



Europäisches  
Patentamt  
European  
Patent Office  
Office européen  
des brevets

# Strategic Plan 2023

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## A note from the President

The EPO is a remarkable organisation. For over four decades its scientists, engineers and other professionals, such as lawyers and translators, have been committed to delivering European patents for inventors everywhere. The Office has become a benchmark for quality and a pillar of the European intellectual property system. But it is so much more than an organisation that simply undertakes a patent granting process.

The EPO is a vibrant institution that undertakes a wide range of activities. It strikes patent related agreements with countries throughout the world, supporting their development and raising the quality of national patent systems. It sends experts to other international organisations and offers technical assistance to unleash the power of patent information. It organises training for IP specialists, awards that shine a light on the work of outstanding inventors, and it undertakes in-depth studies on patents and the economy to generate a wider understanding of the effects of patents on the economy. And there are plenty more.

In short, the activities of the EPO are varied, and its stakeholders are many. So the EPO has to answer a fundamental question: how can we organise our Office and our work to balance the needs of all our stakeholders, and to make sure that we are delivering our very best to all those who have come to rely on the services we provide?

This draft Strategic Plan is our first attempt to answer that question. It represents the goals which our organisation and its staff will aspire to achieve over the next four years. It is not an exhaustive Plan. Nor is it final. But it does provide a draft strategy that outlines our priorities and our commitments to you. Furthermore, we've structured our Plan in a way that aims to create a more sustainable organisation, better placed to cope with the rigours of an evolving patent system and economies, changing technologies and emerging global developments.

Five strategic goals show what we're aiming to achieve, and the Key Initiatives listed within them provide substance on how those goals can come to fruition. I hope that everyone reading this Plan will see their wishes for a successful EPO and European patent system reflected somewhere within the five goals. After all, the content was developed from the input of our stakeholders – staff, our users, member states and the wider public, among other groups. We are immensely grateful for the input and I would like to say thank you to everyone who has provided their feedback, including the many staff of the EPO.

Our aim is to provide a final Strategic Plan to our Administrative Council for approval this June. Now I would like to invite you all to provide your thoughts on this first draft so that we can reassess whether further changes are needed or where we can develop our ideas more. And if your aspirations are not reflected, or in a way that leaves room for improvement, then do please let us know. After all, this is a plan through which we want to offer not just a sustainable EPO, but excellence for all those who we serve.



António Campinos

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Goal 1 - Build an engaged,  
knowledgeable and collaborative  
organisation

## Introduction

The ability of the European Patent Office to provide high quality products and services depends primarily upon its staff. During the last four decades, EPO employees have set new standards in quality for patent search, examination, opposition and appeals and pioneered the tools shared today by many other patent offices in the world.

The 7000 employees of the Office are highly educated and include thousands of engineers and scientists at the cutting edge of their technological fields, as well as highly qualified colleagues in professional corporate services, such as law and business administration - all mastering multiple languages. The diversity of their geographic origin – 35 different European nationalities are currently represented among EPO staff – is another source of wealth for our institution.

If the EPO is to continue to be a leading patent office, the Office must continue to offer an Employer Value Proposition that is capable of attracting the very brightest minds from across the EPO's member states. It will also need to do so in an increasingly competitive environment, for both employer and employee, and with effective workforce planning that can take into account evolutions in the workforce, both present and future. Currently the EPO is set to face a wave of retirements over the next ten years, and young talent is more mobile (Key Initiative 1).

The Office already has a reputation for offering remuneration that is above benchmark. However, the EPO will enhance its capacity to attract talent by also offering an organisation that better supports rewarding careers, along a number of different career pathways. The EPO will provide a workplace in which their full potential will be unleashed through supportive professional training and in which they can profit from greater work-life balance.

Continuous learning to support the professional development of staff will also contribute to internal and external mobility. This will include setting up individual certification processes that attest to new skills and knowledge, and new initiatives to facilitate exchanges and knowledge sharing. There will also be a secondment policy to allow staff members to gain valuable experience and extra skills in other organisations. In this way, the EPO will not only be able to maintain its capacity to attract the very best talent, but also to keep staff highly motivated throughout their EPO career and to achieve greater levels of staff engagement. Training and diversity initiatives will also be strengthened and run throughout the EPO's talent management strategy. For example, women will be given specific training and a mentoring program to support greater gender diversity in management, while national diversity will be supported by language training for newly recruited staff (Key Initiative 2).

For an employee, attractive careers also depend upon the possibility of advancement and discovering new roles through greater job mobility. Mobility allows the employee to develop and grow in their careers, by learning new skills and areas of competencies within other parts of the organisation. A project based approach will also support partial job mobility which will simultaneously allow employees to continue developing their core careers while also engaging in new opportunities, and bring their competencies to other areas of the Office.

In today's fast paced working professional environment, employees have to be supported by initiatives that support a better balance between their professional and private commitments. The EPO and its staff has already benefitted from schemes such as Part Time Home Working, in which 2087 staff members currently participate. To build upon this and offer an even greater work-life balance, the EPO will look to assess the possibility of further initiatives such as Ad Hoc Teleworking (Key Initiative 3).

Collaborative working has been shown to increase levels of staff engagement, to foster productivity and to achieve higher motivation. The Office will launch a comprehensive set of maintenance or refurbishment projects that provide a modern working environment, to increase flexibility, innovation and collaboration, based on a professional in-depth review at all its sites. In parallel, the work will improve the state of the buildings, and reduce the running costs and energy consumption. In doing so, the future investments in renovation and maintenance will also increase the value of the Office's patrimony (Key Initiative 4).

Without effective communications, modern organisations are unable to function or to act in a transparent manner. Although the EPO has developed a range of internal and external communications channels, they need to be reviewed and strengthened to ensure that staff are receiving the information they need. Effective communications will support the efficient functioning of the Office and the achievement of the EPO's strategic goals. The Office's communications strategy will therefore be reviewed and its communications tools modernised. Greater coordination will be sought between external and internal communications by bringing them together to create synergies between the two different fields. However, the Office will also promote regular, two-way communication flows, not just to communicate and explain decisions, but to listen to its staff. Improving communication is crucial in building confidence in management decisions and in promoting a shared vision on the opportunities and challenges ahead.

In reaching the outside world the Office will promote timely communications that communicate the EPO's progress in achieving its mission in a transparent manner, while also increasing the external perception of the quality of the EPO's services. In turn this will help create a shared sense of pride in the EPO's achievements and foster greater staff engagement (Key Initiative 5).

Social dialogue will also be given increased attention as a specific means of communication between management and staff in order to achieve harmonious social relations. Forthcoming discussion topics will be identified before the year starts to allow for sufficient preparation, which will help achieve constructive, mutual solutions for all stakeholders. Regular discussions with social partners will continue to take place, to pave the way for an effective consultation at the General Consultative Committee. The Office will also re-engage with unions with the aim of agreeing on the terms of their formal recognition (Key Initiative 6).

Ultimately the Key Initiatives contained in this goal aspire to foster staff engagement and motivation. With a clear sense of purpose, a deep sense of pride, and ongoing professional development, staff will be both motivated and equipped to support the EPO's mission, and help transform day-to-day operations into the achievement of the EPO's strategic goals.

### **Key Initiative 1: Attract Talent**

As a knowledge-based organisation, the EPO's success is largely based on the expertise of its staff members and its ability to attract the brightest talent. The Office therefore offers a social package that is above benchmark, in terms of remuneration, work-life balance and the support given to employees and their families. It also dedicates around eight million euros per year to professional development activities that ensure continuing professional development for its employees. These attractive features of the EPO help the Office to find and recruit highly professional and motivated new employees each year, in a job market that is increasingly competitive for attracting new talent.



In addition to a competitive job market, the EPO will also face a challenging change in the demographics of its workforce: in the next 10 years the Office could see the potential departure of around 2000 staff members, of which 1200 are expected to be examiners. This is both a challenge and an opportunity. With effective recruitment and an intense program of knowledge transfer, the Office could capitalise on both in-house experience and new external skills.

Harmonised office-wide workforce planning will help the EPO to anticipate the future needs of the organisation through a systematic analysis of internal factors (demographic trends, turnover, productivity and efficiency gains) and external factors (patent filing trends, changes in technology, respective weight of technical fields). This yearly analysis will produce short and medium-term recruitment forecasts, as well as skills and competences. Development plans and the recruitment orientations will be presented to the Administrative Council on a yearly basis.

One example of an area where effective work force planning is needed to support the EPO's strategic goals is in achieving a digital transformation. An upskilling drive for critical skills, as well as some immediate recruiting, will provide the necessary expertise in state of the art technology and engineering know-how. For some job profiles there is a significant need for upskilling by means of training and coaching within the next 12 to 18 months. Nevertheless, the upskilling potential is too limited within the existing staff to fill all critical roles fast. Consequently, a targeted recruiting campaign is needed in order to close the remaining talent gaps and the upcoming retirement peaks.

When recruiting new employees, the EPO must primarily focus on the functional competences and personal skills of the candidates. However, the Office will also strive to increase the national diversity of its staff to better reflect the diversity of its member states. The language skills required by the EPC are often perceived as a barrier to attracting talent from countries whose main language is not an official working language of the Office. Within the scope of the new employment framework the EPO will propose a more flexible approach to help recruits acquire the necessary language skills. More support will be given to employees to meet the criteria set in the EPC, and the EPO will continue to support the NPO's in providing language courses.

The Pan-European SEAL program is also a valuable tool for providing talented, recent graduates with valuable experience in IP and in the work of a large patent organisation. In return, the EPO gains access to some of Europe's brightest graduates who can contribute fresh thinking and new skill to the organisation. The Program will therefore evolve to a first-job approach enhancing its attractiveness to potential applicants whilst promoting diversity among the participants.

Once recruited, the EPO offers attractive conditions of employment to its employees, both in terms of benefits (high salary, career progression, development possibilities) and working conditions (work-life balance, education of children, staff-friendly facilities). These benefits should be harmonised where possible to cover all categories of employees. The childcare and education support offered to employees, will be assessed in this respect.

The EPO will also open negotiations with the host countries to better facilitate the integration of the EPO's expatriate staff and to reduce bureaucracy.

## Key Initiative 2: Develop Talent

The main objective of the EPO's development strategy is to support the EPO's employees in reaching their full potential. An effective professional development strategy is essential for increasing the capabilities, skills and competencies of its staff, to achieve the highest possible level of performance and adaptability to a changing environment. Professional development also has a direct impact on sustainable staff engagement and performance, particularly in the case of the EPO given the very low staff turnover and the long term careers. This was also identified in a recent staff satisfaction survey.

The Office will ensure the provision of a coherent, holistic framework for learning in all aspects of work-related development. Blended learning approaches will be deployed to offer more efficient ways of learning. Online e-learning material will also be developed to help candidates prepare themselves for selection and certification processes, on both technical knowledge and language skills. The Office will ensure it provides a coherent and holistic training offer to staff, with a mix of face-to-face and e-learning, which will be reviewed to provide state of the art content.

Managers can have a significant impact on the motivation and performance of their staff and, as a result, the overall performance of the Office. They will therefore be supported in developing their business understanding and communication skills and to reflect the values of respect, fairness and trust. A renewed leadership program will provide managers with training activities on best managerial practices, which will empower them to guide and inspire their teams and create more confidence in management. Special training will be given to first-time managers to ensure a smooth introduction into their new responsibilities. Additionally, women will be given support to encourage those considering a managerial career and to achieve greater gender diversity in management. A full set of activities ranging from conferences, peer discussions, focus groups, mentoring, networking and training will be launched. In addition a project driven approach which will give staff an opportunity to gather experience in management in a different setting.

Staff career progression will be supported by certified training that is acknowledged externally in their different fields of competence, such as the European Qualifying Examination and praktika extern for examiners, and Prince 2 for project managers. A certified European patent administration training course will also be developed for formalities officers (See Goal 3). An upskilling program will be launched in finance, procurement, HR and IT. Staff development will also be supported through secondment.

All collective and individual training measures will be grouped into a strategic development plan to ensure that staff members reach their full potential in line with the strategic goals of the EPO. Development plans will gradually increase the capabilities of staff under the new employment framework, by defining a policy to also enhance staff competencies and performance over the first 10 years of employment (5 year contract + 5 year contract), with adapted training and development. Both renewal and a permanent employment offer will be subject to the application of transparent and objective criteria, such as individual performance, operational needs and long-term financial sustainability.

In 2015 the EPO implemented a merit-based career system, based on performance and demonstrated competences. Given its importance for both the Office and the staff, the system will be assessed to identify room for improvement and refine if necessary. Measures will be introduced to increase fairness and transparency. In this regard, more information, including detailed statistics, will be made public annually, while respecting data protection regulations.

