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SUMMARY

This annual work plan (AWP2023) gives direction and focus to the work that the EPO intends to undertake in 2023 to advance on the strategic goals. It outlines the main initiatives and activities under the five SP2023 goals and builds on the work done in 2022 to meet the challenges set.

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Annual Work Plan 2023



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Introduction

The year 2023 will be crucial for the European Patent Office (EPO). As we approach the 50th anniversary of the European Patent Convention (EPC), it will be a time for the EPO and its stakeholders to reflect on the ongoing development of a patent system that is, in many ways, entirely unique. Furthermore, it will also give us pause to reflect on our immediate achievements and mark another milestone: 2023 will also be the year in which the EPO's four-year Strategic Plan – SP2023 – draws to a close.

87% of the plan has now been completed and almost all the programmes, projects and initiatives foreseen under the Plan's five goals are achieving their deliverables and intended benefits. While a full overview of those benefits will be drawn up in the course of next year, our Office will in the meantime continue to push ahead with the final year of SP2023, and ensure that its aspirations are met to the fullest extent possible. How we intend to do that is covered in this document – a broad overview of which is below.

The actions foreseen in this Annual Work Plan will ultimately allow us to maintain our reputation as a high-quality patent office, powered by the brightest talent and a comprehensive digital transformation. We will maintain our focus on a complete and accurate high-quality patent granting process (PGP) that is respected by users worldwide, and collaborate with our partners to ensure that our work has a highly positive impact on the patent system – all of which will contribute to a more sustainable EPO.

The year ahead

The EPO will continue to focus on its people as the driving force behind its achievements, and as the talents entrusted with delivering a sustainable patent office for Europe. To add to our talent and diversity, the Office will attract the brightest minds from across the member states through targeted recruitment campaigns. The pipeline approach allows us to build up a pool of readily accessible talent, and will ensure that we can quickly and efficiently access the talents best qualified to meet the rapidly changing needs of the Office. The EPO will implement a new mobility programme, which will offer staff more opportunities for professional growth, ensuring a fluid exchange of knowledge at the EPO and with our partners in the patent system. The Office will also continue to offer a wide range of training opportunities for staff, both individual and peer-to-peer, empowering them to shape their own life-long learning journeys.

To ensure that our talent truly deliver their best, and fulfil their potential, we must also ensure that our people have a clear sense of direction, purpose and are fully engaged with the mission and work of the EPO. The Office will therefore develop measures to increase staff engagement levels by concentrating on three priorities: simplification of processes and prioritisation of tasks; enhancing a sense of connectedness at every level; and ensuring managers can support people in embracing change.

Engagement levels can also be boosted by making sure that our people have engaging homes – both physical and virtual – in the hybrid environment. The EPO aims to offer buildings where staff actively choose to spend their time working and collaborating in an attractive environment. We will also continue the work in ensuring that our buildings retain their value as a formidable asset in the EPO's financial portfolio. Bringing staff together and making the most efficient use of office space will not just contribute to our sustainability goals, but will also enhance our sense of community. The feeling of belonging and togetherness will also be cultivated online, through the EPO's newly launched intranet, as a true virtual home for EPO staff. To support staff in their choices, wherever they work, the EPO will implement measures to continue making the New Ways of Working pilot a success, so it continues to offer previously unseen levels of flexibility. These measures will ensure that our professional community continues to thrive in the hybrid environment that is the future of the EPO, and add to our attractiveness as an employer of choice in a highly competitive market.

One of the most significant developments in the hybrid workspace has been the digitisation of the PGP. Productivity gains have already been made in the areas of pre-classification, classification and search, where new tools are embedded with artificial intelligence (AI). However, to date, digital transformation in examination has been limited to changes that enabled continuity of the PGP during the pandemic by, for example, deploying the patent workbench to enable paperless working. In the year ahead and beyond, the EPO will therefore begin implementing new tools and initiatives that result in a truly digital examination process and a fully digital end-to-end PGP.

These new tools and digital processes will yield higher quality and more timely products and services for our users. For example, a new AI-based digital file allocation tool will match the contents of a file directly with examiner competences, ensuring that the right file goes to the right examiner at the right time. But we will also ensure that digital transformation benefits our users more directly in their interactions with the Office.

Throughout the PGP, they will be able to interact with the Office more efficiently, transparently and rapidly thanks to planned improvements to MyEPO, which is designed to replace the current Mailbox and MyFiles tools. This will ensure that the communications between users and the EPO represent the end-to-end nature of the digital PGP. This move to faster, real-time communications will also support timeliness in the PGP, as well as advances in quality with quality checks built in to the MyEPO tool. In developing these and other tools, the EPO will continuously maintain the highest levels of security to protect users, staff and data. For example, we will build on our experience of using secure cloud applications and infrastructure and ensure that the EPO remains in full control of the data the Office is entrusted with, when stored in the public cloud.

Advances in improving the quality of our products and services will also be made by working closely with our users. At the EPO we understand that we can only improve our products and services if all stakeholders have a shared understanding of quality, and if the Office has a comprehensive picture of its users' needs. In this regard, our Stakeholder Quality Assurance Panels (SQAPs) play a fundamental role, and brought together external users and EPO experts for the first time in 2022. In 2023, the EPO will enhance the SQAPs to help reinforce this dialogue and create a new gold standard for measuring patent quality. A new series of high-level meetings with applicants will also enable us to gather direct feedback on a range of issues. This will supplement feedback from the 2022/2023 User Satisfaction Survey (USS), which will be measured and analysed against the 2020/2021 USS results, eliciting actions to be implemented in 2023 that contribute to the continuous improvement of our products and services.

Internally, our Directorate Quality Audit will also continually assess our products and measure our progress in achieving ambitious compliance targets: 85% for search and grant audit compliance, with the excellence target set at 90%. Our efforts to reach these targets will be informed by user dialogue, and by focussing on the five pillars of quality included in the Patent Quality Charter.

We know from user feedback that timeliness is viewed as a key attribute of quality. In 2023, the EPO will continue to consolidate the achievements and ensure that we maintain this timeliness, regardless of evolutions in the patent landscape. Examining capacity and efficiency will be reinforced through targeted recruitment and by revitalising our Digital Talent Marketplace. This will in turn achieve an optimum replacement rate for retiring colleagues and meet foreseen workload increases in specific technology communities.

The EPO will continue to work with its trusted partners to ensure that the Office's work has a highly positive impact on innovators throughout Europe, and worldwide. Within Europe, the EPO will redouble the efforts to enhance access to the patent system, so that enterprises and businesses can benefit from the effective use of patents. In particular, the Office will aim to reduce costs for SMEs, universities and public research organisations (PROs), which constitute the motor of European innovation. This will include implementing a support package in close co-operation with national patent offices and the local PATLIB network, as well as conducting a review of fees. The EPO will also expand the convergence programme to help reduce the cost of interacting with different patent administrations.

The Unitary Patent (UP) will also play a major role in creating a more accessible patent system, and in helping users to obtain high-quality patent protection within the European Union (EU). Set to launch in 2023, the Unitary Patent system will be of particular benefit to start-ups and SMEs and will eventually enable them to obtain more cost-effective patent protection in up to 25 EU member states by filing a single application with the EPO. With the creation of the Unified Patent Court (UPC), we will effectively have one jurisdiction. And all in all, the UP and UPC will overcome the last barrier to a truly European technology market.

To encourage uptake of the Unitary Patent, and to help users understand the benefits of the system, the Office will support contracting states with outreach and promotion activities, and with financing necessary adaptations to national IT systems.

Globally the EPO will work with its international partners so that other countries can benefit from its high-quality work and services. The Office will aim to negotiate new validation agreements with additional countries beyond the EPC territory, and new Reinforced Partnership agreements that facilitate the reuse of EPO work products, thereby helping to contribute to higher quality and more sustainable patent systems in third countries. The EPO's Patent Academy will also reach out to new stakeholders by further expanding upon the four pillars of co-operation, certification, modularity and digitalisation. This will include the launch of a revamped European Qualifying Examination (EQE) under a reformed legal framework, aligning the qualification with the demands of modern patent attorneys.

All these actions will contribute to a more sustainable EPO, and a more sustainable patent system. To consolidate those gains, the EPO will increase the efforts in terms of its environmental, social and corporate governance (ESG), aligned with the UN Sustainable Development Goals and play its role as a leading public service institution in pursuit of sustainability in the international community.

Our journey towards carbon neutrality by 2030 will continue thanks to initiatives that will reduce energy consumption. Our societal impact will be enhanced by expanding our databases, and making available patent information through smart platforms that enable researchers and scientists to build on previous inventions and push forward the state-of-the-art. The EPO will also make patent knowledge more accessible, through studies that help users to understand the impact of patents on businesses, in turn spurring innovation and economic growth.

A range of studies, insight reports, events and smart search platforms will also be delivered to reveal the latest trends and developments, arming policy makers and business with fact-based information on which to base informed decisions. The studies, analyses and statistics produced by EPO services will also constitute the fact-based material that will be used by the new Observatory on Patents and Technology. Set to be launched in 2023, the Observatory on Patents and Technology will be an inclusive platform on which to debate these insight, trends and developments. In close co-operation with partners and stakeholders, the Observatory will conduct awareness-raising campaigns, disseminate research, evidence and patent-related intelligence, support educational activities, and transform technical, policy and scientific output into transformative learning opportunities.

The EPO's contributions to society will also be celebrated at the 50th anniversary of the signing of the EPC, for which we will launch a series of commemorative events and initiatives.

In terms of governance, the Office will boost its impact through the implementation of an initial set of proposals outlined in the roadmap for modernising the EPO's external governance. To ensure financial sustainability, the EPO will continue to work on implementing the six financial measures to address the coverage gap identified in the 2019 financial study. However, given the numerous and fundamental developments in the global economy since that assessment, a new study on the EPO's finances will be carried out in 2023. This will equip our Office with the knowledge needed to continue our journey in becoming a truly financially sustainable organisation.

SP2023 progress: Heading for the home stretch

By 12 October, we had implemented 87% of SP2023. This figure is based on our assessment of some 400 SP2023 milestones, deliverables and impact-related indicators. It represents +4% progress compared to June 2022 and is comfortably above the forecasted baseline of 82% completion expected in the original SP2023 timeframe.

Figure 1: Progress implementing SP2023



Progress with goals 1 to 4 is way above this baseline, with goal 1 (Build an engaged, knowledgeable and collaborative organisation) and goal 4 (Build a European patent system and network with global impact) seeing the swiftest progress in recent months. Examples of recent goal 1 highlights include the full introduction of new ways of working in September, as well as the secondment scheme and the Young Professionals programme. Major milestones were reached in goal 4, with the launch of the front office pilot, the single access portal and a cloud-based version of the search tool ANSERA in IT co-operation, coupled with the successful conclusion of the Fostering multilateral co-operation impact programme.

Despite solid headway in several areas of goal 5 – notably governance and transparency – overall progress has been hampered by the economic downturn and its substantial negative impact on our financial sustainability metrics. In addition, the methodology for calculating goal 5 progress measures impact, which naturally takes some time to materialise.

Balanced scorecard

The benefits of implementing strategic initiatives are clearly visible from a glance at the balanced scorecard (BSC). Top-level key performance indicators (KPIs) indicate how close we are to achieving the five SP2023 goals (see Table 1 below). Based on achievements to date and developments expected in the end-phase of the current strategic plan, ambitious KPI targets have been set for 2023.

