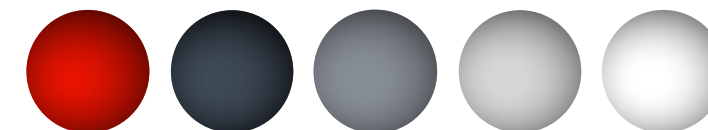


Strategic Plan **2028**

EUROPEAN PATENT OFFICE



Contents

Introduction	3		
One goal: sustainability	5		
The sustainability framework, monitoring and oversight	9		
Strategic Plan 2.0	13		
● Driver 1: People	16		
Attract the best	18		
Develop talent	19		
Support mobility and flexibility	20		
Strengthen social dialogue	21		
Create an engaging physical home	23		
Enhance the digital home	24		
Manage our homes	25		
● Driver 2: Technologies	26		
Build a resilient digital infrastructure	28		
Drive digital transformation	28		
Deliver excellence through the use of digital tools	29		
Leverage AI for our needs	31		
Secure our data	32		
● Driver 3: High-quality, timely products and services	33		
Digitalise our process, improve our digital tools and use AI	36		
Simplify our processes and procedures	37		
Reskill and train	37		
Maintain timeliness: bringing certainty to the market	38		
Deliver high-quality products at every stage of the PGP – complete, correct and consistent	41		
● Driver 4: Partnerships	49		
Strengthen European cooperation	51		
Strengthen international cooperation	54		
Increase skills and knowledge	55		
● Driver 5: Financial Sustainability	63		
Towards financial sustainability in SP2023	65		
Evaluating current progress	66		
Looking to the future	67		
Achieving financial sustainability and resilience	69		
SP2028 KPIs	73		
Legacy tools to be decommissioned in SP2028	76		
Sample pipelines	77		

Introduction

It is now 50 years since the European Patent Convention (EPC) was signed, heralding a new era for patent protection in Europe. For the first time, the European patent offered the simplicity of one application process for a patent that could be validated in all the member states of the European Patent Organisation.

Since the EPC was signed in 1973, the European Patent Organisation and its executive arm, the European Patent Office (EPO), have grown to become landmark features of global intellectual property. From a staff of just 98, our Office has grown into an organisation of over 6 000 highly trained talents, dedicated to supporting inventors everywhere. Our databases contain the world's largest collection of prior art and patent information, forming a veritable catalogue of technologies that researchers and scientists can access freely, equipping them with the knowledge to build upon past progress and make the next big breakthrough. These databases have ensured that the quality of our products and services is widely viewed as being among the very best. What were just seven contracting states have today become 39. European patents can also be validated in countries well beyond the borders of Europe, and the EPO's products are used in markets that together comprise over two billion people – a quarter of the world's population. Furthermore, the EPO has been entrusted by EU member states for the administration of the European patent with unitary effect – the unitary patent – which took effect on 1 June 2023.

Since the EPC was signed in 1973, the European Patent Organisation and its executive arm, the European Patent Office (EPO), have grown to become landmark features of global intellectual property.



As the EPO's influence has grown, inventors, businesses and entrepreneurs have continued to look to the European patent as a reliable way to enter the European market securely and confidently: applications to the EPO in 2023 reached a record 199 275 – over half of which came from countries outside Europe. We also granted 104 608 European patents, of which some 17.5% took up unitary effect. In turn, these industries which use intellectual property rights intensively have contributed to the prosperity of Europe. Specifically, they are responsible for nearly a fifth of Europe's GDP (17%) and for one in every five jobs in Europe (19%). What is more, they pay higher wages (+65%) and demonstrably help to propel the growth of SMEs. In short, the EPO is fulfilling its mission to *“deliver high-quality patents and efficient services that foster innovation, competitiveness and economic growth”*

As the EPO's influence has grown, inventors, businesses and entrepreneurs have continued to look to the European patent as a reliable way to enter the European market securely and confidently: applications to the EPO in 2023 reached a record 199 275 - over half of which came from countries outside Europe.

Since 2020, the EPO has been advancing this mission by concentrating on five key strategic goals: people, digital transformation, quality products and services, creating a global patent system with impact, and achieving a more sustainable Office.

We have approached the projects and programmes to achieve those goals collaboratively and in an agile manner, breaking down silos that can undermine an institution's ability to respond to changing situations quickly and efficiently. As a result, we have been able to achieve the benefits foreseen in SP2023 while also managing one of the greatest challenges in recent memory: the COVID-19 pandemic. We have kept ourselves safe and ensured business continuity. On the basis of this evidence, SP2023 was the right plan at the right time. Now we must look to the future.

The constituent parts of SP2023 are still suitable for taking us into the next five years, and, as a result, all the major parts of SP2023 have been retained in this plan.

One goal: **sustainability**

As SP2023 closes, we have asked ourselves, our member states and other stakeholders: *are the principles of SP2023 still the right principles? Is the vision of SP2023 still the right vision for this organisation?* To a large degree, we believe the answer is “yes”. And that is also something that has come across in the feedback from the public consultation and further consultations with member states. The constituent parts of SP2023 are still suitable for taking us into the next five years, and, as a result, all the major parts of SP2023 have been retained in this plan. Our people, for example, who must always continue to be right at the centre of this organisation – an organisation powered by the best talents – skilled, knowledgeable, diverse and engaged. These talents, with the best IT tools and working environment can deliver high-quality patents for inventions on new technologies, which will bring progress in solving the challenges that lie ahead for humanity.



But the strategy has had to evolve. SP2028 is an evolution in the way we frame our strategy for the next few years. Because the fact is that the world has changed since SP2023 was adopted by the Administrative Council in 2019. The expectations of our users have evolved. The professional workplace has been transformed. We work differently in a hybrid environment of physical offices and virtual spaces. We collaborate more using different tools. We communicate more – across sites and teams. We’ve adapted to a changed society with New Ways of Working.

Our operations can all in some way touch on the issue of sustainability.

Above all, this is a world in which the need for sustainability has increased dramatically in a short period of time. A world in which decisions must be taken to achieve long-term success. We must safeguard our ability to deliver on our mission and provide high quality and timely patents that deliver a high degree of legal certainty and predictability for all users of the patent system. Not just now, but many years into the future. Whether it is pursuing greater diversity in our recruitment or balancing human resources to contribute to a more financially sustainable Office. Reducing the carbon dioxide

emissions from our buildings or committing to green procurement. More modern IT tools that create a more adaptable, secure and resilient IT landscape and contribute to higher quality. Supporting the European Patent Network (EPN) in delivering benefits to users throughout Europe. Technology communities in the PGP that are aligned with the UN’s Sustainable Development Goals. An academy that provides patent knowledge, skills and training for the next generation of patent experts. Or studies that generate insight on emerging trends, informing businesses and helping policymakers to take effective decisions – to mention just a few. Our operations can all in some way touch on the issue of sustainability.

Reaching for long-term success is therefore at the heart of these drivers, so they will guide us eventually towards a more sustainable Office, a more sustainable organisation and a more sustainable patent system – a patent system driven by the high-quality products and services we offer, rightly ring-fencing inventions to what is novel, has an inventive step and is industrially applicable and meets the requirements of the EPC. A patent system that provides legally robust patents that inventors need to help attract investment and bring new technologies to market. Perhaps new green technologies that can mitigate the effects of climate change and fight cancer or the next pandemic, creating a more sustainable society.

SP2028: a summary

SP2028 recognises that the success of our Office is driven by people, so Driver 1 – **People** – focuses on sustainable staff engagement. Motivated engaged staff will ensure we can adapt to new roles and tasks with new skills and opportunities for professional development in a rapidly evolving digital landscape to ensure the long-term success of our organisation. Fundamentally, sustainable engagement will maintain and improve the quality of our work so we manage successfully the increasing volume of patent applications and ever-more complex inventions. Diversity and inclusion will also continue to be pervasive throughout our entire people approach to harness the power of Europe’s diverse talent.

Driver 1 also aims to support our people through the physical and virtual spaces that are home to our professional community. Our talents will continue to thrive in the hybrid environment when we provide spaces that support engagement, collaboration, two-way communication and a sense of togetherness. We will manage these spaces responsibly and efficiently to ensure we meet sustainability targets. Our buildings will contribute to the achievement of becoming a carbon-neutral organisation by 2030.

To enable our people to carry out a world-class patent grant process and manage our operations effectively, we will continue to develop and implement **technologies** (Driver 2) that render greater quality, efficiency and higher productivity – the very demands that need to be mastered to maintain our commitment to excellence and the long-term financial sustainability of our organisation. Our technologies will be financially and environmentally sustainable, and will ensure we have a dependable, agile and adaptable IT landscape that can evolve in response to user needs. Throughout our SP2028 journey, we will keep an open mind and actively study the potential of technologies to modernise the way we work. Breakthroughs in blockchain and digital signatures, 5G communication, augmented reality, the Internet

of Things and edge computing may all provide us with dynamic insights and greater control over our professional homes, leading to more sustainable practices and increased resilience – a journey we will approach with a profound sense of responsibility, ensuring that sustainability guides our choices and that we adopt new technologies in a prudent and value-driven manner.

Furthermore, our people and new technologies will help us to continue delivering **high-quality, timely products and services** (Driver 3). They are at the heart of a sustainable patent system because high-quality patents – both conventional European patents and the new Unitary Patent – give legal certainty for the patent holders, competitors



and society, and attract funding for innovation and critical research and development. Our timely, legally robust patents will empower inventors, innovators, research centres and companies to encourage investment in sustainable technologies that can overcome society's greatest challenges, such as climate change. To ensure we deliver on our commitment to excellence, we will make improvements throughout the patent grant process, from measures to increase quality at source and training for patent professionals, through to the quality of our grants and the implementation of KPIs to track our progress transparently, as well as continually strengthening a rich and open dialogue with users.

To create a patent system that is successful and strong in the long term, we must also foster strong **partnerships** (Driver 4) to develop initiatives that generate a greater positive impact for the EPO's work.

Co-operation with member states will form a fundamental pillar of these efforts to deliver benefits to users, including enhanced IT co-operation, convergence of practice and working together to increase efficiencies. Similarly, benefits can be delivered to our users by strengthening our partnerships with international institutions and striking agreements, such as validation agreements, to enhance access to the EPO's work products outside the EPC contracting states. However, SP2028 also recognises that there are some issues that go beyond borders, primarily our commitment to spread knowledge and insight. SP2028 therefore focuses on our ability to provide worldclass patent information and intelligence. This will ensure that anyone anywhere is empowered to use patents as catalysts for innovation and engines of economic progress and to advance the state of the art. The EPO's Observatory on Patents and Technology will then give stakeholders a forum in which to debate the latest technological trends, developments and insights, empowering decisions that can lead to a more sustainable future.

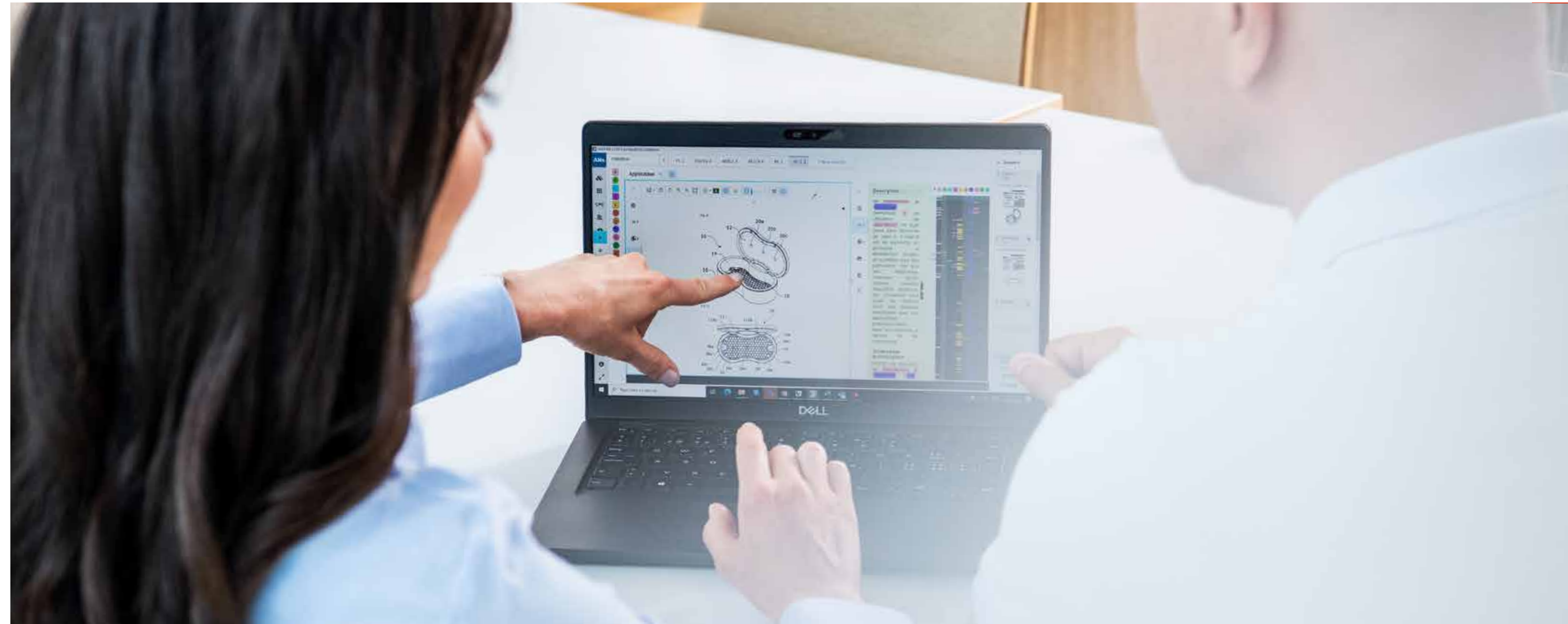
Finally – and fundamentally – to become a more sustainable organisation we must ensure that we achieve **financial sustainability**. The EPO is a financially independent institution, so Driver 5 focuses on how we can manage our organisation in a way that helps us to become more financially resilient and equipped to safely navigate uncertain economic times. Specifically, this means learning from independent studies that evaluate the progress made in SP2023, empowering us to take further action to build on the gains so far and move closer to financial sustainability. Achieving this will ensure all stakeholders can depend on our Office far into the future: from our member states and users to generations of EPO staff – past, present and future.

The sustainability framework, monitoring and oversight

In this strategic plan, the five drivers – People and Homes, Technologies, Quality Products and Services, our Partnerships and Financial Sustainability – will help create a more sustainable patent organisation, a more sustainable patent system and a more sustainable society. But we need to achieve these goals in line with best practises and a modern sustainability framework – that of **ESGF**. It means making sure that we decrease our **environmental** impact; that our work has a positive impact on **society**; that our **governance** ensures the efficient functioning of our Office as a trusted public service institution; and that our **finances** are sustainable.

We will deliver these gains transparently, monitoring our progress regularly and reporting consistently so that our Office, the member states and other stakeholders all have a clear idea of how we are doing

We will use a set of top-level key performance indicators that will provide all stakeholders with a clear understanding of the progress that we are making in each driver (see Annex 1). In addition, SP2028 provides a more comprehensive list of KPIs specifically related to the



PGP to provide a full overview of our commitment to excellence in our products and services. Unless otherwise stated, all KPIs are aimed to be achieved by the end of the strategic plan period in 2028.

Furthermore, stakeholders will be kept up to date with an extensive programme of reporting on top of the KPIs. The EPO will provide for its member states a range of publications related to the implementation of the strategic plan, including an annual work plan laying out the projects and programmes planned for the coming year and quarterly reports

on the recent progress of SP2028. Furthermore, major new initiatives will be presented to the Administrative Council of the European Patent Organisation where required, such as a plan for the EPO's buildings and a roadmap for IT co-operation to ensure right of scrutiny.

In addition, the Office will publish for all stakeholders its annual reports on the progress made in SP2028, as well as supporting annexes detailing the results in specific business areas, such as quality, digital transformation and environmental sustainability.

Strategic Plan 2.0

In SP2023, we broke new ground with high-impact actions and initiatives, some of which were planned, while others were catalysed by the pandemic. All these achievements were only made possible thanks to careful planning, implementation and monitoring. However, the EPO is an organisation geared towards continuous improvement and we have learnt a lot from the last few years. We will therefore use lessons learnt during SP2023 to ensure we implement this strategic plan more efficiently, setting us up to achieve our goals in SP2028:

Avoid slicing the strategic plan too thinly – SP2023 was written with a clear narrative, a coherent story that made sense. One of the first steps in implementing SP2023 was to break down the plan into programmes, projects and tracked activities, which helped to structure the work at hand. Dividing the SP2023 into many different activities also helped bring EPO staff on board and therefore helped to increase staff engagement. However, while the scope and ambition of SP2023 was correct, during the implementation of SP2023, we divided the plan into too many smaller different programmes, projects and activities, effectively “slicing it too thinly”. Having numerous constituent parts and many different colleagues involved created challenges. Alignment and managing dependencies became cumbersome and the level of administration required increased. This is why we will avoid dividing SP2028 into too many small parts.



Pipelines help to deliver benefits – The pipeline approach provides clear forward planning to help the Office manage and prioritise the delivery of its most urgent and strategically important goals in a transparent manner, showing exactly what to expect and when. SP2023 showed just how important and useful effective pipelines could be. With multiple ongoing activities, pipelines helped to ensure better alignment of the projects, that dependencies were properly managed and that no resource bottlenecks occurred. Line management and programme managers were also better able to fulfil their leadership roles. They gave an overview of the key milestones for both management and other stakeholders, supporting engagement and fostering a shared sense of purpose. Pipelines will therefore remain a key cornerstone of SP2028’s successful implementation and rollout.

The minimum viable product (MVP) approach delivers progress – It is often tempting to try to deliver a perfect product. Furthermore, when we try to address an issue with a specific tool or process, there is a tendency to tackle all related issues. This can result in unnecessary delays. So, in SP2023 the EPO deployed MVPs. Although the approach has meant that some products have not been perfect at the time of rollout, with increased capability added through subsequent iterative improvements, urgent and important needs have been addressed more effectively than would otherwise have been possible. The MVP approach will therefore remain a key strategy in the deployment of new tools in SP2028.

Explore the potential of AI – In SP2023, we have followed the state-of-the-art technology to produce our own AI models and put in place a solution for machine translation as well as in preclassification and reclassification to improve the quality of our products – and we have already learnt a lot from our experience. We have realised that to fully utilise the potential of AI, it must be integrated in everyday tools. We have confirmed that human + AI provides a better result in terms of quality and efficiency than either of them alone and, therefore, its adoption should remain human-centric. We have learnt that models and solutions evolve more and more rapidly and that guidance must be provided in a way that is clear and actionable. In SP2028, we will build on this progress and continue to leverage AI to fulfil our mission of delivering high-quality patents and services based upon the experience we have already gained.

Strong change management is required – The concept of business change management and a business change community was one of the new dimensions of the SP2023. But many changes have not been fully embraced and the benefits originally anticipated from new tools and initiatives have not yet been realised fully. In SP2028, investments will be made to manage change effectively and ensure that it delivers the anticipated benefits. This means greater commitment from all parties, firm steering, careful planning, accurate monitoring, extensive communication, equipping managers with first-hand timely information and training for all stakeholders. This will therefore ensure that all users – internal and external – are better equipped to take advantage of that change.

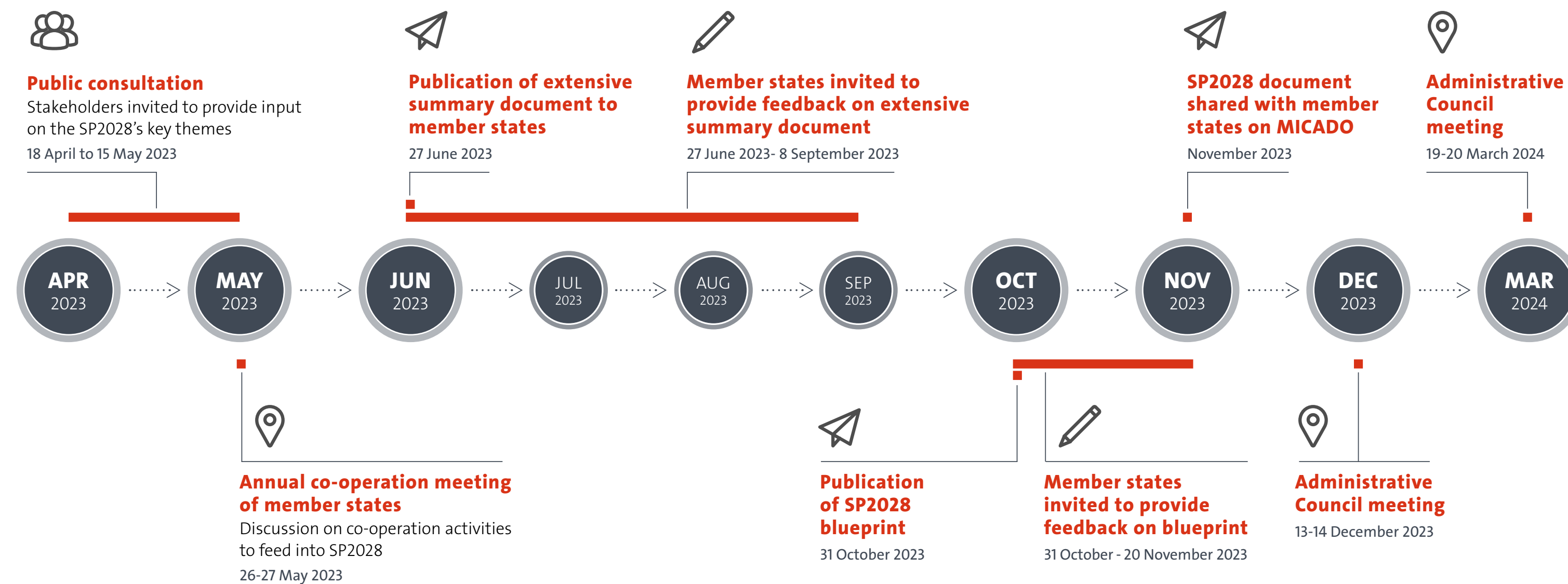
Ending old habits is as important as introducing new tools and practices – In the course of SP2023, we became proficient at delivering new tools and implementing new working methods. But it is just as important to identify which products and processes are no longer needed. This results in a simplified business environment, rather than one marked by the complexity of overlapping or redundant tools and processes. We must critically evaluate which habits and processes are no longer required, even though they are familiar and require no extra investment. Regularly asking ourselves whether existing approaches still serve their purpose would therefore be beneficial. Change management must include plans to discontinue or decommission old tools and practices in a way that facilitates a painless adoption of new methods for all users. This would help support the organisation and its stakeholders in moving forward and implementing beneficial long-term change.