The EPO will communicate regularly and transparently on objective setting, performance cycles and rewards. It will aim to ensure rewards for all types of contributions, and that there are fair opportunities for all staff. Office-wide practices and appropriate training will ensure that managerial practices are fair, transparent and aligned to the Office's values. While encouraging individual performance, the system should also reward collective success. On top of the existing reward system, the development of non-financial rewards will be discussed and implemented.

At the same time, staff have a right to constructive feedback to help them in meeting their goals and fulfilling their own ambitions. Managers will therefore be trained and encouraged to give regular feedback to their staff, dedicate specific attention to their development needs and support them in reaching their full potential. The performance management system will be regularly reviewed and up-dated to better link the performance cycle and development measures to the EPO's objectives and missions, status of its core activities and challenges.

### **Key Initiative 3: Foster professional mobility and work-life balance**

As the Office looks to become a more agile organisation, it will foster internal mobility to ensure that the best talent can be deployed quickly in the most effective roles, to respond to the changing patent landscape. The EPO will aim to implement a program that identifies and develops potential talent for diverse careers. Internal mobility will also be supported by more clearly defined career roles and a mentoring program and further strengthened through a call for talent initiative, in which a staff member can dedicate up to 20% of their working time to a different activity or to a specific project, other than their normal duties.

External mobility and exchanges with national or international institutions will also be reinforced. The legal framework for secondments will be reviewed to foster mobility throughout the career, increase flexibility and cut red tape. Conversely, experts from NPO's, European and International organisations will be encouraged to share their knowledge and expertise by temporarily joining the EPO through a seconded expert program to be implemented on the basis of best practices.

Additionally, more possibilities will be offered to staff to help them balance the demands of their professional and private lives therefore. The Office has already experienced success in offering a Part Time Home Working scheme. On the basis of a current pilot, the Office will assess possibilities for implementing an Ad Hoc Teleworking scheme. The scheme presents a possible win-win for both employee and the Office: employees gain additional flexibility to be able to work for a short period of time from any member state, helping them to balance the various professional and private demands they may face. The Office could benefit from more highly engaged and better-motivated employees who can respond flexibly to needs and who are, in turn, better able to deliver their performance objectives. Unpaid leave will also be reviewed to allow further flexibility.

### **Key Initiative 4: Further develop a modern, sustainable, and healthy working environment**

The EPO has a duty to provide its staff with a safe and secure environment. In recent years the Office has updated its security measures in line with best practices and following comprehensive security assessments. It has also undertaken renovations and significant maintenance work at all its premises to ensure they are fit for purpose. New standards in the Office's

working environment have been achieved at the New Main building in The Hague, where collaborative work spaces and state of the art facilities as well as environmental innovations are delivering benefits for both staff and the environment. New Main received the 2019 award for ‘Best Tall Office Building’ by the Council on Tall Buildings and Urban Habitat for its contributions to the advancement of tall buildings and the urban environment, and confirming New Main’s desirability as a state-of-the-art workplace for EPO staff.

The majority of the EPO’s office buildings, however, are 30 to 45 years old. The working environment in the older EPO buildings is outdated and typical of an era when workplaces were dominated by single offices arranged in long corridors. This layout no longer reflects the benchmarks in transparency, collaboration and flexibility already adopted by other large organisations worldwide. The office premises also suffer from high running and energy costs. Maintaining their value – currently insured for around EUR 1.25 billion, but with a much higher market value - requires major investments in regular maintenance, and complete refurbishment in some cases.

The EPO will therefore propose a comprehensive program of maintenance, refurbishment and rebuilding projects to its governing bodies. The goal is to provide all staff with a modern working environment that meets state-of-the-art sustainability, health and safety standards. The Office considers this program of strategic importance since the workplace impacts staff performance and well-being; workplace design shapes the way an organisation functions, collaborates and communicates; and a vibrant and energetic environment boosts employee engagement, fosters a sense of belonging and contributes to attracting talent.

In the future the Office plans to provide to staff the same inspiring environment offered by the EPO’s new building in The Hague, New Main, to encourage new and more flexible ways of working. Cutting-edge office space solutions will foster close co-operation across all areas of the EPO. Team working and multidirectional knowledge sharing will be championed and supported by innovative work spaces. Open, modular office space will bring transparency, agility and adaptability and facilitate knowledge transfer and collaborative ways of work and in turn, improve the quality of products and services. Our work space design will be flexible, so it can be easily adapted to emerging trends and future developments in the Office environment. The layout will be modular so that spaces can be converted fast, with individual offices merging into larger meeting areas on demand. Our offices will also feature a range of customised spaces for high-concentration tasks, project work, meetings and informal exchanges. Video-conferencing facilities will drive efficient communication, while cutting travel costs and the associated carbon emissions (See Goal 5).

In parallel, the building strategy will decrease the significant level of wear and tear and reduce the running costs and energy consumption, so that the investments will be paid back partly over time. Overall, the work carried out will increase the value of its patrimony situated in prime locations of major European cities.

EPO buildings will continue to comply with the latest national and local safety regulations. If buildings require work to satisfy new, higher standards, this will be included in the overall building program. Sports facilities, canteens and other amenities will be upgraded to echo the open, collaborative work environment and to promote health, well-being and social interaction. The Office will offer a wide range of facilities to help staff unwind and keep their physical and mental health at the highest level.

All EPO buildings - new, renovated or refurbished - will meet the highest achievable sustainability targets to minimise their environmental impact. This means adopting a holistic approach to reducing energy consumption and operating costs and the output of CO<sub>2</sub> and waste.

### **Key Initiative 5: Strengthen communication**

For an organisation such as the EPO, communication is crucial for its success. Internally, the Office has to be able to communicate effectively with nearly 7000 staff located at five sites in four different countries, and spread throughout multiple departments. As well as providing staff with a whole range of information on a variety of subjects, effective communications also have a strategic role in helping to achieve the goals of the organisation; clear and timely communications help explain management decisions to staff and build confidence in those decisions. Similarly, effective communication tools and channels allow managers to listen to their staff, which is essential for fostering staff engagement.

The internal communication strategy will be reviewed and made more effective. Above all, it will aim to ensure clear and accurate information reaches the intended audience in a timely manner. The Office will promote regular communication flows in a way that ensures a culture of collaboration and effective feedback. Staff will therefore be fully informed and involved at every level, supported by timely and clear internal communications to explain the reason for important changes, the Office's overall goals and results. Specifically, direct exchanges with the top management will be regularly organised, and mechanisms will be set up to collect the input of the staff. These will include focus groups, meetings, surveys, and conferences on topics of general interest. Staff engagement will be regularly monitored in surveys, followed by specific actions that will form part of the EPO's continuous improvement measures.

To increase communications related to governance, the Office will gradually develop the reporting activities on its internal working and advisory groups, committees, and governing bodies. Direct streaming will be considered for issues of direct concern to staff. The Intranet will be reviewed to ensure it is fit for purpose in terms of access to content, structure and tools. Peer-to-peer communications for collaborative networks, such as Continuous Knowledge Transfer (CKT), will be further supported and staff will be consulted on IT improvements to existing tools.

As well as communicating within the EPO, the Office has a responsibility to communicate externally. As a public institution it must communicate effectively and regularly to all external stakeholders on its work and its progress in achieving strategic goals. External communications are therefore also a prerequisite for providing transparency. At the same time, the Office must have the capabilities to communicate quickly with its users on operational matters, providing the latest news and updates.

The epo.org website will be developed to become a more unified and coherent online presence for the Office. Within the website, a new Transparency Portal will provide access to easily searchable and accessible public documents, such as the EPO's social and environmental reports. The Office also intends to further enhance the external perception of the EPO as a high quality international public service and product provider, which in turn will enhance our staff's sense of pride, purpose and sustainable engagement.

Internal and external communications areas will be merged. Such merging will allow the organisation to become more efficient, by utilising the same primary sources of information and building upon work already done in one communications field, but adapted to the different

audiences. The renewed synergies between internal and external communications will also help to improve the timing of the communications, by ensuring that the correct information is communicated at the right time to the right audience.

Existing and new technologies will help facilitate constructive and free exchanges throughout the Office to foster openness, innovation and constructive feedback. The Office's capacity to create engaging content, and to frame it in the latest user friendly and attractive formats will be reviewed.

Effective communications will also support staff engagement. Communication will focus on a better understanding on how individual and team efforts make a difference, and how those combined efforts directly contribute to the EPO's success. Furthermore, the Office's ability to convey how our individual and teamwork impact our performance as an International Organisation and more broadly supports innovation and creativity will be a key factor to our success. In the context of the Strategic Plan the Office will provide communications on its implementation and celebrate the collective achievements of staff. The European Inventor Award will be promoted further as a flagship celebration of excellence for our staff, as well as for the outstanding inventors nominated each year from across the world.

### **Key Initiative 6: Foster social dialogue**

Social dialogue in all its forms - direct dialogue with staff, managerial communication and dialogue through unions and staff representatives - is a specific type of communication on which the EPO depends to facilitate constructive exchanges with staff and to achieve their support and commitment. It aims to reach consensus on measures that affect both the employees and the Office as a whole. Constructive social relations with all internal stakeholders are sought by engaging in a meaningful social dialogue based on trust and respect, in which all issues can be discussed openly. A meaningful social dialogue also depends on the conviction that internal discussion and participation is a more efficient way of addressing employment relationship than conflict. It must be supported by a proactive communication strategy focusing on individual and collective achievements, values and role models embodying these values. The EPO will encourage social dialogue in all its forms, including negotiation, consultation, and exchange of information between the management, staff representation and unions.

The Staff is represented at the EPO by the direct election of staff representatives at local and central levels. In order to facilitate collective bargaining and reaching consensus, the framework in which the management of the Office and staff representation interacts will be reviewed to ensure efficiency and avoid duplication of efforts.

The topics subject to discussion will be identified before the year starts in order to allow for sufficient preparation and constructive results acceptable for all stakeholders. Regular discussions with social partners will take place, paving the way for an effective consultation at the General Consultative Committee (GCC). The respective roles in social dialogue of consultation, formal and informal discussions will be subject to working groups.

The regulations on staff representation activities and the means allocated to staff representation shall be reviewed before the next professional elections in June 2020. Time and means available to the staff representation will be subject to discussions between the management and staff representatives, including communication means. Identification of a training catalogue, development activities and training budget will also be discussed with social partners.

Unions enjoy a significant level of recognition at the Office: freedom of association, right to call for strike, right to call for a general assembly that can also be organised on Office premises, and access to communication means, such as in the intranet, notice boards and distribution of leaflets. To formalise the framework of relations between the Office and the Unions, a Memorandum of Understanding will be discussed, on the basis of national and international best practices. Among other subjects, the right to strike will be re-discussed in this exercise.

Finally, the Office aims to ensure that internal means of redress are a last resort, avoid a proliferation of procedures on the same topic, withdraw appeals when they become moot and respect the scope of the internal appeals system. The effectiveness of our internal mechanisms of redress is an important condition of the Office's immunity of jurisdiction and of its operational independence. It is a shared responsibility of the Office, its staff and their representatives to ensure the responsible use of the internal system of justice. Whilst acknowledging the right to file an appeal, the EPO will therefore continue to encourage discussions at all stages of the appeals procedure: in the communication of the decision; at the level of the management review as a compulsory pre-litigation step; at the appeals levels, or even when a complaint is filed before the ILOAT.

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## Goal 2 - Simplify and modernise EPO IT systems



## Introduction

The Office has been implementing an IT Roadmap (ITR) since 2011 as part of a comprehensive modernisation strategy. It was an ambitious vision, oriented towards greater efficiency and quality, as well as stronger innovation, security and flexibility.

However, some important challenges remain after the official completion of the ITR: the IT landscape comprises several hundred applications and about 40 different storage databases; the end-to-end electronic patent grant workflow is yet to be achieved and the eDossier program - once an envisaged cornerstone of a digital Patent Grant Process (PGP) - has been brought to an end. Moreover, the IT landscape and complexity of the IT services required by the EPO has evolved significantly: for example, a comprehensive patent application search draws on 1.3 billion technical records in 179 databases, leading to about 600 million documents appearing in search results on a monthly basis.