Table 1: Top-level KPIs

| KPI | Performance 10.10.2022 | | Target 2022 | Target 2023 |
|--|---------------------------------|----|--------------------------|--------------------------|
| NEW: Staff engagement survey results* | - | - | - | - |
| Availability of existing and new tools | 96.2% | ⬆️ | 96.5% | 98% |
| Processes digitalised | 84.4% | ⬇️ | 81% | 88% |
| Internal and external user satisfaction with tools | 85.1% | ⬆️ | 88.5% | 90.5% |
| User satisfaction with patent grant products and services | 79.2% (2021) | - | 81% | 82% |
| Quality of search and grant | 80.5% | ⬇️ | 85% | 85% |
| Timeliness of examination (% on time) | 78.9% | ⬆️ | 80% | 80% |
| Geographical outreach | 2.12 billion inhabitants | ⬆️ | 2.28 billion inhabitants | 2.2 billion inhabitants |
| Member states' participation in co-operation projects | 80% | ⬆️ | 80% | 82% |
| Usage of patent information (no. of visits to patent information products) | 10.5 million | ⬆️ | 4.2 million | ** |
| Paper consumption (per employee per day) | 16 sheets | ⬇️ | 20 sheets | 15 sheets |
| NEW: Energy consumption | 57 690 kWh (2021) | - | - | 49 250 kWh |
| NEW: Progress toward carbon neutrality | 4 456 tCO ₂ e (2021) | - | - | 3 500 tCO ₂ e |
| ISO certifications achieved | 100% | ⬆️ | 85% | 100% |
| Coverage ratio | 72% | ⬇️ | | 79.5% |

* Index-based KPIs replaced with a basket of 13 detailed indicators.

** No target set for 2023; KPI used for monitoring only.

The staff engagement survey is a crucial feedback channel that offers valuable insights into the views of colleagues from across the EPO. After conducting the survey and analysing its results in 2022, we plan to translate those findings into concrete actions in 2023.

The three goal 1 KPIs based on the 2019 staff engagement survey results are being replaced by thirteen KPIs – one for each category of survey questions. This will provide a more detailed picture enabling focus and effective follow-up on the 2022 survey results.

The EPO recently achieved 100% completion of its ISO certification KPI thanks to the successful ISO 27001 information security audit and the extension of ISO 9001 (quality management) to all business areas. In 2023, the EPO is committed to remaining fully certified by pursuing the ISO principle of continuous improvement.

We are also introducing two new KPIs for 2023 to better capture the organisation's efforts to reduce its environmental footprint. The first monitors the total annual energy consumption of our buildings, including both electricity and heating. The second measures our overall carbon footprint in terms of net CO₂ equivalent emissions – and thus our progress towards achieving full carbon neutrality by 2030.

Since 2021 balanced scorecards for each directorate-general and each principal directorate monitor the contribution of each unit to the SP2023 implementation and especially the benefits generated. By also articulating the setting of objectives around these cascaded scorecards, the EPO ensures continued alignment with its strategy at all organisational levels.

Goal 1: Build an engaged, knowledgeable and collaborative organisation

Attracting, developing and retaining talent

Attracting talent through recruitment

The EPO is powered by its people – their knowledge, skills and passion. So it is crucial that we continue to attract the brightest minds in Europe, and retain top talent by offering professional development opportunities and an attractive working environment.

This means maintaining and enhancing the EPO's position as an employer-of-choice in an increasingly competitive market. In 2022, the EPO welcomed 77 new examiners to the organisation. This was partly thanks to the streamlined pipeline approach that significantly reduces the time needed to recruit staff and enables us to be agile in adapting our plans to our workload. The approach also means that the EPO already has almost 200 suitable candidates in its talent pipeline as of November 2022. Together with plans to launch a fresh recruitment campaign in the months ahead, this puts the EPO on track to meet its recruitment targets for 2023 and, in turn, further enrich the talent pipeline for 2024.

Diversity is always at the forefront of our recruitment strategy. This is reflected in the intake of new examiners who joined the EPO in 2022, of which 36% were women. Bearing in mind that women represent only 24% of students of science, technology, engineering and mathematics across Europe (source: Eurostat), this means that the EPO is effectively leveraging market potential. Greater geographical diversity also remained a top priority, with 17 different nationalities represented among the new recruits.

In 2023, the EPO will redouble its efforts to attract a more diverse pool of talent. This is partly about offering a sustainable and inclusive workplace. In practice, that means the EPO will continue to visit targeted recruitment fairs to encourage applications from women, LGBTQ+ people and disabled candidates. The new ways of working policy also has a major role to play in driving diversity, because – beyond highly flexible working conditions – it offers all staff the digital tools to manage their work and personal commitments in a way that best suits their individual needs.

Looking at the recruitment process in general, we will also revamp our jobs site and continue to streamline the onboarding process. In addition to closer contacts with new recruits before they join the EPO, we will offer them access to our learning resources and HR information as well as encourage them to reach out to their future line managers. The EPO will also actively support and manage potential recruits in the examiner pipelines to ensure their smooth integration into the core business.

Attracting talent through external mobility

The EPO created two new avenues for bringing skilled talent into the organisation in 2022, with the launch of the Young Professionals programme (YPP) and the Seconded National Experts (SNE) programme. Conducted in close co-operation with our partners, both programmes aim to promote a continuous, fluid exchange of knowledge, skills and expertise within the EPO and beyond.

Since its inception in 2015, the Pan-European Seal Programme has helped the EPO attract young graduates by offering them a unique one-year traineeship to kick-start their professional careers in the world of intellectual property (IP). Building on the programme's success, 2022 saw the launch of the Young Professionals programme (YPP).

This enhanced programme aims to offer a real "first employment" opportunity combined with a richer training plan. It also aims to develop the next generation of IP experts, while contributing to a more diverse workforce at the EPO in terms of gender and nationality. Indeed, the first cohort of 88 young professionals to join the EPO represent 22 different nationalities and 58% are women.

Almost 40 former Pan-European Seals extended their stay at the EPO in 2022, progressing to year two and three of the new YPP. Of this group, 67% are women. In their second or third year, these young professionals can participate in the EPO's internal/external mobility programme.

The idea is to offer them an opportunity to enrich their development by learning about other departments at the EPO and/or partner organisations. The external mobility offer will be run in close co-operation with national patent offices, PATLIBs and technology transfer offices (TTOs) across Europe. Expanding this offer will be a priority in 2023.

The Seconded National Experts (SNEs) programme, by contrast, offers experienced external IP professionals the opportunity to work at the EPO and deepen their expertise over an extended period of time. In 2023, the EPO will focus on encouraging its partners to offer corresponding opportunities and contribute to knowledge transfer across organisations.

Developing staff through individual learning

Once people join the EPO, our key priority is to offer a rich variety of opportunities to learn and develop their skills. On top of ensuring that our staff possess the latest knowledge and skills, this also boosts engagement and motivation. The results of the EPO's staff engagement survey 2022 confirm that development is a key driver of engagement.

Bearing this in mind, the EPO has embarked on a transition from a predominantly training-based organisation into a learning organisation, where learning is a life-long journey. This

blended learning approach follows the 70:20:10 principle, encompassing official training (10), peer-to-peer networks and knowledge sharing (20) and learning on the job (70).

In terms of training opportunities, the EPO grasped the possibilities of the new hybrid environment to develop a learning experience that is online, individual and team based. One example is the series of iLearn days organised in 2022. Open to all staff, these days were designed to help colleagues connect and grow. They were structured around key strategic topics: the new ways of working, digital transformation, quality, IP and sustainability. The iLearn days are just one example of how the EPO is helping staff develop crucial hybrid skills and ensuring that everyone is on board as the organisation moves forward.

In 2023, the EPO will continue to empower individuals to shape their own learning journeys. All training offerings will be bundled in a central, easy-to-access platform under the iLearn umbrella and tracked in personal development records. There will be a greater focus on the gamification of learning, using more tools based on artificial intelligence (AI) and social media, to make learning competitive and more engaging.

Creating peer-to-peer learning opportunities

In 2022, the EPO ramped up its efforts to harness the value of peer-to-peer learning at every level of the organisation. We created the Knowledge Management Unit (KMU) to give a home to the previously successful and highly popular internal continuous knowledge transfer (CKT) initiative. In 2023, this unit will help to embed peer-to-peer learning more deeply in the organisation, also working hand-in-hand with the EPO's communities of practice (CoP), which are networks of staff voluntarily engaging on specific topics of interest.

There is a community of around 400 team managers at the EPO, who all face the same challenges in a changing environment. The staff engagement survey results confirmed the importance of managers as a catalyst for engagement and helping staff to embrace change. We have therefore launched the EPO People Management Community as a space for enhancing networking, collaboration and professional growth.

Professional development via internal mobility will also be actively supported through the internal talent marketplace, with targeted information sessions for staff on upcoming opportunities. This will be underpinned by the skills framework, which will be expanded to cover the whole of the EPO by the end of 2023. By allowing HR teams to mine internal talent for specific skills and knowledge, the framework will enable them to actively offer opportunities to qualified colleagues. It will also help managers make decisions about, for example, where upskilling is needed, and spot potential early on.

To round off this work, improve knowledge retention and safeguard the quality of EPO services, an Office-wide offboarding and knowledge transfer process is foreseen for 2023. With the organisation facing a wave of retirements, this offboarding process will help ensure that departing staff transfer their knowledge to the younger generations.

Offering an attractive social package

Another way to attract and retain staff is by offering a best-in-class social package. As a self-financed organisation, the EPO must provide welfare support (social security, pensions, allowances and remuneration) to current, former and future staff and their families.

To ensure the competitiveness of this package, the EPO will regularly conduct benchmarking exercises and studies on social topics, based on a systematic and centralised approach to social data. The programme for 2023 will be established at the beginning of the year and include a benchmarking exercise on remuneration.

The EPO will also analyse the setup of the Salary Savings Plan (SSP) in 2023, following a comprehensive review of the New Pension Scheme (NPS) and SSP in 2022. Staff will continue to receive support in managing their benefits and further studies on different aspects of the scheme will be conducted.

Finally, a new actuarial valuation will be conducted in 2023 by the external experts in the EPO's Actuarial Advisory Group. The group will review the key parameters and recommend contribution rates for pensions, healthcare and future long-term care. Continually analysing and re-evaluating all these elements is of the utmost importance for an organisation like the EPO, which has a responsibility to provide welfare support to over 23 000 staff, pensioners and their families.

Fostering engagement and a sense of belonging

Staff engagement has been one of the EPO's key priorities since the very beginning of SP2023. After the transformations triggered by the COVID-19 pandemic and the transition to the new ways of working, it is crucial to ensure a strong sense of belonging in our EPO community.

In 2022, the EPO introduced the new ways of working policy, initially as a two-year pilot. The policy gives staff unprecedented flexibility to balance their professional responsibilities with their personal needs and preferences. Its design builds on the lessons learnt during the pandemic, when remote working became the norm and staff continued to deliver high-quality work.

The new policy aims to retain this flexibility while creating opportunities for staff to have in-person exchanges in our buildings and helping managers steer their teams in this new normal. In 2023, the EPO will continue to help staff make the most of these advantages, while cultivating a strong sense of belonging to the organisation. The Office will actively monitor the pilot via a wider range of feedback channels, and report regularly to the Administrative Council.

We expect this flexibility to contribute to staff engagement by empowering staff to manage their own work-life balance. The EPO is also committed to ensuring that we maintain the connection and sense of community with the organisation and colleagues that have contributed to keep the quality of our work high. To this end, the EPO will place a strong focus on concrete initiatives that foster a sense of belonging and togetherness in the hybrid working environment in 2023.

Next year, managers will be encouraged to use their engagement budget for activities that bring teams together. Work has also already started on a pilot series of campus days, in the framework of the celebrations for the anniversary of the European Patent Convention, that aim to bring staff together to collaborate, network and socialise in 2023. The idea is to explore ways to ensure that our buildings remain lively and attractive – even if many staff are working remotely.