As we start the implementation of SP2028, our Office will plan extensively and draw upon these lessons learnt. But we will also ensure we can adapt when necessary, just as the pandemic showed that successful organisations are measured by their ability to evolve in a changing environment. We will strengthen our organisation to react efficiently and quickly based on the outcome of KPIs while maintaining overall strategic direction.

SP2028 consultation process

In addition to the lessons learnt from SP2023, SP2028 was also developed with the input of stakeholders, using a consultation process to balance their needs and ensure the strategy corresponds to the EPO's goal of supporting a more sustainable patent organisation, patent system and society.

INPUT FOR THE STRATEGIC PLAN 2028



Throughout the consultation process, the EPO has followed an iterative approach, outlining first the major themes of SP2028 in a public consultation and then developing the same themes in subsequent documents before putting the final draft before the European Patent Organisation's Administrative Council for adoption.

Public consultation – A consultation open to all stakeholders was held from 18 April to 15 May 2023 on epo.org, giving all participants four weeks to provide feedback. In the public consultation, stakeholders were introduced to the EPO's desire to focus on sustainability in SP2028. Five drivers were identified as having the possibility to contribute to sustainability and our ability to deliver long term success. Participants were provided with an outline of each theme and the ability to comment on each of the drivers individually, as well as the option to submit general comments.

Annual meeting of member states – Held on 26 and 27 May, the 2023 meeting focused on sustainability as a guiding principle for SP2028 as well as developments in the areas of the Observatory, the Academy, IT co-operation and convergence of practice, specifically with a view to contributing to the SP2028 document.

Extended Summary of SP2028 – An extensive summary of SP2028 was produced by the Office, elaborating further on the five drivers of sustainability. This extended summary was made available to all EPC contracting states on 27 June 2023 with an invitation to send feedback by 8 September 2023.

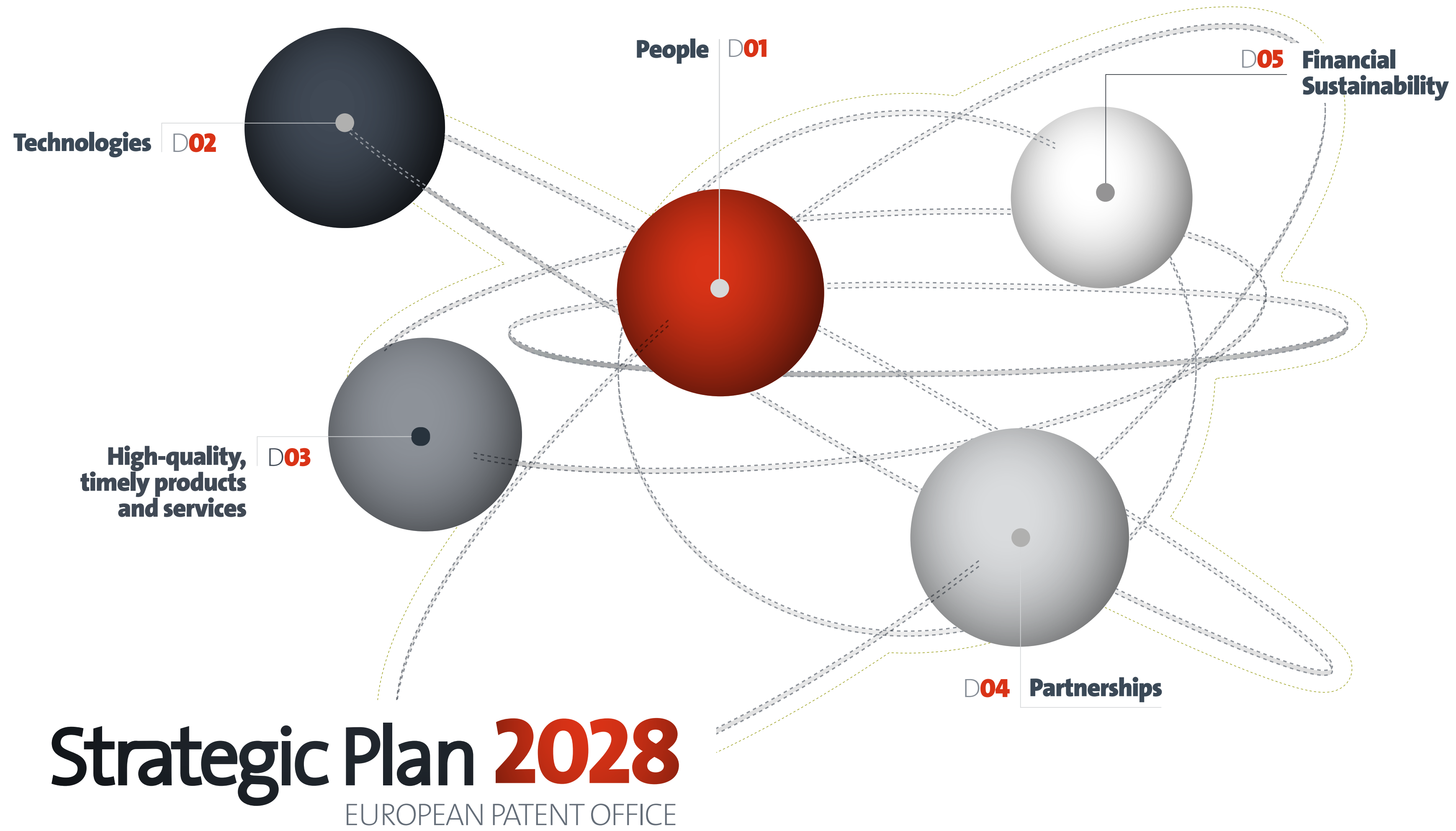
Circulation of SP2028 blueprint – A draft blueprint of SP2028 was sent to member states at the end of October, as well as being published for all staff of the EPO on the Office’s intranet. With the five drivers of sustainability having been developed in entirety, national delegations were invited to submit final comments by 20 November.

Publication on MICADO – On 24 November, the blueprint was placed on the EPO’s MICADO system in all three official languages for all delegations to access prior to the Administrative Council meeting on 13 December 2023.

AC meeting, 12 December – Discussions took place in the Administrative Council with member states providing their feedback on the blueprint. On the basis of this feedback and the written comments of the member states, a consolidated version incorporating a new structure responding to feedback from the Council was prepared for adoption at the March 2024 Administrative Council meeting.

Five drivers were identified as having the possibility to contribute to sustainability and our ability to deliver long term success.







Strategic Plan 2028

D01 People

Staff engagement is at the heart of our success. The sense of pride that our people take in their work and their sense of responsibility has been instrumental in the delivery of the goals of SP2023 and in making the EPO the organisation it is today.





organisation. Our *homes* encompass everything that helps this organisation to thrive: physical buildings; virtual spaces; the digital tools for interactions within the organisation; and the simple, effective and audited processes we need to keep our *homes* functioning. Implementing digital tools and processes in operations, such as HR, finance and procurement, will ensure they are effective, transparent and adaptable, ultimately helping to achieve longterm sustainability.

Our efforts to increase engagement will be based on a set of clear actions: attract the best talent, develop talent, support mobility and flexibility, strengthen social dialogue and provide and manage effectively the very best physical and digital *homes* that will support our talent and foster staff engagement. These actions will help us to achieve a tangible increase in engagement that is measurable, by utilising a top level KPI. In line with best international practice, we will aspire to a target of 75% overall staff engagement by 2028.

KPI target:



The first driver of a sustainable EPO is therefore a continuing increase in staff engagement. Engaged talent delivers the very best for stakeholders. Engagement will help us adapt to a rapidly evolving landscape, strengthen our professional community in an era of hybrid working and enable us to deliver the highest quality products and services. It will also be key to managing efficiently the yearly increase in the volume of patent applications.

For the EPO, fostering engagement means recruiting the very best talent and providing them with enriching development

opportunities – whether through training or mobility. It means that our people continue to grow, professionally and personally. It is about providing a framework for a flexible and healthy work-life balance, putting the wellbeing of our people first and nurturing a community that, through diversity and inclusion, brings fresh perspectives and innovative thinking to the table.

Our *homes* give us a professional space in which to fulfil our mission, to collaborate and interact with one another. They can also have a profound impact on engagement as well as on our success as an

ATTRACT THE BEST

During SP2023, the EPO attracted more of Europe's top talent, contributing further to its identity as a knowledgeable and professional organisation. The implementation of recruitment pipelines for suitable candidates brought a more agile approach to recruitment. When new needs arise, the Office has immediate access to a pool of qualified candidates.

In SP2028, candidates in the pipelines will be offered training as a norm to increase their readiness to start their job. Training offers will range from the patent grant process to the skills required for today's workplace, so even those candidates not hired will be better equipped for their professional journeys and knowledgeable in IP matters. As a top-level KPI, we will aim to maintain an end-to-end recruitment cycle of below four months' time to hire.

KPI target:



End-to-end recruitment cycle of below four months' time to hire

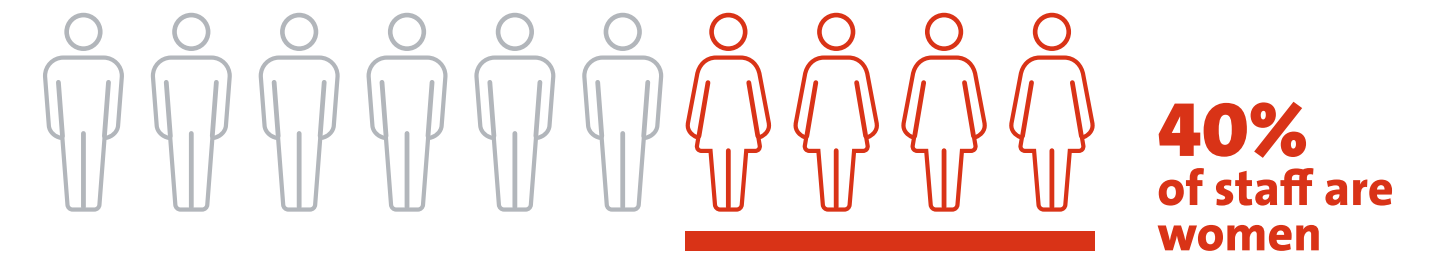
Recruitment must continue to be responsive and forward-looking. For examiners, the EPO has moved from purely annual workforce planning to rolling talent planning, which aims for an average replacement rate of 80% per year over three years. A similar approach is taken for the EPO's corporate services, for which an average replacement rate of 50% is set.

1 - UN SDG 5 (Achieve gender equality and empower all women and girls).

Having an average examiner replacement rate over three years allows the EPO to continuously balance capacity needs with the evolving incoming workload and productivity gains. For example, on the basis of the incoming workload and the available capacity, a first-year replacement rate of 130% has been set for 2024, 70% for 2025 and 40% for 2026. The Office can then assess productivity in the first year and adjust the replacement rate in the subsequent year(s). If higher productivity is achieved, the EPO can remain with the agreed replacement rate. If productivity is lower, the EPO would need a higher replacement rate to manage its workload, even though this would affect the financial sustainability of the Office. Vice versa, higher productivity would enable us to lower the recruitment rate and put us in a better long-term financial position (see driver 5). In addition, the flexibility to frontload recruitment – recruiting more in the first year and less in the next two years – enables the EPO to train new recruits up to full capacity at an earlier stage.

In SP2028, we will continue to promote diversity in our recruitment to ensure a good gender balance of suitably qualified applicants.¹ We will also strive for greater geographic diversity by continuing our flexible language policy that has presented new opportunities for those with limited knowledge of our working languages from a wider range of member states. As KPIs, we will aim to increase the proportion of female staff from 35% in 2023 to 40% by 2028 and our geographic diversity from 35 nationalities represented to cover all EPC contracting states.

KPI target:



KPI target:



Access to Europe's brightest new talent will also be fostered through the expansion of the Young Professionals Programme (YP), which draws candidates from higher education institutions across Europe. Under SP2028, the EPO will continue to expand its diversity in terms of gender, geography and professional background, among other forms of diversity. The network of participating universities in the programme will be extended, with an increased focus on attracting technical universities and universities in underrepresented member states.

ATTRACT THE BEST

Our leading social package continues to attract new talent and contribute to retaining our current staff. In SP2028, the Office will ensure the social package remains class-leading in an increasingly competitive marketplace. For this purpose, we will regularly evaluate our social package and ensure that the EPO remains a desirable destination for Europe's brightest talent. In addition, we will modernise the framework to support the EPO's Amicale, a thriving network of clubs and activity groups for staff, which contributes to the overall attractiveness of our organisation as an engaging place to work.

DEVELOP TALENT

Part of the EPO's success as an organisation has been the ability to recruit the best talent. But we also have to ensure that knowledge remains at its peak and skills at their sharpest throughout our people's careers. We must also ensure we do not lose knowledge when staff leave the organisation by investing in knowledge transfer. Learning is therefore central to the success of the EPO's mission and will remain so in SP2028.

Effective planning will help ensure that the learning we offer and the skills we gain correspond to future business demands. Good planning will also result in emerging skills being identified well in advance and aligned with our talent planning. This will ensure that the EPO is equipped with the right people with the right skills, who continue to train in the right areas – making us more capable of delivering the best services to our users and fit for the future following the profound changes that simplification and digitalisation have brought to our work.

Learning opportunities must be made available in different ways. A blended, rationalised and diverse approach to learning that leverages all sources of knowledge will achieve a more positive impact: 70% on-the-job learning, 20% from colleagues and peers and 10% through formal training. This will include the ongoing development of the iLearn platform – a central hub for learning – offering tailored pathways and modular courses. Large learning events will capitalise on the hybrid environment to ensure a wide participation of talent and share knowledge on essential topics, such as quality and digital

transformation. The Office will also increasingly draw upon the knowledge and skills of its most experienced people by supporting peer-to-peer learning and peer-led networks, as well as internal coaching and sharing of best practices. We will start tracking the impact of training on helping staff to perform their work via a new KPI, aiming for a positive impact of 75%.

KPI target:



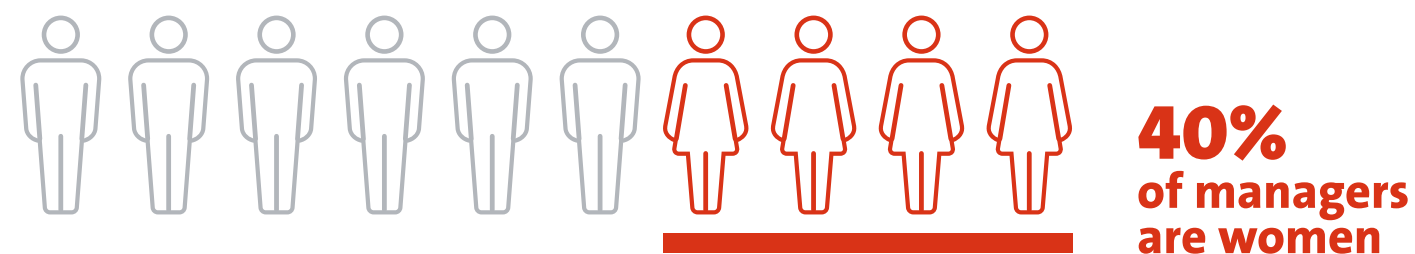
Peer-to-peer learning also supports knowledge transfer, helping to ensure that the Office does not lose knowledge when staff leave the organisation. Retaining knowledge is also supported by a new offboarding process and a new document repository. The platform ensures that staff can easily access knowledge and expertise, even after the original creators of the data have left the organisation. Modern document controls and features also facilitate collaborative work – building on each other's ideas and complementing past knowledge with up-to-date information. Migration to the new platform started under SP2023 and will be completed under SP2028, underpinned by a corporate document retention policy.

DEVELOP TALENT

Our managers are the link between strategy and implementation. Managers must be equipped to conduct a dialogue with staff on the strategy and its implications. We will continue to strengthen this two-way communication by building a strong management community. This way, managers can learn from each other and enrich their understanding by sharing their experiences and solutions, contributing further to our 70-20-10 learning strategy.

Gender diversity must be a priority in professional development and learning opportunities. These efforts will be supported by NWoW, which helps to balance professional and family obligations and could make a managerial career more attractive for many women. In line with our diversity and inclusion aspirations, we will strive for a more balanced representation of women in management. In 2023, 28% of managers were women. By 2028, our aspiration is that 40% of managers will be women.

KPI target:



The EPO's performance development cycle will evolve continually. It includes two different types of reward; a career advancement

(step) reward, which impacts salary and pensions (pensionable), and hence is awarded for sustainable excellent performance; and a cash reward, which is awarded for excellent performance in a given year. In future, we will have three rewards exercises during the year: in April for the comparative exercise of pensionable rewards and in July and December for the cash rewards. This will shorten the time lag between performance and rewards. By bringing the rewards closer to the achievements and ensuring staff contributions are recognised in a timelier manner, we hope to have a positive impact on engagement.

SUPPORT MOBILITY AND FLEXIBILITY

Professional mobility is a tool that offers a strategic win-win for the EPO and its staff. It offers new opportunities for professional development, learning new skills and acquiring new knowledge, thereby supporting sustainable engagement. Professional mobility also helps to balance resources as business demands change, engage people in emerging roles and find undiscovered talent to deliver high-quality products and services. Peak workloads can be managed and strategic projects realised. For individuals and the Office alike, the movements between the different teams and departments of the EPO also helps to develop a one-Office culture and a more unified community of professionals, regardless of geographic location or role. SP2023 projects were also implemented by our own staff through mobility – this approach will continue to be key to the success of SP2028 as well.

In SP2028 professional mobility will continue to support staff engagement and increase our capability to respond quickly to changes in the technology landscape and to demand for patents in different technology sectors. The Digital Talent Marketplace voluntary scheme helps us respond to the changing patent landscape by moving staff from teams experiencing less demand or having overcapacity to teams in other technology sectors experiencing higher demand or having undercapacity, allowing us to manage demand more effectively. It also helps the financial sustainability of the Office: by first using internal resources for fields in need of additional examiners, we can identify more accurately the right number of external recruits required. At the same time, it offers examiners the opportunity to develop their knowledge in other neighbouring sectors of technology.

SUPPORT MOBILITY AND FLEXIBILITY

Alongside mobility, flexibility has also been vital to the success of SP2023 and, importantly, to overcome the challenges of the pandemic. As the patent landscape and the working environment evolve, flexibility will also continue to be important in the future.

The EPO is currently nearing the end of the two-year New Ways of Working (NWoW) pilot scheme. Under the scheme, EPO staff are required to work from Office premises at the place of recruitment for a minimum of 60 days per year and are also entitled to spend up to 60 working days in an EPC contracting state other than the country of employment. It is one of the most flexible remote-working schemes of any international organisation and offers staff greater opportunity to balance their professional and private lives.

In SP2028, we will work to ensure staff continue to benefit from flexible working arrangements. Specifically, we will channel efforts into maintaining a strong sense of belonging through our digital homes and organising workspaces in a way that keeps our staff in proximity. Holding regular Office-wide events such as the campus days where we bring our staff together to learn, collaborate, network and socialise will also consolidate our professional community. To that end, in June 2024 we will present to the Administrative Council an evaluation of the NWoW pilot scheme.

STRENGTHEN SOCIAL DIALOGUE

Social dialogue has focused on exchanges with staff representatives of the Office, and this dialogue was strengthened in SP2023. Concrete proposals that directly influenced new staff policies have been subject to constructive discussions which led to significant adaptations of proposed policies. One example was the NWoW pilot scheme, for

which the Office accepted staff representative proposals on flexitime, making the scheme even more flexible for staff. Another change resulting from these constructive discussions was the introduction of more flexibility in how staff are able to take parental leave and leave on personal grounds, such that the new rules support staff to optimally manage their professional and personal commitments.



STRENGTHEN SOCIAL DIALOGUE

In the case of the education and childcare reform, the Office accepted significant changes to the original proposal. These included higher ceilings for international school fees to cover higher school costs in our host cities without a European School and the longest possible transitional measures to provide long-term stability for families. The Office also agreed to a number of adjustments to the policy on the extension and conversion of contract staff, which now sets transparent, uniform and sound criteria for all and, crucially, gives staff security about their future well ahead of time. Proposals from staff representatives were also taken on board in the definition of the employment package and benefits for young professionals. Finally, as a result of constructive discussions, the Office decided to extend the dependants' status and healthcare insurance for children aged above 18 years to provide additional support for families.

Social dialogue has also been a journey - a gradual but significant move from a culture of litigation to a culture of dialogue.

