



**THE DEPUTY SECRETARY OF COMMERCE**  
Washington, D.C. 20230

May 9, 2000

The Honorable Henry Hyde  
Chairman, Committee on  
the Judiciary  
U.S. House of Representatives  
Washington, D.C. 20515-6216

Dear Mr. Chairman:

I am writing to set forth the views of the Administration on H.R. 4034, the Patent and Trademark Office Reauthorization Act. The bill amends section 42 of title 35, United States Code, regarding the fees collected by the United States Patent and Trademark Office (USPTO), to delete the introductory clause in the first sentence of subsection (c) of this section which subjects fees that would otherwise be available to the USPTO to the discipline of the appropriations process. Because the effect of the change alters the timing of the availability of the funds in a way that is inconsistent with the President's budget for FY 2001, the Administration would oppose enactment of the bill in its current form.

In FY 2001, the Administration's Budget proposes that of fees collected in excess of \$783,843,000, \$367,744,000 shall not become available to the USPTO before October 1, 2001. In addition, the Budget proposes that \$229,000,000 of fees collected in FY 2000 and \$25,889,000 of fees collected in FY 1999 will also become available to the USPTO in FY 2001. By amending section 42 to remove the appropriations clause, H.R. 4034 would make all fees collected by the USPTO immediately available.

The Administration fully supports providing the USPTO with sufficient resources to serve America's inventors and to strengthen the Nation's intellectual property system. However, there are several models that could be considered to ensure the USPTO receives funds sufficient to meet its resource needs. To that end, the Administration would like to work with the Committee to address these concerns.

While the Administration would oppose the bill in its current form, we look forward to working with the Congress to meet the needs of the USPTO in furthering the Nation's technological growth. The Office of Management and Budget advises that there is no objection from the standpoint of the Administration's program to the submission of this letter to the Committee.

Sincerely,

A handwritten signature in cursive script that reads "Robert L. Mallett".

Robert L. Mallett

Identical Letter Sent to:

The Honorable John Conyers, Jr.  
House Judiciary Committee