An IT Audit carried out between September 2018 and January 2019 also identified a series of further areas that require considerable improvements. Nearly 90% of the Office's key applications are not future-ready and have an overly complex application landscape. The IT Audit also looked into the current software development methodology and found limits to the current product-centric view, and insufficient, up-front quality assurance. No consistent method is in use for defining business requirements, there is limited accountability of project teams for product success and quality standards are not applied consistently across the process in the areas of security, performance and software quality, among others. The initial list of 34 projects in the ITR was scattered over 114 projects, often lacking overarching goals.

Staff has also been impacted. Applications show reasonable availability, but improvement is needed given that stability issues account for more than 13h/month of lost productivity and cause 75h/month of minor disruptions. Cloud readiness and scalability of our applications are not a given in our legacy systems and the maintenance cost of the old systems are becoming prohibitive. This leads to the need for decommissioning of the mainframe, and potential adoption of cloud technologies where applicable, among other measures.

The Office therefore needs to invest in a digital transformation that will support its staff, its users and other stakeholders. For the staff involved in the core business of the EPO, a single tool will be implemented to support an end-to-end electronic patent granting process. The new tool will occupy a position at the center of a modern digital environment and offer an integrated approach for the Office across the end-to-end-process, from filing to appeals and post-grant (Key Initiative 1).

The time needed to put in place such a reliable and highly performant single tool is expected to last beyond the horizon of the current strategic Plan. However, the results of the recent IT Audit have shown clearly that immediate improvements are needed to support the Office in its operations to ensure higher quality, productivity, and staff and user satisfaction. The EPO will therefore set about implementing a series of improvements to the existing tools at a rate which is consistent with their usefulness within the long-term vision for the IT tool landscape, and driven by the expected benefits and costs of investing in those enhancements (Key Initiative 2).

The epo.org website is another area that requires immediate attention. As it is expected that more and more functionalities will be added to the EPO web presence a unified online presence which responds to the needs of users and mitigates the ongoing risk of fragmentation will be addressed. A new electronic filing tool based on standards (XML) will remove the need

to support scanned PDF images with expensive Optical Character Recognition (OCR) processing. A new user area will enable direct interactions in a consistent, reliable and safe manner and provide a platform for collaborative work. The overall portfolio of files of any applicant or an attorney will be made identifiable (Key Initiative 3).

In addition to benefits within the Office and improved services for Users, the EPO's enhanced digital environment will be developed to allow for greater integration with other stakeholders. A modular and scalable design will create opportunities for the EPO and its member states to assess possibilities for converged front and back-office tools, which could deliver greater search and examination functionality. An analysis will be carried out during the period of the Strategic Plan to assess possibilities for pilot programs in this regard (Key Initiative 4).

As well as gains in the patent granting process and cooperation with other stakeholders, a range of corporate services can be improved with greater digital support. Digitalised tools can help corporate areas such as Finance, HR and facility management to reduce administrative burden, and to bring greater transparency to processes. In addition corporate services and their users could benefit from more responsive service and greater traceability of requests. The services will also be supported with better document and content management including a corporate document management policy. Furthermore, IT will also support EPO staff in becoming a fully mobile workforce, able to work from any location at any time (Key Initiative 5). While EPO staff members will be users of the EPO's new digital processed and tools, they are also well placed to contribute to new, innovative IT solutions themselves. To tap into their knowledge and creative potential, the Office will set up an application marketplace in which EPO employees can upload and discover apps for their needs (Key Initiative 6).

An effective vendor management and governance approach will also empower business and IT teams to mitigate risks and trace decisions, on the basis of clearly defined roles and responsibilities, and to define a retained organisation to draw clear lines between what can be outsourced and what should remain in-house (Key Initiative 7).

Underpinning the entire digital transformation at the EP will be the technical infrastructure that is capable of delivering the necessary tools and processes. It will ensure the necessary level of agility and reliability needed for the development of a new end-to-end tool for the patent granting process, the improvement of existing tools and the IT tools needed to support corporate services, among others. Furthermore, that infrastructure, and all IT tools and services must be secure. As the guardian of sensitive data, the EPO will strengthen IT security to ensure the security of the information it holds. It will ensure that its cyber security measures are subject to formal certification and a structured risk management approach (Key Initiative 8).

### **Key Initiative 1: Implement a Patent Tool to support an end-to-end electronic patent granting process through a modular and scalable approach**

The Office will construct a single tool to support the complete end-to-end electronic patent grant process, forming the central pillar of the new digital organisation. Based on the radical simplification of current practices (see Goal 3, Key Initiative 5) and infrastructure landscape, this single tool will facilitate business process changes and the rapid introduction of new business functionality, resulting in a more agile and flexible organisation.

This single tool will support electronic communications and interactions between the Office and its users. Firstly, electronic filing of patent applications will be implemented and refined with the participation of users. It will allow for the introduction of standard digital formats

(XML) and provide the means to manage patent portfolios entirely online, as the back-office is gradually built based on a digital file and electronic workflow. It will cover the incorporation of quality measurements as part of the core of our operations and will enable the further integration of business intelligence and data analytics in the patent grant process.

Having a single, consistent and integrated approach across the end-to-end process, from filing to appeals and post-grant, will simplify and accelerate the introduction of new technologies throughout the organisation, provide a clear focus for the efforts to be made in terms of user experience, and provide a harmonised approach across activities (search, examination, opposition, appeal) - especially relevant once the EPO reaches a steady state workload situation. This will be made possible through a single viewer for reading and annotating applications and prior art documents supported by a patent workbench for managing the work and priorities of examiners, formalities officers and line managers, together with operational and strategic management reporting. It can also be expected that such an end-to-end digital process will contribute to the reduction of paper usage within the Office, which accounted for more than 120 million sheets of paper in 2018.

In the domain of prior art searching, we will consider the creation of a knowledge tool, which will take the form of a virtual assistant, using artificial intelligence techniques. It will capture and extract value from applications and prior art data and information (the management of information is covered under Key Initiative 2 below), but also from the knowledge used by examiners while patent granting, by learning from them.

By applying these same techniques to classification and the formal checks of incoming applications and correspondence, the overall aim is to allow formalities officers and examiners to focus on substantive content and tasks, rather than on non-value adding activities. Office examiners and formalities officers will have a first version that will support them in performing a limited number of tasks. In the future, the level of support from the assistant will grow to cover more complex tasks.

## **Key Initiative 2: Improve existing Office Tools and manage high-quality prior art libraries**

The full implementation of the end-to-end electronic patent tool (K11) is expected to extend beyond the timescale of this Strategic Plan. During this time, the Office will continue to improve its core tools to better support the work of examiners and formalities officers, integrating possibilities offered by new technologies. This Key Initiative groups a series of improvements that will contribute to higher quality, productivity, staff and user satisfaction. The non-exhaustive list below gives examples of Office tools that need upgrades.

The eDrex system will be improved as patent documents gradually migrate from image-based formats towards text-based ones, making it possible to reuse standard word processing possibilities. The usability of eDrex will continue to be enhanced to increase user satisfaction. Trimaran will be enhanced in order to avoid double-entry of data across several systems, and revamp some of the current functionality which is not in line with today's needs.

On the basis of the current usage of the Ansera toolset, we will continue to enhance it with Non-Patent Literature, a better viewer, support for Standards databases, and the possibility to plug in other tools or data sources for searching in some technical fields with very specific needs.

More generally, existing tools will be improved at a rate which is consistent with their usefulness within the long-term vision for the IT tool landscape, and at a pace that is driven by the expected benefits and costs of investing in those enhancements. We will move away from the current situation, where there are more than 400 localised, specific ideas for change, which do not address the overall end-to-end process improvement. A leaner process for dealing with improvement ideas, user-driven and bundled in packages, will be used.

In the future the EPO intends to deploy machine learning in all aspects of its core business and one particular area in which improved IT tools can deliver greater benefits is in the field of prior art (See also Goal 3, Key Initiative 1). This raises the demands on data quality substantially as results from neural net processing depend on the quality of the input. The future focus for data utilisation will be concentrated on enabling and fostering machine learning and artificial intelligence applications to prior-art, dossier data and workflow metrics. Further, we will explore machine learning applications to validate data, to correct it when needed and to further enrich it through linking, grouping and annotating.

### **Key Initiative 3: Develop new online user engagement**

The epo.org website will be developed as the core and unified online presence for the Office, addressing the needs of users with an increased focus on the non-specialist audience.

A new web governance will be set up to enable an excellent customer experience and efficiency throughout the EPO's web presence, by providing consistency and quality across all external online channels and services. This web governance will mitigate the ongoing risk of fragmentation as it is expected that more and more functionality will be added to the EPO web presence in this time of increasing digitisation.

The current online user tools will be updated with a new electronic filing tool, with more extensive coverage of electronic formats, based on standards (XML), removing the need to support scanned PDF images with expensive Optical Character Recognition (OCR) processing, and provide communications throughout the patent grant procedure.

A new user area, built on the basis of standard, flexible and secure solutions, will enable direct interactions in a consistent, reliable and safe manner, 24x7. Progressive online transactions in this area will lead to significant simplifications in the procedure. This user area will also provide a platform for collaboration with examiners on the file, as well as access to customer support and a consolidated online payment platform.

The overall portfolio of files of any applicant or an attorney will be made identifiable, including the status of each item within the portfolio and the likely next action, as well as the expected timeline until grant or refusal. In this context, the issue of identity of companies and their affiliates worldwide will become more and more relevant. Improved search functionality will also be made available, with the final launch of the beta version of Espacenet that was disclosed in 4Q2018.

Customer relationship management will be strongly enhanced by 2023, in the context of EPO's key user management program, using state of the art CRM tools available from standard market offerings.

### **Key Initiative 4: Implement common tools together with other IP Offices**

The Office will assess the viability of building and implementing common tools together with other IP Offices to contribute to the European Patent Network (EPN). Together with members of the EPN, the Office will assess various possibilities for cooperating on back office tools to support areas of common interest, such as the Patent Grant Process, the use of CPC, renewal fees of granted European patents at national level, and the working of the Administrative Council (new MICADO). MICADO will also be modernised and could be extended to become a portal for cooperation with member states.

A cornerstone of this effort will also be the assessment of possibilities for converged front and back-office tools to support the patent grant process and to implement a minimal viable product. These systems, if viable, will ensure scalability, sustainability, and modularity by being jointly constructed with IPOs in the wider Network that wish to participate. They could seamlessly integrate with a modernised Epoquenet built on the EPO's new search engine (Ansera), delivering search functionality equivalent to that available to EPO examiners. This will enable the possibility to decommission over time the old search engine built on dated technology and concentrate efforts in maintaining a single, common generation of tools. Ansera will be adapted to be able to operate on different prior art data sources, so that examiners from any Office can use the same tool to search in their appropriate data sets.

These tools, if viable, will be designed to deliver benefits in cost, quality and timeliness across the lifecycle of patents, and will be built to form part of a wider ecosystem of tools across the IP business. The benefit-driven joint development of this ecosystem together with international and EU organisations, major user representatives, and National IPOs will have to be supported by an ongoing operational commitment to support integration with national IT systems.

A complete analysis of the whole patent grant process will be carried out, and tools which could be jointly built rolled out to pilots. Based on those pilots, tools will be implemented with a second wave of offices. National Patent Offices (NPOs) will be responsible for the ownership and operation of their specific tools while the Office will provide the adequate support.

### **Key Initiative 5: Continue to digitalise and modernise Corporate Services including HR, Finance, General Administration and Document Management**

Key corporate services spanning the whole Office will be digitalised, implementing suitable best practice processes as far as market standard solutions delivered through "Software as a Service" models will fit the Office's needs. As far as possible, synergies in the solutions will be sought to simplify and support the digital workflows between organisational entities.

Both in financial processes and HR services, self-service will be offered where possible, and as a consequence, users will experience less administrative burden, more transparent administrative processes, quicker response times and greater traceability of requests. To support a steady-state regime in the Office's stock, enhanced human capital management solutions will be provided to manage work-force planning, talent management, easier on-boarding of employees, etc. Tools will also promote financial awareness, provide transparency, and enable accountability and progressive empowerment, in the management of the funds by organisational units and in the structuring of procurement activities.

In parallel, the current business intelligence approaches will be complemented by Big Data architectures and techniques that leverage data analytics and deliver self-service solutions. Beyond classic reporting, big data will widen the access to business analytics and business

intelligence. In addition, a consistent, coherent solution for document and content management will be made available enabling the business units to handle their administrative documentation according to a corporate document management policy. Automatic translation of structured content will be also possible improving the consistency and the quality of our administrative translations.

The Office will explore the feasibility of using state of the art telepresence, collaboration and secure online document sharing tools, to allow remote attendance at oral hearings, as well as for examiners, formalities officers and applicants to interact in real time on the basis of the patent filing, avoiding lengthy exchanges of formal letters.