These changes were made possible thanks to new ways of interacting in social dialogue. A yearly social agenda with social partner input has been introduced as well as new rules of procedure for the GCC and COHSEC, which included the modernisation of the modalities of meetings and, for the COHSEC, a new document library increasing transparency. An important element in improving the way we work

together was the introduction of working groups and technical meetings for all new policies, thereby giving more time for in-depth discussion and exchanges. This was also enhanced by the systematic exchange of written proposals and information on all staff-related matters. The longest standing of all working groups, on diversity and inclusion, is working to transform at a steady pace our legal framework, our processes and our daily life, to make us a more diverse and inclusive organisation.

Altogether, 485 meetings have taken place in the course of SP2023 between social partners and management representatives. Reporting on meetings to all staff on our intranet also became the norm, increasing transparency within the organisation.

Overall, social dialogue in SP2023 has become more structured, more frequent and more productive. But it has also been a journey – a gradual but significant move from a culture of litigation, in which legal challenges were common, to a culture of dialogue, in which discussions between parties have averted escalation. From 2018 to 2020, the Office quickly settled long-pending litigation with former and current members of the staff committees and unlocked channels of trustful communication between social partners. This shift also led to record high numbers of settlements of appeals with our other staff and pensioners. In the meantime, between 2019 and 2022, new requests for management review fell by almost a quarter (24%) and the number of internal appeals decreased by 41%, demonstrating an increase in dialogue and trust within the organisation. The backlog

of staff litigation is now at historically low levels and the Appeals Committee functions at a cruising speed. Altogether, close to 90% of all cases were dealt with internally in 2021, avoiding the need for escalation to the Administrative Tribunal of the International Labour Organization.

In parallel, the Office introduced several legislative amendments to address long-standing requests from the staff representatives concerning their freedom of association. This included new rules allowing the Central Staff Committee (CSC) to be elected directly by the local staff committees and removing the limit on the number of mandates for which staff representatives can be elected. The proportion of time that CSC full members are permitted to spend on their staff representatives' activities was increased and further facilities put at the disposal of the staff representatives and unions. Finally, the amendments ensured staff representatives have the freedom to appoint members to statutory bodies and, most recently, full autonomy to organise elections.

In SP2028, the Office will maintain this momentum and continue in this same spirit of dialogue on these three main pillars: decrease in litigation, collaboration on policies, and respect for the freedom of association. Our communications will continue to keep our people informed about all developments in social dialogue, and we will continue to gather feedback through staff groups and networks.

CREATE AN ENGAGING PHYSICAL HOME

The EPO's buildings must play their role as a physical *home* for our people, capable of supporting an engaged, thriving professional community. A new set of building projects under SP2028 will address four different goals: offer the highest levels of health and safety; support sustainable staff engagement; contribute to environmental sustainability; and build value and reduce running costs.

The building investment programme 2024-2028 submitted to our governing body addresses these elements in further detail.

Safeguard health and safety – Above everything else, our professional *homes* must be safe for our staff and our visitors. Our buildings must always be compliant with health and safety standards. In SP2028, we will implement necessary works in this regard, such as: the upgrade of fire protection and renovation of the garage in the PschorrHöfe buildings; the renovation of the roofing in the Isar building; and the renovation of the kitchen in The Hague.

Support sustainable staff engagement – Buildings are the original *home* of our professional community. These are the very places where we collaborate, network and socialise. They boost staff engagement by connecting colleagues face-to-face as well as with visitors. In SP2028, the EPO will support sustainable staff engagement by implementing building projects that create an improved working environment based on transparency, well-being and collaboration. To boost transparency and well-being, the Office will continue to create more modern, lighter workspaces, as already achieved in the New Main building

and through the Isar building's *Isar Daylight Project*. This will include renovating the buildings of PschorrHöfe 5 to 6 to make them brighter and fit for the new ways of working, and thereby creating a more energising workspace for staff. The new Vienna building will feature configurable spaces that support collaboration.

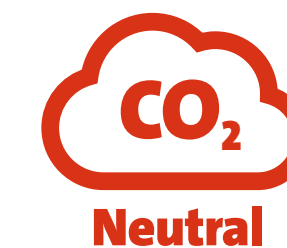
For the remaining parts of the PschorrHöfe complex, a future use concept will be carried out to explore how these buildings can be used to address our workplace demands in the future while also exploring other options.

Contribute to environmental sustainability – The environmental impact of new, current and old office buildings across the EPO's different sites must continue to be mitigated. So, in SP2028, we will implement projects that reduce our energy consumption and gradually reduce our carbon emissions throughout the duration of SP2028.

In Vienna, the EPO will deliver a new building that will be a sustainability flagship, an environmentally sustainable office space that will be carbon neutral over the course of its lifecycle. Environmental sustainability will also guide us in how we maintain and develop our existing buildings. In Munich, new measures to reduce the energy consumption of our headquarters should be introduced, such as a second layer of window panels to be added inside of the building's outer façade, which will reduce the energy consumption of the building by 70%. Environmental sustainability will also guide

decisions on bringing to an end the use of old buildings such as the Shell building in The Hague, which is very energy inefficient and would require a disproportionate investment in maintenance. Our top-level KPI is to be a carbon neutral organisation by 2030. To be on track to reach this target, we must reduce our emissions and achieve a carbon footprint of 1 000 tonnes of CO₂ by the end of 2028.

KPI target:

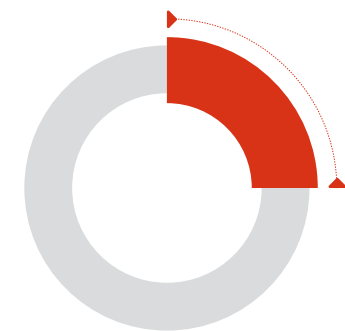


Be a carbon neutral organisation by 2030: carbon footprint of less than 1 000 tonnes of CO₂ by the end of 2028

CREATE AN ENGAGING PHYSICAL HOME

Build value and reduce the running costs – Property is an asset. This is especially the case for the EPO, whose buildings are located in highly desirable locations. Currently, the EPO’s buildings have an insured value of EUR 1.3 billion. They comprise a significant part of the EPO’s assets and must therefore be safeguarded appropriately. In SP2028, we will carry out projects that enable us to retain or increase the overall value of our building portfolio, while maintaining the highest standards of health and safety. We will aim to reduce the running costs of our buildings in Munich and The Hague by 25% by 2028 – contingent upon approval of the Administrative Council for the proposed building projects.

KPI target:



25%
reduction in the running costs
of our buildings in Munich and
The Hague

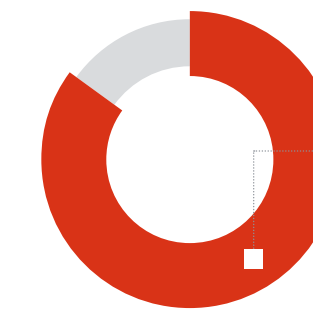
Collaboration can take place almost seamlessly across sites, from home and abroad, and interactions in the patent grant process are increasingly taking place in the virtual space.

ENHANCE THE DIGITAL HOME

Staff may work from our buildings regularly, but they also operate increasingly in the virtual space. Staff have greater flexibility in where and when they work, supported by the NWoW scheme and made possible by the transformation of the patent grant process from a *paper-based* process to a *paperless* process that can be carried out from almost anywhere. Communication is instantaneous. New online platforms can accommodate one-to-one conversations or meetings and events comprising hundreds – or even thousands – of participants. Collaboration can take place almost seamlessly across sites, from home and abroad, and interactions in the patent grant process are increasingly taking place in the virtual space. This has helped to make the patent system greener and more transparent, as many more members of the public can now follow the oral oppositions proceedings and appeal hearings

As we continue our transition to the hybrid environment, we will improve communication to enhance the sense of purpose. By 2028, we will aim to reach 85% of staff who say that they understand how their role contributes to the achievement of our mission. Our communication will help to preserve a sense of community, regardless of the place of work. We will reinforce two-way internal communication channels, including between managers and their teams. We will make use of the new possibilities in the *digital home*, such as hybrid team meetings using online tools and state-of-the-art collaboration tools.

KPI target:



85%
percent of staff say they understand
how their role contributes to the
achievement of our mission

Our website will continue to be improved by adding more functionality for all users, implementing better accessibility and putting user experience at the centre. The website will continue to be developed in a way that provides not just transparent, up-to-date, clear and relevant information but access to user services that support a fully digitalised PGP and the development of MyEPO features and services. We will continue to monitor the satisfaction of external users with our tools via the user satisfaction surveys.

Finally, the EPO’s communications will reach out proactively to all stakeholders to spread knowledge, increase transparency of the patent system and encourage dialogue with all users – with a strong focus on sustainability. We will reinforce the link between technology, patents and sustainable development. The new ways of managing events policy, which emphasises online and hybrid events, will continue to be implemented. This will increase the reach of our events, maximise participation and make patent knowledge more accessible to more people. Coupled with our new travel policy, our hybrid events will also reduce the environmental impact of our outreach activities.

MANAGE OUR HOMES

To ensure a proper, smoother and more efficient running of our *homes*, the EPO will continue to invest in simplified and digitised processes and in securing its data. External certifications can help to ensure that the Office is on the right track as we pursue positive impact. In SP2028, the Office will focus on increasing the maturity of existing management systems. The different elements of internal and external audits, reporting and objectives will be integrated into a unified system and improve communication and co-ordination across the different business areas, reducing any potential duplication of work.

The EPO will further align its sustainability reporting with the Global Reporting Initiative (GRI). GRI is an internationally recognised standard for effective reporting on the sustainability performance of organisations. Reporting in full alignment with GRI will enhance the transparency and credibility of our sustainability reporting towards all our stakeholders and allow them to compare EPO performance against global best practices.

Finally, the EPO will continue to take responsibility for handling the data entrusted to us in line with the highest level of compliance with data protection standards. Under SP2023, the new Data Protection Office (DPO) was created and an enhanced modern data protection framework was implemented to safeguard the rights and freedoms of staff, users, external stakeholders and partners. The DPO will continue to ensure that these high standards are upheld at all times and will also aim to obtain formal recognition of the EPO data protection framework at European and international level.



D02 Technologies

Strategic Plan 2028

Technology has transformed the way we work and the way we interact with each other. It multiplies our ability to adapt to a changing environment and work flexibly. It facilitates collaboration among staff and with users and other stakeholders. When applied to streamlined processes in the patent grant or support areas, it can boost our efficiency and productivity. And because technology enables the Office to process vast amounts of information easily, **it underpins our aim to further improve the quality of our products and services.** By leveraging the right technologies, we can analyse trends and market insights and better prepare both our staff and users for the future.



Under SP2023, we have successfully laid a robust foundation for the digital transformation of our organisation, yielding tangible results and delivering significant value. We have streamlined processes, enhanced efficiency and fostered innovation across various domains. However, our vision extends far beyond these accomplishments. In SP2028, we are determined to take our digital transformation journey further, with a relentless pursuit of modern solutions and a commitment to continuous improvement. We will decommission older legacy systems and platforms, replacing them with better and more modern tools.

In IT Co-operation, we will also strengthen our collaboration, working even more closely together. By joining forces, we can harness the power of our collective knowledge and expertise and overcome our common challenges. This is exemplified by the active participation of colleagues from national patent offices in Technical and Operational Support Committee (TOSC) meetings, common projects and thematic working groups such as for cloud security. As the rate of change continues to increase, it is key that we provide mutual support to adapt and grow.



In SP2028, we are determined to take our digital transformation journey further, with a relentless pursuit of modern solutions and a commitment to continuous improvement.

BUILD A RESILIENT DIGITAL INFRASTRUCTURE

Under SP2023, the EPO's digital infrastructure has been a key priority and the EPO has successfully removed the dependency on the old legacy mainframe, established a new state-of-the-art data centre in Luxembourg and incorporated a secure approach to the use of cloud technologies, driven by a clear corporate cloud policy, laying the foundation for a robust digital ecosystem that can support future growth.

Consequently, the availability of our IT systems has achieved excellence, with recovery times of key systems for major disasters drastically reduced from weeks to hours. This progress is driven by technological advancements, proactive disaster preparedness and continuous monitoring, instilling confidence in our organisation's ability to weather disruptions and maintain our reputation and the trust of our users.

Under SP2028, our organisation is committed to achieving even higher levels of service and reliability. As a 24x7 organisation, we recognise the vital role we play in serving users from across the globe who depend on the EPO for uninterrupted services, regardless of their time zones.

To ensure a robust and uninterrupted service experience, we are determined to provide a strategic mix of on-premises and cloud-based resources and to continue with the decommissioning of inadequate legacy tools. Our goal is to ensure that by 2028 we no longer depend

on any legacy IT systems for key activities. This approach will empower us to deliver highly reliable solutions while mitigating the risk of downtime and supporting better scalability and failover possibilities.

Additionally, investing in cutting-edge monitoring and observability technologies will be a priority. By proactively identifying potential issues arising from hardware obsolescence or any other factors affecting availability, pre-emptive measures can be taken to minimise disruption and optimise our services continuously.

KPI target:



DRIVE DIGITAL TRANSFORMATION

As part of SP2023, a vision was set forth to transform the EPO into an agile, adaptable organisation that could lead the charge in the digital era. We recognised the imperative to stay ahead of the rapidly evolving technological landscape and leverage it to make our operations best in class. The global pandemic of 2020 tested the EPO's adaptability and resilience. While the initial focus was on ensuring the safety and well-being of our staff, it soon became evident that the EPO needed to evolve rapidly to maintain its operations and services to users. It was a time of uncertainty, which also presented an opportunity for innovation and change on an unprecedented scale.

The crisis acted as a catalyst for the acceleration of our digital transformation journey. Embracing change like never before, remote work solutions and paperless workflows were implemented to meet users' needs in the new normal. The pandemic compelled the EPO to re-evaluate its approaches, challenge the status quo and forge ahead. As we came out of the storm, it was clear that our adaptability was not just a strategic goal. It had become ingrained in us as an organisation.

With this newfound agility, the EPO is better prepared to seize opportunities and face challenges head-on. In essence, our vision under SP2028 is to continue to use a user-centric approach with fast iterative cycles to deliver minimum viable products (MVPs), making change management an integral part of this digital evolution.

DRIVE DIGITAL TRANSFORMATION

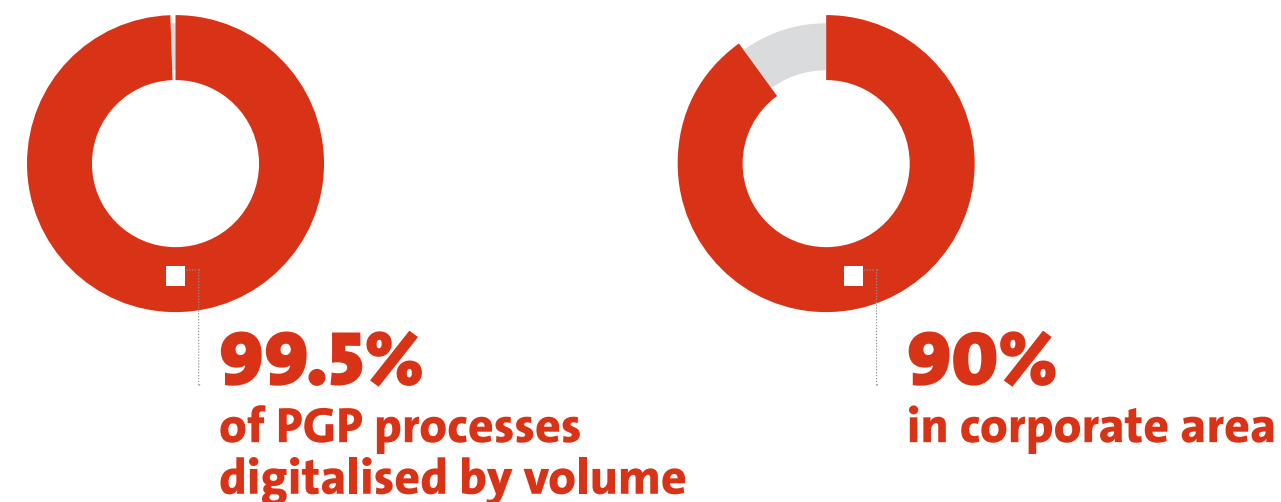
By placing the end user front and centre in our technology deployment, better tools will be provided that cater to user needs. Cross-functional, collaborative teams will forge strong relationships with users to deeply understand their requirements, paving the way for delivering fit-for-purpose solutions. Within the framework of IT Co-operation, NPOs will be supported in fully leveraging the technological solutions that we have developed together in working groups and common projects. In this context, a primary objective will be the rollout of software, notably Front Office and Search, in an agile manner, multiplying its impact by making it available to more patent attorneys, inventors, examiners and administrators (see Driver 4: Partnerships).

Fast, iterative development cycles that ensure timely deployment of new technologies and constant progress will be our *modus operandi*, and the integration of change management principles will be reinforced. This approach will allow the EPO to effectively address the challenges that arise during the adoption of new technologies and ensure a seamless transition for the organisation and its workforce. Prioritisation will guide efforts towards the most critical business areas, while transparency in the planning process will ensure alignment with our overarching strategy. To guide the process of streamlining and simplifying processes to make them suitable for a digital world, simplification boards will play a pivotal role in ensuring that the transformation maximises benefits while minimising complexities and inefficiencies. One simplification board is already in place and delivering results. Our digital transformation team and our legal team together with the core business look into how to simplify

our PGP processes to build the foundation for effective and efficient digitalisation. We have initiated a next simplification board to look into HR processes to simplify and digitalise them and deliver the best user experience for our staff.

In driving digital transformation, the EPO will be mindful of the environmental impact of digital technologies extending our measurement of CO₂ emissions to cloud services and applying circular economy principles to the lifecycle of our digital equipment.

KPI target:



DELIVER EXCELLENCE THROUGH THE USE OF DIGITAL TOOLS

Since its inception in 2019, the EPO's strategic investments in the PGP classification and search programmes have yielded significant dividends, particularly in the search phase where efforts have been concentrated. Through these initiatives, we have successfully moved to a paperless backend for 99% of patent processing, reducing manual and administrative work.

The EPO developed an AI-based preclassification engine that accurately distributes files, saving costs and increasing efficiency. The model was upgraded with machine learning to adapt to changes, increasing the accuracy of automatic preclassification from 86% to over 90%. This allowed the EPO to have full control over the preclassification process, resulting in better and more consistent distribution of incoming applications. This transformation has not only accelerated the speed of patent searches but has also led to more accurate and comprehensive results. Consequently, examiners and formalities officers have been able to navigate their tasks with greater ease and precision, resulting in improvements in search quality.

Fast, iterative development cycles that ensure timely deployment of new technologies and constant progress will be our *modus operandi*.

DELIVER EXCELLENCE THROUGH THE USE OF DIGITAL TOOLS

In parallel, we have also embarked on a transformative journey towards a more modern and effective online user experience. This has already yielded remarkable results, such as rendering the use of fax notifications from the EPO obsolete, and saving hundreds of thousands of pages of paper. This dynamic platform serves as a centralised hub, granting stakeholders access to critical services and facilitating real-time updates on patent applications.

In SP2028, our ambitious goal is to connect the PGP back-office with our online user tools, resulting in a fully end-to-end solution that operates entirely in the digital realm. In addition, we plan to modernise the remaining backend tools, which are now more than two decades old. This transformative integration will extend to the examination and opposition phases the gains achieved in the search phase during SP2023.

A significant advantage of this unified platform is the potential for online tools to leverage internal knowledge bases and thus better support applicants in preparing higher-quality applications, which, in turn, will foster a more streamlined process and higher quality products. The management of search tools and prior-art libraries that underpin our overall quality will also remain an area of continued investment.

Additionally, this cohesive digital environment opens new possibilities for interaction between the Office and users, less sequential than the traditional exchange of letters, enabling seamless exchanges

through fully digital formats and an opportunity to replace older examination tools like eDrex and Trimaran. Having an integrated digital environment will allow for the future introduction of more self-service functionalities, new schemes, accelerated procedures and new products that may empower applicants in their patent journey. In the ambitious context of SP2023, the EPO undertook a comprehensive transformation that went beyond the patent grant process. Substantial investments were made in corporate and support functions, with the aim of fostering more effective and efficient processes.

Through the integration of innovative tools and systems, we strive to create a seamless and user-friendly experience for both our internal teams and external partners.

Embracing the concept of hybrid work and digital homes mentioned earlier, investments were made in a digital environment that not only enhanced productivity but also nurtured a culture of self-service and collaboration. With this in mind, the EPO embarked on a journey of digitalisation, modernising our HR solutions and financial processes, as well as our means of communication, both within the Office and externally towards member states and other stakeholders via a new website, and leveraged social media platforms to ensure transparency, engagement and open dialogue.

Looking ahead to SP2028, the EPO's commitment to digital transformation of corporate functions remains as firm, with a focus on optimising how our digital homes are operated. By harnessing the power of technology and data-driven insights, we aim to streamline operations, enhance decision-making capabilities and elevate the overall efficiency of our Office. Through the integration of innovative tools and systems, we strive to create a seamless and user-friendly experience for both our internal teams and external partners.

And throughout our SP2028 journey, the potential of technologies to modernise the way the EPO works will be actively studied. Breakthroughs in blockchain and digital signatures offer heightened security and may bring us efficiency in handling sensitive documents and agreements. 5G communications pave the way for faster, more reliable connectivity everywhere. Augmented reality may open doors to transformative work experiences beyond the normal workplace, enhancing training programs and visualisation capabilities. Embracing the Internet of Things and edge computing may provide dynamic insights and greater control over our physical homes, leading to more sustainable practices and increased resilience. However, this journey will be undertaken with responsibility, ensuring that sustainability guides our choices and that we adopt new technologies in a prudent and value-driven manner.

DELIVER EXCELLENCE THROUGH THE USE OF DIGITAL TOOLS

As the EPO moves forward with the adoption of new tools, it is important to acknowledge that this transition will not be immediate, and we must be prepared to navigate a period of coexistence between the old form-based legacy data and tools and the new digital interactions with users. Once we have all user interactions in structured data, examiners and formalities officers will move to new tools, however, old files will still remain in the legacy tools. This is a natural part of any significant change, and our success will rely on our ability to remain adaptable while staying true to our course.

