL INC. | 196 |
| The Coca-Cola Company | 189 |
| MARS, INCORPORATED | 171 |
| The Saul Zaentz Company dba Tolkien Ente | 171 |
| Las Vegas Sands Corp. | 169 |
| Bristol-Myers Squibb Company | 167 |
| Fédération Internationale; de Football A | 166 |
| Sears Brands, LLC | 165 |
| Abercrombie & Fitch Trading Co. | 159 |
| AMERICAN INTERNATIONAL GROUP, INC. | 154 |
| HASBRO, INC. | 154 |
| Societe des Produits Nestle S.A. | 154 |
| SmithKline Beecham Corporation | 151 |
| THE CARTOON NETWORK, INC. | 151 |
| Unilever Supply Chain, Inc. | 149 |
| Deutsche Telekom AG | 148 |
| philosophy, inc. | 148 |
| Jakks Pacific, Inc. | 143 |
| Alexandria Real Estate Equities, Inc. | 142 |
| L'Oreal | 140 |
| QUALCOMM Incorporated | 139 |
| World Wrestling Entertainment, Inc. | 137 |
| Wal-Mart Stores, Inc. | 136 |
| LG Electronics Inc. | 132 |
| Siemens Aktiengesellschaft | 128 |
| Microsoft Corporation | 127 |
| HEB GROCERY COMPANY, LP | 126 |
| ADVANCE MAGAZINE PUBLISHERS INC. | 123 |
| Aristocrat Technologies Australia Pty Lt | 122 |
| Championship Gaming Series LLC | 122 |
| TomTom International B.V. | 121 |
| PFIZER INC. | 120 |
| Target Brands, Inc. | 119 |
| BASF Aktiengesellschaft | 116 |
| Kraft Foods Holdings, Inc. | 116 |
| Sony Ericsson Mobile Communications AB | 115 |
| S. C. JOHNSON & SON, INC. | 112 |

¹ Applications with Additional Classes

TABLE 29B TOP 50 TRADEMARK REGISTRANTS (FY 2007)

| NAME OF APPLICANT | REGISTRATIONS |
|--|---------------|
| MATTEL, INC. | 639 |
| Deutsche Telekom AG | 429 |
| Novartis AG | 134 |
| American International Group, Inc. | 126 |
| Disney Enterprises, Inc. | 120 |
| The Procter & Gamble Company | 117 |
| Mars, Incorporated | 101 |
| IGT | 96 |
| Beautybank Inc. | 93 |
| Nedboy, Robin L | 90 |
| HASBRO, INC. | 89 |
| DaimlerChrysler AG | 87 |
| Rodale Inc. | 87 |
| VIACOM INTERNATIONAL INC. | 87 |
| JOHNSON & JOHNSON | 85 |
| Siemens Aktiengesellschaft | 85 |
| Fédération Internationale de Football As | 80 |
| Koninklijke Philips Electronics N.V. | 74 |
| General Electric Company | 73 |
| L'Oreal | 73 |
| Delaware Capital Formation, Inc. | 72 |
| VOTIVO, LTD. | 72 |
| MEADWESTVACO CORPORATION | 71 |
| The Cartoon Network LP, LLLP | 69 |
| Twentieth Century Fox Film Corporation | 65 |
| L'Oreal USA Creative, Inc. | 62 |
| WMS GAMING INC. | 60 |
| philosophy, inc. | 59 |
| Glaxo Group Limited | 58 |
| The Hartz Mountain Corporation | 58 |
| Alliant Techsystems Inc. | 56 |
| ASTRAZENECA AB | 56 |
| Microsoft Corporation | 56 |
| Aristocrat Technologies Australia Pty Lt | 54 |
| Diageo North America, Inc. | 54 |
| PEPSICO, INC. | 54 |
| Warner Bros. Entertainment Inc. | 54 |
| World Wrestling Entertainment, Inc. | 52 |
| Springer-Verlag GmbH | 51 |
| Avon Products, Inc. | 50 |
| The Haworth Press, Inc. | 49 |
| WYNN RESORTS HOLDINGS, LLC | 49 |
| Schering Aktiengesellschaft | 48 |
| Scholastic Inc. | 48 |
| BLACK & DECKER CORPORATION, THE | 47 |
| IDT NETHERLANDS, B.V. (PUERTO RICO BRANC | 47 |
| Cargill, Incorporated | 46 |
| Anheuser-Busch, Incorporated | 45 |
| DAIMLERCHRYSLER CORPORATION | 45 |
| Heidelberger Druckmaschinen AG | 45 |