The user workspace will have to evolve to support a fully mobile workforce that can work seamlessly from anywhere, facilitating long-term or ad-hoc teleworking, and providing improved tools to foster team work and collaboration. The user workspace will have become an “always updated” user-friendly environment, as has become the norm in mobile devices, leveraging the extra services offered by modern office automation suites.

This Key Initiative will support Goal 1 in delivering a flexible and digitalised working environment and ensure the Office meets the expectations of staff and potential candidates, and thus contribute to the consideration of EPO as a modern, attractive employer.

### **Key Initiative 6: Build an innovation ecosystem**

The ability to work from anywhere can also help staff in balancing their core tasks with additional projects. For almost two decades, examiners have been developing their own tools with an open-source and collaborative approach. In order to release this untapped potential, we will embark on building an innovation ecosystem that allows EPO staff and NPOs to provide innovative solutions for all stages of the Patent Grant customer journey.

This ecosystem will be based on a robust set of APIs that provide access to EPO services, following best industry practices. A non-hierarchical app marketplace will be created in which EPO employees can upload and discover apps for their needs, as well as a set of incentives and rewards for innovators who create useful solutions. First-class training initiatives in new technologies will support contributors in this innovation environment. Once the first apps have been created and shared, access to the APIs can be granted gradually to more contributors, while eventually expanding the scope of innovation to all stages of the patent grant process.

### **Key Initiative 7: Build an IT Vendor Management Function and revise the IT Sourcing Policy**

A review of the definition of core IT capabilities and the retained IT organisation will be carried out and decisions will consequently be made on investing in in-house skills (See Goal 1) - which are critical to the Office - and the outsourcing of only non-core tasks to subcontractors, provided they are well defined.

The rules of engagement with suppliers will be reviewed in order to secure the organisation's control on their performance, quality and effectiveness. This will be supported by the development of contract and vendor management as a core capability of the organisation and it will include the setting-up of processes to monitor and improve service provider performance and ensure value delivery.

### **Key Initiative 8: Increase agility, reliability and security of EPO systems**

This Key Initiative will ensure the reliability, sustainability and agility of our IT operations, without which all the other Key Initiatives (KIs) under Goal 2 and their potential benefits cannot be achieved. It constitutes the basis for improving the availability of IT systems. This KI will deliver the infrastructure in terms of data centres, hardware, and architectures which will make it possible to implement an end-to-end fully digital patent grant process, while at the same time introducing enhancements to existing tools, developing common tools with NPOs, continuing to invest in corporate solutions, at the same time as improving our vendor management, IT security and digital workplace capabilities.

A state of the art tier-IV data center should support the day to day operations of the Office, so that high-availability is ensured, on a 24x7 basis when it comes to customer-facing systems. The mainframe will have been decommissioned, and systems will run on open platforms. This will provide the basis for a thorough business continuity and crisis management strategy which will ensure the long term sustainability of business operations.

A modernisation of the hardware infrastructure will take place, to provide the necessary computing power for the EPO's resource intensive IT systems, and thereby ensure that the user experience is optimal and contribute to the efficiency of the Office.

Cloud-native architectures based on micro-services and an API-first approach will be adopted. Such Cloud-native architectures will support the ongoing implementation of our cloud strategy that will evolve over time, seeing a transition from a more prudent initial adoption, to a more strategic one, as confidence grows in the security models and maturity of public cloud usage.

The digital transformation will also implement both a "green IT" and "green by IT" policy, to contribute to the Office's corporate social and environmental responsibility (See Goal 5).

An important element of the future IT landscape of EPO will be to increase information security. It will include applying standard patterns on all layers, built-in security monitoring interfaces and advanced security prevention systems. State of the art identity and access management will ensure resources are made available on a "need to know" basis. This more secure IT landscape will enable staff and stakeholders to interact flexibly but safely, leading to increased employee comfort and satisfaction.

Cyber Intelligence and Cyber Defence techniques will be utilised to anticipate and detect attacks and to support the making of rapid decisions concerning security in our specific environment. IT security will be underpinned by a formal ISO 27001 certification and a structured risk management approach.

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## Goal 3 - Deliver high quality products and services efficiently



## Introduction

The EPO is well known for delivering high quality products and services and is consistently ranked as one of the leading patent offices in the world in this field. Its reputation for legally robust patents is based upon the Office's ability to deliver the most complete searches, an examination procedure that is predictable, consistent and provides the highest presumption of validity, and an opposition and appeals procedure that is transparent and fair.

At its core, a quality search and examination process relies upon unhindered access to prior art to determine the state-of-the-art knowledge at the time of filing. In recent years, the worldwide volume of patent and non-patent literature has grown, particularly in Asia, and inventions have become increasingly complex. The EPO therefore faces a growing challenge to provide its examiners with accurate, accessible and complete prior art and specifically to overcome language barriers that are presented by the rise in Asian prior art. The Office will respond by sparing no effort to continuously master prior art (Key Initiative 1), by ensuring ready access to up-to-date technical documentation and by implementing translation tools to overcome any potential language barriers.

In addition to access to prior art, a range of other measures have helped the EPO to ensure that the quality of its products and services meets the high standards laid down by the EPC, its secondary legislation (Rules) and the Office's Guidelines. Since 2015 the Office's Quality Management System (QMS) has been certified to ISO9001 standards and, after four years accumulated success, the Office now intends to develop internal measures that contribute to higher quality of both its products and its services. In parallel, the EPO will work to ensure that a common definition of quality is agreed with its users, generating more confidence in all those who rely on the Office's reputation as a provider of legally robust patents. That will rely on greater input from its network of stakeholders, which the EPO will enhance to get timely, direct feedback, on the basis of which further improvements can be made (Key Initiative 2).

In recent years, the EPO has received requests from its users to deliver high quality patents in a more timely manner. Launched in 2014, the Early Certainty Initiative has responded to that need by helping to reduce the average time needed for search, examination and opposition. As a result, the EPO's users have been able to obtain greater legal certainty at an earlier stage, which has in turn helped enterprises to take strategic decisions on the use of their innovations, their patents and their IP portfolios. There has also been a benefit for the Office. Reduced processing times at all stages of the patent grant processes - combined with increasing production - have contributed to a reduction of the Office's backlog of pending files. At the current rate of progress, the Office expects to have reduced its backlog to a steady-state regime within three years. The EPO is also currently making an assessment of what constitutes an optimal stock.

With a more manageable stock, and an agile, faster patent granting process, the EPO is in a better position to expand the choices available to its applicants concerning the timing of the patent grant process. Applicants will be able to rely not just on a standard, timely service, but an additional choice of products and procedures which will ensure that the patent grant process is more flexible for its users, and more closely matches their specific needs, in terms of timing (Key Initiative 3).

While a range of initiatives can support high quality and better timeliness, the level of the EPO's services is ultimately dependent upon the EPO's staff. Having drawn 4000 highly qualified engineers from across Europe, the Office has benefitted from the commitment and expertise of engineers and scientists at the leading edge of their respective fields. With more

modern and collegial working methods, the EPO's staff members have the potential to contribute to even greater quality and more effective IP. The EPO will therefore constantly invest in enhancing the knowledge of examiners and formalities officers, and in methods to efficiently facilitate the transfer of that knowledge. Both formal and informal collaborative models of working will be developed to share knowledge, enhance constructive feedback and foster a greater sense of purpose, which will in turn raise the quality and efficiency of the EPO's core operations (Key Initiative 4).

The EPO's staff must also be able to rely on IT tools that can effectively support modernised and collaborative working methods. In conjunction with the IT initiatives listed under Goal Two, the EPO will create a new digital end-to-end patent granting process that will support examiners and formalities officers effectively in their efforts to make further gains in productivity and quality, providing a fully digitised process that is fit for the 21st century (Key Initiative 5).

As the Office achieves a steady-state regime it will also be necessary to safeguard this situation by improving the management of remaining stocks and incoming files, and rebalancing the workload appropriately. This implies that the Office must be able to allocate files to the relevant departments with the most suitable staff, in light of fluctuating volumes of incoming work in different technical fields. The EPO will therefore organise its workflows to strike a balance between flexibility and technical specialisation. Its internal evaluation system will be adapted to ensure the EPO's readiness in an evolving patent landscape, while also safeguarding staff engagement (Key Initiative 6).

With quality assured, and staff working in a more collaborative environment, supported by a digitised process and balanced workloads, the Office will be firmly on course to achieve a more innovative environment. Effective tools and collaborative working will fuel creativity and efficiency to foster the development of new products and services to further support industry, universities, research centers and inventors. This exercise will be carried out in close collaboration with EPO's member states and Users (see Goal 4).

### **Key Initiative 1: Master the prior art**

The EPO's ability to carry out efficient, high-quality searches depends upon comprehensive access to the very latest documents on technological developments. This prior art, consisting of Patent and Non-Patent Literature (NPL), is rapidly and exponentially increasing. The Office will therefore continue to make ongoing investments to enrich the content of its databases and ensure their accuracy.

A particular focus will be placed on Asian documentation and Standards, which both continue to grow quickly. About 48% of the EPO's search reports today include an Asian-origin patent citation. Furthermore, approximately 23% of the patent citations on EPO search reports contain at least one Asian citation which is only available in its native language. Through its Patent Translate tool, the EPO has been able to overcome language barriers. However, more investment will be made in automatic translation tools to keep pace with the increasing amount of prior art and to achieve even greater levels of accuracy, which will contribute to higher quality patents.

Investments in the associated search tools will also contribute to enhance both quality and efficiency in the patent grant process. Automated pre-classification will help ensure a dossier is allocated to the team with the correct technical expertise. Pre-search will provide a concise list of potential relevant documents to the examiner at the start of the search and the Office will therefore commit to achieving an increase in the percentage of relevant documents. Meanwhile, search tools will be extended to include more types of data (see Goal 2).

Accurate searches and the retrieval of the most relevant documents as early as possible depend on correct classification of the incoming documentation. The Office will therefore invest the necessary examiner time, set-up suitable support structures and improve the tools to classify all incoming documents systematically and correctly in the Cooperative Patent Classification System (CPC) within six months. The classification backlog will be absorbed by no later than the end of 2020.

## **Key Initiative 2: Improve our Quality**

High quality is a defining feature of both the EPO's products and its services. Users familiar with the world's largest patent offices have judged the EPO to be the provider of the highest quality patents and services and the EPO's own User Satisfaction Survey (USS) have revealed incremental rises in satisfaction. To retain its reputation as a leader in patent quality, the Office undertakes a series of measures internally, and in conjunction with its external stakeholders, to continually improve the quality of both its products and services.

The Quality Management System (QMS) of the EPO plays an essential role in helping the EPO to achieve higher quality levels. Since 2014 the QMS of the patent granting process has been ISO9001 certified, and the EPO has continued to invest in quality by widening the scope of its QMS. In 2015 patent information and post-grant activities also achieved ISO9001 certification and in 2017 the EPO was recertified under the enhanced requirements of the revised ISO 9001:2015 standard.

The QMS will now be scaled up so that it can help the Office to quantify, substantiate and implement continuous improvements. Within our QMS, auditing, monitoring and user input all play an important role. Measures will be taken to ensure that there is not just close alignment of quality within the EPO, but also between the EPO and its stakeholders.

Firstly, the Conformity Assurance for Search and Examination (CASE) system of file checking will be refined. As the Office moves to a more collaborative system of working, the CASE system will only be used to transfer knowledge among examiners and measure improvements in quality as a result of team work between examiners.

Secondly, the EPO will reinforce the role of internal independent auditing in assessing and measuring the quality of the EPO's products and services. The EPO's Directorate Quality Audit (DQA) currently audits the compliance of products delivered by patent examiners and formalities officers with the applicable legal requirements. The DQA will now be tasked with increasing the number of sampled files, ensuring that there is greater coverage of files audited, which will provide a more accurate assessment of quality and alert the EPO quickly to areas where corrective action is needed, such as the recent decline in the compliance rate of grants. In addition to randomly selected files, a risk-driven approach will also be implemented to identify and target specific file types that are known to be more prone to errors. For example, special attention will be given to files where there has been no intervention of the division between filing and grant, and to files with searches in which no relevant document has been found or in which the categorisation of cited documents changes (e.g. a novelty or inventive step relevant document from the search report was converted into a state of the art document in examination phase.)

Furthermore, auditing teams will be rotated more frequently, on a biannual basis. The organisation will build on the expertise of senior experts who will play a key role to help ensure there is a better understanding of quality throughout the Office and a closer internal alignment on

the definition of quality. They will receive training that will allow them to contribute a proportion of their time to auditing under the remit of Department Quality Audit (DQA). This will also contribute to better cooperation and harmonisation between DQA and the divisions of examining teams.