As part of SP2028 initiatives, the EPO will continue to leverage AI to fulfil both its mission of delivering high-quality patents and efficient services that foster innovation, competitiveness and economic growth and a more sustainable patent system and a more sustainable society.

LEVERAGE AI FOR OUR NEEDS

One of the most significant technologies that is having an impact on working methods is artificial intelligence (AI). For the last decade, machine learning and AI have been developing at a rapid pace, making significant contributions towards very targeted tasks: machine translation, image recognition, chatbots, etc. With the advent of large language models and generative AI in the last five years, technology is again becoming a driving force for great change.

Under SP2023, the EPO followed the state-of-the-art technology to produce its own AI models. Solutions were put in place for machine translation as well as for preclassification and reclassification to improve the quality of products and services. With reduced amounts of well-curated data and, in compliance with data protection rules, these models were operated and trained.

And even though the EPO's path into AI remains cautious, we have realised that to fully utilise the potential of AI, it must be integrated in everyday tools. We have confirmed that human + AI provides a better result in terms of quality and efficiency than either of them alone, therefore its adoption should remain human-centric. We have learnt that models and solutions evolve more and more rapidly and that guidance must be provided in a way that is clear and actionable.

As part of SP2028 initiatives, the EPO will continue to leverage AI to fulfil both its mission of delivering high-quality patents and efficient services that foster innovation, competitiveness and economic growth and a more sustainable patent system and a more sustainable society.

Specifically, the EPO will continue to leverage AI for classification-related tasks, exploring innovative ways of applying this technology to ensure seamless processing of the ever-mounting volume of prior art. In the pre-search phase, we will ensure that more relevant patent and non-patent literature is identified. This will maintain high quality and completeness in our search while maintaining timely services.

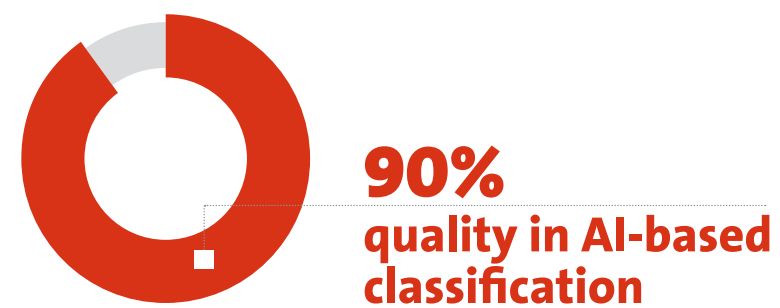
Another area is in the allocation of files to the right examiners at the right time – a pillar of our high quality. By harnessing AI's capabilities in this way, we aim to streamline the workflow, enhance efficiency and ensure optimal resource allocation, leading to a more effective and productive examination process resulting in the highest quality products.

The EPO plans to work on several pilot projects based on non-confidential data. The primary focus will be on harnessing the power of large language models to process our extensive repository of knowledge, which includes patent manuals, case law, guidelines and more. The aim is to seamlessly deliver this valuable information to examiners through the PGP toolset while ensuring robust data protection safeguards are in place.

LEVERAGE AI FOR OUR NEEDS

Beyond the patent area, and on the basis of a business case analysis, AI might be integrated in administrative support tasks, such as minute taking, data analysis, knowledge sharing and learning, writing technical documentation, and coding and testing.

KPI target:



SECURE OUR DATA

In the pursuit of becoming a more sustainable Office, IT systems play an increasingly pivotal role as facilitators of business transformation. Additionally, these systems support international co-operation and the numerous projects under the EPN. However, to effectively leverage these systems, a robust and secure infrastructure is essential. Recognising the growing significance of security for the Office and its users, a modern cybersecurity infrastructure is imperative.

Over the past five years, substantial progress has been made through the Information Security programme. It has not only strengthened the security and robustness of the infrastructure but also improved our organisational maturity, resulting in obtaining the ISO27001 certification in 2022. The Office has also focused on enhancing information security awareness and remains a trusted partner for its users.

However, given the evolving threat landscape where new attack methods and techniques surface regularly, the Office plans to strengthen its security measures under SP2028 by improving further its detection capabilities and its cyber defence, both for our data centres and for our cloud deployments. We aim to increase system resilience against denial-of-service attacks, adopt a more dynamic and decentralised network approach and set up an improved security operations centre running 24x7.

Given that the Office is part of a whole ecosystem, cooperation within the EPN information security network will be reinforced, hand in hand with the Office's own awareness actions and networking with other organisations and with authorities in host countries, to ensure early warning in case of attacks against the whole environment. Such collective vigilance will enhance the overall security posture and resilience of the Office, helping to secure the data it holds.

Our journey into SP2028 maintains our commitment towards digital transformation, leveraging technology as a catalyst for change. And the EPO will continue to seek opportunities for improvement, putting users at the centre and fostering a culture of adaptability and collaboration.

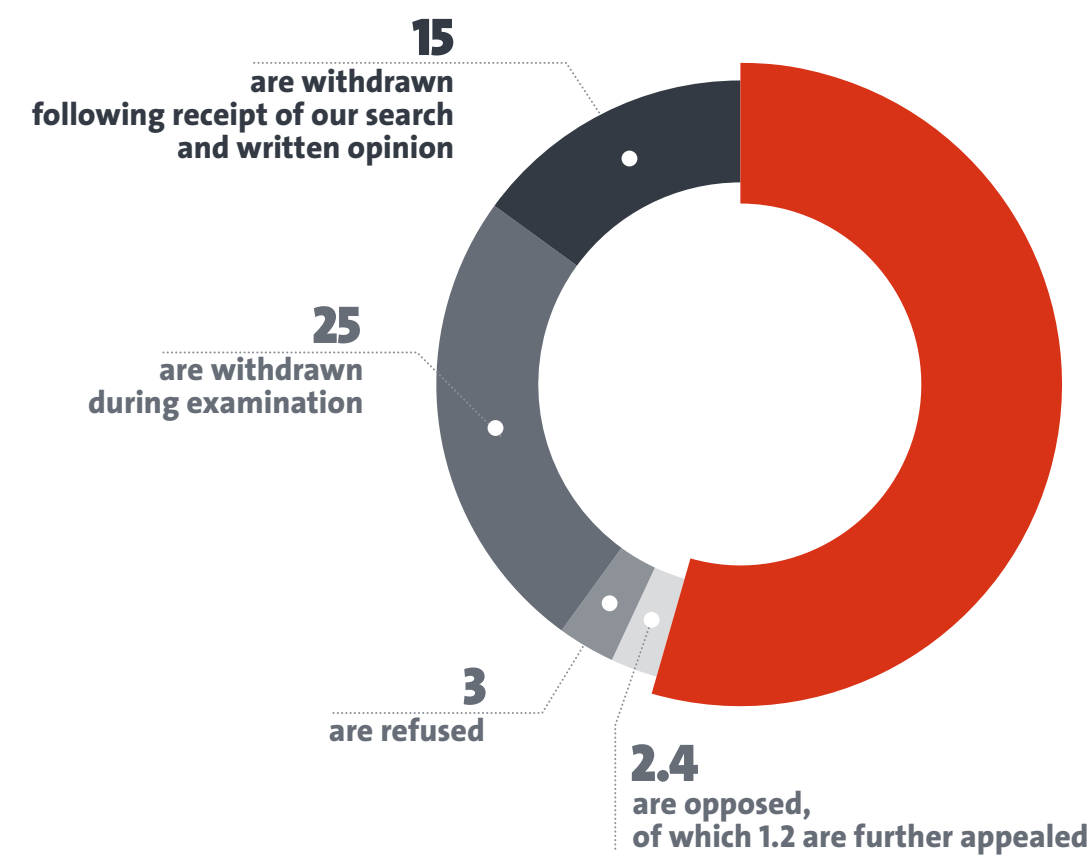


D03 High-Quality, timely products and services

Over the last 50 years, the EPO has earned a global reputation for the high quality of its products and services – a reputation that is built on the solid foundation of the EPC, the dedication of our highly skilled staff and co-operation with our users and member states.



This quality is attested to by the fact that in a typical 100 applications received by the EPO we see the following outcomes:



All in all, out of approximately 100 000 yearly grants, only 180 will result in the full revocation of the patent by decision of the Boards of Appeal.

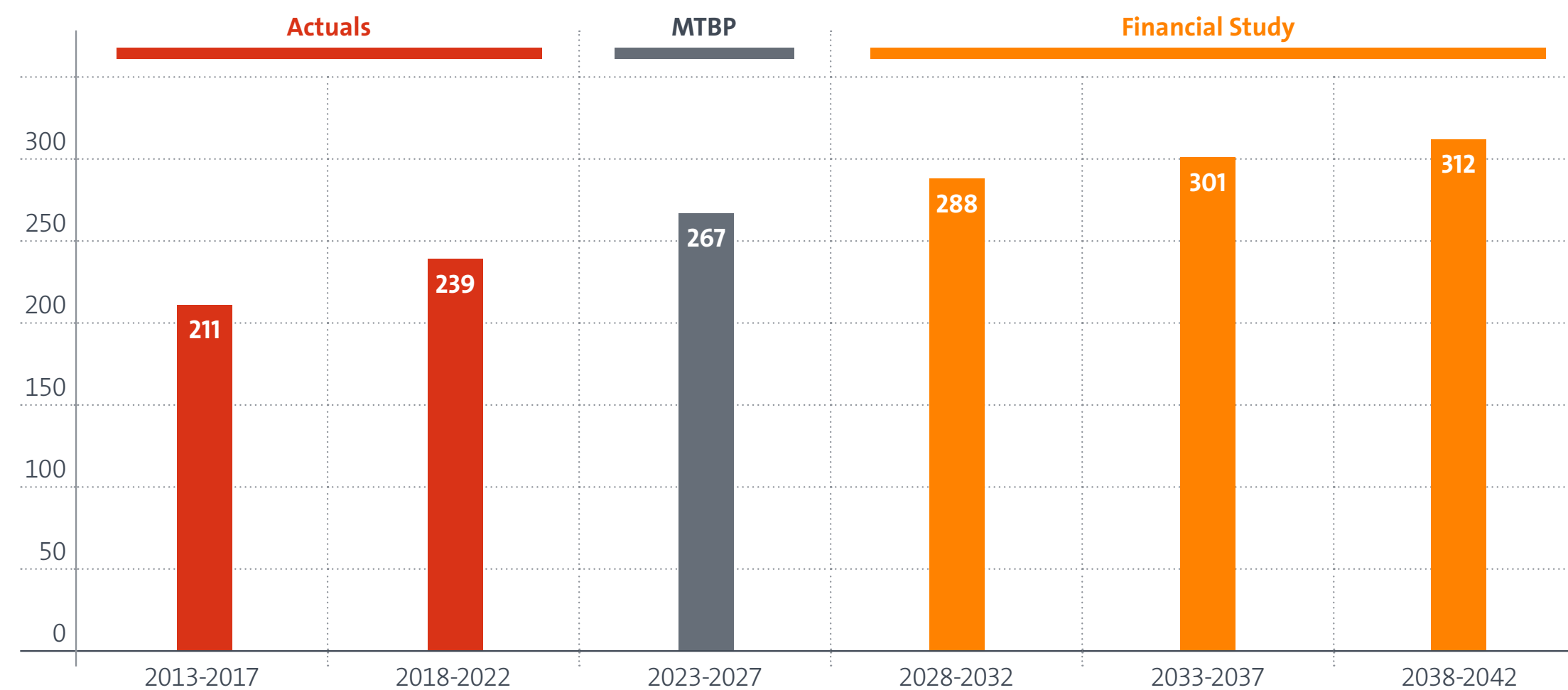
However, the EPO, like other patent offices across the world, faces numerous challenges when looking to maintain the highest quality products and services.

Primarily, there is a rising numbers of patent applications across the globe, having increased by around 2.6% annually from 2012 to 2022. The EPO itself received a record high number of 199 275 applications in 2023, despite the recent period of unprecedented global challenges.

Factors driving this growth include significant increases in applications from China (+19.1% in the last five years), the current success and take-up of the European patent with unitary effect, an increase in work

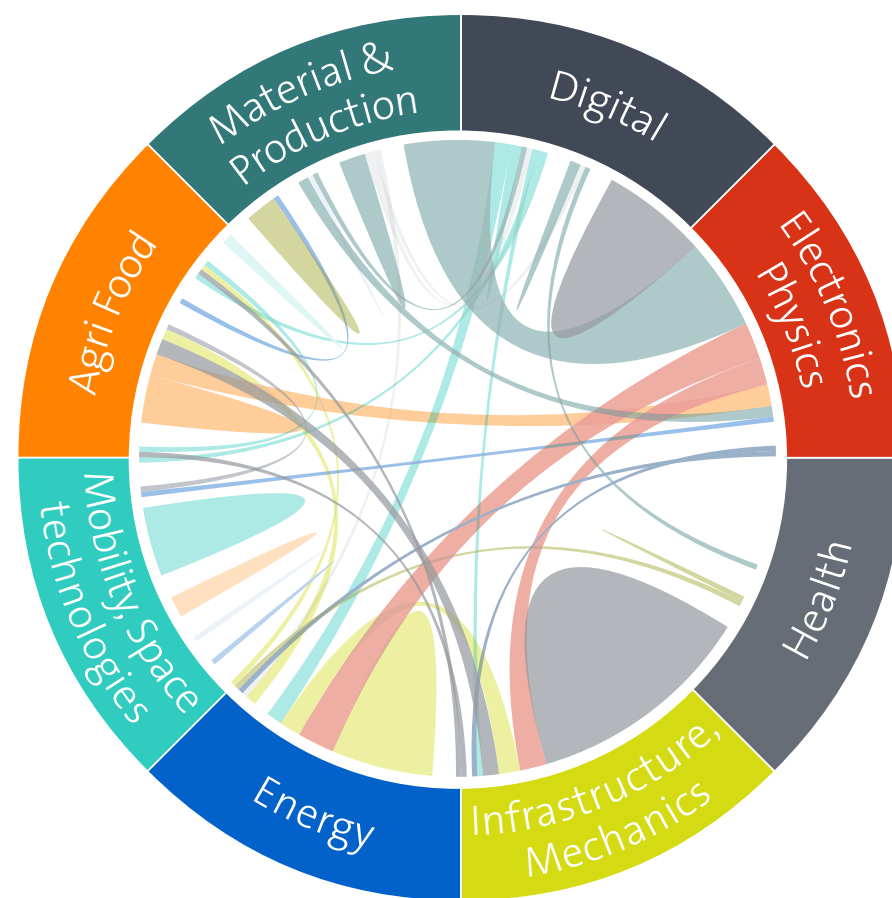
under the Patent Cooperation Treaty and the number of member states for which national searches² are carried out. On the basis of the Medium-Term Business Plan – revised each year – a 12% growth in applications to the EPO over the next five years is anticipated. While this underlines the confidence in the work of the Office and presents a positive outlook for the European patent system, it will continue to be a challenge we must master in order to maintain our commitment to excellence.

Incoming examiner search workload (in #k, period average)



2 - On PCT International Searching Authority (ISA) work this has grown by 18% from 72.3K to 85.5K. Despite the growth of China as an ISA, the EPO continues to be the largest ISA, receiving some 30% of all ISA requests and the largest International Preliminary Examining Authority. On searches for our national offices, since 2018 we have seen five more member states sign search agreements and the number now stands at 17.

Applications that include CII and AI and that cut right across different communities of technology are also growing, and it is envisaged that this growth will even accelerate throughout SP2028. In the last ten years, it has become more and more common for inventions to include an element of computer-implemented inventions (CII) – whether in cranes, cars, agricultural machinery or human prosthetics. Workload in the field covered by the digital technology community has increased by 47% in the past five years. More recently, we have seen a similar effect in AI, with elements of the technology reaching into patent applications from all areas – whether as an element of the invention or in AI-assisted inventions.



The use of CII and AI in fields that were purely mechanical or chemical presents challenges in both searching and examining across technologies. The chart shows the extent of the networks and collaboration between examiners that takes place every day.

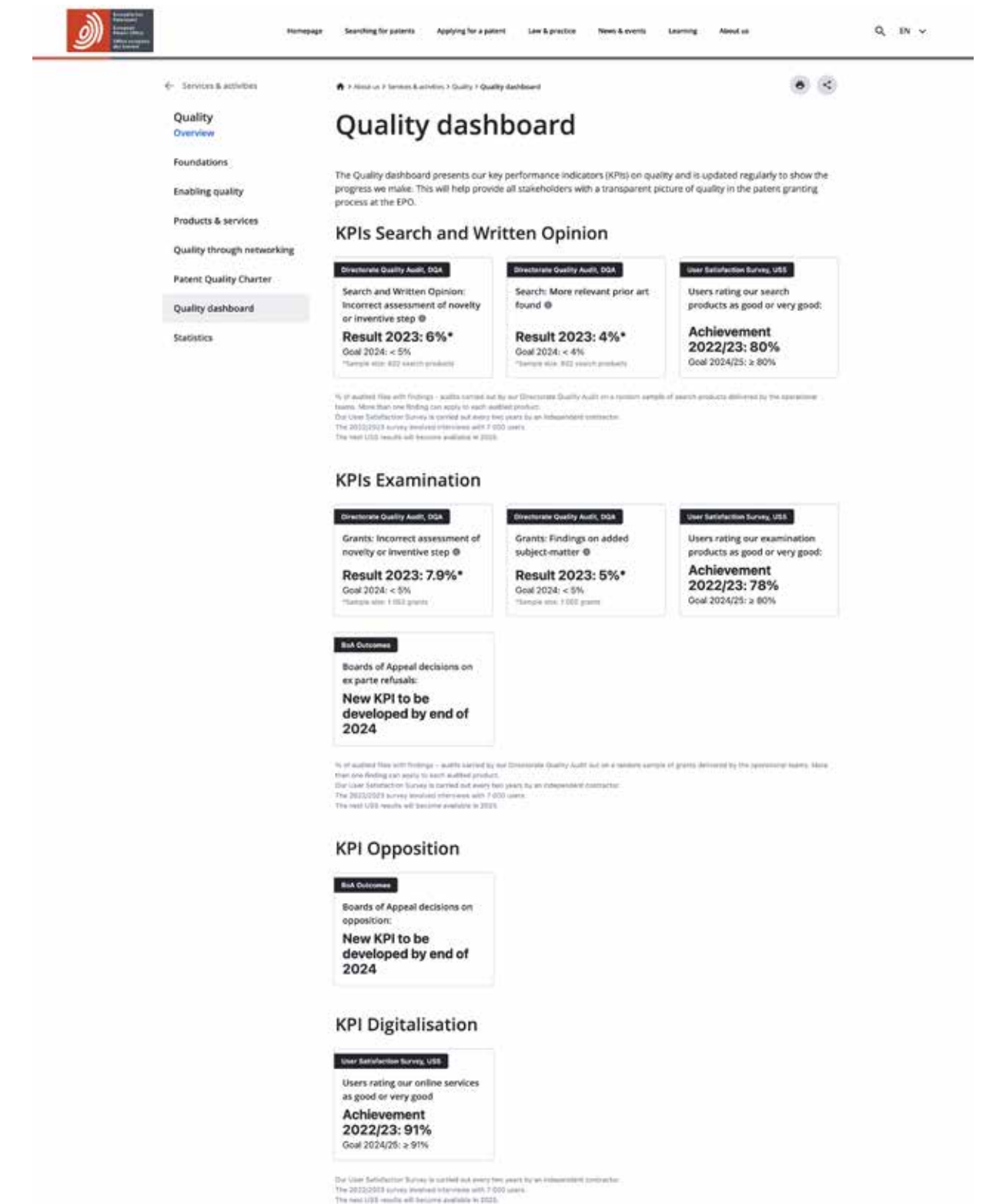
Progress in these actions will be monitored and reported transparently for all stakeholders. Production and publication figures will be incorporated into an operational dashboard published on our website and updated monthly.

These developments set the basis for further improvements in the quality of our products and services through clear actions: continue the simplification and digitalisation of processes and procedures; improve our digital tools; reskill and train our people; and maintain our timeliness to bring certainty to the market.

The EPO is committed to delivering timely, high-quality products and services by improving the quality of classification, formalities and file allocation; improving the completeness and accuracy of searches and written opinions; increasing the thoroughness and consistency of examination; providing access to a fair, high quality and transparent opposition procedure and the right to be heard; and implementing quality as a shared responsibility and achieving quality at source.

Progress in these actions will be monitored and reported transparently for all stakeholders. Production and publication figures will be

incorporated into an operational dashboard published on our website and updated monthly. This dashboard will include the percentage completion towards our production and publication targets, together with a comparison of our performance against the previous year.



DIGITALISE OUR PROCESS, IMPROVE OUR DIGITAL TOOLS AND USE AI

Improving the tools available has played a large part in our ability to meet the challenges we face. Whether this has been the improvements to our search tools – using AI to help find the most relevant prior art more quickly – or using AI to help us classify the incoming prior art and machine translations. During SP2023, the EPO also focused on improving the stability of the IT systems and improving our state-of-the-art search tool ANSERA, making it the search tool of choice for examiners.³

In the pandemic, the need to move away from paper and digitalise the end-to-end PGP was not just desirable but a necessity. Examiners and formalities officers adapted quickly, not just to a new place of work – their home – but also to the new tools and process, demonstrating their adaptability and commitment to the Office and its users. Users, too, had to adapt to a new digital environment. The development of the MyEPO tool for applicants represented a significant shift in the way applicants and legal representatives work within their offices, but also the way in which they interact with the EPO.