At this time of fundamental change in how we live and work, it is more important than ever to monitor staff engagement very closely. As a result, a new staff engagement survey was conducted in 2022. Although scores increased in 10 out of 13 categories, there is work to be done in the other three categories. The EPO is fully committed to improving engagement scores. So, after a detailed analysis of the results, recommendations were made by internal and external experts. This identified three main priority areas: enhance a sense of connectedness and belonging at all levels, ensure managers can support people in embracing change, and focus on simplification and prioritisation. The latter aims to help everyone manage challenges and workload and sustain their energy levels.

These priorities have been cascaded down through workshops to align actions across the organisation. Teams are in the process of translating the priorities into local initiatives to be implemented in 2023. There will be regular reporting to senior management on the progress made with following-up on the survey results, which will form an integral part of the goals and development plans for all staff.

Furthermore, performance management is a key component of recognising staff's contribution and offering motivation for the future. For the 2023 rewards exercise, reflecting performance in 2022, we will look at further optimising the timing of the process, including continuous improvements to the calibration steps. We will also ensure stronger alignment of performance management with the EPO's strategic objectives.

Finally, fostering staff engagement and a sense of belonging at the EPO can only be successful when all staff feel included in the EPO community. On top of the various concrete actions already mentioned in the areas of recruitment, flexible working conditions, specific training and performance management, the EPO is also planning to completely review its rules and regulations (the EPO Codex) to ensure that they are fully inclusive of all staff and their families. We have also embarked on a benchmarking process, to learn best practices from other organisations and help us to identify areas for improvement in our own approach.

A diversity and inclusion (D&I) work plan for 2023 and a dedicated D&I report in the course of the year will ensure that we remain focused on this important topic and report transparently about our progress in becoming a more inclusive employer.

Creating an attractive, sustainable and healthy working environment

In the new ways of working, our buildings play a key role in fostering engagement. They are our professional homes to which we return when we want to connect and socialise with colleagues in person. In 2022, the EPO initiated several projects to make sure our buildings can fulfil this purpose, as brighter, more energising places to work.

These efforts are already visible in our Munich Isar building, where the Isar Daylight project was completed on time and within budget in 2022. Thanks to the workspace reorganisation, the Isar building now offers a more vibrant atmosphere, designed to promote a sense of togetherness. The interior is now flooded with natural light, while also offering new shared spaces for collaboration and socialising.

The same principles guide the Vienna green hub project, which involves the total reconstruction of the EPO's Vienna building. As well as making the building fit for the new ways of working by creating a building that is flexible and adaptable to our needs, the project will make our Vienna office a sustainability flagship for the EPO. Using advanced technologies, the building will be carbon neutral over its lifetime, in line with the EPO's target of achieving carbon neutrality by 2030. Works are due to continue throughout 2023, when the building will be completely stripped to its concrete core before being rebuilt.

To make sure that our professional homes meet the highest health, safety and sustainability standards, the EPO will continue working on the priority maintenance projects.

The list of projects includes upgrading the data centre in The Hague, upgrading the fire compartments and elevators in the Munich PschorrHöfe building, as well as replacing some cooling machines that are used to reduce the room temperature in our buildings. All these projects are scheduled to be completed by the end of 2023.

Work on a number of other projects will also start in 2023, with various completion dates up to the end of 2025. These projects include the upgrading of ventilation and the installation of sun blinds in the PschorrHöfe buildings. All of these projects are essential to providing staff with a healthy and secure working environment.

Social dialogue

Around 90 online meetings (statutory and non-statutory consultations) took place with staff representatives and unions in 2022. A wide range of topics were tabled as part of the Social Agenda 2022 and the discussions were concluded with tangible results on subject-matters such as the New Ways of Working (NWoW) and the mobility package. Implementation will continue in 2023.

Following the 133rd session of the Administrative Tribunal of the ILO in January 2022, the EPO adapted its legal framework as per the Tribunal's judgement on the staff's autonomy in organising their elections. Likewise, after the Tribunal's 134th session, the necessary amendments to the Service Regulations regarding the Central Staff Committee nominations to the Appeals Committee were swiftly and fully implemented. Building on regular consultations and exchanges with the staff representation during the year on a number of matters, including the functioning of the General Consultative Committee as well as the communication and resources for staff representatives, more progress is expected in 2023.

By the end of 2023 the EPO also expects to conclude discussions on two other topics from the Social Agenda 2022: firstly, the introduction of any final amendments following the proposed adjustments to our health services, and secondly the EPO's diversity and inclusion (D&I) policy to align family rights throughout its legal framework with its D&I principles and values. In 2023 the EPO will also conclude the studies on the New Pension Scheme (NPS) and the Salary Savings Plan (SSP).

The 2023 Social Agenda will also include a number of new initiatives that will strengthen the EPO's strategic direction. Firstly, it is intended to explore ways of fostering the EPO's environmental sustainability by modernising the rules on home loans. Secondly, following the recent proposal concerning healthcare insurance for dependants, the EPO will consider further ways of rendering its rules on dependants more modern and pragmatic. Talent Architecture in the NWoW will also be in focus: we will discuss how our whole talent concept can best meet the challenges of a hybrid working environment. At the same time, the EPO will be continuously checking any regulations or Circulars that require improvement, update or clarification.

In 2023 the EPO will also address two periodic matters: the actuarial valuation, for any proposals on the contribution rates, and the new Financial Study, as regular check-up on the Office's long-term sustainability.

As every year, the staff representation also has the opportunity to propose topics for the Social Agenda, which will be duly considered by the Office.

Operational excellence and efficiency

Operational excellence is the foundation of all goal 1 activities. By making all of its processes efficient and transparent, the EPO aims to provide the highest quality services for staff. In 2023, we will complete the digitalisation of HR processes, giving us a streamlined, fully digital end-to-end self-service model.

Next year, the focus will shift to payroll and pension services and occupational health services. In 2022, the EPO obtained ISO 9001 certification for its payroll services and implemented the first module of the new software platform “FIORI”, enabling staff to claim education allowances. The EPO’s occupational health services were ISO 45001 recertified, and a general tender was launched for the broad range of services on offer.

In 2023, the EPO will continue to simplify and digitalise payroll and pension processes. At the same time, employee satisfaction will continue to be the main metric and driver of continuous improvement, along with the availability of information channels, efficiency and effectiveness. The aim remains to foster full acceptance of the self-service model among all staff.

In Occupational Health Services (OHS), the key objective for 2023 is to create a simpler, harmonised end-to-end sick leave procedure. The EPO will also continue to adapt OHS to provide optimal support for staff during the new ways of working pilot. This will include optimising the hybrid model for the provision of OHS with internal occupational health experts and external providers.

Efficiency and transparency are also the guiding principles for managing our financial processes. Several key milestones were reached in 2022, notably the centralisation of all patent fee payment methods (credit card, deposit account and bank payment) in a single payment portal. This not only led to an enhanced user experience, but also simplified the EPO’s payment processes. In budgeting, the EPO introduced a new system allowing a fully digitalised data collection process, allowing better collaboration across Directorates-General (DGs) as well as the creation of a single source of accurate data and better traceability.

In 2023, we expect simplification and efficiency gains through the standardisation and digitalisation of our financial processes, with the new implementation of SAP technology (SAP S/4HANA). Thanks to preparatory activities carried out in 2022, the EPO has a clear implementation strategy for SAP S/4HANA and expects to complete the conversion towards the end of 2024. We also expect increase in transparency and clarity thanks to the new activity-based budget that is scheduled to go live in early 2023 to support the budgeting process for 2024.

In the area of procurement, 2022 saw the roll out of a new contract management tool (based on Ivalua) that enables the digital creation and storage of contracts, along with a new e-signature tool, which increases the efficiency of the contract validation and signature process. In 2023, the EPO will develop a comprehensive procurement plan aligned with the budget forecast. Beyond making procurement processes more efficient, this will also offer greater transparency for both suppliers and internal stakeholders.

The new activity-based budget will also allow us to directly link sourcing questions to the approved budget, increasing the accuracy of the procurement plan. In parallel, we will continue to leverage the new procurement system (Ivalua) by launching a new e-invoicing functionality in early 2023. Looking further ahead, the EPO plans to implement a streamlined procurement process based on the tool's standard functionalities.

Goal 2: Simplify and modernise EPO IT systems

Digitalisation of the patent granting process (PGP)

The EPO continued its digital transformation journey in 2022, releasing state-of-the-art tools and platforms, while decommissioning obsolete legacy solutions. In recent years, we have focused our efforts in the core business area on improving our search tools, leading to improvements in productivity in that area.

With the notable exception of the patent workbench to enable paperless working, the EPO still has work to do to bring fundamental changes to tools and workflows in examination. This means that examiners are still using outdated legacy tools such as Trimaran and eDrex and examination productivity has not improved. Here we clearly see the fundamental importance of digital transformation for the EPO – where we have digitalised, we have improved our productivity, and areas that have not yet been digitalised, will be the focus in 2023.

Almost all internal file-related workflows have now been incorporated into patent workbench. This includes the circulation of files from PGP teams to the EPO's legal teams. We have gradually integrated workload management functions in the patent workbench, including Directorate Quality Audit (DQA) activities and file allocation. In 2022, a first prototype of a digital file allocation routine using an AI-based solution to match the contents of a file directly with examiner competences was tested and received very positive feedback from team managers. In 2023, the new digital file allocation tool will be fully integrated into the patent workbench, facilitating more efficient file distribution supported by AI-driven proposals.

At the same time, the EPO continued to streamline existing digital processes to avoid unnecessary waiting times in 2022. The dossier manager will also be replaced by services integrated in the patent workbench. In 2023, the patent workbench will be extended to provide access to the classification workload, making it the sole hub for all procedural workflows.

Another key milestone was reached in 2022, with the digitalisation of our backend patent granting process via the new digital file repository (DFR). This has been further enhanced and integrated with internal (patent workbench) and external tools (including for the purposes of geographical outreach, as well as MyEPO Portfolio). This latest advancement in the digitalisation process now includes new dossier viewer capabilities and systematic optical character recognition (OCR) of incoming documents. An internal OCR engine has been developed, allowing better digitalisation of patent-related documents (including confidential ones) and will be extended to other use cases in 2023.

Following extensive internal consultation, a substantial number of improvements in the area of ergonomics and performance enabled us to smoothly decommission the legacy digital archives (DI+) in our core business. We have also gradually extended the DFR to all other

areas of the organisation, including legal teams and the Boards of Appeal (BoA). This will give everyone access to a single source of data and avoid cumbersome transfers between systems. In 2023, the DFR will allow the creation of opposition and appeal folders, OCRing all content simultaneously. These improvements will allow the final decommissioning of the legacy DI+ tool, including for BoA staff.

After focusing on the procedures for European patents, significant efforts were made to gradually digitalise PCT receiving Office interactions and other existing and new exchanges with the World Intellectual Property Office (WIPO) in 2022. All EP and PCT (Chapter I and Chapter II) search and examination work has been covered by a digitalised workflow, building on the work done on EPC procedures over the past two years. In 2023, the project with WIPO will be extended to replace current batch-oriented data exchanges with WIPO (PCT Publication DVD/Full Text via FTP, PCT SIS report, PCT SISA Search Copy, etc).

In the area of publication, the EPO has already insourced some services such as bulk data distribution, reducing risks and costs for the organisation. In 2023 we will focus our efforts on insourcing other activities like the European Publication Server, as well as modernising the internal publication of jobs still based on common business-oriented language (COBOL) technology, an outdated programming language.

In 2023, the EPO will also integrate new tasks related to client data representation (change of name, appointment of representative, transfer of rights, etc). A new tool will enable staff to perform changes by batch to several files at the same time very easily. By taking into account the phase of the different proceedings, this will simplify the work of formalities officers too. Most of these services will also be offered online to external users via MyEPO Portfolio.