The Office will also review its Guidelines, including content and the process leading to approval. More secondary legislation will be merged into the Guidelines bringing increased transparency, predictability and legal certainty, which in turn will lead to increased quality and reduced costs. All sources of administrative practice and interpretation should be incorporated into the Guidelines, resulting in greater transparency for both examiners and users. The role of users and stakeholders will be reinforced in the consultation phase and the Guidelines made accessible digitally.

Finally, all quality indicators from 2020 – including timeliness - will be organised around excellence, compliance and action needed. Regular reporting will facilitate the progress of the implementation and recognise the Office's achievements.

While the EPO strives to make improvements internally, external feedback from users on quality is essential for maintaining and raising quality levels. For example, satisfaction surveys can help determine whether there are any deficiencies or areas where further improvement measures are necessary.

Specifically, the User Satisfaction Survey (USS) constitutes an important source of information for measuring User's satisfaction on the performance of each of the EPO's three main technology sectors: Mobility and Mechatronics (M&M), Healthcare, Biotechnology and Chemistry (HBC) and Information and Communication Technologies (ICT). Each sector is currently the subject of a separate USS survey every three years. From 2020 the USS will be aligned so they are carried out for every sector in the same year, on a biannual basis. A consultation exercise will also be carried out in 2019 in order to ensure its continuous relevance.

Despite positive results in the USS and other external independent surveys, recent feedback has indicated that there are occasionally differing perceptions of quality between the EPO and its users – and also between the different user groups. In order to continue developing an effective IP system, the Office needs to have a clear understanding of the needs of its users and stakeholders, particularly in the field of quality. In the future, the Office therefore intends to engage more closely with its users, via its Standing Advisory Committee (SACEPO) and its various sub-groups and through the Patent Law Committee and other stakeholders and forums, such as member states, the Board of Appeals and the Judges network.

Generally, the EPO will engage more actively and consistently with a broader range of stakeholders. The EPO will broaden its working groups and governing bodies, to ensure wider transparency and better balance the interests of different stakeholders, while simultaneously ensuring operational efficiency. These will include online consultations on specific procedural topics and specific events dedicated to particular subjects.

### Key Initiative 3: Offer a more flexible patent grant process

Over recent years the Office has been able to offer greater flexibility in the timing of the patent grant process and better timeliness. The launch of the Early Certainty initiative in 2014 played a major role in this, based on a clear set of objectives:

- Searches and written opinions - to be delivered within an average of six months or less
- Examination – to be completed on average within 12 months from the valid request for examination
- And opposition – to be completed within 15 months from the end of the opposition period.

In addition, applicants have benefitted from even greater flexibility offered by an acceleration program: the prosecution of individual applications can be further prioritised and accelerated by applicants (PACE), or even triggered by third parties.

For EPO users, the PACE program and the Early Certainty Initiative have helped to provide legal certainty, more quickly. In addition the efforts to process files more rapidly, combined with greater productivity, has enabled the Office to regain control of its backlog in searches. The Office is also consistently moving towards an average of 15 months for opposition, whilst maintaining high levels of fairness between all parties in the handling of procedures.

With good progress being made in search and opposition, the Office has recently shifted its focus to reducing the examination backlog. Nearly all examination requests filed before 2010 have been successfully dealt with, and the Office has started examination on all requests filed after 2010.

On the basis of the progress currently being made on timeliness in all stages of the Patent Granting Process, the Office is expected to achieve a steady-state regime within three years. With its backlog reducing and files being dealt with in a more timely manner, the Office now has an opportunity to deliver a more flexible patent granting process to its users.

Early Certainty and PACE will be replaced by a new program that offers different procedural deadlines to meet the different users' needs for both search and examination. Specifically, for search, the Office will explore the possibility of offering a search and written opinion delivered in one week, as an option for applicants that need near instant results. The EPO will also explore the possibility of offering a pre-filing search that gives the applicant an initial assessment of patentability (see Key Initiative 7).

The time for search, examination and opposition is currently measured in months using a median average. By 2020, time will be measured using a mean average, which will give a more precise measurement of timeliness taking the outliers better into account. In examination, an "Accelerated" processing time would be set in between 6 and 12 months in mean average. A "Standard" processing time for examination could be set in mean average in between 12 and 24 months. A maximum processing time of no longer than 36 months in mean average could be implemented. The limit of 36 months would balance the interests of applicants with the interests of third parties or the public and is close to the best processing time offered today by other leading intellectual property offices. The goal for opposition would remain at 15 months on average.

Finally, to increase the transparency of proceedings, the Office will provide users with access to a comprehensive portfolio of all their files. This portfolio will include information on the status of each item, including estimated dates for next actions (See Goal 2).

#### **Key Initiative 4: Encourage collaborative work and knowledge transfer**

Collaborative working methods such as peer-to-peer exchanges, teamwork, share-work, knowledge transfer initiatives and dissemination of best practices can bring a number of recognised benefits to an organisation. These advantages include greater quality, productivity, team performance, staff engagement, staff satisfaction, professional pride and development. Collaborative models can also facilitate networks and foster cross-sector harmonisation of best practices, knowledge sharing and contacts with applicants.

At the EPO, three-person divisions play a fundamental role in the patent grant process and this form of close collaboration is at the heart of the EPC: the divisions are composed of three highly-qualified examiners who handle the patent application from search to final action. The search, examination and opposition divisions and their breadth of legal and technical skills make the EPO unique among patent offices and contribute to its reputation as a world leader in quality.

Three person divisions are constituted to bring together the appropriate level and type of expertise with the technological knowledge required for each file. The first member is entrusted with the work, the procedural aspects are checked by the second member, and the final outcome is evaluated by the chairperson. In most cases, the intervention of the second member and the chairperson occur at a later stage, once the search or examination strategy has been defined and the work carried out.

Early involvement of the whole division in assessing and processing the file will lead to improved quality of work and potential efficiency gains in search and examination. Some teams are already working more collaboratively. A pilot is running to explore best practice in this enhanced method of working, which will be evaluated and propelled throughout DG1, based on the results.

Increased collaborative work within both the division and within teams will be fostered to promote learning and best practices. The collaborative role between search and examination divisions will also be enhanced further to bring the breadth of technical knowledge required to ensure completeness of search and the highest quality in examination. Where appropriate, virtual divisions will be created using new tools. This will bring together the relevant expertise from across the EPO's teams and sites that are also needed to deal with complex or multidisciplinary files.

Best practices in examination and opposition will be identified and implemented throughout the Office. Procedural and technical excellence will be promoted through the Senior Experts Network. The role of staff-driven initiatives and collaborative networks such as Continuous Knowledge Transfer (CKT), Asian Patent Expert Group (APEG), and Computer Implemented Invention (CII), will be strengthened and actively supported. Other staff driven ideas will be valued, given due attention, and potentially implemented when in line with the aims of the Strategic Plan.

As mentioned under Goal 1, appropriate training in core and soft skills will be provided to examiners and formalities officers. Training will be customised to individual needs and different skill levels. In addition, examiners will be encouraged to pass the European Qualifying Examination (EQE). Lastly, the role of formalities officers will also be reviewed to become gradually closer to that of a para-legal, within the boundaries of the EPC. In this regard, the Office plans to launch by 2020 a new certification for formalities officers, for example a European Patent Administration Certificate.

In a joint effort to transfer knowledge within the Organisation, a “Quality Dialogue” will be launched between the Office and the Board of Appeals. This will facilitate an exchange on best practices in drafting decisions, procedural developments, and current trends in Board of Appeal decisions.

### **Key Initiative 5: Harmonise and simplify patent procedures and processes**

Annual results of the Office have shown that in recent years the production of the Office has increased, while external surveys have shown that quality has also continued to improve in parallel, as has timeliness. These positive results have largely been achieved thanks to the diligence, commitment and professionalism of EPO staff.

While efforts by the EPO employees have already made certain gains, the EPO’s examiners and other staff must now be supported with an efficient, and highly performant IT tool that helps them in achieving higher quality levels, and becoming more efficient in their tasks. Specifically, if positive trends are to continue, the patent grant process needs to be simplified and streamlined (See Goal 2). Past failed attempts have shown that it is fruitless to create a digital back office that merely attempts to reproduce paper based processes. Highly complex procedures for a small number of cases have also produced disproportionately heavy costs for the IT system. The streamlining therefore needs to exploit opportunities based upon a fundamental digital transformation.

An assessment of the EPO’s patent grant procedure is underway with the aim of identifying short, medium and long term measures and different potential lines of action that could help to harmonise and simplify processes, based upon the move to an electronic grant process. This could potentially reduce the number of procedural errors and improve communications with users. There will also be a number of associated positive effects, such as a substantial reduction in paper consumption and print toners, an important contribution to the Office’s environmental sustainability. In the meantime, remaining paper processes will be assessed and optimised in order to make immediate gains in quality and efficiency where available. EPO staff will be encouraged to propose innovative solutions.

The EPO’s fees, payments and refund methods will also be reviewed and streamlined where possible. Particular attention will be given to items that are seen to be particularly burdensome both for users and the Office. A number of small and rarely-used fees could be abolished entirely or merged with other fees and the fees for European and PCT applications could be further aligned. Furthermore, the fee structure will be reviewed with the aim of creating incentives for applicants to further enhance the quality and efficiency of the patent granting process. Finally, automatic debiting payment mechanisms will be considered and the process of providing refunds will be streamlined further.

### **Key Initiative 6: Improve the management of our stock**

As the Office masters its backlog, the EPO will be more exposed to variations in demand. In response, a more dynamic business model needs to be established to ensure increased productivity and effective management of the incoming work.

Greater adaptability and flexibility among examiners and formalities will constitute a major element of this dynamic business model. It will therefore be necessary to identify developing trends early, so that if a staff member needs to change technical field, proper training can be

offered prior to any implementation. A complete mapping of the competencies of our formalities officers and examiners will also ensure that the Office can achieve the best match between staff competencies and required tasks. Examiners and Formalities Officers will identify new areas of competence they would like to embrace in the future, and undertake relevant training, so they can be highly specialised, yet also flexible and agile.

At all times the Office will perform a careful assessment of whether files should be transferred, rather than the redeployment of staff. The transfer of files between teams is appropriate for short term imbalances, but the redeployment of staff should be the preferred choice when structural changes occur.

The role of second examiner will be used for hands-on training in the new field. This approach will in turn guarantee that there is no trade-off between the need to ensure a high level of specialisation of our examiners and the need to increase adaptability and flexibility.

The organisational structure will also be kept under constant review to ensure the right balance of roles and responsibilities both within and between sites. In particular, the Office will ensure the necessary examiner and formalities officer capacity in Berlin to promote the site as a Centre of Expertise on Artificial Intelligence and to act as a hub for Technology Transfer in the frame of the PATLIB 2.0.

At the beginning of each year, the Office will set a clear production reference target. However, as the EPO achieves a steady state regime and will not be able to depend on a substantial backlog, it will be necessary to review the reference target throughout the year according to variations in demand and stock, and to amend the reference target when necessary. The model will gradually depart from a pure product approach, which is dependent on the possibility of processing files in the backlog, and will be based on more effective and responsive stock management and higher quality, including timeliness.

Each staff member will be able to monitor his or her performance within each team and directorate. To this end, state-of-the-art dashboard solutions will be deployed to assist monitoring of both performance and the incoming work, thereby improving the transparency of data at the organisational and individual level.

### **Key Initiative 7: Develop innovative products and services**

As the Office reduces its backlogs it will explore, within the framework of the EPC, the possibility of developing innovative products and services that meet the needs of the EPO's users in a fast-evolving technological environment. In doing so, the Office aims to put the expertise of its staff and the power of its tools at the service of innovation and creativity.

The Office is aware that some NPOs offer these services to users - or some or parts of those services. Further deliberation may therefore be needed, to ensure that new services are fair and implemented for the benefit of all stakeholders, particularly users. Although it is difficult to predict the financial revenues stemming from these options, it can be anticipated that they would have a positive operational impact. More importantly, these products and services could be highly beneficial to the European innovation system.



Firstly, pre-filing searches could be offered to give users a swift assessment of relevant prior art related to their potential innovation. This service could be particularly useful to universities and research centers, which could steer investments in research and make sound business decisions, potentially saving substantial costs. When converted into a patent filing, the pre-filing option would help to promote higher quality applications, which would be beneficial to the users and the Office.