With SP2028, the EPO will replace the outdated tools in examination and opposition so that they support a more collaborative, interactive and less sequential process. The MyEPO platform will transition away from the legacy Mailbox and users will be supported in that move. MyEPO will be enhanced with the availability of more services and

with developments to help spot and prevent errors through on-screen guidance before applications or requests are submitted. Similarly, users will be encouraged to move from the legacy filing tool eOLF to the new Online Filing 2.0, which will be integrated into MyEPO. This will allow eOLF to be decommissioned along with incoming faxes.

In the context of the user-centric approach, the User Satisfaction Surveys (USS) carried out every two years by an independent contractor will continue to track the views of users on online services. The next USS results will become available in 2025. Throughout the USS held under SP2028, the EPO aims to achieve a high satisfaction level in which 90% or more of survey respondents rate our online services as good or very good.

KPI target:



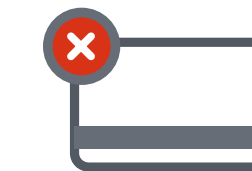
Decommission legacy Mailbox and My Files by 30 June 2024

KPI target:



Decommission incoming faxes in the PGP by 30 June 2024

KPI target:



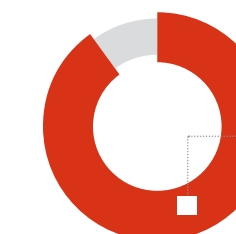
Decommission smart cards by 31 December 2024

KPI target:



Decommission of internal legacy search tools by end of Q1 2025

KPI target:



90% or more USS respondents rate our online services as good or very good

³ - 93% usage by December 2023.

SIMPLIFY OUR PROCESSES AND PROCEDURES

One of the lessons learnt during the implementation of SP2023 is that we must simplify our processes and procedures before digitalisation, and not just replace paper with digital copies. With the results from the PGP Simplification Board, numerous changes to our processes to improve both quality and efficiency and to reduce our reliance on forms and paper were implemented. The new “shared area” in MyEPO was implemented, which allows the examination division and the applicant to work together in real time and at an early stage in the examination process. The same technology also allows the examining division to work together on the file. The digitalisation has led to a reduction in the internal use of paper where currently only some 10% of examiners are requesting a paper file. This has also allowed for a reduction in the number of paper files and outsourcing of their storage and management to an external contractor, thereby freeing up Office space. Similarly, the EPO will continue to engage with the external user community to promote exchanges in the electronic environment. Currently, 60% of EPO examiner communications are sent electronically, up from 20% in 2018.

In SP2028, early interactions in examination will continue to be promoted through the MyEPO tool. The EPO believes this offers significant opportunities for improving the quality of the end product and increasing efficiency for the applicant, their representative and the Office.

RESKILL AND TRAIN

Our people have been a key area for action in SP2023. Alongside the restructuring of our examination and formalities teams into the eight communities of technology, we have targeted the training of our staff with training designed to keep them up to date with the constant changes in technology. To support staff looking to change technical field, we established a Digital Talent Marketplace, which supported some 200 examiners with training in their move to a related technical field. To ensure that technical and legal knowledge and skills in the use of our tools remain up to date, we conducted a skills map of all examiners and formalities officers and established individual development plans (IDPs) for all colleagues across the organisation. Talks from industry, academia, peers, the BoA and national judges have helped ensure that our staff remain highly trained and up to

date with the latest state of the art and developments in industry and law.

Under SP2028, the EPO will continue with this process and ensure the full use of IDPs, with staff working with their manager to identify the most suitable training development opportunities. As part of this, site visits and attendance at trade fairs will be encouraged when these can provide the best training and experience. Examiners will also receive support in sitting relevant – or all – modules of the new EQE and our formalities officers the new EPAC. The EPAC will also be improved to include a broader range of skills necessary to support the PGP as the nature of the formalities work changes in the increasingly digital environment.

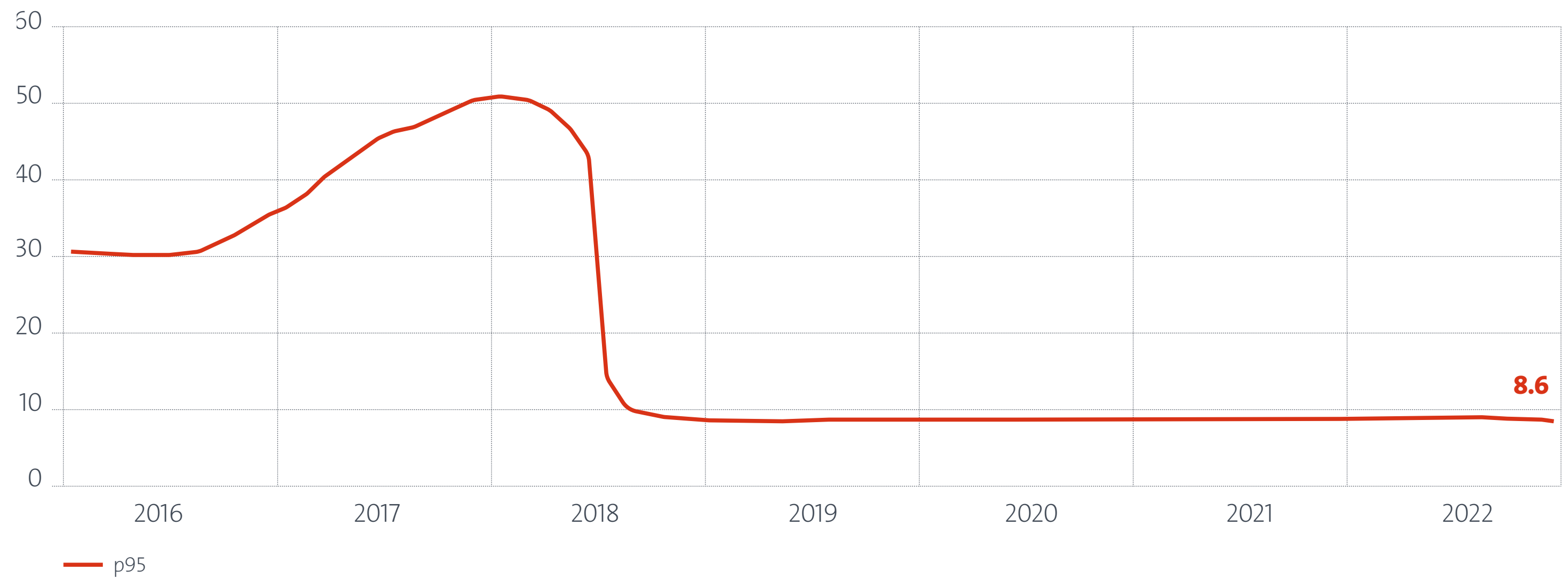


MAINTAIN TIMELINESS: BRINGING CERTAINTY TO THE MARKET

Search – In the last five years, the timeliness of our search products has improved – since 2018 the timeliness of searches for first filings has remained strong, as has the timeliness of ISA and national first filing searches, reducing the target from nine months in 2020 to seven

months in 2022. Notably, the consistency of delivery within that time frame has also improved. The chart shows when 95% of search reports were issued – the “P95” – and illustrates a significant improvement from 50 months in 2018 to below nine months in 2023 – well within the 12-month priority period, which is extremely relevant for applicants.

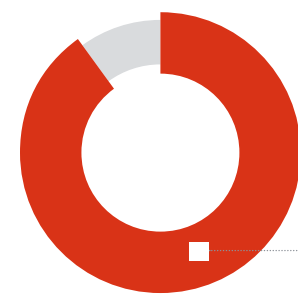
Time in months



MAINTAIN TIMELINESS: BRINGING CERTAINTY TO THE MARKET

By the end of SP2028, the timeliness targets of our different search products will be harmonised at six months. Currently they are set at seven months for PCT ISA and national searches and eight months for Euro-PCT bis where the EPO was not the ISA. The EPO will publish and track and report on a revised KPI and target six months for all search products.

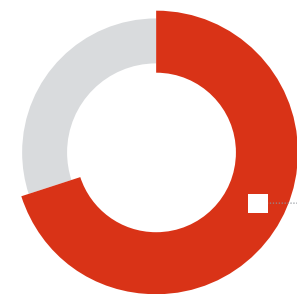
KPI target:



Search timeliness – 90% of all standard⁴ search reports to be completed within six months by the end of SP2028

Grant – In the period of the SP2023, timeliness of the EPO’s grants has also improved, with 78.6% on time in 2022, compared with 71.3% in 2018. The average time for examination is now 24.7 months from examination request to dispatch of the examiner’s intention to grant. To avoid delays and deliver a consistent service, special focus has been placed on the oldest files: only 15% of the files in the examination stock were older than three years by the end of 2022, down from 24.2% at the beginning of 2018. As we continue to deal with our backlog of examinations, timeliness in this area will be an ongoing challenge. Accordingly, during SP2028, the current KPI of 36 months from request for examination will be maintained.

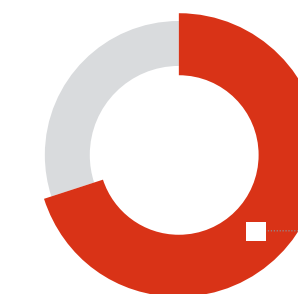
KPI target:



Examination timeliness – 70% of standard⁵ examination files to be granted within 36 months of examination request throughout SP2028

Opposition – In opposition, the resumption of oral proceedings via VICO made it possible to clear the backlog of cases originating from the pandemic when in-person oral proceedings were not possible. In 2022, 44.1% of our oppositions were concluded within the 18-month timeliness goal, resulting in an overall mean average timeliness of 19.6 months for all oppositions. Importantly, by the end of 2022, the opposition pending stock was below pre-pandemic levels – and the lowest they have ever been. The EPO’s goal is to return to the timeliness of delivery from before the pandemic. As such, 75% of standard oppositions will be completed within 18 months.

KPI target:



Opposition timeliness – 75% of standard⁶ oppositions to be completed within 18 months by the end of the SP2028

4 - Standard searches exclude (1) non-unity, (2) unclear and (3) incomplete cases.

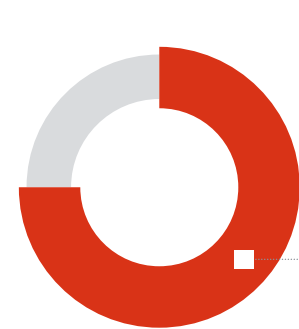
5 - Standard examinations exclude cases with (1) more than one request for extension to reply, (2) more than one late fee payment and (3) rescheduling of oral proceedings.

6 - Standard oppositions exclude cases with (1) multiple opponents, (2) legal members to take evidence and (3) rescheduling of oral proceedings or multiple oral proceedings taking place.

MAINTAIN TIMELINESS: BRINGING CERTAINTY TO THE MARKET

End-to-end timeliness – The EPO will also introduce a new top-level KPI for end-to-end timeliness. The target is 75% of standard cases to be granted within 48 months of request for an EP patent. By taking this universal starting point, greater certainty will be provided to our applicants and third parties on when to expect a decision on their application.

KPI target:



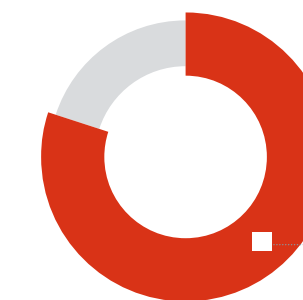
End-to-end timeliness – 75% of standard cases to be granted within 48 months of request for an EP patent⁷ throughout the period of SP2028

Accelerate the process when needed – PACE, third-party observations and divisionals – To date, the programme for accelerated prosecution of European patent applications (PACE) has given users the possibility to accelerate proceedings. The timeliness for the first or further actions is 2.1 months on average from the request. However, the PACE initiative was launched many years before digitalisation and was designed for the paper-based PGP. The PACE programme will be updated to fit the digital age and relaunched as a new service.

There are also occasions when a third party may want to accelerate the proceedings. Currently, any third-party observations trigger the EPO to start the examination process, but the application reverts to the standard time frames after that first accelerated step. Together with users, the EPO will explore options for an enhanced third-party observation process. Timeliness KPIs for PACE triggered by users and third parties will be developed in the course of 2024.

Divisionals – Divisionals occur when a patent application contains one or more inventions and is divided into one or more applications which carry the original patent’s filing and priority date. They are part of the patent landscape and set out in the Paris Convention and in the EPC. In most cases their use is not controversial, with 83.5% resulting in just one divisional. The EPO actively manages and tracks divisionals, with 82.3% of standard cases being granted within 48 months. Given their high profile, the EPO will continue to track carefully and report on performance in this area, as well as take steps where necessary to ensure that divisionals are dealt with in a timely way. The filing of divisionals and their timeliness will be monitored and reported regularly.

KPI target:



End-to-end timeliness divisionals – 80% of standard⁸ cases to be granted within 48 months of request for an EP patent throughout the period of SP2028

7 - Standard cases are applications with a standard examination – for EP direct: time to grant from European filing date/for PCT: time to grant from entry into the European phase.

8 - Standard cases exclude cases with (1) more than one request for extension to reply, (2) more than one late fee payment and (3) rescheduling of oral proceedings.

DELIVER HIGH-QUALITY PRODUCTS AT EVERY STAGE OF THE PGP – COMPLETE, CORRECT AND CONSISTENT

To achieve convergence between internal and external perceptions on quality, the *Patent Quality Charter* was launched in October 2022 in collaboration with industry, SACEPO and member states. There the key elements of quality were agreed and entail:

- a complete and accurate search and written opinion – that allows the applicant to make timely and informed choices on further investment in their invention;
- an examination that is thorough and consistent – with any resulting patent having a high presumption of validity and the right scope – delivered in a time frame that brings certainty to competitors and society; and
- fair and transparent opposition proceedings that allow third parties an opportunity to challenge the grant or scope of a patent.

Improve quality of classification, formalities and file allocation

Accurate and timely classification of our prior art – Accurate and timely classification of our prior art is fundamental to a complete search report and written opinion on the patentability of the invention. Considering the explosion of non-patent literature and patent literature, the EPO will continue to expand the use of AI-based technologies to assist us in preclassification, classification and reclassification, automating the work to increase quality, speed and efficiency. The EPO aims to maintain the accuracy of its classification using AI at or over 95%. All classification activities will be integrated into the EPO’s search tool, ANSERA, and

Patent Workbench, which will allow for the decommissioning of all legacy classification tools. In parallel, the EPO will continue to expand its databases of prior art and support other patent offices in their uptake of the CPC.

KPI target:



KPI target:



Formal requirements of a patent application can seem less important than the more substantive element. But they are there for a purpose. The research conducted in SP2023 showed us that the quality of the documents received varies considerably between applicants and legal representatives. In discussions with industry, we identified steps we

could take to design out some of these errors through changes in the legal provisions, workflows and by building in more plausibility checks within our tools such as MyEPO.

SP2028 will see us continue to focus on this digital transformation of the formal aspects of patent applications, including looking at the quality of the freetext communications, the correct handling of sequence listings and demands for entry into PCT Chapter II. We will also continue to explore opportunities for further digitalisation where there is a strong business case. These developments will create new opportunities for the formalities officer/paralegal role, which we will support through dedicated training, including the EPAC.

KPI target:



KPI target:

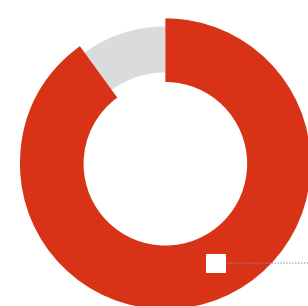


DELIVER HIGH-QUALITY PRODUCTS AT EVERY STAGE OF THE PGP – COMPLETE, CORRECT AND CONSISTENT

Getting the right file to the right examiner and division at the right time

– To best ensure quality, we must get the right file to the most technically qualified examiner and division best able to deal with the technologies in the application at the right time. The existing approach was very manual and resource-intensive with multiple approaches across the operational area and various different players involved; team managers, paratechnicals, gérants and, in some teams, specific stock managers. In the course of SP2023, various different approaches to refine this task and improve the accuracy of the file allocation were piloted. Some of these pilot projects involved a pull approach – with examiners drawing down files – others adopted a push approach, pushing the file to the right examiner. With the full rollout of the EPO’s AI-based new Digital File Allocation (DFA) tool in November 2023, human allocation of files has been progressively replaced resulting in increased accuracy and higher efficiency. In SP2028, the EPO will work to improve further the accuracy of the DFA tool.

KPI target:



File Allocation – accuracy of our AI-based file allocation to be at 90%

Improve the completeness and accuracy of searches and written opinions

The EPO aims for a complete and accurate search covering all aspects of the invention and a thorough written opinion. Our data shows us that in 85% of cases we cite prior art relevant to novelty or inventive step – and in 93% of cases we raise an objection to patentability under the EPC. This leaves just 7% where the search division finds no objection to patentability. It is these 7% of cases which could lead to a so called “direct grant” in the examination phase without the need to file amendments or convincing arguments to overcome objections. Given these figures it is perhaps not surprising that we see the 15% (21% for first filings) that withdraw their application at this stage.

In the last five years, the EPO has continued to improve the quality of the search and written opinion by investing in highly skilled staff and state-of-the-art search tools and by expanding our extensive prior art databases. But we also need to assess our quality thoroughly and robustly and we increased both the scope and number of independent audits by the Directorate Quality Audit (DQA) in this area.

The EPO also introduced recording of more specific audit findings for the important quality aspects of our searches and written opinions, such as whether more relevant prior art was found by the auditors and whether the assessment of novelty or inventive step is correct in the written opinion. This more granular approach to DQA audits has pinpointed the areas to improve and to target actions accordingly. Throughout the period, the quality of searches as assessed by DQA

remained high. The proportion of cases in which potentially more relevant prior art was missed remained consistently below 5% of cases, and at the end of 2023 it was just 4% of cases.

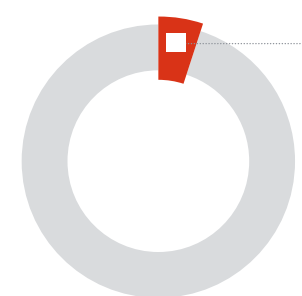
The more in-depth audit also looked at the written opinion alongside the search report. This showed that in some cases we were being too strict in our interpretation – raising objections under the EPC that were not fully supported by the prior art. We consider both these aspects as important to a high-quality product and took action to address this – most notably involving the division of three examiners at the search stage. From 1 November 2023, the whole division of three examiners and the team manager are involved in all searches and written opinions. And already we see cases being improved thanks to the interaction and collaboration of the division and team manager on every file.

As already set out, in the next five years the EPO will further refine and improve the pre-search algorithms with the assistance of AI, helping the search division to identify the most relevant prior art more accurately and efficiently and to assess its relevance for the case in question. We will strengthen and further harmonise our assessment of novelty and inventive step, also when there are other deficiencies such as clarity. To ensure our written opinions are comprehensive, we will focus on addressing fall-back positions. A solution-oriented mindset will be adopted to propose constructive ways to overcome objections. We will also monitor the impact and effectiveness of the activation of the search division identifying areas where we can improve.

DELIVER HIGH-QUALITY PRODUCTS AT EVERY STAGE OF THE PGP – COMPLETE, CORRECT AND CONSISTENT

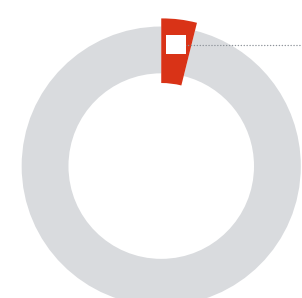
Our KPIs on quality of search and written opinion will be clear and our actions targeted. The EPO will report on a KPI that tracks incorrect assessment of novelty or inventive step in our searches and written opinions – currently 6%. And of these, we will also set a specific KPI of audited searches and written opinions where more relevant prior art was found by the auditor – currently 4%. Furthermore, we will track user satisfaction and aim for 80% of USS respondents rating our search products as good or very good.

KPI target:



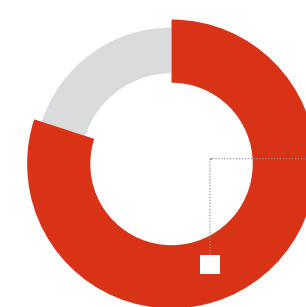
Less than 5% of audited searches and written opinions with an incorrect assessment of novelty or inventive step in 2024

KPI target:



Less than 4% of audited searches and written opinions where more relevant prior art was found by the auditor in 2024

KPI target:



80% or more USS respondents rate our search products as good or very good

Increase the thoroughness and consistency of examination

Increasing the thoroughness and consistency of examination is important to both our applicants and their competitors. The division of three examiners who are responsible for every file – and the team manager – is a strong starting point to ensure the quality and consistency of our work. With the increasing complexity of files, this division of three becomes even more relevant. The examining division, which usually brought together three examiners from the same team, is increasingly composed of examiners from different teams and technical areas and sites, bringing together the most relevant examiners for the technology in the application.

With the written opinion being effectively a first examination report on patentability, the applicant has a further opportunity to file amendments or arguments before the start of the examination process. In fact, since 2010 it has been a requirement at the EPO for the applicant at the start of the examination process to address the

objections raised in the written opinion. The percentage of cases which – following a top-up search and full examination – are found to comply is consistently around 11%. This demonstrates the value of the written opinion – enabling applicants to address the concerns of the division at the very start of the examination process. Other applications take longer to address the areas of concern taking two, three or more rounds of communication and sometimes oral proceedings – with 25% withdrawing during this process and 4% being refused. If we look at the text of the patent as published in our patent publications, we see that 94% of applications have been amended as part of the EPO patent granting process.

Consistency in our application of the law is a key demand from our applicants. Our applicants have shown us examples where applications they filed with us (which went to different examining divisions or teams) have sometimes been handled and processed in different ways. This can be in the application of an article of the EPC and in procedural aspects, such as the propensity to call to oral proceedings. Whilst every application is dealt with on its merits, consistency in the application of the EPC and in our processes is vitally important.