To make the new digital PGP workflows as convenient and efficient as possible, we have been continuously increasing the adoption of iPads for PGP-related processes over time. Now some legal teams involved in PGP activities also have access to an iPad, while DG1 support teams have started using them for other non-core activities. The EPO has made substantial investments in training users on the basic use of these devices. In 2023, we will focus on delivering smoother integration of iPad tools and our core business applications. This will facilitate the secure exchange of documents between laptop and iPads in a smooth and transparent way.

Following the Administrative Council's endorsement of CA/30/22 Rev.2 in October 2022, all measures required to implement the first basket of legal changes for digital transformation in the PGP will be initiated. These include the drafting of legal documents (e.g. decisions of the President and Official Journal notices; internal instructions), the revision of the forms concerned and the preparation of training material for stakeholders. Communication activities to raise awareness of the changes will be prepared and launched (e.g. newsletters,

presentations for user meetings). The technical solution to implement the changes related to the transmission of cited documents will be further discussed.

Improvements to classification and search

Quality in the patent granting process starts with the best classification and search. In 2022, the EPO delivered refined models for pre-classification, automatic classification and reclassification, using Cooperative Patent Classification (CPC) full-symbol services. For the first time, classification in Y02/Y04 (sustainable technologies) was fully automated using an AI model. In 2023, we will continue improving all CPC models (pre-classification, auto-classification and reclassification).

In 2022, ANSERA became the main tool for all search work, so continuously improving its performance and reliability was a top priority. ANSERA is gradually becoming the one-stop tool for all search, examination and classification tasks. The new pre-search functionality has also been enhanced, allowing more accurate trimming and increasing examiners' efficiency. Improvements were made to the user interface and the new concept manager, which allows closer collaboration between examiners by sharing the content of search concept libraries.

In 2023, the focus will remain on improving the performance and usability of the tool to make it the only search tool for the vast majority of our examiners. Pre-search will be further enhanced with advanced AI. The new AI-based PreSearch Provider will be an additional component that uses EP-BERT to search automatically for prior art in the pre-search context. This is expected to return more relevant results at the top of the current pre-search result. In early 2023, a new Search NPL tool will also be integrated into the ANSERA interface.

An integral part of our efforts to improve quality and efficiency relies on our ability to master the wealth of prior art published in many different languages. As of 2022, a new internal machine translation engine is capable of translating unpublished documents from several languages into English, improving both pre-classification and pre-search results. In 2023, machine translation will be extended to new language pairs (Russian, Korean and Spanish). Adding these languages to those already translated by our machine translation engine will give all EPO examiners access to 99% of the full-text patent data in our databases.

Given that ANSERA should be the search tool of choice for all EPO examiners by the end of 2023, the EPO will then be able to enter a transitional sunset period for EPOQUE, prior to its final decommissioning in 2024.

Interacting with the user community

Digital transformation is also making interactions with users more efficient, at the same time as improving communication and helping to reduce paper consumption. At the centre of this story is the new MyEPO Portfolio, a state-of-the-art web-based online platform for parties to proceedings before the EPO, which was launched in 2022 following a seven-month pilot phase with more than 180 participants. MyEPO Portfolio users can now view their application portfolios and documents in the digital file, receive EPO Mailbox communications, reply electronically to a communication of the Intention to Grant under Rule 71(3) EPC and respond to an examination report from the EPO under Article 94(3) EPC.

Uptake of the EPO Mailbox for receiving communications continued in 2022, with Key Account Managers helping applicants and representatives get started. With almost 1 300 Mailboxes and more than 6 100 attorneys using them, the Mailbox has become a trusted platform for electronic communications from the EPO.

In 2023, EPO teams and pilot participants will continue working together in a new pilot phase to progressively deliver new features in MyEPO Portfolio. International agents in the international phase of the PCT will be able to receive electronic communications delivered digitally. This will help reduce our carbon footprint, as this group currently accounts for some 25% of our paper consumption.

Users will be able to respond to more communications from the EPO, including the extended European search report (Rule 70a EPC) and the invitation concerning subject-matter for search (Rules 62a and 63 EPC). Other key features under the pilot phase include new self-service options for patent attorneys to manage their entry in the list of European professional representatives, as well as association memberships and general authorisations. The first B2B technical interface service – for downloading communications from the Mailbox – will also be offered to MyEPO Portfolio users in 2023. Further extensions will follow so that users can automate the exchange of additional data between their IP management systems and MyEPO Portfolio. When features have been found to work well with pilot participants, they will be released to all users. The new MyEPO platform is designed to replace the current Mailbox and MyFiles tools, which will eventually be decommissioned.

As with all modern online tools, security is always an absolute priority from the outset, also for MyEPO Portfolio. In 2023, users will be provided with another means of signing in securely to their patent application portfolio, instead of the physical smartcard.

Another key tool for interacting with our users is the EPO's website. During 2022, work continued on developing responsive features for the new epo.org website to better support communication and interaction between the EPO and all stakeholders. In 2023, the new website will go live as the core interface for various user communities and other stakeholders. This will be followed by the decommissioning of the Lenya-based web content

management platform that currently powers the legacy epo.org website. The new epo.org will also be enriched with engaging and interactive content to help inventors and SMEs explore their IP and patent protection options.

Digitalisation of corporate services

The EPO is on a journey to digitalise not only the patent granting process, but also its corporate services. In 2022, work continued on simplifying and digitalising core HR processes. Deliverables included the rewards process and the collaborative bonus, management adjustments, the new self-service education allowance, enhanced recruitment and internal mobility, to name a few. A new intranet was rolled out, providing a new digital home for everyone and helping to ensure full support for the new ways of working. A planning tool was designed to help staff organise their flexible working schedules and book offices when they wish to work in our buildings. A new video-conferencing solution was rolled out, leading to the final decommissioning of Skype for Business. This consolidated the modernisation of EPO audio and videoconferencing systems in the context of hybrid and online meetings, both internal and external. Notably, it enhanced support for oral proceedings, with new features such as whiteboards, virtual deliberation rooms and extra audio channels.

In 2023, the ongoing modernisation of EPO corporate systems will continue. The EPO's HR management system will be upgraded to further automate and simplify processes, adapting some of the legacy modules in areas such as payroll and health and safety. Implementing new digitalised processes, including leave requests and new self-service certificates, is expected to lead to significant gains in efficiency, as well as increased user satisfaction. The legacy ticketing system for incident and problem management in HR will also be replaced by the user support system. This is already in use in BIT and will facilitate multichannel interactive communication (via email, phone, chat, forms) between HR services and staff.

The new document management platform to manage administrative document repositories and related workflows is expected to be rolled out Office-wide, building on lessons learnt from the pilots in 2022. This platform is the key to reinforcing both the business classification plan and data retention policies. Its smooth roll-out is also a prerequisite for decommissioning a set of corporate systems in 2023, including IBM Lotus Notes Domino, Babylon, Byblos and shared information stored in shared drives.

In 2023, we will continue to equip our premises with the necessary equipment to allow for the smooth collaboration required for virtual exchanges, hybrid meetings, and online events, as an essential enabler for the new ways of working in a hybrid workplace. This includes new videoconferencing equipment for better hybrid meetings and upgrading the technology in our meeting and training rooms, including exploring the potential of digital boards to facilitate hybrid meetings or trainings.

Strengthening information security

All our tools – whether for the PGP, corporate services or the broader EPO community – rely on the highest levels of information security to protect users, staff and data. The IT security systems at the EPO were confirmed to be world-class by the achievement of ISO 27001 certification in Information Security management for the first time in 2022. This marked a milestone for the EPO and reinforced the trust our clients place in us.

The EPO also refined and enhanced its authentication solution with automated management of identity lifecycle and role-based access. Self-service features were made available to external users, offering new means of online authentication that go beyond the current use of smartcards. In 2023, we will extend these features to all relevant online systems, including legacy ones, so that users can start to transition away from smartcards.

Campaigns to highlight the importance of user awareness of cybercrime continued in 2022. In 2023, there will be a sustained focus on increasing staff awareness of IT security, as well as physical security and related policies.

Cyber defences were expanded and enhanced in 2022 to cover online breach detection, as well as an intrusion detection and prevention system. The EPO plans to implement an improved security incident reporting and management system in early 2023. This will further improve the EPO's reaction time and ease the traceability of any security incident according to predefined scenarios, ensuring efficient and effective responses.

In 2023 the EPO will continue to build upon its experiences securing its cloud applications and infrastructure and improve upon those achievements. We will continue to invest in using the most up to date solutions for confidential computing and encryption techniques, to ensure that the Office remains in full control of the data we are entrusted with, when stored in the public cloud.

Modernising infrastructure

IT infrastructure is the foundation of goal 2 and the enabler of the EPO's digital transformation. A major objective was achieved in 2022 with the decommissioning of the mainframe and CMS filing. Based on technology from the 1970s, the legacy mainframe was outdated, overly complex and expensive to run. It was replaced with modern technology, running on Linux, an open-source operating system, from our Luxembourg data centre, which is more cost-effective, and – more importantly – crucial to the continuous development of the new PGP toolset, which is the cornerstone of a sustainable EPO.

A key priority in 2022, continuous work on improving the availability and stability of our IT systems will remain paramount in 2023. In a digital office, any failure of our IT systems has a direct impact on both our activities and our ability to provide high-quality services to users.

In 2022, we completed the migration of all IT systems to our tier-4 modern data centre in Luxembourg (with the exception of systems due to be decommissioned or those of a local nature). Furthermore, the service management, monitoring and observability toolset was expanded in 2022 to improve our IT operations teams' responsiveness in the event of failures and help increase the availability of our systems.

The long-term project to deliver a comprehensive disaster recovery capability – or the ability to switch our operations from our primary data centre in Luxembourg to our backup data centre in Munich – will be completed in 2023. The EPO will also consolidate all the local infrastructure in The Hague in a modern IT technical room, located in the Main building, thus completely removing any dependency from the Shell building and its old data centre.

Goal 3: Deliver high-quality products and services efficiently

Despite economic uncertainty since the start of the pandemic, demand for our core services has remained strong. This is reflected in the EPO's workload, which has remained consistently above budget expectations: +2% or +5 070 searches in 2020, +11% or +25 152 searches in 2021 and +3% or +5 462 searches to date in 2022.

These developments – and the workload increase of +2% expected in 2023 – call for a proactive approach to managing examining capacity and overall efficiency. Indeed, we have already moved away from backlog-driven operational management towards a more steady-state approach, with a view to routing each file to the right examiner at the right time.

Timeliness: Ambitions and actions

EPO performance in 2022 was supported by a focus on harnessing the benefits from digitalising the patent granting process, based on AI-based pre-classification, the patent workbench, improvements to ANSERA and a more reliable IT landscape. As a result, despite a higher workload than expected and a smaller examiner workforce (-45 examiners vs 2021), the timeliness of our products remained robust.

Applicants received 88.7% of our standard searches on time – after 5.0 months on average – and 79.0% of our standard grants within 36 months from a valid examination request – after 23.7 months on average.

This meant that the average end-to-end time to grant for a European patent first filing remained at around 43.5 months from filing. On average, a Euro-PCT filing (where the EPO was not the International Search Authority) was processed at 36.8 months from when formalities are completed and a divisional application at 32.7 months from filing.

The focus in 2022 was also on further reducing the backlog in opposition. This had accumulated in 2020 as a result of the COVID outbreak, before we adopted video-conferencing for opposition proceedings. That backlog has now been entirely processed in 2022, with the stock – around 5 000 pending oppositions – currently below pre-pandemic levels.