A second option would be to offer users the possibility of requesting a search and written opinion within one week. This service would enable applicants to make better informed decisions on their IP strategies, and to decide quickly whether to proceed or not with their applications, and how to proceed. This would have an additional positive operational impact on the Office's stock management, as incoming work would be dealt with more quickly.

A third product could be a Freedom-to-Operate (FTO) search report. The remarkable global growth of IP rights worldwide means it is becoming increasingly difficult to assess what is already protected by intellectual property rights in a given part of the world. The FTO therefore seeks to minimise the risks of patent infringement. The scope of the FTO search report would need to be further defined, geographically, as well as other considerations. These include, for instance, whether or not to include a written opinion. The service would be of particular value to small or very small companies, considering the potential to charge a very competitive fee.

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Goal 4 - Build a European patent system and network with a global impact

## Introduction

The European Patent system and the high quality patents granted by the EPO have helped to support a vibrant innovation sector, which has contributed to European economic prosperity. Studies have shown that IPR intensive industries have added value to GDP, and contributed to exports and employment. Continually rising applications at the EPO also indicate that legally robust IP has bolstered Europe's attractiveness as a lucrative and dynamic market, and as a technology hub for innovators and enterprises from around the world.

Cooperation within Europe and with partners outside of the EPO's member states has been a contributing factor to that success. Working together with EPO member states and their National Patent Offices (NPOs) has helped strengthen the European and national patent systems, spread specialist IP knowledge, and avoided duplication of work. Further afield, the EPO's work with international partners in forums such as the IP5 and Trilateral has contributed to more harmonised procedures. Agreements with both European and non-European partners have also helped the EPO to obtain access to global patent information and to disseminate the data to its users.

Shortly, the Unitary Patent and Unified Patent Court will play a significant role in reducing the complexity and costs of the European Patent system. Within the remit of its competences, the Office will promote and facilitate its uptake and contribute to removing any impediments. However, despite the imminent arrival of the Unitary patent and the success of the EPO's cooperation initiatives so far, the Office faces a number of demands and challenges that need to be answered if the organisation is going to continue to deliver benefits for all users in the patent system.

One of the first, clear requirements of users is to have access to comprehensive patent information. The data generated by both patent and non-patent literature can be an invaluable source of information and insight for users in assessing new technological trends and for taking strategic decision on their patent portfolios, as well as having other uses. However, in recent years there has been a global increase in the volume of patent applications and patent literature, covering increasingly complex technologies. Furthermore, there is an increasing number of actors involved in the generation and dissemination of that patent information. The EPO must therefore respond by working more closely with its network of partners to ensure that the patent information it offers to users is complete, managed effectively, and made available in a user-friendly format. Users will also need to be supported with effective tools and high quality training that helps them to understand this data and to support them in their activities (Key Initiative 1).

As well as equipping its users with patent information, the EPO can also work to ensure that users are equipped with IP knowledge. The EPO will aim to make the European Patent Academy a reference of excellence in IP training, in close cooperation with its members states. With more trained professionals throughout Europe and with access to the highest standards of IP education, the innovation sector will be strengthened by higher standards of expertise. The Academy will also aim to ensure that its training operates on the principles of effective planning and will appeal to all stakeholders through customised training (Key Initiative 2).

Cooperation activities will be revised to deliver more efficiencies in the EPO's projects and initiatives undertaken with partner countries. Based on a revised financial offer, the EPO will play a defined role in supporting its partners to strengthen their patent system and services. The EPO is in a prime position to also support member states with the implementation of cooperation activities with seconded national experts and other expertise. Furthermore cooperation

will be modernised by implementing a project management approach, to focus on efficiencies and deliverables, which will also be supported with a regional approach (Key Initiative 3).

In defining the cooperation activities that can create the greatest impact, the EPO will offer a catalogue of potential projects based on four pillars that will help to strengthen the European Patent Network (EPN). With the digital transformation under way, the Office will be able to provide all partners in the EPN with a portal on cooperation activities. With IT systems built on a more modular approach, the Office will be better placed to offer member states cooperation on IT tools that can support a more modern, efficient and high quality patent system throughout Europe. Closer cooperation will also yield results for assessing training needs throughout the member states and to support effective planning for disseminating IP expertise. With a high quality patent grant process, the Office is also in a position to support partners with work sharing initiatives, in which they would profit from work already done by the EPO, to free up their own resources and capacities. As Offices throughout Europe seek to reduce their administrative burden, the cooperation framework also offers a suitable framework in which to increase convergence and support the spread of best practice (Key Initiative 4).

Cooperation activities have allowed the EPO to achieve a number of benefits. For users, greater access to patent information has been provided, and the possibility to obtain patent protection in up to 44 member states - well beyond the borders of the EPO's member states. Meanwhile National Patent Offices have benefitted from training programs by EPO experts and the ability to reuse the EPO's work results in search. By promoting all-inclusive and equally open cooperation activities to all its member states and building technical expertise in implementing and maintaining the cooperative results across the EPN, the Office will strive to maximise the impact of the cooperation activities for the benefit of its users.

This will be achieved partly by broadening the territories in which it is possible to obtain a European patent, or in which the EPC has an effect. The Office will continue to prioritise Validations agreements as the preferred and strategic form of cooperation with non-member states and the reinforced partnership as an alternative model. In all cases a regional approach with fewer resources and greater impact will be favoured in close partnership with the EPO's member states and European and international organisations. The EPO must lead the efforts to promote an efficient and effective global patent system, as well as to fulfil its mission as defined in the Convention (Key Initiative 5).

With a stronger EPN, comprising more performant tools and practices as a result of cooperation activities, and a more impactful cooperation framework, the EPO and its member states will be in a stronger position to export European common standards internationally.

### **Key Initiative 1: Enhance access to patent information**

The patents granted by the EPO reward human ingenuity and creativity by establishing legal protection for inventive ideas, which allows innovators to bring their inventions to market in confidence. At the same time, the patent system furthers the interests of society and technological development: technical information and other documentation is made available to the public, so that all can understand and build upon the latest technological breakthroughs.

The accumulated patent documentation constitutes an invaluable source of patent information that can be accessed and used freely by anyone, from anywhere in the world. Technological developments and cooperation with other offices have allowed the EPO to integrate, link and make available large volumes of data, with a focus on accessibility. In addition, the Office

has also provided flagship tools and training services to help users understand and exploit this wealth of available patent information.

Moving forward, the EPO will continue to develop global standards in patent information, by ensuring that the data available is complete, that users are able to access the data in a simple and straightforward manner. This Key Initiative will therefore systematically increase the quality and level of data available, foster the obtaining of data through agreements with providers and partners and align the tools with digital developments at the EPO.

Patent information services will be developed to expand the data available to users. Data will also be enriched so users can obtain a complete and coherent picture of the current status of protection for an invention: patent data will be interlinked with the legal status of the related application, relevant court decisions included, and information provided on the possibility of licensing of granted patents. To ensure that high quality data is delivered regularly and integrated into the EPO systems the formats and updates will be standardised. These standardisations will be implemented through agreements with the providers and cooperation partners. Additionally, the EPO will strive to offer statistical data tools that provide a meaningful picture of technology trends that can be used in analyses that are useful to a range of different actors.

The EPO's new web governance policy will enable a better customer experience and improved efficiency throughout the EPO's web presence, by providing consistency and quality across all external online channels and services. The EPO's different patent information tools and services - including Espacenet, the Federated Register and machine translation - will adhere to the policy. Access to the different patent information tools and services for users will be provided through a single portal. The expectations of users will be regularly monitored and captured through open feedback and dialogue.

The EPO will continue to support users with training and services to help them exploit patent information. From the EPO's premises in Berlin, the Office will create a hub for Technology Transfer in collaboration with member states within the framework of a second generation of PATLIB centers, , offering new services in the area of technological transfer and supporting Universities, research centers, inventors and SME's.

## **Key Initiative 2: Improve access to patent knowledge**

The EPO's Academy plays a vital role in ensuring that users of the European Patent system have the knowledge and skills necessary to operate effectively. Initiatives currently undertaken include the training of staff from National Patent Offices and assisting in the organisation and administration of the European Qualifying Examination (EQE).

Given this strategic role, the Office will enhance the capabilities the European Patent Academy in the provision of education and training. The aim is to transform the EPO patent academy into a reference for excellence in IP training. It will bring innovation and learning together and develop standards for IP training and certification, in collaboration with the member states.

The governance structure of the Academy shall be reviewed with the view of creating synergies with the EPO's internal talent academy and reuse the best practices generated. Today the existence of two different academies leads to a misalignment of content and its format, methodologies, management teams and providers.

The Academy will plan its services more effectively, not just to cater to the current needs of customers and users, but to anticipate their needs in the future. The Academy will enhance coordination with stakeholders to define well in advance the appropriate level of resources and training needs and to offer a more comprehensive and integrated high quality training portfolio to the IP community. In this regard, the Office will prepare and present an annual program for the Academy, after due consultation of member states and other stakeholders.

Training activities, including events and courses will be made more attractive by ensuring that the content is relevant to the different stakeholders. A special focus will be placed on professionals (attorneys, litigators, advisors) and researchers, as well as on developing new training needs stemming from the co-operation activities.

The current e-learning center of the EPO will be expanded. The learning will be better structured through a modular and segmented approach (beginner, intermediate and expert). E-learning will also be made available through different channels and media. To the extent possible, the Office will incorporate the best interactive user interaction technologies and the latest technologies such as big data analysis and AI.

### **Key Initiative 3: Maximise the impact of cooperation**

In order to generate added value to its users the EPO intends to revise its financial support to cooperation activities with a view to; encouraging the participation of all relevant actors; supporting the effective implementation and maintenance of the results of the cooperation activities; adopting a project management approach to ensure cost-efficient and on time co-operation deliverables; and to favoring a regional approach to maximise the impact of cooperation activities.

With regard to its financial support for cooperation, the Office will propose to its governing bodies a new model in which cooperation activities are all-inclusive and equally open to all its member states by setting new financial conditions in which 80% of the overall investment will be borne by the EPO and the 20% remaining by the NPO, which can also be a contribution “in kind”.

Furthermore, experience often shows that the capacity to implement, maintain and further improve cooperation initiatives is not driven solely by financial resources but rather by operational ones. Future cooperation activities within the EPN will therefore include the possibility of providing the required technical expertise, as well as EPO seconded staff, to national offices for a limited period of time. On the basis of international best practices the EPO will also launch a seconded national expert program to allow for the participation of national experts in the EPO’s activities for a short duration in time.

In order to achieve more cost-efficient and on-time deliverables in its cooperation activities the Office will introduce a project management approach that clearly identifies the expected results, timelines and costs. This approach will be extended to the IP5 and Trilateral projects and activities. With regard to ongoing IP5 projects, the Office will strive to streamline the number of projects and initiatives, increase the number of virtual meetings and, when appropriate, in the framework of the IP5, promote the revision of the governance and the structure of the Working Groups and further empower the role of Industry, namely through the Industry Consultation Group (ICG).

In developing its cooperation activities the Office will also favor a regional approach. Whilst expanding its cooperation activities, the Office will also make use of the future and ongoing cooperation initiatives, seeking synergies with WIPO, ARIPO, EAPO, OAPI and member states.

Finally, the Office will consider the feasibility of bringing the EPO, EUIPO, member states and stakeholders together under the same cooperation platform. This could be made possible through multilateral cooperation plans with national offices which could include multidisciplinary cooperation working groups and a joint Academy training catalogue in the future.

The Office already has a well-established cooperation with the EUIPO and Community Plant and Veterinary Office (CPVO), yet a comprehensive framework for cooperation with the EU Commission is currently not in place. The Office will therefore propose to the Commission a broad cooperation program that will include regular meetings both at the political and technical level. In doing so the EPO will be able to offer input on regulatory and non-regulatory initiatives. As part of the cooperation, the Office will aim to organise European SME days to raise awareness together with the Commission. Furthermore it will explore with its EU partners the possibility of offering a single point of access to information on IP rights made available by the Commission, EUIPO, and CPVO and national offices.

#### **Key Initiative 4: Define and prioritise cooperation activities**

In close consultation with the member states a new catalogue of cooperation projects will be developed. The catalogue will comprise ongoing and new initiatives. The catalogue will be organised around four pillars to create a European patent network; IT infrastructure on the basis of program of simplification of processes and procedures; cooperation projects to enhance knowledge and quality; cooperation projects aimed at work-sharing; and cooperation projects to promote the converge of patent offices practice.