Glossary of Acronyms and Abbreviation List



accountability

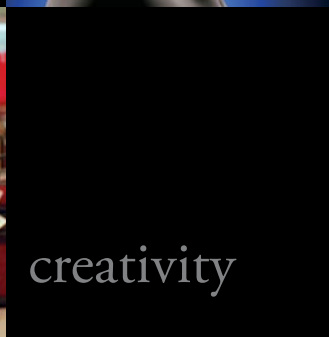


innovation

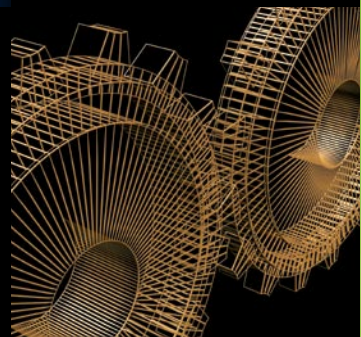


creativity

results



creativity



Glossary of Acronyms and Abbreviation List

| | |
|----------------|---|
| ABC | Activity Based Cost |
| AAO | Agency Administrative Order |
| ABM | Activity Based Management |
| AIPA | American Inventors Protection Act |
| ASEAN | Association of South East Asian Nations |
| BPAI | Board of Patent Appeals and Interferences |
| C&A | Certification and Accreditation |
| CPIC | Capital Planning and Investment Control |
| CS | Commercial Service |
| CSRS | Civil Service Retirement System |
| CSSC | Competitive Sourcing Steering Committee |
| DOC | Department of Commerce |
| DOL | Department of Labor |
| DOO | Departmental Organization Order |
| EFS | Electronic Filing System |
| EPO | European Patent Office |
| FAIR | Federal Activities Inventory Reform |

| | |
|--------------|---|
| FASAB | Federal Accounting Standards Advisory Board |
| FAST | First Action System for Trademarks |
| FECA | Federal Employees' Compensation Act |
| FEGLI | Federal Employees Group Life Insurance |
| FEHB | Federal Employees Health Benefit Program |
| FERS | Federal Employees Retirement System |
| FFMIA | Federal Financial Management Improvement Act |
| FICA | Federal Insurance Contributions Act |
| FIRST | For Inspiration and Recognition of Science and Technology |
| FISMA | Federal Information Security Management Act |
| FMFIA | Federal Managers' Financial Integrity Act |
| FMS | Financial Management Services |
| FTA | Free Trade Agreement |
| FY | Fiscal Year |
| G8 | Group of Eight Countries |
| GAAP | Generally Accepted Accounting Principles |
| GAO | Government Accountability Office |
| GIPA | Global Intellectual Property Academy |
| GPRA | Government Performance and Results Act |
| GSA | General Services Administration |
| HR | Human Resources |
| IG | Inspector General |
| INTA | International Trademark Association |

| | |
|---------------|--|
| IP | Intellectual Property |
| IPAU | IP Australia |
| IPR | Intellectual Property Rights |
| IT | Information Technology |
| JPO | Japan Patent Office |
| KIPO | Korean Intellectual Property Office |
| MTS | Metric Tracking System |
| NAMM | International Music Products Association |
| OBRA | Omnibus Budget Reconciliation Act |
| OCFO | Office of Chief Financial Officer |
| OCIO | Office of Chief Information Officer |
| OHR | Office of Human Resources |
| OIG | Office of the Inspector General |
| OMB | Office of Management and Budget |
| OPM | Office of Personnel Management |
| PALM | Patent Application Location and Monitoring |
| PART | Program Assessment Rating Tool |
| PCT | Patent Cooperation Treaty |
| PDF | Portable Document Format |
| PFW | Patent File Wrapper |
| Pub.L. | Public Law |
| PMA | President's Management Agenda |

| | |
|---------------|--|
| SFFAC | Statements of Federal Financial Accounting Concepts |
| SFFAS | Statement of Federal Financial Accounting Standards |
| SIPO | State Intellectual Property Office of the People's Republic of China |
| STOP! | Strategy Targeting Organized Piracy! |
| TEAS | Trademark Electronic Application System |
| TRAM | Trademark Reporting and Application Monitoring |
| TTAB | Trademark Trial and Appeal Board |
| U.S. | United States |
| U.S.C. | United States Code |
| UPOV | Union for the Protection of New Varieties of Plants |
| USPTO | United States Patent and Trademark Office |
| USTR | United States Trade Representative |
| WIPO | World Intellectual Property Organization |
| WTO | World Trade Organization |



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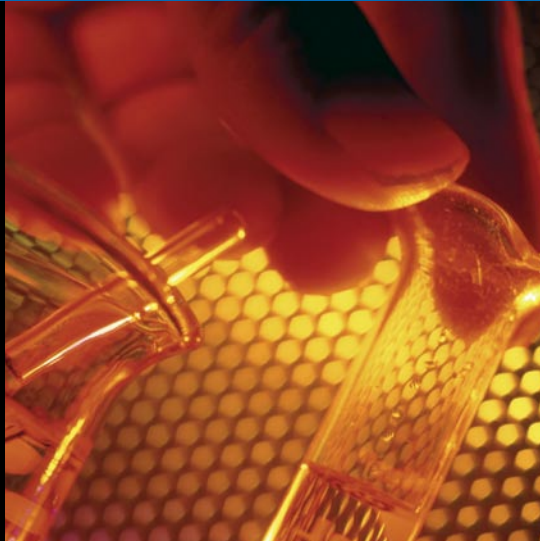
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