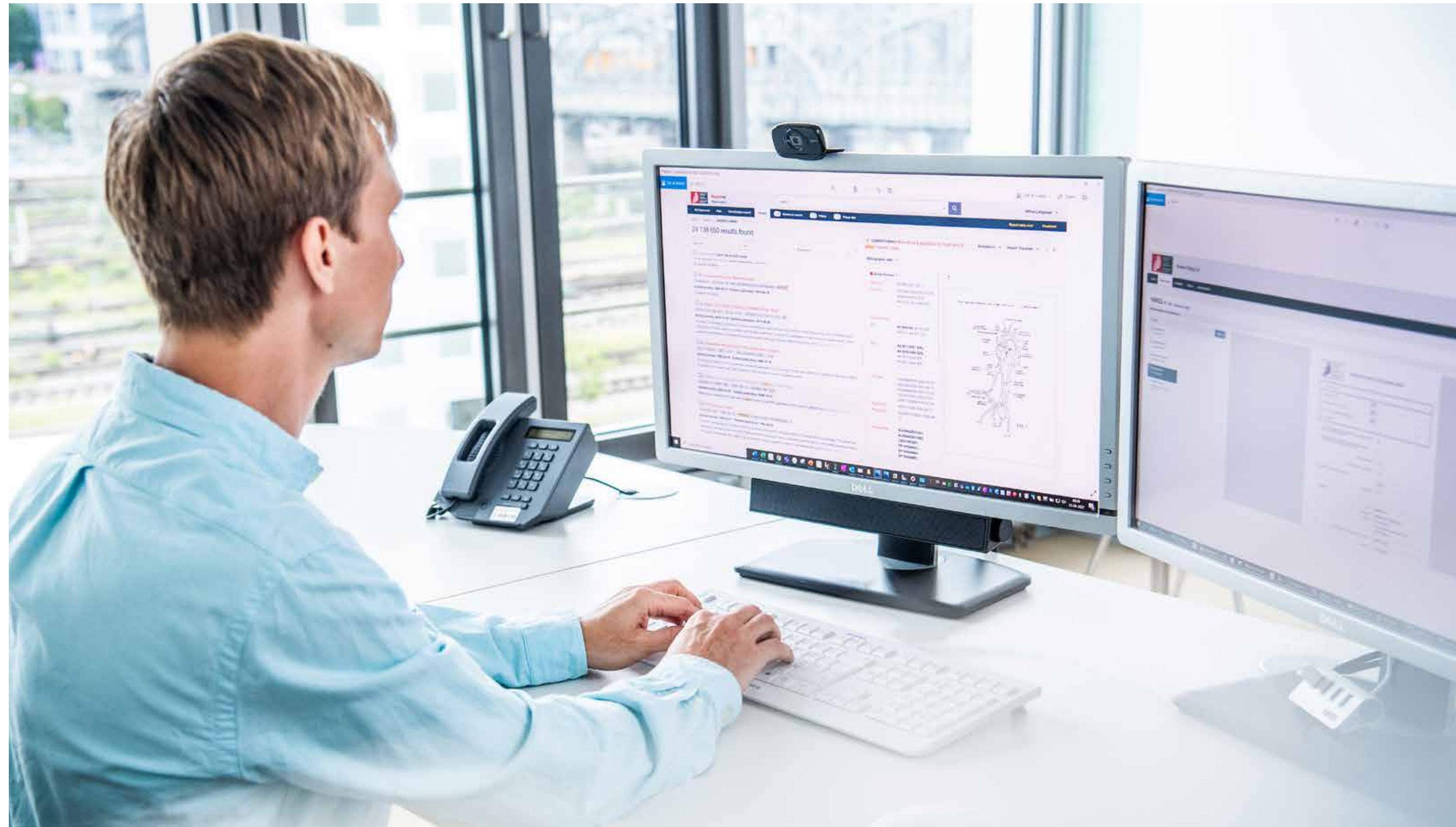
In SP2023, in response to this feedback, and in addition to bringing the examination teams under one chief operating officer, the EPO also introduced communities of practice to harmonise the approach to cross-cutting topics, such as computer-implemented inventions.

DELIVER HIGH-QUALITY PRODUCTS AT EVERY STAGE OF THE PGP – COMPLETE, CORRECT AND CONSISTENT

In addition to the improvement of the examination tools and the development of the “shared area”, under SP2028, we will continue to use the harmonisation dashboard, which will help monitor our progress in applying the EPC and prompt areas for further investigation, discussion and possible action. As a result of the feedback from Standing Advisory Committee to the EPO’s Working Party Quality (SACEPO WP Quality) and our Stakeholder Quality Assurance Panels on grant in 2023, the EPO has identified two substantive areas for investigation and action. In 2024, we will evaluate our approach to dealing with third-party observations across the operational teams to ensure that this is consistent and in line with the practice as set out in the guidelines. We will also set up a discussion with SACEPO members on the topic of clarity and our approach to raising objections under this heading; as recognised by the SACEPO members, clarity is a topic where both the applicant and office have a role in improving quality.

Using the more granular DQA results, we will set a more detailed KPI on incorrect assessment of novelty or inventive step – current result 7.9% – and a KPI on added subjectmatter to capture findings recorded when the subject-matter of the proposed grant extends beyond that of the originally filed application or parent application – current result 5%. User satisfaction with the quality of our examination products will also be monitored through the USS.

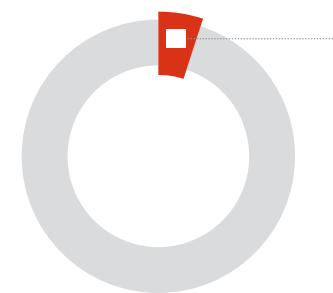
In addition to our Directorate Quality Audit results and USS, further insight on the quality of our work can be obtained from the decisions of the Boards of Appeal. On the 4% of cases where we refuse in the



DELIVER HIGH-QUALITY PRODUCTS AT EVERY STAGE OF THE PGP – COMPLETE, CORRECT AND CONSISTENT

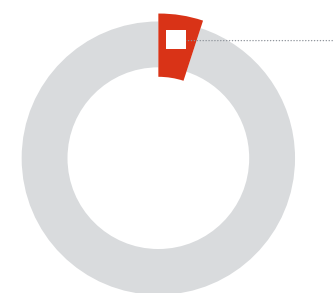
examination phase, we see an appeal rate of 12%. In some 8% of these appealed cases, the BoA sets aside the division’s decision to refuse the application and issues a decision to grant a patent. We will work to improve on this figure, recognising that our role is to examine patents and allow through those which meet the requirements of the EPC and to make sure they have the right scope, neither too broad nor too narrow. In the course of 2024, a new KPI will be developed on a Boards of Appeal decision on *ex parte* refusals.

KPI target:



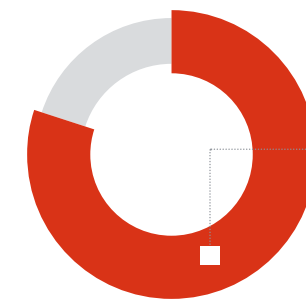
Less than 5% of audited grants with an incorrect assessment of novelty or inventive step in 2024

KPI target:



Less than 5% of audited grants with findings on added subject-matter in 2024

KPI target:



80% or more USS respondents rate our examination products as good or very good

KPI target:



New KPI to be developed by end of 2024 on Boards of Appeal decision on *ex parte* refusals

Provide access to a fair, high quality and transparent opposition procedure and the right to be heard

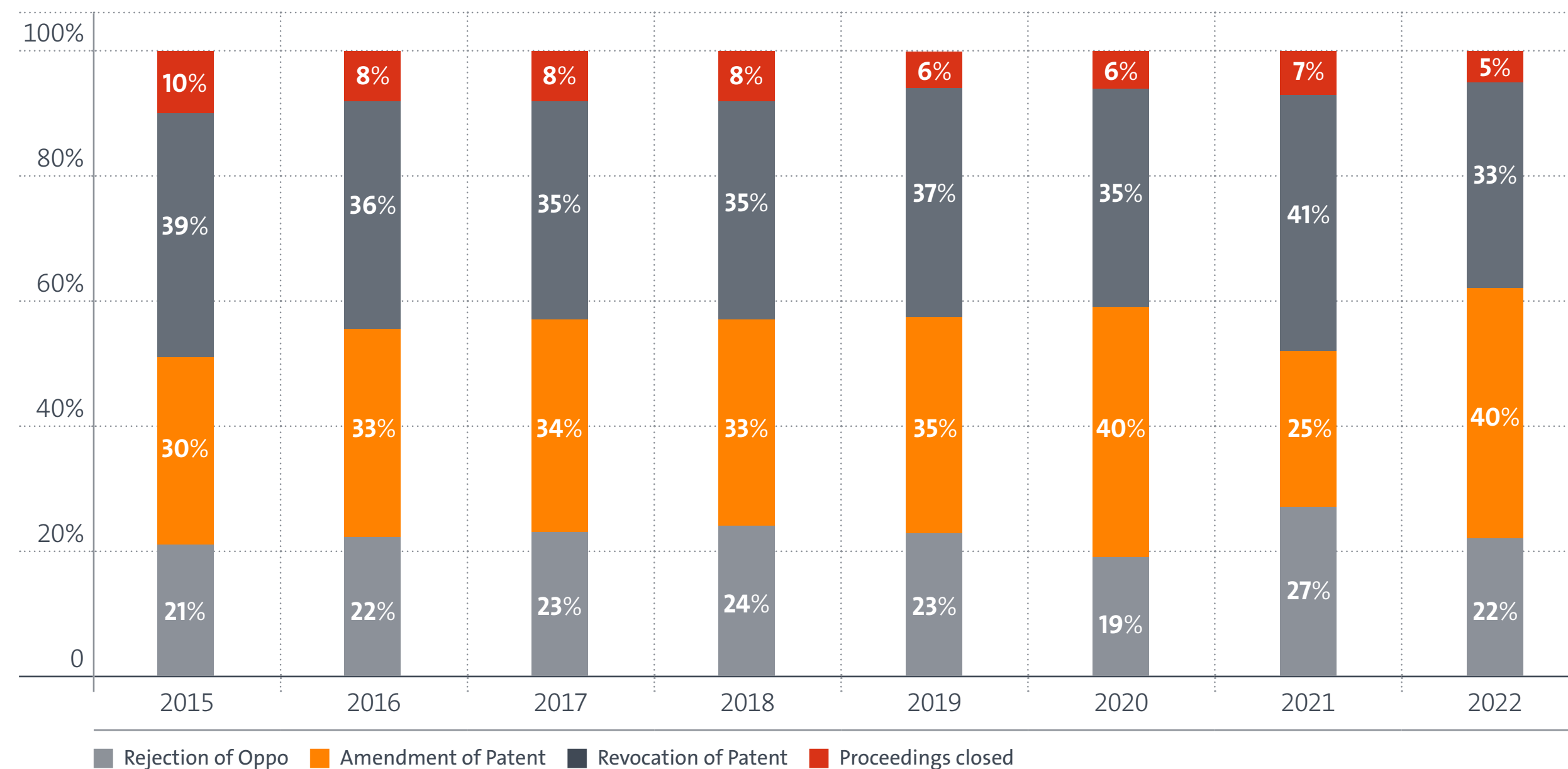
Providing access to a fair, high quality and transparent opposition procedure and the right to be heard are fundamental principles of the EPC. To ensure a solid review in first instance, we not only have our most experienced examiners dealing with oppositions but we also aim at appointing opposition divisions where no examiner has been involved in the examination process: in 70% of all oppositions this is the case, with the 30% other cases involving one examiner who was previously involved, due mainly to capacity reasons or the need for very specific technical knowledge.

The move to dealing with oral proceedings by videoconference has allowed the EPO to drastically improve the transparency of the opposition process, with 20 times more public observers (2 000) now present than at the start of SP2023. Furthermore, this digital setting has allowed us to appoint more easily opposition divisions with the most appropriate experts on the file, even if located in different sites. It has obviously had a very positive impact in terms of environmental sustainability for all parties involved.

DELIVER HIGH-QUALITY PRODUCTS AT EVERY STAGE OF THE PGP – COMPLETE, CORRECT AND CONSISTENT

Whereas it is an inherent feature of a review process that the outcome might be different than the one in examination (fresh eyes looking at the case, more time and effort invested, new evidence introduced), we have seen over the years a high degree of consistency in terms of opposition outcomes as well as in outcomes of appeals on those opposition decisions.

Outcome of opposition proceedings



In this context, it is important to realise that oppositions are triggered by commercial and budgetary aspects and not by the quality of examination solely. On the substantive level, a recent audit confirmed that 96 out of 100 audited opposition decisions were the correct ones, which underpins the high quality of the work done. In terms of opposition workload, a steady decline in the last number of years has been observed (-45% since 2020) while the complexity of the cases has increased. Following the change in the Rules of Procedure of the Boards of Appeal in 2020, the number of opposition cases with more than 10 auxiliary requests has risen from 18% in 2020 to 29% today.

SP2028 will see us further developing the digital interaction process with the parties in the opposition process by further optimising the oral proceedings environment, by exploring the possibilities for collaboration through the shared area (now active in examination), by looking into the potential of new AI-based tools, for example, to support minute writing, and by investments in more structured opposition communications, not only to enhance consistency and completeness but also as a first step towards a more structured interaction with the parties.

DELIVER HIGH-QUALITY PRODUCTS AT EVERY STAGE OF THE PGP – COMPLETE, CORRECT AND CONSISTENT

Furthermore, we want to have a more systematic analysis and review decisions in appeal to identify quality improvement and learning points. To monitor our progress, we will define a new KPI to identify trends in appeal outcomes from opposition decisions.

KPI target:



New KPI to be developed by end of 2024 on Boards of Appeal decisions on opposition

Implement quality as a shared responsibility, journey and destination

Quality is a shared responsibility and the result of collaborative efforts. All stakeholders, from the Office and the Boards of Appeal to applicants and their legal representatives, to member states and the court systems, have a role to play in achieving higher quality.

In such a context it is vital that there is a forum for dialogue and discussion. During the last five years, the office has expanded the existing fora for dialogue – the Standing Advisory Committee of the EPO (SACEPO); developed new ones through the Stakeholder Quality Assurance Panels (SQAPs) and refined mechanisms for consultation, such as the full and public annual consultation on the Guidelines.

Responding to a request from industry, the Office also consulted on and then established a new confidential and anonymous ombuds service.

In SP2028, the EPO intends to further reinforce the SACEPO Working Party on Quality as the primary forum for active engagement with the EPO on quality topics – prompting discussion on specific topics such as “clarity” and, where relevant, identifying action for the Office and its users. Given their importance in our quality dialogue, an enhanced concept for SQAPs will be launched. Responding to suggestions from SACEPO WP Quality, this will include an increase in the number of SQAPs, greater diversity of participants and greater transparency, as well as putting measures in place that allow the Office to track progress so that all stakeholders know we are headed in the right direction. After implementing these improvements, we will also consult SACEPO on the usefulness of the SQAP process in 2025.

As we journey into SP2028, the process of revising the Guidelines will become even more transparent. Forthcoming revision topics will be communicated clearly, well in advance, allowing users ample time to prepare and provide feedback. Results of consultations will also be published, as well as annual reports on the revision cycle to the Patent Law Committee, and we will strengthen our commitment to the clarity and readability of our Guidelines.

Target to consult SACEPO WP Quality on the usefulness of SQAPs in 2025

Achieve quality at source

Quality begins at source, from the very moment an application is drafted. High-quality patent applications that are carefully and appropriately drafted help improve quality and efficiency. Patent drafting and prosecution from patent professionals and industry must be fostered and supported with patent training, development and certification.

Specifically, the European qualifying examination ensures that the knowledge and skills of professional representatives are properly developed and certified so they can provide the highest quality services to patent applicants. After its full digitalisation in 2021, the reform approved by the Council in December 2023 shapes the EQE into a framework of examination based on competences and builds on progressiveness, modularity and sustainability. During SP2028, we will work closely with the epi to implement the examination and the training supporting it. The new EQE draws on the framework for existing papers with a view to preserving excellence whilst fostering modernisation. Thanks to its new setting and the design, sitting the new EQE will be made more flexible and convenient for candidates and their professional development, and the reform will broaden the appeal of the EQE to a wider audience, including staff of the EPO.

DELIVER HIGH-QUALITY PRODUCTS AT EVERY STAGE OF THE PGP – COMPLETE, CORRECT AND CONSISTENT

The Office will seek a balance of EQE candidates from across member states by building upon the progress made under the candidate support programme (CSP). Through this project, the EPO and the epi have supported more than 200 candidate patent attorneys across Europe who have passed the EQE, fostering the development – and in some cases, the creation – of national competences in the fields of patent drafting and prosecution.

In SP2028, the Office will work in co-operation with member states to develop a new CSP programme with increased outreach and a greater impact, increasing the number of qualified patent attorneys and enhancing their skills. The new CSP will benefit from simplified rules and procedures and take advantage of advanced methodologies and tools for the coaching, tutoring and training of the new candidates.

Similarly, the European patent administration certification provides a benchmark for professional development for paralegals and formalities officers. The first ever EPAC examination took place in December 2022 and was developed in close co-operation with external partners. In SP2028, we will consolidate the EPAC as the benchmark for professional development for paralegals and formalities officers. Further developing the EPAC and widening its appeal to attract a broader spectrum of participants from industry practitioners and staff of IP offices will be focal points. EPAC candidates will gain certified knowledge that goes beyond the formalities of the patent granting procedure, enabling them to assist the attorney or examiner

in their work. EPO staff will also be actively encouraged to pursue the EPAC and sit the EQE to complement and certify their expertise and professional skills, further contributing to the quality and efficiency of the patent grant process and personal development.



Strategic Plan 2028

D04 Partnerships

The European Patent Organisation is an institution founded on cooperation. We recognise that fostering innovation and growth in Europe transcends national boundaries and that the success of the patent system can only be fully realised by stakeholders working in partnership with one another. **The importance of strong partnerships has also been highlighted clearly in the last few years: facing the challenges of the pandemic, while continuing to meet the strategic goals of SP2023, has only been possible by working in the spirit of cooperation.**



Our partnerships will be European and international. Working in partnership with the members of the European Patent Network (EPN) will ensure that the EPO continues to support national patent offices (NPOs) in delivering benefits for stakeholders and contributing to a more impactful European patent system. Meanwhile, international cooperation and agreements with other states and institutional partners will help the EPO to bring the benefits of the European patent system to users worldwide. These

benefits will support partners in developing high quality national and regional patent systems that foster innovation and are capable of addressing emerging issues in the patent system. And finally, our partnerships will play out at the global level to ensure that we reach out to underrepresented users and stakeholders by raising awareness, increasing accessibility and imparting the skills and knowledge that all users need to derive the full array of advantages offered by patents.



Working in partnership with the members of the European Patent Network (EPN) will ensure that the EPO continues to support national patent offices (NPOs) in delivering benefits for stakeholders and contributing to a more impactful European patent system.

STRENGTHEN EUROPEAN CO-OPERATION

Ever since the European Patent Organisation came into being, European co-operation has consistently delivered a more user-friendly patent system for users. Indeed, the preamble of the EPC highlighted that *“the Contracting States are desiring to strengthen co-operation between the States of Europe in respect of the protection of inventions”*. Accordingly, in SP2023, the European cooperation framework sought to strengthen this commitment and focused on four key pillars: IT infrastructure based on simplified processes and procedures; co-operation projects to enhance knowledge and quality; co-operation projects aimed at work-sharing; and co-operation projects to promote convergence of practice by patent offices. Through the dedication of all those involved, 39 bilateral co-operation agreements (BCAs) entered into force as a testament to our successful partnerships, which have then materialised in hundreds of implementations of co-operation projects and activities under the four key pillars above.

SP2028 is a continuation of our commitment to the ideal of joint action with the contracting states of the EPC and a commitment to enhanced support for the EPN. This will include developing further the catalogue of co-operation projects to revisit and update current projects, but also to define new initiatives and opportunities for cooperation in the interest of member states and users. It will also include pursuing technical and procedural co-operation, encompassing stronger IT co-operation, greater convergence of practice and search co-operation.

Furthermore, the catalogue of co-operation activities will contribute to new BCAs tailored to the specific needs of member states and their stakeholders.

Enhance IT co-operation

Over the years, the EPO has emerged as a cornerstone of the IP world by sharing various services and tools that have helped it and its stakeholders to address technical challenges and harness disruptive technologies. In particular, IT co-operation with members of the EPN has helped to deliver a range of breakthroughs that have contributed to a more efficient and accessible patent system. In the course of SP2023 these achievements included:

- The establishment of working groups involving the epi, WIPO, the EUIPO and 33 NPOs;
- A new Front Office platform that enables electronic filing at NPOs for national procedures, European patents, PCT applications, subsequent actions and other rights. This tool is live in five countries already, with a further six implementing actively and another four in the preparation phase; several additional countries have signalled their intention to proceed in the near future. So far, participating countries have received over 9 000 filings of different types;

- A cloud-based Search system (based on ANSERA) that supports search and examination activities at NPOs and is in use by over 1 200 examiners in 28 countries;
- Data exchange modules to enable the transmission of prior-art data from member states to the EPO and the provision of patent data, enabling EPO examiners to carry out national searches with different modules in use in eight countries already; and
- The Single Access Portal that provides a centralised platform for co-operation matters from PATLIB to MICADO.