In 2022, the EPO also focused on consistency in terms of timeliness. Targeted action was taken to deal with the right file at the right time and for teams to work together to reduce examination backlogs. The backlog of examination files where an EPO action had been pending for more than 30 months was kept under control at around 1 300, while the backlog of examination files with an examination request dating back to before 2017 was reduced from roughly 20 000 at the beginning of the year to around 11 000. Currently, around 6 000 of those files can actually be processed by examiners, i.e. are not awaiting action from applicants.

Our responses to user enquiries remained swift in 2022, with 95.7% of user enquiries resolved in less than 24 hours.

In 2023, the EPO will continue to consolidate the achievements in timeliness. Legal certainty is reinforced by improving consistency and minimising delays in interactions with applicants. Given our efforts to process the oldest and delayed files in recent years, while harmonising timeliness across technical fields, we will look afresh at the production priority scheme and review whether the current three tier scheme and file ranking mechanism remain fit for purpose.

To ensure that the right file is processed by the right examiner, and right division, at the right time, we will make full use of the technology communities introduced in 2022. Examiners from neighbouring fields will be able to co-operate thanks to the new digital workflows. These include upcoming digital file allocation, which will help managers rebalance their workload and form mixed divisions with the skills required to treat complex files that cut across technologies.

In search, the EPO aims to deliver at least 90% of standard searches to applicants on time in 2023. To free up capacity for a renewed focus on examination, the EPO will deliver Euro-PCT bis searches within 10 months instead of 6 months at present. Applicants who use the Euro-PCT bis route and have an interest in accelerating proceedings may consider waiving their right to the Rule 161/162 EPC communication at entry into the regional phase. At the same time, building on the initiative started in 2022, where the target moved from 9 to 8 months, the EPO will gradually lower the target for ISA and national first-filing searches down to 6 months in 2024 to match those for EP first filings. The intermediate target will be 7 months in 2023.

In examination, the EPO aims to complete at least 80% of standard grants within 36 months. To satisfy the needs of users who file a PACE request for a faster service, the target will be to complete each examination action within 3 months. To prevent unacceptable delays and any growth in the backlog, we will change the definition of “old” files to “valid examination request before 2018” (versus 2017 at present) and work towards a target of just 10 000 of such files awaiting applicant action by the end of the calendar year. We will also strive to limit the number of examination files awaiting examiner action for more than 30 months to around 1 000.

In opposition, the EPO will maintain stock levels at below 5 000 files and strive to return to pre-pandemic timeliness of at least 70% of standard files completed within 18 months. In doing so, we will aim to send summons to oral proceedings within 8 months.

In 2023, the EPO will continue to report regularly on the progress made towards production targets. Reporting on progress with each of our product types will increase transparency. We will leverage the new ways of working, which include a more extensive teleworking policy and greater flexibility for staff.

In 2023, the EPO's overall target is to deliver 378 600 products. This figure is expected to consist of around 242 400 searches and 132 900 examination final actions (including around 18 500 withdrawals), leading to 96 000 patent publications and 3 300 opposition decisions.

In 2022, the Office launched new effectiveness and holistic performance dashboards. Beyond painting a more accurate and comprehensive picture of our performance, these dashboards also help us to spot trends and take action where necessary. In terms of individual performance, production targets remained a key consideration in performance development and assessment. However, we also adopted a more holistic approach to recognising the fact that the EPO's recent progress has been built not merely on individual contributions, but also on teamwork both within and across departments. In 2023, managers will use the new dashboards to provide transparency to all staff concerning performance. The overall efficiency target will be 1.72 days per product in 2023, versus 1.77 days in 2022.

Achieving this ambitious efficiency target will enable the EPO to deliver its objectives on timeliness and production in 2023. Several initiatives will support the execution of EPO budget plan, including:

- The introduction of digital file allocation to ensure that files are treated “just-in-time”. This will also facilitate teamwork between examiners from neighbouring fields in related technology communities, while allowing managers to rebalance their workload and form mixed divisions where appropriate.
- The revitalised digital talent marketplace to support teams with high stocks and high workload.
- A targeted recruitment campaign to fill the pipeline of potential recruits and reduce delays in the recruitment process. Examiner capacity will be optimised in specific technology communities according to workload forecasts and expected retirements, as well as the local timeliness and performance situation.
- Maximum leveraging of AI in classification. In parallel, the EPO will stop the circulation of patents already classified by the United States Patent and Trademark Office (USPTO) in CPC in the technical areas where the quality of their classification efforts at least matches our own. With robust quality assurance mechanisms in place, the EPO will also look into the use of contracted services where possible to free up more capacity for examination.
- As SP2023 projects come to an end, a growing number of examiners involved in projects will return to operations and resume their core activities.
- Leveraging benefits from the digital transformation of the patent granting process: AI pre-classification, AI-driven file distribution, AI-based pre-search, improved patent workbench, improved ANSERA and an IT landscape that is generally more user-friendly and more reliable.

Quality: Striving for excellence

The substantive quality of our searches and examinations has always been at the heart of the EPO's mission. Delivering high-quality patents and services in close consultation with our users will remain the EPO's top priority in 2023.

To reflect the EPO's continued commitment to excellence, quality targets for next year are ambitious – at 85% for search and grant audit compliance. The excellence target is set at 90%. Following the introduction of a revised audit dialogue process in 2020, the EPO continue to hold regular in-depth, focused review meetings between Directorate Quality Audit (DQA), senior experts and other operational quality stakeholders.

The meetings are used to review the reasons for non-compliance and identify potential needs for harmonisation or training. In addition to yielding specific recommendations for targeted operational actions concerning quality, the meetings also serve as learning opportunities for all, leading to a deeper, mutual understanding of high quality.

This dialogue will be deepened and improved in 2023. Examples of high-quality work – identified by auditors as part of the SP2023 Optimising oversight project – are also expected to trigger discussion between auditors and managers in DG1 to promote a common understanding of best practices.

Based on the five pillars of quality, the Patent Quality Charter sets out the behaviours and actions that steer the EPO towards excellence in quality. Launched on 1 October 2022, the Patent Quality Charter has been in development since 2019, when a common definition of quality was discussed at a meeting of the Standing Advisory Committee before the EPO (SACEPO) in the framework of SP2023. The first drafts of the charter were based on those exchanges.

The broader scope of the Patent Quality Charter, compared to our previous Quality Policy, is also aligned with the expansion of our ISO-certified quality management system to an integrated management system that applies to the whole of the EPO, and not just to the patent granting process.

Building on the Patent Quality Charter, our aim in 2023 is to work towards an improved, shared view of what high quality means with respect to the EPO's products and services.

Listening to our users

The 2022/2023 end-to-end User Satisfaction Survey (USS) was launched on 1 September 2022, starting with opposition services and the EPO website. Filing, search, examination, publications, key account management and EPO tools will follow in the months ahead, with the results to be released in the first half of 2023. Information on this survey round was made available on the EPO's website on 1 September, where the results from

the 2020/2021 USS as presented to the Administrative Council in October 2021 are also available. The 2022/2023 USS will provide updated feedback from our users. The EPO will be able to review progress and measure any improvements since the 2020/2021 USS which serves as a benchmark. Areas for improvement will be further analysed, with the resulting actions to be implemented in the course of 2023 and beyond.

As an innovative organisation and an office recognised for its patent quality, it is fitting for the EPO to take the lead in finding a new common understanding of quality. The Stakeholder Quality Assurance Panel (SQAP) concept was launched in 2019 and expanded in 2021. Participants from around 50 countries came together with EPO experts to discuss substantive quality topics and users' expectations of quality.

In October 2022, the panels conducted a targeted assessment of grants and subsequently reported their findings to SACEPO on 24 November. For the first time, the panels were mixed, bringing together legal representatives, our auditors, senior experts and team managers to assess quality together. A report from these panels will be published in the forthcoming Quality Report 2022. Lessons learnt from the grant assessment will be implemented throughout 2023.

In 2023, the SQAP concept will be further expanded to create the new gold standard for measuring patent quality. The panels will be diversified to encompass the full range of stakeholders from across the patent granting process. Their assessments will also be extended to include other stages in the life of a file, including formalities work, search/written opinion, intermediate actions, refusals and opposition files.

Deepening user dialogue with high-level meetings

Building on the initiative launched in 2021, high-level contact with industry continued to intensify in 2022, with some 18 meetings organised over the course of the year. The applicants involved accounted for 8% (15 000) of our applications in 2021. The response from these meetings was that EPO quality was high with specific areas identified where the Office could build on this strong reputation. While progress in timeliness was widely appreciated, a growing number of users raised the need for a slower processing on certain applications – not only in the pharmaceutical sector but also standards-relevant applications from high-tech companies.

These sessions offer insights – at the highest level – into where the EPO can further improve the quality and efficiency of its products and services. Another theme from our users was the need for further harmonisation of examiner practices across the board and timeliness at the technology community level.

The EPO is also focusing on how to work with applicants to improve the quality of incoming applications. It is interesting to note that each high-level meeting has led to further detailed sessions at a technical level to follow up on the topics discussed. With an applicant from

Asia, for instance, discussions focused on how to speed up the processing of a patent application. This prompted the EPO to publish a video on its website showing the variety of steps that an applicant can take to reduce processing times significantly when starting, for example, with a PCT application.

In 2023, numerous actions will be taken within the operational area to maintain and improve quality levels, ensuring that our users are provided with legally robust patents.

New ways to improve quality

Starting with a strong search report that reflects all relevant prior art with a comprehensively reasoned written opinion, operations will provide the firmest foundation to the EPO's patent granting process. Our goal is to issue the highest quality decision from the EPO on examination proceedings, guaranteeing legal certainty to both applicants and the public.

In 2022, a selected group of teams piloted new ways of working aimed at improving our quality. Four pilots were launched that focus on providing a high-quality search report and written opinion and improving consistency throughout the examination process.

Our three-person examining division is a strong factor in the high quality of our grants. The complete examining division is already allocated to each file at the search stage to encourage consultation at search stage. One pilot explored the effects of systematically involving the division more actively at the search stage, and particularly the chairperson. As result of this pilot, in 2023, the active search division will roll out to all teams.

In 2022 the EPO also piloted a new structure for communications in search and examination. Feedback to date shows that this helps to bring a consistency and order to the objections and comments made in official communications. It is expected that the new structure will make it easier for our users to read and understand the objections raised. In 2023, this new structure for communications will be rolled out to all teams, as well as being introduced in opposition.

The EPO will maintain its strong focus on optimising our added subject-matter checks. Pilot teams tested the added matter check tool to assist examiners with this key task. They also explored the most effective way to document their checks, so they can be more easily validated by the other members of the division. In 2023, the tool will be further refined as the pilot showed that the current usability is heavily dependent on the technical field and amendment complexity, as well as on the quality and availability of the application documents.

To further strengthen the roles within the examining division, another pilot reviewed the responsibilities of each member and the skills required for the different roles. This has helped to promote both a sense of shared responsibility for quality among division members, as well as ownership and accountability for each member's tasks. In 2023, the clarification

of roles and responsibilities within each team will be promoted Office-wide with respect to search, examining and opposition divisions.

As part of the new effectiveness and holistic performance dashboards, the practice harmonisation dashboard, piloted in 2022 will be rolled out to all teams. This will help examiners and line managers identify areas where action is needed to ensure a consistent examination approach across related technical areas. The focus will be on helping line managers draw on dashboard data to trigger appropriate conversations around quality and practice harmonisation. The dashboard will be used to identify specific areas where action is needed, and steps will be taken to address them.

A culture of continuous improvement will be fostered by further developing the framework for learning from DG1 operational quality control. In practice, this will involve piloting a more agile, peer-to-peer review approach in opposition, and further improving the process for building on feedback from opposition divisions to examination divisions.