The cooperation activities relating to IT will address both front and back office tools. Taking into account the past failed attempts in creating shared IT tools, the Office will favor:

- a program of convergence and simplification of processes and procedures;
- a modular and gradual approach;
- and a minimal viable product approach coupled with incremental cycle of improvements.  
(see Goal 2)

Upon the principle of diversity, pilot offices will be selected. Working groups will then be organised to map simplified and harmonised processes upon which technology will be developed. The successful implementations will be gradually expanded to all interested patent offices. A portal for the management of renewal fees of granted European patents at national level might also be considered.

The cooperation activities devised to increase knowledge in core and soft skills will be developed through the EPO's Patent Academy. A yearly consultation with member states will be launched to ensure that the Office can match the identified needs. The consultation will be organised around thematic areas ranging from search, tools, EQE and technology transfer matters to language, data protection and quality.

The sharing of work and tools will also be addressed in the cooperation activities. Discussions will focus on Epoque and Ansera functionalities and data. CPC work sharing will also be tackled as well as search agreements between the EPO and member states where national applicants would benefit from receiving the EPO's search report and written opinion at a lower cost. The search agreement policy will be revised and made more attractive to EPO's member states. At the same time the EPO could further support NPO's promotion, search and technology transfer activities, namely through a second-generation Pan-European Seal program (See Goal 1).

A convergence program of administrative practice will be launched to reduce the costs for users when interacting with multiple European patent administrations. This program will be developed on the basis of best practices, following a broad consultation with member states and users. In selecting the working groups a careful balance will be given to ensure the needed representability of NPOs and users and operational efficiency needed to secure results. The program will be voluntary and will aim to reach consensus expressed through common communications on procedural or substantive patent law issues following the proper consultation and agreement of EPO's governing bodies.

### **Key Initiative 5: Broaden the European patent system and network impact**

The attractiveness of the European system is based on both the quality of the products and services delivered and on its geographic coverage. The geographic coverage of EPO's search, written opinion, and examination covers not only its member states but also the countries that benefit from an extension (European) and validation agreements (International). Through a single high quality search and examination procedure, inventions can today be protected with intellectual property in 44 countries. It is therefore of strategic interest that the EPO expand its coverage, through agreements, partnerships, technical cooperation and, importantly, by exporting quality European converged standards.

The EPO will therefore implement and reinforce a new framework based on three possible models of cooperation: Validation agreements, Reinforced Partnership agreements and technical cooperation.

The EPO will actively promote the Validation agreements as the most advanced and strategic form of co-operation with non-member states. The national patent offices of the validation states and the EPO will co-operate on terms close to that of EPO member states. Validation countries will be the first choice when pursuing international bilateral cooperation.

Through Reinforced Partnership agreements the Office will seek to increase efficiency primarily by avoiding duplication of work by the partner office, through the re-use of EPO results. The reuse of results will also contribute to higher quality patents and release capacity in the partner office to support their innovation system. For both Reinforced Partnership agreements and Validation agreements, the EPO will continue to promote a regional approach, as well as initiatives aiming at re-using search and examination work.

Technical Cooperation will aim to; strengthen the EPO's patent data coverage through the Quality at Source initiative; extend the PPH network to foster reuse of search and examination work; and expand the use of Cooperative Patent Classification (CPC) worldwide. With regard to the CPC specifically, the envisaged actions will include the continuous monitoring and improvement of the quality of classification performed by the participating offices. This will include the organisation of training events and distance-learning courses.



The results achieved in the on-going IP5 Collaborative Search and Examination Pilot will be assessed in order to evaluate the feasibility of rolling-out this EPO-lead initiative further. The Global Dossier IP5 flagship work sharing project will be enhanced by creating new functionalities and by expanding the coverage of data through an extended linkage with WIPO CASE.

At the same time, the Office will strive to bring further harmonisation and convergence of practice within the IP5. The Office will identify remaining divergent practices in procedural and substantive patent law harmonisation, taking into account previous results achieved at IP5 and Trilateral level. The Office will continue to work closely with, and support, the Trilateral industry in their efforts to achieve an acceptable solution for all parties on the five priorities identified by Industry on substantive patent law harmonisation. In the strategic areas of Computer Implemented Inventions (CII) and Biotechnology-related inventions, comparative studies will be launched and on the basis of which harmonised practices might be generated to benefit users.

Looking to the future the EPO will contribute to defining the next set of priorities within the IP5 for the Patent Harmonisation Expert Panel, never losing sight of the interests of the European industry. All in all, the main objective is to promote the creation of international standards, based upon alignment achieved with the Trilateral and IP5.

Considering that bundled IP rights are used by industry, the Office will seek to promote synergies between TM5, ID5 and IP5. Ultimately this could lead to a re-foundation of the TM5, D5 and IP5 under a same umbrella whilst respecting the operational and political specificities of each IP right. Common projects and activities could be launched, bringing stronger synergies between partners and important operational reduction of costs, time and resources.

Finally, the Office will implement and support initiatives aimed at enhancing the quality of PCT products and services. The Office will place a special focus on PCT working groups and task forces, such as the WIPO Task Force on PCT Minimum Documentation. This will strengthen the requirements to be met by international authorities when performing their international search. The Office will also promote the incorporation of a common practice on unity of invention into the PCT guidelines, based on the methodology recently agreed by the IP5 offices.

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## Goal 5 - Secure long-term sustainability

## Introduction

Engaged staff, a digital transformation, an effective patent grant process and high impact international cooperation are the foundations on which a sustainable EPO will be built. Investments in each of these domains are necessary if the Office is to have a modern infrastructure that is capable of delivering the products and services necessary for a vibrant innovation sector and an effective patent system in Europe.

The EPO must secure the investments proposed in this Strategic Plan with a set of further measures that will reinforce the Office's long term prospects. Structures to ensure effective corporate and political governance will be strengthened. Greater transparency and accountability will contribute to comprehensive oversight required of a public institution. Environmental and corporate sustainability will be increased to ensure the EPO's resources are put towards improvements in wider society. Last – but by no means least - the long-term financial sustainability of the EPO must be secured to ensure its very existence as a central pillar of the European patent system. Achieving these aims will ensure that the measures taken in the previous goals become more than the sum of their parts, and that all stakeholders will be able to depend on a strong and effective IP office for Europe - long into the future.

Firstly the EPO will therefore strengthen its governance at both the political and corporate level. The political governance of the EPO is set in the EPC in a classical scheme of separation of powers: the legislative and supervisory powers are entrusted to the Administrative Council; the judiciary powers to the Boards of Appeal; and the executive powers to the Office. It is our common responsibility to ensure that, at all times, this fundamental principle of good governance is correctly understood and applied.

At the corporate governance level more can be done to increase effectiveness. Doing so will ensure the Office translates its vision, mission and values - which have been declined into the five strategic goals and Key Initiatives of the strategic plan - into well organised programs and projects. Those projects will be clearly defined in an annual work program which will be coordinated by a Project Management Office (PMO) that will bring greater alignment to the implementation of the Strategic Plan. This corporate governance office's work will also help illustrate to all employees how the strategy is being translated into daily operations and how their performance is instrumental for the Office's overall achievements – which, in turn, will foster a renewed sense of purpose and belonging. (Key Initiative 1)

As we move forward we will also look at our processes, and ensure they remain efficient. We will review the way we work by mapping and reviewing our processes accordingly and bringing them in line with best standards. We will therefore become more efficient and create a culture of continuous improvement.

Our users also need to be confident that the EPO is resilient to elements that can cause interruptions in service. The Office will therefore strengthen its capacity to repel threats to the integrity of the EPO's systems and avoid potential disruptions, by implementing an office-wide Business Continuity policy, based on a corporate risk register. Our financial management must also be traceable and accountable while still providing empowerment of relevant departments. In this regard we will also review and better report on the evolution of our financial KPI's, especially the Unit Cost index. A multiannual and annual procurement plan will also take advantage of a more competitive purchasing environment, whilst avoiding vendor lock-in in future. (Key Initiative 2)

Societal expectations in terms of transparency and accountability placed on public bodies

have vastly increased over the last forty years. Public authorities have a responsibility to explain not just what they are attempting to achieve, but how it is to be done, what progress is being made, and what controls have been put in place to ensure responsible administration of valuable public resources.

A transparency portal and an exception register will provide all interested parties with direct information on the functioning of the Office, and with regular reporting on the outcome of our governing bodies and management meetings. Our Code of conduct will be reviewed, as well as our data protection guidelines and our investigation guidelines to ensure they remain amongst the best in class at the international level. (Key Initiative 3)

As a responsible public institution, the EPO has both a responsibility and an opportunity to use its resources to generate additional positive impacts on wider society, the environment and in the cities that have given a home to the EPO. The Office will therefore undertake corporate sustainability initiatives that raise the prominence of innovation. At the same time, we all have a responsibility to play a part in achieving a healthier and greener environment. The Office grants patents every day for inventions geared towards environmental protection, but the EPO can also take a more direct role. We will therefore assess how it can take action to limit the EPO's environmental impact and aspire to reach new levels of environmental sustainability (Key Initiative 4).

Ultimately the Office must assure its own long term financial sustainability if it is to continue delivering the high quality products and services that are required by its users. One of the strengths of the EPO is its status as a self-funded organisation, which allows it to plan effectively for the future, using both internal and external expertise. Together with a general sustainability report, this comprehensive financial assessment of its potential long-term financial scenarios will ensure the EPO is better placed to master its destiny and further support a vibrant European Patent system (Key Initiative 5).

Lastly, the EPO needs to be alert to – and properly understand – changes in the patent landscape if it is to constantly evolve and ensure the effectiveness and sustainability in the future. While the Strategic Plan is geared towards the Office's sustainability, the assessment of patent data and patent information by the EPO in recent years has already revealed that changes in technology and in the patent system itself can appear frequently and quickly. As an example of that rapid change, the arrival of the Fourth Industrial Revolution (4IR) has led to a sudden rise in patent applications for 4IR technologies, which even have the potential to impact significantly on the patent grant process itself.

The EPO will therefore create an Observatory in Munich in close cooperation with all stakeholders. The Observatory will equip the EPO and a broader range of stakeholders in its network with up-to-date understanding and expert insight into evolutions in the innovation sector and patent landscape. Armed with the knowledge arising from, the EPO and its partners will be better placed to respond effectively to ongoing developments, to anticipate changes in the future and to take measures that will ensure the sustainability of the Office and patent system long into the future (Key Initiative 6).

### **Key Initiative 1: Strengthen governance**

Well-functioning political governance is paramount to the EPO and to its independence as an international organisation. The Office acknowledges the need to support the Administrative Council in fulfilling its legislative and supervisory functions. In complex and sensitive issues,

the Office will not present just one single option for approval but a set of possible options, each of which will be subject to an impact assessment based on institutional best practices and external advice if needed. Additional external advice will be sought when requested and necessary in close cooperation between the Chair of the Administration Council and the President of the Office. Furthermore, the Council Secretariat will be located in, and supported by, the Directorate General in charge of legal and international affairs, in line with best practices.

Over recent years the EPO has striven to reinforce the efficiency and perception of independence of the Boards of Appeal (BoA). After two unsuccessful attempts in 1995 and 2004, the Organisation succeeded in 2016 in adopting a structural reform of the Boards of Appeal within the existing framework of the EPC. The reform covered several important aspects. For example, powers were delegated from the President of the EPO to a newly created President of the BoA. Furthermore, a specialised sub-committee composed of experienced national judges was created to support the monitoring of the efficiency and independence of the BoA.

Under the steer of the new President of the BoA, some elements of the initial reform have already been completed or are underway. Performance evaluation criteria of the BoA members have already been defined and a revision of the rules of procedure has been launched. While a transformation of the BoA Unit in a fully autonomous jurisdiction depends totally on political decisions of the EPO member states, there are still a number of improvements which could be envisaged, such as a Memorandum of Understanding (MoU) between the President of the Office and the President of the BoA regulating the modalities of support from the services of the Office to the BoA.

At the corporate level, a sustainable organisation in pursuit of excellence has to be able to translate its vision, mission and values into strategic goals and Key Initiatives and then into daily operational activities. It is essential that staff achieve an understanding of how their actions, their energy and performance impact upon the long term results of their organisation.

On the basis of the Strategic Plan and its strategic goals, the Office will therefore draw up an Annual Work Plan, including an annual staffing plan and budget, which will be submitted to the Administrative Council. Consequently, the Activities Reports of the Office will be based on the Annual Work Plans, ensuring the alignment of strategic and operational activities.