A range of other supporting services have been implemented, including mapped processes, knowledge sharing platforms, AI-powered classification tools such as the CPC text categoriser, improvements to machine translation and support for cloud services and cooperation policies. In SP2028, we will continue to build on these achievements and strengthen IT co-operation in order to deliver tangible benefits for NPOs and their users. This will include ongoing efforts to secure, optimise and enhance our shared online environments; exploring with NPOs the possibility of creating a digital toolkit that covers all the functionalities of an integrated front and back office. This will enable all users in a particular country to use the same tools, whether they file nationally, with the EPO or WIPO or a combination of these, and to offer a workflow system that manages the data from filing to

STRENGTHEN EUROPEAN CO-OPERATION

examination and the required functionalities in a modular approach. The digital toolkit could be presented as a central spine with a range of different services such as classification, machine translation and more, which might be implemented in different ways. These could range from a single, centralised solution fully operated by EPO, to a set of multiple “functional bricks” available in a digital marketplace; or they could offer decentralised deployment with an out-of-the-box solution, customisable and operated by NPOs.

In exploring new IT co-operation initiatives, the EPO will examine the need for interoperability, given that actors in different fields of IP are becoming increasingly interconnected. We will therefore explore solutions to enhance interoperability with NPOs and other partners including the EUIPO and WIPO, in areas such as standard interfaces and convergence on technical platforms. To increase the positive impact of IT co-operation, we will also explore the possibility of B2B services to examine different ways to extend the reach of solutions developed with the EPN so that they directly benefit end users of the patent system as well as the NPOs, for example, by making it easier to connect the systems used by different stakeholders.

In the course of SP2023, working groups proved to be a valuable asset in setting priorities and hence making impactful achievements in IT co-operation. User representatives, international partners and national patent offices participated in a series of roundtable events in Munich in January 2024. These technical exchanges underlined that the informal roundtable format continues to work well as a means of exchanging

information, developing common approaches and jointly creating content. The roundtables were supplemented with a series of technical visits to clarify specific aspects of our work with national offices and ensure precise planning. The consultation format of working groups and technical visits will lie at the heart of our ways of working in the forthcoming Strategic Plan, particularly on AI and new tools, where development now outpaces traditional project structures.

In 2022, there were a total of 107 implementations as a result of IT cooperation projects. By the end of SP2028, we aim to bring this number to 240.

KPI target:



Pursue convergence of practice

The different practices that can occur in different IP jurisdictions present a challenge when trying to offer an accessible patent system, creating unnecessary and avoidable complications for users. However, by working with other patent offices we can reduce and even overcome these differences, making patent protection more efficient and accessible for European inventors.

Convergence of practice can improve predictability and legal certainty for users, while providing simpler, more streamlined and cost-efficient proceedings. Throughout SP2023, the EPO and its member states have successfully completed the first ever convergence of practice programme with the adoption of six sets of common practices on areas as diverse and relevant as the correct structure of claims, how priority rights are accorded or the examination of computer-implemented and AI-related inventions.

Following the successful delivery of the first cycle of SP2023’s convergence of practice programme, the Administrative Council approved in December 2022 a second cycle of projects covering the following pairs of topics:

- First pair of topics (2023/2024): “Allowable features in drawings”, “Issuing and accepting electronic priority documents”;
- Second pair of topics (2024/2025): “Observations by third parties”, “Practices concerning assignment”;
- Third pair of topics (2025/2026): “Broad claims”, “Double patenting”.

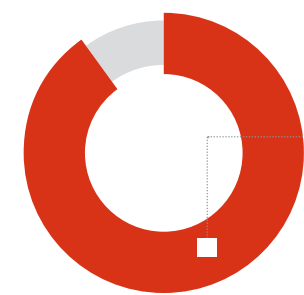
The working groups for the first pair of topics have completed their work and, as per the established procedure, the recommendations for common practices have been submitted to the Patent Law Committee for opinion and then to the Council for adoption.

STRENGTHEN EUROPEAN CO-OPERATION

Building upon the proven methodology, the experience acquired and on the achievements of the convergence of practice programme so far, in SP2028 we will continue working with members of the EPN to achieve further convergence of patent practices and to continue delivering common approaches that benefit our users.

Priority will also be given to the effective implementation of agreed practices by the EPO and the member states, hence ensuring that the programme produces the expected results and impact for the benefit the users.

KPI target:



90%
of member states agreeing with a common practice to implement the common practice at the national level

In addition, new topics will be added to the agenda and new working groups will be created, including for non-PGP topics, such as deep data management, as suggested by member states during the SP2028 consultation.

Provide search services and enhance support to SMEs and small entities

The EPO and its member states cooperate to ensure the Office supports them in providing their applicants with the most accurate and complete searches. At the end of SP2023, 17 national search agreements were in force, allowing the Office to provide national searches upon the request of our member states. Through an ancillary administrative agreement with these member states, up to 400 SMEs, universities, research centres and natural inventors can benefit from an 80% reduction in the search fee. In SP2028, we will continue to explore new agreements and offer work sharing to NPOs that wish to make use of the EPO's high-quality searches.

The Office has already implemented a comprehensive package of measures to provide support and facilitate access to the patent system for SMEs, small entities, universities, research centres and individual inventors. But in SP2028, the Office will also reach out to patent professionals and specialists to develop a programme that supports micro-entities that own patent rights and are confronted with a potential litigation threat. Concern over litigation and of not having the capacity to enforce their patent rights in cases of infringement represents one of the main hurdles to promoting use

of the patent system by these entities. This is a matter of social and corporate responsibility for both the Office and patent professionals. It therefore necessitates in collaboration with industry the setting up of a pro bono initiative to provide such entities with initial and clearly delimited support when it comes to early assessment of such risks.

STRENGTHEN INTERNATIONAL CO-OPERATION

The EPO's relations with other institutions present an opportunity to address common challenges and capitalise on new opportunities in the modern IP landscape. Our international partnerships will ensure that the benefits of the European patent system have a broad reach and impact, helping to develop quality standards globally, and that multilateral fora and our interinstitutional relationships are strengthened so we can support the global innovation sector.

Expand the reach and impact of the European patent

The EPO has a reputation among users worldwide for providing high-quality, legally robust products and services, which has helped to increase the attractiveness of the European patent system and the reach of the European patent. The geographical coverage of the European patent has now been broadened to cover 39 EPC contracting states, as well as one extension state and five validation states.

In SP2028, the Office will continue to pursue its strategic drive to broaden the geographical reach of the EPO's products and services, promoting a vision of the European patent as a catalyst for innovation, technology transfer and economic growth to the benefit of European innovators.

Primarily, the EPO will continue to pursue validation agreements as the preferred and most advanced form of co-operation with non-member states. Being able to validate European patents in non-EPC member states brings a number of advantages: national resources

that would otherwise be allocated to new search and examination can be invested in tackling backlogs in the national patent system, awareness raising and capacity building – all of which contribute to the overall sustainability of the system and render the market of the validation state more attractive for investors. In addition, they provide European applicants with a simple and cost-effective solution for legal certainty in more countries. We will explore new validation agreements in Africa, Latin America and other regions of the world.

KPI target:

14 validation agreements in force or under negotiation following official request from the interested country and Administrative Council approval

As a secondary option, we may also explore reinforced partnerships, which will allow non-member states to reuse EPO work products. This will be beneficial for European enterprises as they will be able to invest or apply for patent protection in the country, secure in the knowledge that national patents are granted on the basis of the EPO's high-quality search and examination products, helping to increase legal certainty and create a stronger patent system. The comprehensive technical cooperation programme can also comprise: specialised training; integration of national patent data and access to the EPO's worldwide prior-art collection; and expert exchanges and sharing of best practices in areas of mutual interest and capacity-building on patents for local stakeholders. These measures will ensure that the

benefits of the EPO's work and the European Patent System are still able to have a positive impact on IP and innovation even in countries where the achievement of validation status is not possible.

Partner with international and regional organisations

The EPO's relations with other institutions and partners provide the Office with the possibility to export the high-quality standards of the European patent system and develop joint initiatives that contribute to a more sustainable IP system, such as knowledge sharing, greater outreach and new initiatives that can add to the quality of our services. In SP2028, we will therefore develop our partnerships further with other international organisations and regional IP offices in order to achieve these aims.

Given that the EPO remains the largest International Searching Authority within the PCT, we will continue to develop close co-operation with WIPO, including on patent law, classification, standards and IT tools. These initiatives will work toward a more efficient, digitalised patent system that avoids unnecessary burden on patent applicants and greater accessibility when seeking to protect their inventions in multiple jurisdictions.

Co-operation with EU institutions, and especially the European Commission, will also be especially important now that the European patent with unitary effect has entered into force. Joint work programmes will continue to be established with EU agencies, such

STRENGTHEN INTERNATIONAL CO-OPERATION

as the EUIPO and the Community Plant Variety Office, to facilitate the exchange of knowledge and information and help us to develop ground-breaking studies on technological trends. Our relations will also include new co-operation with the European Innovation Council and SMEs Executive Agency, which manages EU programmes in the fields of SME support, innovation ecosystems, single market, consumer policy and interregional innovation investments.

The EPO will continue to support the efforts of African IP regional organisations to help unleash the full potential of innovation and creativity in Africa. In addition, we will develop other initiatives in close partnership with partners and PATLIB centres to ensure that inventors in Africa have the knowledge they need to use patents and patent information effectively. Building on the success of these initiatives, a similar pilot scheme will be implemented in Latin America and, eventually, in the ASEAN region.

Strengthen multilateral fora

The EPO will continue to work with key international partners via well-established co-operation fora, such as the Trilateral and the IP5, to achieve convergence of practice and avoid duplication of work. This will help ensure that European enterprises encounter similar practices and global standards when seeking patents in countries outside of Europe, giving them confidence to invest in other territories.

Specifically, the EPO will work closely with the IP5 offices (EPO, JPO, KIPO, CNIPA and the USPTO) to revamp working methods, prioritise projects and increase the effectiveness and impact generated by the IP5 joint endeavours, given that over 90% of the world's patent applications originate from the IP5 jurisdictions.

Modern programme management also implies taking stock of what has been done and achieved by the IP5 in almost two decades of existence. This starts with the recognition that the number of deliverables is greatly disproportionate to the number of projects that have been added to the IP5 agenda over the years. While initiatives like Common Citation Document, the IP5 PPH programme and, in particular, Global Dossier have delivered results and been praised and met with enthusiasm by users, there was a proliferation of projects and activities that did not fully deliver the expected results and, hence, should be discontinued. A professional programme management approach is therefore fundamental to ensure that we are going in the right direction, hand-in-hand not only with the other offices but also with users, allocating the right resources to projects and managing them efficiently, resulting in impactful deliverables that contribute to a more efficient, open, inclusive and harmonised global patent system.

In SP2028, the EPO will also advocate a sustainable IP5 agenda that promotes convergence of practice between the offices, namely by building upon the achievements of the EPN convergence of practices

programme and bringing them closer to the IP5 agenda. The EPO will continue to champion IT co-operation projects by developing, sharing and promoting the use of modern IT tools, for instance by using blockchain to complete the active part of Global Dossier – a longstanding wish of IP5 Industry. To this end, the EPO has developed and presented to the other IP5 offices a blockchain prototype allowing for the electronic transmission of priority documents. In terms of classification and after developing and making available to all IP5 offices and users the CPC text categoriser, the EPO will continue to develop further the CPC system, continuing to make it fit for purpose and future-ready in the face of a continuously evolving technological ecosystem and taking full advantage of modern AI solutions.

INCREASE SKILLS AND KNOWLEDGE

In order to fulfil its mission to foster innovation, the EPO must develop its partnerships and co-operation with other actors and partners throughout the innovation ecosystem. Through the European Patent Academy, users will be equipped with specialised knowledge of the patent system, so they have the knowledge required to use the patent system effectively and reap its benefits. By working with partners, such as with member states and the CoCoNet network of communications experts from NPOs, we will also build a broader awareness of the patent system. Developing partnerships will also allow the EPO to continue providing leading patent intelligence that provides insight and helps businesses and policymakers to take informed decisions. Furthermore, the Observatory on Patents and Technology will offer a unique forum to generate further insight and encourage debate that can help lead to a more sustainable society.

The European Patent Academy: an IP training centre of excellence

In SP2023, we witnessed the biggest reform of the European Patent Academy since its inception 20 years ago. Under the reform, there is a new governance model, which puts member states at the centre of the planning of the Academy's annual work plan by empowering the TOSC and organising dedicated meetings with member states to design the training program; a new and fully fledged approach to training and capacity – building involving thousands of training courses, applied and adapted to each of the different audiences and covering all the life cycles of an invention and patent from lab to market; the deployment of the most advanced solutions and

technologies for training and education placing the Academy at the forefront of educational innovation. All this has contributed to the Academy reinforcing its global leadership as an IP training centre of excellence – a fact further underlined by the high participation rates in the training. There are currently 23 000 annual registered participants in Academy events and over 17 000 enrolled participants in the eLearn Centre.

At the same time, the European Patent Academy and the Office's Talent Academy have recently come closer together to seek and take full advantage of synergies and resources, and to develop joint

activities and programmes, including training tools, resources and activities, knowledge repositories, pools of experts, learning research projects and, importantly, learning activities bringing together NPOs and EPO examiners: the iLearn Days.

With SP2028, the EPO aims not only to continue capitalising on the benefits arising from a revamped European Patent Academy, but we will also concentrate our efforts on making the Academy future-ready. We will do this by embracing new topics interlinked with the latest technological and legal developments, expanding the Academy portfolio to include new topics and areas of most interest



INCREASE SKILLS AND KNOWLEDGE

to our audiences, including those identified and prioritised by our member states and patent professionals, and by reaching out to new audiences.

To achieve this, the Patent Academy will focus on pursuing greater collaboration with established and new partners, greater digitisation, more modularity, broader access, added emphasis on certification and greater diversity among training participants. We will continue to work closely with the member states of the EPC, collaboratively developing the catalogue of training offers to ensure that high-quality training is available to NPOs and all actors within the member states and ensuring careful oversight through the TOSC.

New partners will also help to spread knowledge beyond the EPO's traditional audiences, with special emphasis on the younger generations. Patents are often understood to be the preserve of specialists. This is a challenge we must overcome. The reach of the patent system must be maximised through networks such as CoCoNet and by forging partnerships with a broad spectrum of actors in the private and institutional spheres. For this, the system must continually evolve to be more inclusive, welcoming actors from diverse backgrounds and sizes, including individual entrepreneurs, SMEs and research institutions.

Through collaboration with schools and universities, the EPO will help sow the seeds of curiosity and creativity for tomorrow's inventors,

foster technology transfer between academia and industry and jointly pursue cutting-edge research tools and methodologies. Collaboration with new institutions in the EPO landscape, including European Schools or the UN's SDG Academy, will extend our reach and we will simplify content and learning tools to drive greater understanding and engagement among diverse audiences. The pilot project with the European Schools, which aims to provide students with IP education and awareness content specially designed for younger generations, will be fully deployed under SP2028 and later adapted to pave the way for a co-operation project open to interested member states and schools.

Popular activities such as the Office's flagship outreach event – the European Inventor Award (EIA) – will help to raise awareness in new audiences. The Young Inventor Award, launched in 2022, will also be developed further to raise awareness of technology and patents among young people as the next generation of inventors. Furthermore, the launch of an EIA alumni network will also help to build awareness among young people. The EIA alumni network will bring past finalists into direct contact with students and young inventors to serve as inspirational role models for young people.

The Patent Academy will also be delivering knowledge in a more modular fashion to make learning more digestible, accessible and convenient for all our users, which will support, for instance, the integration of EPO courses into science and technology faculties.

In Europe, IP education is still very much oriented to legal audiences when compared to the US, even despite some improvement in recent years.

IP education and awareness should be an integral and fundamental part of academic curricula across all areas of knowledge, in particular, those that are intrinsically linked to innovation and creativity: STEM. The EPO has recently developed the modular intellectual property educational framework (MIPEF) precisely with the aim of providing basic, yet fundamental, IP education to university students pursuing their studies in science, technology, engineering and maths (STEM). These off-the-shelf EPO-developed educational modules, which can count as up to six credits towards the European Credit Transfer and Accumulation System (ECTS) requirement,⁹ are ready to be seamlessly integrated in the curricula of any European masters and PhD programmes, in particular the Young Professionals Programme network. So far, 22 universities are already using the MIPEF in their curricula, and in SP2028, we aim to increase that number by 80.

KPI target:

 **80** universities to offer the MIPEF as part of their curricula

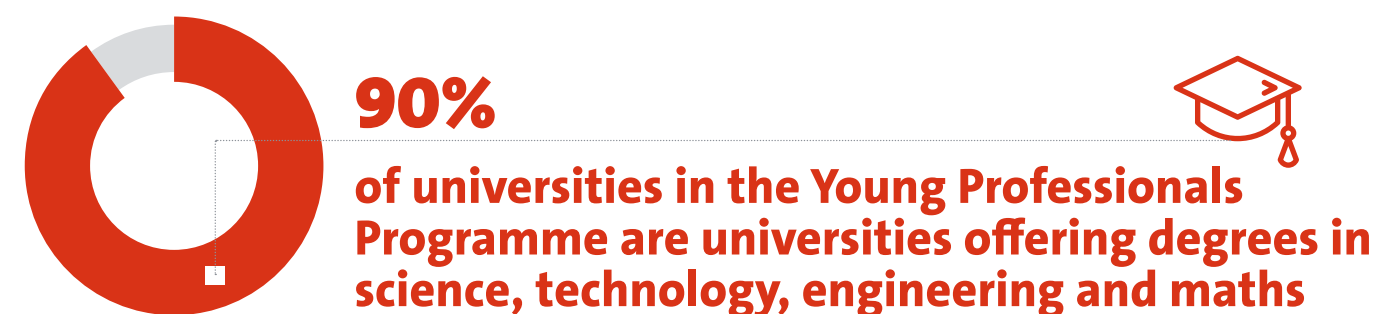
⁹ - The European Credit Transfer and Accumulation System (ECTS) is a tool of the European Higher Education Area for making studies and courses more transparent. It helps students to move between countries and to have their academic qualifications and study periods abroad recognised.

INCREASE SKILLS AND KNOWLEDGE

Our partnerships with schools and universities will therefore complement other initiatives that help shape future generations of innovators and decision makers, such as the Young Professionals Programme (YP) – see Driver 1: People. The YP has evolved from a pure internship programme to a first-employment opportunity, offered to the brightest minds graduating from universities in member states. By joining the programme, the universities also commit to a number of initiatives and KPIs when it comes to the usage and promotion of the European Patent Academy’s educational contents, such as the previously mentioned MIPEF.

So far, over a thousand young professionals have participated in the programme since 2015. Currently, there are 128 participating universities, from 37 member-states; 80% of them are universities offering STEM courses. A priority in SP2028 is to increase the number of STEM universities participating in the YP program from 80% to 90%.

KPI target:



Another important factor for ensuring maximum outreach and impact of the activities offered by our Academy is digitalisation. We will therefore maintain our commitment to digitalisation and further facilitate access to learning from anywhere in the world – without the costs and environmental footprint associated with travel.

Provide leading patent intelligence

The EPO holds the world’s largest collection of patent information and non-patent literature. Through our partnerships and collaborations, we can unlock the knowledge embedded in patents and provide stakeholders with insight and intelligence that can support informed, strategic business and policy decisions.

In SP2023 we laid the foundations for the structured pursuit of this goal through the development and publication of a comprehensive and forward-looking data policy. We also improved the functionality and accessibility of our patent information tool, Espacenet, by introducing new technology platforms on highly relevant topics, such as fighting coronavirus, firefighting technologies and clean-energy technologies, which will continue to be developed in partnership with member states. These platforms help innovators find pertinent information, enabling them to devise new solutions that can address society’s pressing challenges. Facts and evidence build a proper understanding and support informed decision-making and, consequently, action. By 2028, the EPO aims to have in place

Under SP2028, the EPO will reinforce its role as a patent intelligence hub that brings high-quality information to all users in various forms.

14 Espacenet technology platforms dedicated to specific topics of interest, which will be supplemented by new products and services developed with a view to enhancing access to patent intelligence.

KPI target:



Under SP2028, the EPO will reinforce its role as a patent intelligence hub that brings high-quality information to all users in various forms. Our main aims are: to simplify our patent information services and tools to make them more useable and accessible; to provide actionable and high-value insights on relevant topics; and to improve the quality and timeliness of data offered to our stakeholders. We will also drive innovation in data products and services, foster

INCREASE SKILLS AND KNOWLEDGE

collaboration and knowledge-sharing and strengthen the EPO's data management capabilities. This comprehensive approach to patent intelligence will enable the public to leverage our data assets to drive business success, foster innovation and promote economic growth while upholding the highest standards of security, reliability and equitable usage of the system.

The EPO will also make internally developed tools, such as the Technology Intelligence Platform, which enables in-depth exploration and analysis, available to external stakeholders such as universities, researchers and innovators, through a single and freely accessible public platform, which the Observatory on Patents and Technology can also leverage. At the same time, our catalogue of patent information services will be simplified and streamlined, lowering administrative barriers for access to our data.

The EPO will also use its patent information to develop novel studies that provide policymakers, businesses and inventors with timely analysis on technology trends. These insights will empower them to make informed business and policy decisions.

Strengthen the PATLIB network

PATLIBs (patent information centres) are a unique asset of the European patent system. With over 300 centres across our member states, the PATLIB network provides local access to patent information and is familiar with the local industrial, economic and business

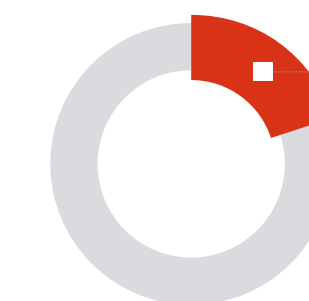
landscape. PATLIBs help entrepreneurs, SMEs, private inventors and students understand how to successfully exploit patents to support innovation and facilitate the transfer of technology.