Another essential source of insights into the quality delivered by EPO operations are the Boards of Appeal (BoA) decisions. From the EPO's perspective, these are the definitive reference for legal certainty on patent protection. Limitations of related statistical reporting include the low numbers available, and the need for detailed assessments in case the claim set was amended during the appeals procedure.

In 2022, an SP2023 project looked into these statistics and used AI to establish effective reporting. Building on this, metrics for the compliance of cases with BoA decisions will be established in 2023, outcomes further explored and learning opportunities identified. The aim is to design and implement an improved approach for learning from the BoA decisions.

Master the prior art

The SP2023 Master the prior art programme has created a framework for harmonising classification practices with our partners. So far, we have addressed the harmonisation of about 40% of CPC subclasses. The harmonisation plan is helping to improve definitions and forge a common understanding among CPC users. The harmonised classification practice has become the standard for all the national offices participating in the CPC. The harmonisation plan has given rise to several follow-up projects to review CPC schemes and revise the CPC as a whole so that it better reflects advances in technology.

These efforts to harmonise and revise the CPC will continue in 2023 and beyond, until we reach total harmonisation in agreement with our partners on the objectives, timeline and allocation of resources by both the EPO and the USPTO. Harmonisation with our partners brings multiple benefits, including reducing our classification workload in those technical areas where the quality of the USPTO meets our internal standards. Four CPC releases are already scheduled for next year, in January, February, May and August 2023, following approved CPC revision projects and amendments in IPC.

The SP2023 Master the prior art programme plans to achieve 80% of harmonisation agreements with the USPTO on CPC-based classification, with between 90 and 100 harmonisation projects to be completed by December 2023. This will mean that 66% of all CPC subclasses are partially or totally harmonised by the end of 2023. These harmonisation agreements will allow us to save further resources for the classification of US patent publications as we will not need to classify US documents in the technical fields where the USPTO provides for a sufficiently high level of quality.

A growing number of national offices are agreeing to use the CPC to classify their national applications. This means that the current total of 36 CPC agreements signed with partner offices is expected to continue to grow next year.

The new classification tools (Classera/Canopée) complementing the new search environment will also allow us to decommission the legacy classification tools in 2023.

Opposition by videoconference (VICO)

Based on the successful pilot, user feedback and legal developments over the past two years, the EPO will move to “VICO by default” on a permanent basis. To this end, the pilot will be converted into a permanent system as of 1 January 2023, by means of a Decision of the EPO President together with an accompanying explanatory EPO Notice.

In principle, all oral proceedings in examination and opposition (and before the Receiving Section and Legal Division) will be held by VICO with the possibility of remote participation for all parties, witnesses, the public etc. On-site oral proceedings will continue to be allowed only in cases where there are serious reasons for not conducting them by VICO. Where these requirements are fulfilled, on-site oral proceedings will resume as of 1 January 2023. Parties will then be expected to attend the oral proceedings on-site (no “hybrid” or “mixed-mode”) and only members of the public may follow such on-site oral proceedings remotely.

The permanent move to VICO by default will be accompanied by a comprehensive information and communication campaign. The EPO will continue to seek user feedback at all levels and offer a broad range of internal and external training measures, with a view to continuously boosting acceptance and support for VICOs among users. BoA case law will be monitored, as well as the outcome of the user survey to be run by the Boards of Appeal in early 2023 on oral proceedings held as videoconference in appeal.

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

Unlocking the untapped potential of patent knowledge

When patent data is used to help drive innovation that brings value to society, it becomes patent knowledge. Up to now, patent knowledge is the richest and best quality resource on technology development, but this potential will remain untapped if the range of its beneficiaries is restricted to patent experts only.

To increase the outreach of patent knowledge, foster a more inclusive innovation and, as a result, a more sustainable patent system, the EPO has drafted a new patent data policy which is planned to enter into force in 2023. The policy builds on the principles of quality, sustainability, collaboration and co-operation.

To further increase the number of beneficiaries of patent knowledge and improve the quality of our services, in October 2020 we launched PATLIB 2.0, which will enter its mature phase in 2023. By June 2023, PATLIB centres will be offering many more services to their user communities and building further on initiatives launched this year, including the PATLIB Transfer of knowledge to Africa pilot. Lessons learned will be applied when expanding this initiative to reach more African universities. A similar initiative may start with a cluster of Ukrainian universities and chambers of commerce, in close collaboration with Ukraine's national IP office.

Furthermore, 2023 will see the consolidation of the EPO's active participation in the certification of technology transfer professionals through the Registered Technology Transfer Professional (RTTP) and Certified Licensing Professional (CLP) schemes. European Patent Academy courses will be offered accordingly.

During the year to come, a lot will happen in the field of patent analytics to bring insights into key technologies to policymakers and the public at large. The EPO's existing platforms on Clean Energy and Fighting Coronavirus will be updated with the latest available data and a new platform on fire-fighting technologies will be launched in collaboration with a group of experts from national offices.

Moreover, the production of the patent insight reports will continue in areas such as offshore wind, quantum computing, quantum simulation, mRNA technologies, including in collaboration with external partners such as the International Renewable Energy Agency (IRENA), the European Space Agency (ESA) and the European Space Policy Institute (ESPI).

Transforming the European Patent Academy to reach out to new stakeholders

With the overall objective of making high quality patent education more inclusive, accessible and interconnected, the four pillars of co-operation, certification, modularity and digitalisation featured in the Blueprint for the European Patent Academy will be further reinforced upon in 2023.

As to co-operation, the Academy's training programme for the coming year has been co-developed with member states in a dedicated working group of the Technical and Operational Support Committee (TOSC) and co-ordinated with a range of stakeholders. The programme comprises 159 proposed learning activities over a planned total of some 2 000 training hours. Besides the Academy's traditional professional and tertiary education audience, the programme is to target kids and youngsters with a view to sparking their interest in innovation and STEM subjects.

Regarding certification, a package of initiatives will be launched, including the reform of the legal framework of the European Qualifying Examination (EQE), the introduction of both the European patent administration certification and the revamped EQE, and a series of co-labelled university certificates in IP management.

Concerning modularity, a new module on innovation and patents specifically targeting science and technology faculties is ready to be implemented at five universities in 2023, with a view to extending the concept to the entire Pan-European Seal network.

Finally, with regard to digitalisation, the new EPO learning portal will be launched, together with a new learning events calendar, new learning materials repository, the Academy eBook series and a series of podcasts.

Furthermore, the EPO will revive the Symposium of European Patent Judges, which will provide an important forum for the exchange of views between judges at the Unified Patent Court, those in the national courts of the EPC contracting states and members of the Boards of Appeal. Such exchanges will help promote the uniform interpretation of European patent law.

Strengthening the European patent system and network for impact

Supporting smaller innovative entities in Europe

SMEs, universities and public research organisations (PROs) constitute the motor of European innovation. It is part of the EPO's mission to support their activities with a package that will facilitate access to the European patent system and commercialisation of their assets across Europe and internationally.

The support package will be implemented in close co-operation with national patent offices and the local PATLIB network. It will include analysing the innovation potential of SMEs,

universities and PROs as well as a set of concrete follow-up measures to unlock the value of their research and innovation results.

With accessibility and simplification in mind, the EPO also envisages reviewing parts of its fee policy and will engage with the EPC contracting states throughout 2023 to agree on a set of consolidated proposals for possible entry into force in 2024. Recent trends, including those driven by the EPO's improvement in timeliness, should also be addressed.

Any new support measures will complement those already foreseen in the current policy on working agreements on search co-operation (CA/51/20), which provides financial support for patent applications originating from small entities and was implemented throughout 2022 (new working agreements were concluded with Austria and Portugal in 2022).

Convergence of practices to reduce costs for innovators

With the objective of reducing the cost of interacting with different patent administrations, and contribute to a more sustainable patent system in Europe, the EPO is further expanding its convergence programme.

A proposal from the EPO including new topics was widely supported in a consultation with national offices and users. Proposed topics include “allowable features in drawings”; “observations by third parties”; “practices concerning assignment”; “broad claims”; “double patenting”; and “issuing and accepting electronic priority documents”. The next cycle of convergence will start in April 2023.

IT co-operation

By the end of 2022 the IT co-operation programme will have substantially delivered on its planned scope. The first part of 2023 will see the teams currently in place reorganised and reinforced to support the practical implementation of projects in participating member state national patent offices (NPOs). Knowledge-building and technical support activities already underway will also be consolidated.

The main focus remains on the front office, where there is an opportunity to deliver a significant number of implementations across the European patent network with strong technical support from EPO teams. By June this will put NPOs in a position to plan decommissioning the decades-old eOLF system where it is still in use. eOLF has become very complex to maintain, both in terms of hardware and software, making its planned replacement by NPOs increasingly urgent.

A broad range of countries will also be able to implement SEARCH as a replacement for EPOQUENet. SEARCH is based on ANSERA. Using a secure, scalable cloud solution, it offers far greater power without requiring hardware installation and maintenance. By June 2023 the EPO expects that the solution will have the necessary capabilities to replace

EPOQUENET. In fact, this is already the case for a majority of countries. In the years ahead we will undergo a gradual process of change management and preparation to pave the way for the full use of SEARCH by all.

With the development phase now concluded, the data quality project will transition to an implementation support model. This will deliver benefits to the widest range of NPOs – whether requesting searches carried out by the EPO or transmitting the highest quality prior art data.

More countries are expected to use the CPC in 2023, increasing its value. The core service offering will also be improved with additional AI-based services and tooling to support core tasks related to pre-classification, reclassification and the transition from the IPC to the CPC.

2023 will also see further improvements to the single access portal. The portal has become a powerful information hub for the network by offering rapid, secure methods for exchanging information and training, among many other functions.

Information security and cloud solutions have become a core part of the Office's work in IT co-operation. NPOs are expected to continue to align and exchange knowledge on these topics in 2023.

Expanding the network: Accession of Moldova to the EPC

The Administrative Council has extended an invitation to Moldova to accede to the EPC, as the country meets all the Council's relevant requirements. In 2023, the EPO will offer Moldova legal support to assist with the necessary legislative changes the country needs to enact in order to comply with the obligations arising from its accession and full membership of the European Patent Organisation.

Broadening synergies with other key actors in Europe

Co-operation with the European Commission (EC) – To reinforce the European innovation ecosystem and facilitate the European green and digital transitions, the EPO and DG Research and Innovation are developing co-operation activities addressing patent valorisation and smart use of IP. Awareness, communication campaigns, trainings, and development of code of conducts will be aimed at supporting innovative companies overcome bottlenecks and commercialise their intangible assets.

With the European Innovation Council and SMEs executive agency (EISMEA), the EPO launched a pilot-project to jointly evaluate technology novelty and inventiveness of proposals seeking funds at European Innovation Council. This will contribute to the overall strength and quality of the successful proposals.

Co-operation activities with the Community Plant Variety Office (CPVO) – To foster innovation in plant varieties in Europe, the EPO and CPVO renewed their Administrative Arrangement. In 2023, the co-operation will mainly focus on online training offers and the EPO's use of data provided by the CPVO.

More specifically, information exchanges in 2023 will concern topics such as feedback on the use by the EPO of varieties-related technical data provided by the CPVO; disclaimers concerning plants obtained by technical means.

Policy-related topics that will be discussed in the framework of the future Observatory on Patents and Technology include: patentability of random mutagenesis; plant-related inventions to address climate change-related issues; and strategies to support SMEs in protecting their innovations in the field of plants.

Co-operation activities with the EUIPO – In April 2022, a new two-year work plan was drawn up for the period from 2022 to 2023. The EUIPO and the EPO will continue to work together based on this specific work plan. As previously, joint training activities, knowledge sessions within the Communication Correspondents Network and the co-operation within the framework of the Pan-European Seal Young Professionals programme will also continue.