Implementing all the activities of the Plan needs an orchestrated approach in a corporate governance function that integrates performance, quality, and risk and benefit. To translate the strategic into the operational, the EPO intends to establish a Project Management Office (PMO) that will coordinate the implementation of the Strategic Plan. It will introduce and manage change in an orderly manner by using project management processes, and it will be vital for facilitating the implementation of the Strategic Plan alongside the Office's day-to-day activities. The PMO will ultimately connect different areas of the organisation to work on specific issues and release the positive energy harboured by our organisation.

The integration and follow up of all key performance indicators related to the implementation of the Strategic Plan will also allow for continuous monitoring. Specific Strategic KPIs will be developed to support the management and the governing bodies in monitoring progress and exercising their role in directing and governing the organisation. A Balanced Score Card for the Strategic Plan will also help to align the SP measures with other operational KPIs.

## Key Initiative 2: Enhance process efficiency

Achieving the excellence to which the EPO aspires is a long road. In pursuing excellence we must constantly review the way we work. Well-defined and measured processes are needed to set a baseline from which the organisation can improve its performance in terms of quality and user expectations ensure consistent outcomes throughout the Office and constantly evolve towards excellence.

As a means of achieving excellence, the Office has introduced ISO9001 in its core business activities and now aims to extend ISO certification to all other areas of the Office. The positive experience gained from managing quality under ISO9001 will be extended to IT, Patent Law, General Administration, Finance, HR and other central areas to be brought within the scope of ISO9001.

In parallel, the Office will implement other ISO standards<sup>1</sup>, providing a holistic management culture at the EPO that is fully aligned with the best practice of EU Public Internal Control systems. Internal governance, which is currently fragmented between ISO9001 and EMAS, will be brought together into an Integrated Management System, promoting a culture of continuous improvement. This Integrated Management System will ensure that the Office administration remains proportionate and lean.

In order to identify the EPO's risk of exposure to internal and external threats, the Office will implement an Office-wide Business Continuity Management System (BCMS), based on a risk-driven Business Continuity policy. Covering all business units, the BCMS will ensure our capability to respond effectively to threats and disruptions, and to safeguard the delivery of the Office's functions. In addition it will reinforce the Office's reputation as a secure and stable organisation that is resilient to external threats. Procedures for exercising, maintaining, and reviewing the plans will be developed and measures such as awareness campaigns will be implemented to ensure that BCMS is embedded in EPO culture. A corporate risk register will bring corporate risks the desired level of management attention.

As a public and self-funded institution, the sound management of EPO finances is imperative. The Office will take measures to reinforce a culture of responsibility and accountability throughout the Office. Specifically, a more decentralised approach will empower operational managers to follow up the budget more closely at all levels of the organisation. The budget will be structured according to operational area (DG, PD, etc.), as will financial KPIs, such as the well-established Unit Cost Index. These improvements are expected to trigger some adjustments to the current Financial Regulations, specifically to eliminate outdated provisions from the time of the Office's founding.

The cost and revenue bases will be aligned, giving a simplified and more relevant interpretation of the financial situation of the EPO. This will also provide an opportunity to review the method used to calculate the Unit Cost Index, with a view to reflecting better the current and expected products, while also introducing reporting on a more frequent, quarterly basis. Dedicated KPIs will also be considered for the financial monitoring of specific activities such as Cooperation and European Patent Academy.

The Office will develop a multiannual and annual procurement plans to better plan and execute all its significant purchases. This will incorporate greater use of public tender processes, in line with standard public practices. Consequently a more competitive purchasing environment will avoid vendor lock-in in the future.

<sup>1</sup> Under consideration are Business Continuity Management (ISO22301), Risk Management (ISO 31000), Organisational Resilience (ISO22316), Information Security (ISO27001), Facility Management (ISO 41001), Occupational Health and Safety (ISO45001), Complaint Management (ISO10002).

### Key Initiative 3: Improve transparency and accountability

One of the most effective ways for the Office to ensure its accountability to its stakeholder is by becoming more transparent. As it develops its external communications to provide essential information to different external audiences, the Office will implement a documentation policy to facilitate public access to documents through a user-friendly transparency portal. An exception register will also be created to help identify issues where the appropriate requirements have not been fulfilled in the area of finance and procurement. This will ensure that corrective measures can be taken to avoid such instances in the future, through training or improvement of the regulatory framework.

The Office will report regularly on its activities to its governing bodies and committees, for example the Committee on Patent Law and the Technical and Operational Support Committee, the EOC and the QB. The operational boards such as EOC and QB will be streamlined and merged.

The current database (MICADO), in which the relevant documentation is made available to the Administrative Council will be enhanced to ensure better usability, efficient communication and smoother decision making. A feasibility study will also consider whether it could also become a central hub for cooperation projects.

Over recent years, reliable and secure data protection policies combined with effective cyber security measures have become increasingly important as the number of threats and attacks have grown. To ensure that personal data is always secure, it's important to know what data is being processed, why it is being processed and on what grounds. The Office will continue to look into best practices and into EU standards in particular to raise the standards of its long-standing data protection policies further, and to provide the EPO's users with further confidence in the integrity of the EPO's data protection policies and capabilities. Periodic audits will ensure compliance at all times, build trust, and raises awareness on data protection issues among its stakeholders. The internal investigations regulations will also be reviewed to ensure they remain fit for purpose, in particular on the right to be heard, the right to be informed and data protection.

The Office will update its Code of Conduct to provide staff and management with a practical guide on how core values can become a part of what we do every day. In order to foster awareness on issues relating to Ethics, Compliance, and Integrity, the Office will align its compliance management with international best practice. A zero tolerance policy will be introduced on matters of fraud and dishonesty to promote an anti-fraud culture.

### Key Initiative 4: Spread a culture of corporate sustainability

Environmental and social issues are cornerstones for an organisation that aims to operate based on the principle of responsible sustainability. An effective corporate sustainability policy can help the EPO fulfil its role as a responsible public institution by utilising its resources to generate benefits for local and wider society. Such policies also attract new talents and generate a sense of pride and belonging among staff. For these reasons, the Office will embed environmental and sustainability actions in its strategic plan.

Clear and ambitious Office-wide targets will be agreed to ensure the EPO minimises its impact on the environment. There will be defined objectives for carbon footprint, energy consumption, paper consumption, plastic elimination, and emissions of CO<sub>2</sub> from air travel. Specific

actions directly contributing to these targets will be taken, and complemented by awareness campaigns across the Office to help achieve these targets. All our buildings, whether they are new, renovated or refurbished will apply the highest standards of sustainability to minimise the environmental impact. For new buildings, the best-in class environmental certification will be foreseen.

Environmental sustainability will be fostered by the EPO through green procurement of goods and services from external providers. Moreover, the Office will integrate more SME-friendly measures, such as facilitating access to information or simplifying the required documentation for bids.

The EPO will develop local partnerships to better integrate the local community, including local authorities and universities, NGOs and cultural and sport associations. Sport and cultural events and actions will be promoted to support awareness campaigns on topics related to innovation and creativity. The participation of the staff will be encouraged. Regular internal workshops and promotion campaigns will be held to raise awareness of all CSR initiatives to maximise their impact and achieve greater participation from Staff. These actions will be conducted, where possible, in close coordination with the network of EPO Amicales.

A network made up of the former nominees and winners of the European Inventor Award will be supported to foster interest in innovation and creativity, particularly among European pupils, who will be tomorrow's generation of inventors. A feasibility study on the creation of an EIA for students will be carried out.

### **Key Initiative 5: Ensure long-term financial sustainability**

Long-term financial sustainability is a precondition for the existence of a self-funded organisation, such as the EPO. Only by remaining as a self-financed entity can the EPO develop its activities, invest continuously in the improvement of its tools and services to users, reinforce trust among its stakeholders in the sound management of the Office, and guarantee the financing of a social package that is sufficiently attractive for its highly educated staff. In short, the EPO must master its financial sustainability, if it is to master its future and support an effective European patent system.

Just a few years after it started its operations, the EPO was able to finance itself without any support from the member states. Successful development over the successive decades led to the generation of sufficient financial results with which to fund its operations, projects and social expenses. However, new, more rigorous accounting standards adopted in the mid-2000's revealed there was a high risk that the Office would not be able to finance all its long term liabilities, especially its pension obligations.

A first external financial study published in 2011 came to the clear conclusion that the Office would face some serious financial challenges in the future, if a number of negative trends were not redressed. During the following years, the Office, management and staff, succeeded in implementing a comprehensive programme of reforms, which started to address structural deficiencies, rigid cost increases and the development of a negative equity, among other issues. The results were subject to a second external financial study in 2016, which assessed the Office's progress and confirmed that the Office had managed to deliver financial results above those initially suggested in the 2011 study. Furthermore it had generated regular, important cash surpluses. In particular, the EPO has managed to inject in recent years more than €1 billion into the pension reserve fund of the EPO employees.



In a fast-evolving financial environment, the management of the Office must - and is continuing to - prioritise regular assessment and monitoring of the evolution of its cost coverage and its capacity to self-finance its operations and future liabilities. In 2019 a new financial study was commissioned and published to provide all stakeholders with an assessment of the long-term financial sustainability of the Office, on the basis of the Office's anticipated business challenges, equity, long-term liabilities, evolving costs and potential threats to revenues. This independent view of the next 20 years constitutes an opportunity for all stakeholders of the European patent system to take stock and contribute to its future development.

The results of the study will be communicated in detail and clearly to all concerned. The EPO's senior management, staff and staff representatives, as well as the Administrative Council, member states and all industry representatives will be briefed comprehensively on the methodology, the financial scenarios used, and the conclusions reached.

With the aim of securing its financial future, the Office will involve all stakeholders in a global discussion, based on the facts and recommendations of the Financial Study. A series of focus groups with wide representation will be set up, which will evaluate the recommendations and propose the basis for an action plan for our long-term financial sustainability.

By involving a wide spectrum of actors, we will ensure that every action required fulfils a number of criteria. Firstly, any proposed measures will be transparent, with a full explanation as to what is to be carried out and why. Secondly, they will be proportionate and fair, responding with the right level of action for the outcome required. Thirdly, the measures will be based on the principle of shared effort, and fourthly, the measures will be implemented gradually, where possible.

### **Key Initiative 6: Measure, evaluate and assess developments in the IP system with stakeholder involvement**

In recent years stakeholders throughout the European patent system have called for an evidence-based approach to measuring the impact of IP. Studies have been produced and co-produced by the EPO in the past to evaluate accurately the impact of IP on economic growth, including exports and employment, and the different ways in which IP is used by various actors, such as universities or Small and Medium-Sized Enterprises. Reports have also been made that assess filing trends in new technologies.

Such studies have been welcomed by a range of stakeholders. They have enabled policy makers to understand how measures can be taken to better support the effective use of IP, while SMEs and other enterprises have gained a better understanding of how to maximise the benefits of a patent portfolio. The EPO itself has benefitted from a greater understanding of ongoing developments that have helped it to develop new capabilities, processes and projects. However, to ensure that the analyses and reports assess the full extent of developments in the European patent system and innovation sector, the views and input of a wider range of stakeholders is needed.

To address these needs the EPO will create an Observatory. The Observatory will provide an inclusive platform that brings together public and private stakeholders from across civil society to discuss and debate developments in innovation and patents.

The Observatory will also be tasked with measuring, evaluating and assessing developments in the IP system. It will provide a better, more accurate understanding of new IP trends and technologies in order to better equip all stakeholders and policy makers to take decisions that maximise the positive impact of the patent system on the innovation sector and wider society.

The Observatory will answer the need for more and better coordinated empirical analyses, reports and studies needed to give a range of stakeholders an accurate assessment of the current IP system. This has become increasingly important in light of developments such as the large rise in patent filings around the world since the beginning of the 21st Century, and Fourth Industrial Revolution. The impact of 4IR technologies on IP itself needs to be understood, as do the impediments to non-commercialisation of IP rights. Other pressing topics that affect our society such as biotechnology, standardisation and clean technologies should also be addressed by the Observatory. The Observatory will also play a role as a stakeholder consultation platform for new products and services being considered by the EPO. It will also be tasked with cooperation with similar structures and organisations to create synergies and avoid duplication of work.

The Observatory will operate as the EPN platform for economic and technology analyses, supporting the activities of NPO's and of European and international agencies and organisations operating in this field, to avoid duplication of effort and to create synergies. Within the Observatory, groups, platforms for discussion and running consultations with member states and user associations will be set up, based on best practices and with the aim of placing users and other stakeholders at the forefront of debate on developments in IP.

Overall, the EPO Observatory will also bring a deeper, more comprehensive understanding of important issues that will help the EPO, the European Patent Network, and others, to understand developments and prepare for future challenges. In doing so, it will contribute to ensuring the sustainability of the Office and the patent system.