Co-operation with WIPO – The technical co-operation agreement with WIPO will lead to implementing projects covering the areas of classification, PCT, technical infrastructure, data exchange and patent knowledge, outreach training and co-operation with third countries. The focus for 2023 is expected to be on IT systems integration to simplify interactions with users and communication with the EPO relating to EP and the PCT procedures, as well as exchanges on the use of AI and blockchain in IP operations.

Final preparations for the launch of the Unitary Patent

According to the latest information provided by the Unified Patent Court (UPC), the Unitary Patent system is expected to become operational on 1 April 2023. The technical implementation of the Unitary Patent at the EPO is almost complete. Only a few functions of the IT system are still open, relating to data exchange with the UPC. The EPO is thus ready to offer the transitional measures related to the Unitary Patent, including those that enable early requests for unitary effect and requests to delay the publication of the decision to grant as of the start of the sunrise period.

In 2023, the EPO will continue to provide support to the contracting states with activities related to the implementation and promotion of the Unitary Patent package, including financial support for necessary adaptations of national IT systems and the translation of EPO communication products.

The already established Unitary Patent exchange platform will play an important role in the exchange of information between contracting states and the EPO. In addition, the EPO will further increase its awareness-raising and outreach activities concerning the Unitary Patent package, not least in non-contracting states and especially in the IP5 countries which will account for an important group of users of the Unitary Patent. The EPO will therefore ensure that its various communications relating to the Unitary Patent package, which are already available on the EPO webpages and have been shared with national offices, are up to date.

The European Patent Academy will provide a variety of training events, co-develop online materials on the UPC and offer direct support for the UPC judges' training.

Expanding the EPO's geographical reach to support European innovators globally

Reinforced Partnerships and Validation Agreements are instruments which support users seeking to export their innovation beyond the European patent system.

Following the signing of the Memorandum of Understanding on co-operation with the African Intellectual Property Organisation (OAPI), and the discussion on the validation system that took place at the OAPI Administrative Council meeting in December 2022, the main objective in 2023 will be to intensify support to help identify any topic that needs to be addressed and clarified in view of the entry into force of the validation system. Besides ongoing support on the operational and financial aspects of validation, the focus will be on the scope of an extended validation package designed to meet the needs of OAPI and its member states.

It is expected that validation enters into force in Georgia in 2023, while negotiations will continue with candidate countries such as Angola and Laos. The implementation of the Validation Agreements in place will include efforts to raise awareness of and foster an IP culture, with a view to further increase the number of validated EP patents. Support actions will be developed at national level to promote technology transfer and effective use of patents by stakeholders.

The geographical outreach of the EPO continued to expand in 2022, including with the signature of two new Reinforced Partnership (RP) agreements with Ukraine and Peru, bringing the total of such agreements to 12. These cover the African Regional Intellectual Property Organization (ARIPO), which comprises 22 member states, and 11 national IP offices.

In 2023, negotiations will continue towards the conclusion of further agreements with new candidate offices, including in Latin America and Southeast Asia. At the end of 2022, the Geographical Outreach programme delivered a new tool for the examiners of RP offices that facilitates the reuse of EPO work products. In 2023, the tool will be made available progressively to all 12 RP offices, enabling the generation of statistical data on the extent of reuse and the integration of a quality feedback loop.

Within the framework of the RP agreement with ARIPO, the pilot project for outreach to universities will be expanded to raise awareness of IP in both universities and research institutions when it comes to the pursuit of knowledge and technology transfer. A platform for African universities and the PATLIB network to exchange knowledge, skills and tools in technology transfer activities under the Transfer of knowledge to Africa initiative will continue to be developed in 2023. With the ARIPO Patent Examination Training programme (ARPET), the EPO will continue to train examiners in patent searching and examination, as well as certifying their progress.

Activities planned under the RP agreement between the Ukrainian IP Office and the EPO, which was signed in mid-2022, have slowed down slightly over the past months, with the outlook dependent on circumstances that would allow the transformation process in place at Ukrpatent to progress. The management of Ukrpatent has expressed its readiness for co-operation in areas and projects previously discussed, including amongst others internship opportunities at the EPO and the academic programme for staff of the Ukrainian NPO, access to the training programme of the European Patent Academy, continuous learning opportunities offered by the Talent Academy as well as participation in the pilot of the new SEARCH tool.

The EPO further supports technical co-operation with an emphasis on regional co-operation, including for instance in the ASEAN region. The ASEAN common examination guidelines, completed in 2022, will be followed in 2023 by the design of a new work plan on extended co-operation at a regional level, co-ordinated with the ASEAN Secretariat.

The EPO will continue working with WIPO and the Spanish Office on improving the patent data collected in Latin America via the LATIPAT programme. Action plans with participating offices in the region are to be established and achievable goals set for 2023. In the context of the EU-funded projects, the EPO will contribute with its patent expertise to the “IP Key Latin America” and “AL-INVEST Verde”.

The Cooperative Patent Classification (CPC) system has had another solid year to date. With Belgium and Monaco joining in the summer and Italy requesting to join at the end of September, the number of participating offices now stands at 36, of which 21 are EPO member states. 68 of the EPO’s 140 million documents are now classified in the CPC.

Fostering multilateral co-operation on IP and sustainability

To ensure that civil society takes advantage of the many benefits of innovation for the welfare of all, the IP5 Offices tabled a policy discussion on IP as a driver for the promotion of the UN’s Sustainable Development Goals. This milestone marks the introduction of sustainability to IP5 agendas and prepares the way for longer-term engagement with the topic on the part of the IP5 Offices, including together with representatives from the IP5 user groups (“IP5 Industry”).

As for the IP5 roadmap for new and emerging technologies and AI (NET/AI), the IP5 Offices will start working on the first relevant projects, such as the publication of existing material on examination practices concerning AI-related inventions. Similarly, following the adoption of a work plan for the alignment of practices and procedures among the IP5 Offices, the publication of the “IP5 safe format” has become the first milestone in the project of allowable features in drawings. Work will continue on these initiatives in 2023, including the project of global assignment.

Promoting innovation through harmonisation and partnerships with users

Substantive Patent Law Harmonisation

To reduce the cost of interacting with multiple patent system and increase legal certainty for stakeholders at global level , users around the world are clearly calling for substantive patent law harmonisation. This was one of the findings of the last B+ plenary meeting, which discussed a range of topics, including the reports on the national consultations. Accordingly, the EPO supported the proposal to start work on a comparative analysis of convergences and divergences in the opinions of stakeholders across jurisdictions. The EPO will also participate in the dedicated working group that will be formed to carry out this work in 2023.

Standing Advisory Committee before the EPO (SACEPO)

The regular exchange and dialogue with users will be continued in the framework of SACEPO. The 180 members of SACEPO, as well as the five SACEPO Working Parties representing European and international associations in the patent field, will be consulted on all major projects and developments at the EPO prior to implementation. Feedback and suggestions received from user representatives in the consultation process will be collected and analysed in order to adjust projects to the needs of users and optimise implementation for all stakeholders. In the second half of 2023, the world-wide membership of SACEPO and all SACEPO Working Parties will be renewed, and the President will appoint new members of SACEPO for a new three-year term of office or re-appoint meritorious members for a second term of office.

Improving the quality of Patent Cooperation Treaty services and products

The pilot project of the EPO acting as International Searching Authority (ISA) / International Preliminary Examining Authority (IPEA) for nationals and residents of the People’s Republic of China was extended for one more year upon agreement between the EPO and the China National Intellectual Property Administration (CNIPA) in November 2022. The extension until 30 November 2023, and up to a further 3 000 applications, will allow for more time to adopt measures that will facilitate access to the pilot, such as the possibility to pay the international search fee in renminbi (RMB).

The extension will also give more time and opportunities for users to evaluate the pilot, including the quality of the international search performed by EPO examiners, but also the time and cost benefits in the examination phase when the applicant has selected the EPO as ISA / IPEA. During 2023, the EPO plans to introduce tangible improvements to the pilot, enhance communication with users, continue to assess the pilot under stable conditions and agree with CNIPA on the next steps.

The digitalisation of the PCT will progress with the eFlows to streamline more than 20 data flows between WIPO and the EPO using web-service technology and upgrading data exchange quality.

Goal 5: Secure long-term sustainability

The EPO takes a holistic approach to sustainability, focusing on environmental, social and governance commitments as well as our financial sustainability. Our aim is to take ownership of our impact on all stakeholders and to align our activities with the United Nations' Sustainable Development Goals (UN SDGs).

Environmental sustainability

The EPO is committed to promoting environmental sustainability and reducing its environmental footprint. In 2023, we will build on the progress made in 2022 to continue our journey towards achieving carbon neutrality by 2030.

The EPO will continue to reduce emissions and energy consumption when it comes to operating its buildings. In this respect, the main ongoing initiatives include the switch to LED lighting in the Munich PschorrHöfe complex 1-6 and the EPO's voluntary energy savings measures in line with the European Union's action to address the energy crisis. Moreover, the EPO can count on the realisation of the benefits of the extension of the adopted solution for weather-dependent regulation of heating and cooling to the Munich buildings, which has proved a success in recent years.

In 2023, the EPO will continue to take further action to reduce its emissions. For example, we plan to add chargers for e-cars for up to 20% of EPO parking spaces, thereby mitigating the environmental impact of employee commuting. Our business travel will be smart and sustainable as we implement a new policy on eco-friendly duty travel, allowing us to keep related emissions under control after the lifting of restrictions linked to the pandemic and the shift to the new ways of working. The EPO will also calibrate its efforts on green procurement in close co-operation with service providers, to address emissions from procured goods and services. These emissions represent a significant part of the EPO carbon footprint, just as they do for most other organisations.

We also want to support our staff in their efforts to act as sustainably as possible and reduce their own environmental impact. One example of this will be the review of the current home loan scheme with a view to adopting a greener, more sustainable approach. Under the existing scheme, home loans may be provided to permanent employees who wish to finance their main residence at the place of employment. The review will help assess the scope for the introduction of lighter administration and the prioritisation of requests for green initiatives, including home improvements such as solar panels.

Paper consumption continued to fall in 2022, and is currently estimated to be running at less than 15% of 2019 levels. The EPO will continue to work towards a paperless office, including by continuously improving our tools and by leveraging staff engagement, a key element of the EPO's Environmental Policy.

Finally, we will renew our certification under the Eco-Management and Audit Scheme (EMAS), the framework adopted for minimising our environmental impact and fostering a sustainable work environment for staff. As part of the process, further categories of greenhouse gas (GHG) emissions, as defined in the GHG Protocol, will be tracked in 2023. These will include emissions generated by “capital goods” (to ensure emissions related to the Vienna green hub building are properly recorded) and those from “waste generated in operations”. This forms part of our efforts to go beyond compliance and strive for excellence by continually challenging ourselves to reduce our environmental footprint further.

Societal impact

Sustainability at the EPO also concerns our social responsibility. More specifically, we aim to share patent knowledge with the general public to spur innovation and economic growth. While our activities contribute to all UN SDGs, we will have a special focus on selected SDGs each year. This means orienting our annual activities such as studies, insight reports, events and smart search platforms towards a specific SDG, with a view to maximising the positive impact that each activity has on society.

In 2022, the EPO focused on clean energy (UN SDG 7): we published a report on patenting trends concerning electrolysers for hydrogen production and launched a new Espacenet Clean Energy platform, with smart searches to support inventors, investors and policymakers in the race against climate change. Further activities relating to UN SDG 7 are planned in 2023, including a study on hydrogen technologies, patent insight reports on renewable energy in general as well as specifically on offshore wind.

In 2023, the focus will be on health (UN SDG 3) and on responsible production and consumption (UN SDG 12). Regarding health, in January 2023 the EPO plans to publish a study on patents and the frontiers of innovation against cancer. This study will analyse the latest technology trends surrounding innovation that is relevant to the fight against cancer, including in the pharmaceutical and biotechnology sectors, but also in relation to the increasing impact of digital technologies on the medical field. Moreover, a new series of innovation case studies with a focus on innovation for combatting cancer is planned, as well as a patent insight report on biotech and mRNA innovation.

As for responsible production and consumption (UN SDG 12), three main highlights are foreseen. Two Chief Economist Unit studies are planned for late 2023: one on patents and additive manufacturing, focusing on start-ups and innovation ecosystems in Europe; and a joint study to be authored together with the European Investment Bank on the funding and commercialisation of cleantech in Europe. This study will be based on the analysis of patent data, financial data and survey data, and designed to track the status of cleantech inventions originating at European start-ups, SMEs and medium-to-large companies.

Furthermore, the first ever public EPO CodeFest takes place in February, where participants will compete to create an AI model for the automatic identification of patents on green plastics.

Meanwhile, the EPO will also continue to complement our publications and events with a rich offering of online data, made accessible via the Patent Index and statistics and trends centre (STC). In 2023, new STC functionality and features will improve the tool's alignment with the Patent Index, facilitate the presentation of EPO data and support these products' new look on the new epo.org. The Patent Index 2022 is due to launch in mid-March, accompanied by a media campaign targeting local markets and Tier 1 outlets. Updates of the STC and EPO Data Hub mobile app are due to go live simultaneously.

Studies, analysis and statistics produced by EPO services will form an important part of the fact-based material to be used by the Observatory on Patents and Technology. In 2022, following the positive feedback of AC delegations on the EPO's proposal (CA/47/22), internal preparations to set up the Observatory began. This new unit of the EPO should be in place with the necessary staff and resources by April 2023. It will be structured according to three streams: technology intelligence, legal and innovation policies, and diversity and transformation.

A key step during this take-off phase will be to prepare the first biennial workplan of activities for 2023-2024. The plan will be based on a large-scale consultation of the multiple external stakeholders potentially interested in the Observatory's activities. The consultation will be launched during the first half of 2023 and the feedback collected will be integrated into the biennial programme to be submitted to the TOSC for opinion. During the second half of 2023, the Observatory will start its activities with the support of networks of experts.

Based on criteria derived from the Observatory's s guiding principles, these experts will be selected from both the public and private sectors via a call for interest. Experts are expected to come from international, European and national bodies and associations in fields such as economics, finance and research. However, a broad range of IP, technology and innovation stakeholders, as well as entrepreneurs, individual inventors and start-ups will also be invited to join the networks. Seconded national experts will also contribute to the Observatory's activities. The aim is to bring together multidisciplinary skills and IP expertise to foster innovation right across Europe and build a stronger European patent system.

In close co-operation with partners and stakeholders, the Observatory will conduct awareness-raising campaigns at a European and national level to disseminate the research, evidence and patent-related intelligence produced. It will support educational activities, discussions on complex subjects and – with the Academy's support – transform technical, policy and scientific output into transformative learning opportunities. Its outreach will be facilitated by new digital tools such as video conferencing technology.

The EPO will also continue to promote the benefits of innovation and inventors for the good of society and the economy in Europe. This is the central aim of the European Inventor Award, which shares the stories of inspiring inventors with the world. In 2023, the Award ceremony will again adopt a TV-like format, which aims to reach the broadest audience possible, especially young people. The event, also featuring the Young Inventors Prize, is to take place in June 2023 in Valencia, Spain, with a set number of in-person participants. An integrated communication campaign across all channels will promote the finalists, their stories and the event.

To build on the stories of European Inventor Award finalists, the EPO will launch an Alumni Network in 2023. The network will bring together former finalists and other inspirational actors from the world of IP, with a view to inspiring the interest of young people in innovation and sparking their creativity as potential future inventors. We will also launch a virtual European Inventor Award Hall of Fame in 2023, offering the public a multimedia 3D world in which to explore the work of all past finalists and winners, including in the form of detailed 3D models of their inventions.

2023 will be a landmark year for the European patent system, as we will celebrate the 50th anniversary of the European Patent Convention (EPC). The EPC was inspired by a group of committed Europeans who believed closer co-operation between European states would benefit innovation and support peace and prosperity. The celebrations will raise awareness of how this spirit of co-operation shaped our heritage and continues to drive the European patent system in supporting the contributions of innovators everywhere to a more sustainable world. Highlights include major events; exhibitions; competitions for staff and external audiences; pedagogic and playful activities for schools and children; and public tech talks.

Governance and transparency

The EPO is committed to the pursuit of excellence, including in terms of quality, information security, occupational health and safety and environmental sustainability. In 2022, we achieved ISO 27001 certification for our information security systems and successfully extended our ISO 9001 certification from the patent granting process to cover the entire EPO. The EPO also successfully completed the external ISO 45001 surveillance audit of our occupational health and safety management system.

ISO certification helps us co-ordinate systematic efforts to further embed best management practices in the day-to-day operation of the services. Performance management and the 2023 objective-setting cycle for all managers aim specifically to integrate such efforts and further consolidate the plan-do-check-act cycle on which ISO standards are based, driving continuous improvement in all areas.

Transparency concerning the EPO's plans and performance will again be further enhanced in 2023. We will expand our reporting to cover all sustainability angles and align with the Global Reporting Initiative (GRI). This will help us to provide the public with clear and comparable information on our efforts to secure environmental, social and financial sustainability.

The EPO will embed a transparency portal in the new epo.org website. This will enhance public access to the EPO's key strategic and administrative documents. Interested parties will be able to find all of our publicly available documentation under a single roof, as well as links to other sources of information provided by and about the EPO.

In light of feedback received from our member states about how best to enhance the transparency, efficiency, accountability and sustainability of the EPO's governance, a number of options for modernising the EPO's governance were presented to the Council in October 2022. On this basis, it was proposed that the Chairperson of the Council, supported by the EPO, present a roadmap for modernising the EPO's external governance in the areas identified in CA/C 11/22. In 2023, it is foreseen to initiate and finalise the implementation of an initial set of proposals outlined in the roadmap, overseen by the Chairperson and with the involvement of the Board of the Administrative Council (B28).

Moreover, for 2023 it also foreseen to implement a document retention policy setting out the conditions and periods for retaining the different types of files at the EPO, with a view to supporting the EPO's advancement of its digitalisation and digital transformation processes.

Financial sustainability

Securing our financial sustainability continues to be fundamental to the EPO's overall sustainability and a precondition for our future as a self-funded organisation. Long-term financial sustainability is a prerequisite for the EPO to have a lasting positive impact on the patent system and society.

The EPO is currently in the process of consolidating the implementation of the six measures approved in 2020 and gradually applied ever since. The package of measures was conceived to address the estimated gap in the EPO's long-term financial equilibrium of EUR 5.8bn in total, which needs to be closed over 20 years, by 2038.

The measures are expected to generate a total financial impact of EUR 6.3bn and allow for a margin in the event that one or more measures do not deliver the expected results. The first of the measures – relating to pension contribution rates – was implemented in 2020 by applying the recommended 3.3% increase in pension contributions to the Reserve Funds for Pensions and Social Security (RFPSS).

This was followed in 2021 by full implementation of a second measure – the new method of salary adjustment introducing a sustainability cap at Eurozone inflation + 0.2%, instead of +0.5% above inflation as observed before the entry into force of the new salary adjustment system. This will guarantee, over the long-term, that the evolution of staff expenses remains closer to the evolution of EPO's revenues.

As of April 2022, in the third measure, fees for applicants were increased by 3% in order to recover the biennial inflation cumulated in the costs of the EPO.

The liquidity surpluses generated over 2020, 2021 and 2022 are regularly transferred to the EPO Treasury Investment Fund (EPOTIF) and RFPSS. All these decisions and actions are within the control of the EPO management and of the governing bodies of the organisation.

The EPO plans to continue moving forward on these measures in 2023:

- The new salary adjustment method has been in place since 1 January 2021 and has already delivered a significant benefit of more than EUR 1bn in the long-term liabilities in December 2020, thanks to the introduction of a salary cap of 0.2% above inflation. As a consequence of this reduction of the EPO's long-term liabilities, a yearly reduction in provision for pensions in the operating result has been expected to bring another EUR 1bn benefit within the timeframe up to 2038. With these two combined financial effects, an overall impact of EUR 2bn was initially expected by 2038. On the other hand, the high increase of the salary table as of 1 January 2023, correlated with an exceptionally high inflation, will lead to an unplanned increase of long-term liabilities in the range of EUR 1bn or more in December 2022. Provisions for pensions in the following years will also be impacted. A global overview will be provided in the framework of the 2023 financial study, which will take stock of the gains realised so far as well as the expected challenges for the future.
- A further adjustment to the pension, healthcare and long-term care schemes resulting in a 1.5% increase of contributions to the RFPSS (overall impact EUR 0.3bn) will be effective as of 1 January 2023.
- For the biennial inflation-based fee adjustment of procedural fees (overall impact EUR 1bn), an adjustment proposal for an exceptional increase of 5% has been included in the 2023 budget to partially cover the historically high level of inflation.
- Digitalisation of the end-to-end patent granting process is well underway and significant benefits are expected for users (overall impact EUR 1.2bn). As of end of 2022, the EPO forecasts such benefits at EUR 0.6bn. We expect to see a further increase in these benefits in 2023, as our focus on digital transformation shifts to examination tools, and the corresponding improvements in productivity that should follow.

- As regards the investment of part of the annual cash surplus in EPOTIF (overall impact EUR 1bn), a total of EUR 250m was transferred to EPOTIF in 2021 and EUR 80m in 2022. The EPO is currently working on the definition of environmental, social and governance (ESG) criteria for its financial investments. The implementation of the ESG criteria and corresponding reporting by the asset managers of EPOTIF are foreseen for Q4 2023.
- Finally, as regards the one-off investment of part of the annual cash surplus in the RFPSS (overall impact EUR 0.8bn), EUR 150m was transferred to the RFPSS in 2021 and it is proposed to transfer a further EUR 196m at the end of 2022.

In 2023, the EPO will continue to monitor the impact of these measures to create a clear, transparent view of the progress made towards long-term financial sustainability.

However, volatility of the financial markets is something out of the EPO's control. This was the case in 2022, where market turmoil was reflected in significant losses for RFPSS and EPOTIF. Whereas in December 2021 the coverage ratio was at 88%, as of September 2022 we are budgeting on the basis of a 73% coverage ratio by the end of 2023, driven by the volatility in the financial markets over 2022 and the increase in long-term liabilities in the light of the exceptionally high salary adjustment of 1 January 2023.

Nonetheless, the coverage ratio is expected to recover and reach 82% by 2027.

Looking to the future, a new strategic Financial Study will be initiated and conducted in 2023, with the aim of assessing the financial situation of the EPO, reviewing the conclusions of the last similar exercise in 2019/2020, and issuing recommendations for the mitigation of risks.

Another crucial element to monitor and manage EPO's financial situation is the programme of benchmarking exercises and studies in the social welfare area (see Goal 1), where the EPO must balance the attractiveness of the social package it offers staff with meeting its long-term liabilities in terms of caring for past and future generations of EPO employees, always underpinned by the principle of financial sustainability.

The new actuarial valuation to be conducted in 2023 (see also Goal 1), which will review the contribution rates for pensions, healthcare and long-term care, will also support our analysis of the financial capacity of our schemes to match past, present and future liabilities. Together, these initiatives will help provide a comprehensive picture of the financial situation of the EPO.

Moreover, in 2023, the EPO intends to engage in dialogue with its stakeholders, especially national patent offices and user associations, concerning the adequacy of its fee structure and to propose possible measures to better support small entities in accessing the patent system.