Under SP2023, our main focus was to rebuild the core foundations of PATLIB, reshaping it and ensuring that the network has the knowledge, skills and the tools required to provide the services needed by a wide and diverse range of users. From those PATLIBs that offer basic, yet essential, patent information services to those that include in their portfolio an array of advanced services in fields like patent intelligence, tech transfer and patent valuation, PATLIBs form an integral invaluable part of the EPN. They are essential for helping to bring ideas to market and in fostering and enabling a strategic use of IP and patents, thereby playing an ancillary role in meeting the ultimate goal of a patent system: to ensure the fair recognition of human ingenuity, through the granting of high-quality patents that promote the effective use of the protected technologies to the general benefit of society.

In recent years the EPO empowered and energised the network of PATLIB experts by providing customised digital training packages and promoting the exchange of best practices, which enabled them to provide a broad spectrum of effective services. Additionally, the PATLIB network's geographical reach was extended through the Knowledge Transfer to Africa (KT2A) co-operation initiative, implemented with a large group of African universities to foster innovation and technology transfer in the region.

In SP2028, the EPO will focus on increasing co-operation within the PATLIB network and enhancing digitalisation to provide new services, fostering the pooling of requests from users and facilitating access to professional advice within the network. The EPO's support for PATLIBs will also include access to, and training on, freely available tools in the field of patent knowledge and technology transfer certification that are essential to enhance PATLIB services. The EPO will continue to encourage PATLIBs to consolidate their capabilities and acquire new ones in order to achieve the greatest local, regional and global impact.

KPI target:



20%
of PATLIB Level 3 centre staff to have obtained a technology transfer certification

KPI target:



50%
of PATLIB centre staff to have completed EPO technology transfer training provided by the European Patent Academy

INCREASE SKILLS AND KNOWLEDGE

Furthermore, PATLIBs will be able to benefit from micro-funding and support packages for local events for SMEs, aspiring entrepreneurs, inventors and others on annual topics selected by the EPO with a view to fostering the sustainability agenda.

The KT2A co-operation initiative will be extended via a pilot project in Latin America and, eventually and depending on the assessment of the results achieved, extended further to the ASEAN region.

Generate insight for a sustainable future: the Observatory on Patents and Technology

In addition to providing patent intelligence and skills and knowledge, it is essential to have a transparent and inclusive forum that can support rich dialogue on the latest technology trends, which can empower decisions that can lead to a more sustainable society.

In October 2023, the launch of the EPO's Observatory on Patents and Technology changed the landscape for debate on innovation in Europe. The Observatory serves to encourage knowledge sharing and foster evidence-driven discussions on a wide range of topics. By pinpointing knowledge gaps in patents and intellectual property matters and bolstering understanding of intricate technological concepts, the Observatory will empower the EPN and its collaborators to address challenges, envisage transformations and advance economic, social and environmental progress. It will provide new opportunities to address specific stakeholder needs: for example, policymakers and

business leaders will benefit from enhanced patent data mapping and visualisation to support decision-making.

To mark the start of the Observatory, a new tool was launched to serve the European startup community, which is the backbone of innovation. The Deep Tech Finder (DTF), freely accessible from the EPO website, blends patent data with financial information, makes deep tech startups more visible to potential investors and allows the startups to explore funding opportunities and search for cooperation partners in their fields of activity. From launch, some 7 500 European startups and owners of European patent applications became searchable in different fields of technology. The tool was received with high appreciation from multiple actors of the innovation ecosystem.

Under SP2028, the continuous expansion of the DTF will be supported by several developments, such as a function to identify spinouts of

In addition to providing patent intelligence and skills and knowledge, it is essential to have a transparent and inclusive forum that can support rich dialogue on the latest technology trends, which can empower decisions that can lead to a more sustainable society.

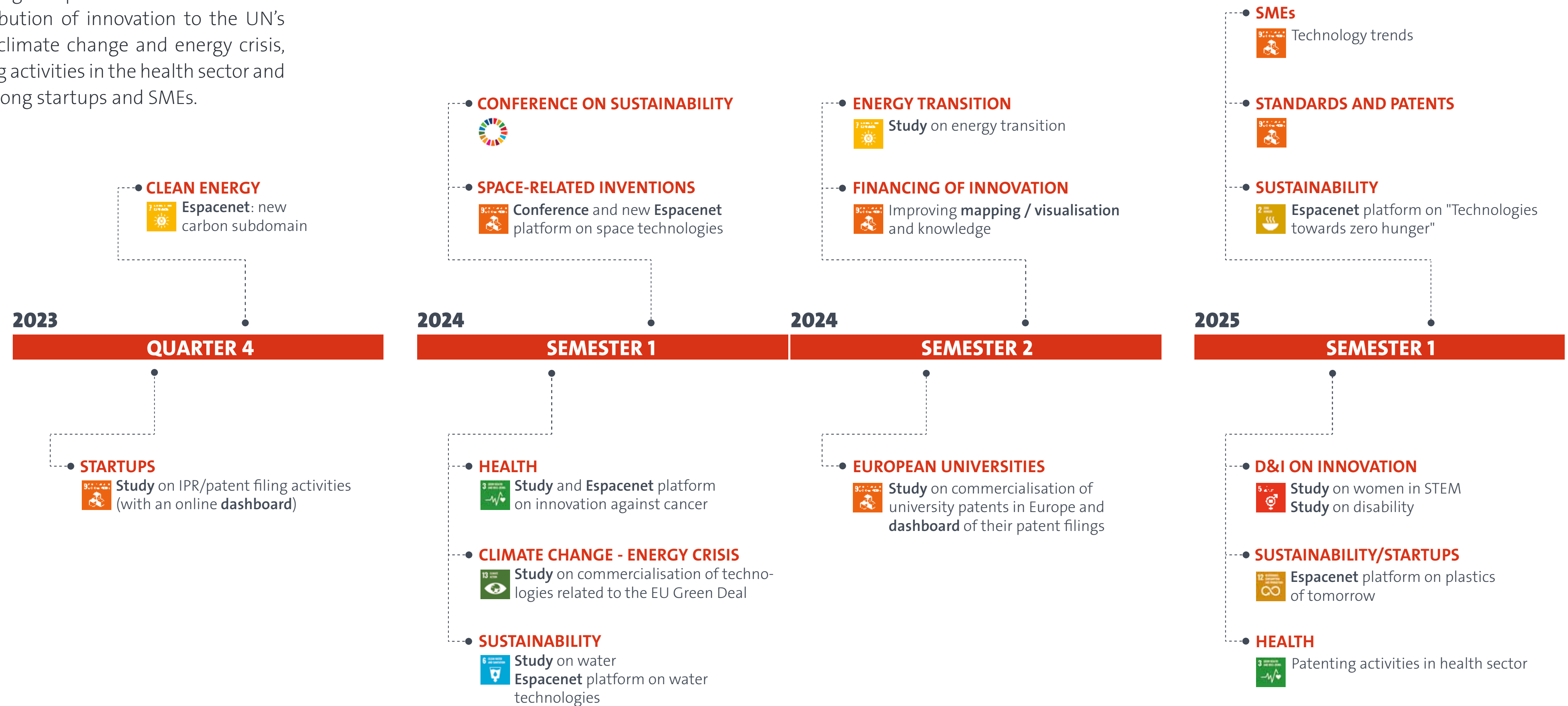
European research universities, the addition of new technological fields or the enrichment of the financial information. Through the deployment of a comprehensive awareness campaign to be put in place in the next few years, the EPO aims to have the DTF fully recognised and used by a wide community of startups and investors and to be referenced by multiple partners.

The DTF was the first deliverable of the Observatory, released on its first day of operations. It underlined the importance of collaboration – that it remains vital to the Observatory's success. We will work closely with member states and other partners to further the Observatory's goals and to make sure that it is an inclusive platform, delivering the benefits that our users need. We will encourage the participation of external stakeholders and establish partnerships with interested entities. The Observatory will issue regular calls for interest, evidence, consultations and work packages to gather diverse expertise and knowledge and will produce comprehensive studies and analyses. It will also establish networks that bring together multidisciplinary skills and IP expertise to foster innovation throughout Europe and strengthen the European patent system. More than 80% of member states responded to the first call issued in November 2023, illustrating their high interest in collaborating further in this field.

The Observatory will become a trusted partner for its stakeholders, such as member states, facilitating understanding of the innovation cycle, identifying gaps in our understanding and helping partners to find the most appropriate solutions.

INCREASE SKILLS AND KNOWLEDGE

The first agreed work plan covering the period 2023-2025 has ten main topics, including the contribution of innovation to the UN's Sustainable Development Goals, climate change and energy crisis, space-related inventions, patenting activities in the health sector and the latest technological trends among startups and SMEs.



INCREASE SKILLS AND KNOWLEDGE

Awareness-raising campaigns to disseminate research, evidence and patent-related intelligence will complement the work of the Observatory and be carried out in co-operation with stakeholders at the European and national levels, such as EPO member states. The Observatory will also work closely with the European Patent Academy and other actors to support educational activities and facilitate discussions on complex subjects. It will primarily operate as a digital platform, utilising modern communication tools, such as online seminars and e-conferencing, and making the results of its work content freely available on the EPO website. To help us monitor our progress in achieving this aim, we will set a top-level KPI for the outreach of the Observatory, specifically the average number of visits (by the general public) to innovation-related material published by the Observatory on the various digital platforms (e.g. Deep Tech Finder), studies and events, the digital library and Observatory website. The indicator will be closely monitored during the first year after the launch of the programme until a baseline figure is calculated. Targets will be set for 2025 onwards.



D05 Financial Sustainability

Strategic Plan 2028

As a self-funded organisation, our financial sustainability is of utmost importance. It is a prerequisite for the future of the EPO and directly related to our ability to have a positive impact on the patent system and society. Crucially, **financial sustainability also preserves our organisation not only for today but for tomorrow, ensuring that the EPO is always in a position to serve its stakeholders and fulfil its obligations to EPO staff and their families – past, present and future.**



The EPO's mandate to maintain financial sustainability at all times can be challenging. The world is constantly changing. More recently, we have seen an economic climate that has been marked by uncertainty, high

levels of inflation, global supply chain challenges and volatile financial markets. However, as a result of the actions taken under SP2023 and by making concerted efforts in SP2028, achieving financial sustainability is now a very real and attainable possibility.



TOWARDS FINANCIAL SUSTAINABILITY IN SP2023

To achieve financial sustainability in a changing world, an organisation must first understand its current financial situation and then act effectively armed with that insight. So, in 2019, the Office commissioned independent experts to undertake a first financial study to assess the EPO's long-term financial situation. On the basis of a base case scenario, the study identified a funding gap of EUR 5.8 billion set to emerge over the next 20 years, meaning the EPO would not be able to cover its liabilities in the future without any additional measures.

To address this gap, our Office developed six financial measures based on the six principles of transparency, proportionality and fairness, shared effort among all stakeholders, affordability, reversibility and gradual implementation.

The package of measures was adopted by the EPO's Administrative Council in June 2020 and represented a joint commitment to the different stakeholders for securing the long-term financial sustainability of the Organisation. It consisted of the following measures:

1 Adjust the method for collective salary adjustments – the Office maintained the underlying methodology, capping the result (Eurozone inflation +0.2%) to ensure better control of the evolution of the salary mass and related expenses.

2 Increase pension contributions to RFPSS by 3.3% – on the recommendation of actuarial studies, the global contribution rate for pensions increased steadily from 24% in 2006 to 29.4% in 2018. On the basis of the 2019 report of the Actuarial Advisory Group, the bundle of measures integrated a +3.3% increase from 29.4% to 32.7% as one of the measures from 1 January 2020.

3 Increase procedural fees – the measure increased revenues from procedural fees on the basis of proposals to the Administrative Council to adjust fees to inflation every two years, while also ensuring accessibility to the patent system.

4 Digitalise the PGP end-to-end – on the basis of the implementation of a digital transformation in the EPO, the measure anticipated an increase in productivity by improving tool functionalities, interoperability between tools and a reduction in repetitive/less cognitively demanding tasks, translating into greater flexibility to adapt the workforce and offer them more valueadding activities.

5 Invest 60% of annual cash surplus in EPOTIF – adopting a cautious approach for future investments in financial markets, it was proposed to invest 60% of annual cash surpluses in EPOTIF (the EPO Treasury Investment Fund).

6 Invest 40% of annual cash surplus one-off in RFPSS – the measure proposed to continue the practice of one-off cash injections into the RFPSS (Reserve Funds for Pensions and Social Security of the European Patent Organisation), which supports the Original Pension Scheme (OPS) and, since 2009, the New Pension Scheme (NPS). This practice was proposed to continue when future budgetary surpluses were to occur and under the condition that the Council would support these transfers.

EVALUATING CURRENT PROGRESS

As the end of the SP2023 drew near, the Office commissioned a further independent financial study to evaluate the impact of the measures implemented since 2020.

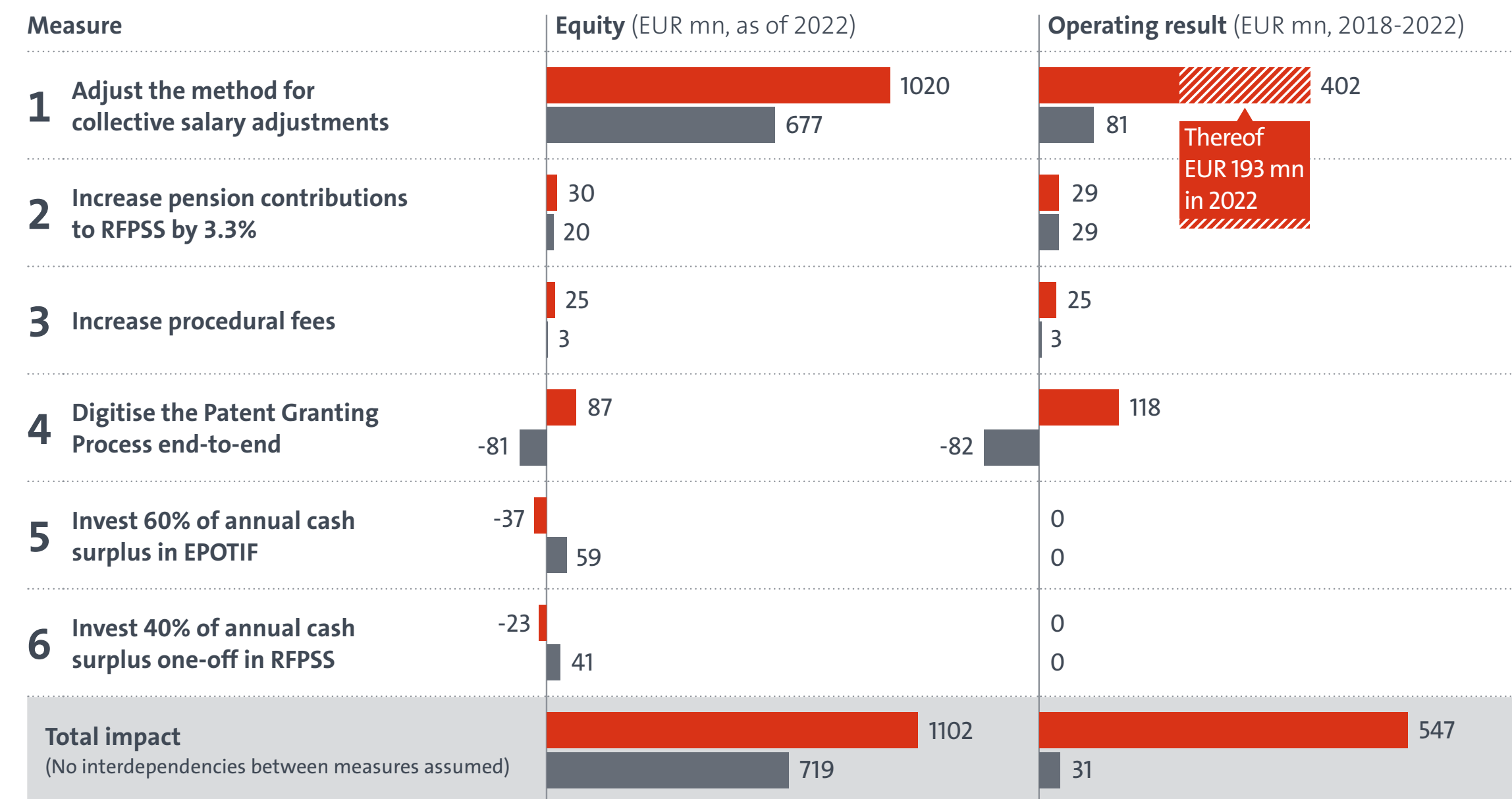
Overall, the study found that the EPO's situation had evolved in four different ways: there had been a return to a positive interest rate environment driven by higher inflation; there was GDP growth in most relevant jurisdictions despite the pandemic; along with steadily growing incoming workload, there was an increase in search and examination stock while timeliness targets were met; and the bundle of financial measures had been introduced successfully since 2020.

Fundamentally, the as-is analysis found that the bundle of financial measures implemented since 2020 have had a positive impact on the EPO's financial situation. Specifically, a total impact of EUR 1102m was observed as of 2022 on the Office's equity,¹⁰ as opposed to the EUR 719m predicted in the 2019 financial study. Furthermore, a total impact of EUR 574m was observed on the Office's operating result from 2018 to 2022, as opposed to the EUR 31m predicted.

The chart below depicts the financial impact of the six measures adopted in June 2020 in terms of equity and operating result.

Financial impact of approved measures with CA/18/20 until today

Cumulative effect of financial impact illustrated via equity position and operating result



1. As per Financial Study 2019 Phase II; due to different accounting standards and different macroeconomic assumptions, projections of the Financial Study 2019 are not directly comparable to any assessment based on today's financial statements; The comparison on this page should be considered as a directional indication only; Source: EPO Financial Statements 2018-2022; Financial Study 2019; Mercer & Oliver Wyman analysis

10 - Equity is the total value of the organisation's assets minus the sum of its liabilities.

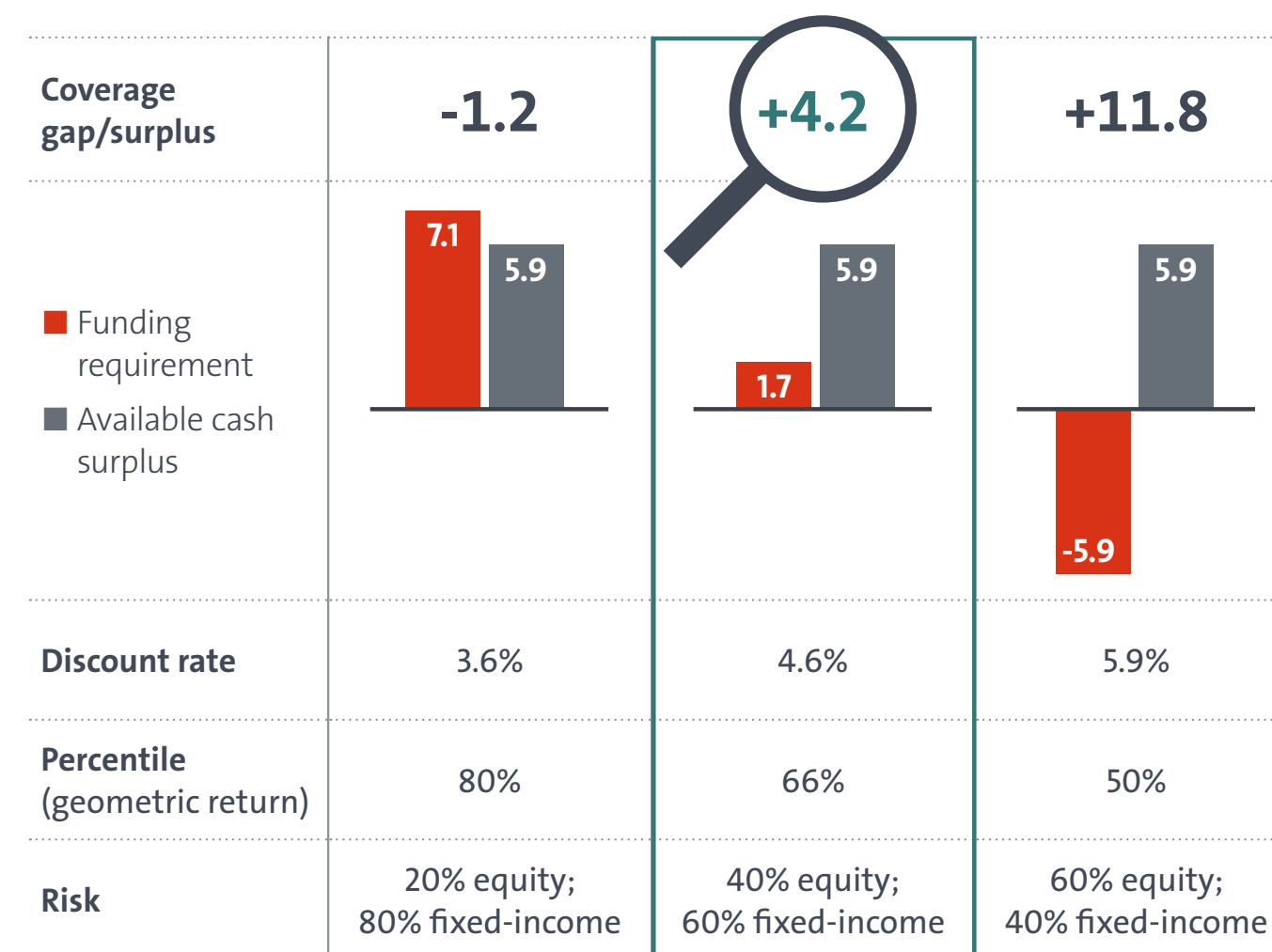
LOOKING TO THE FUTURE

With substantial progress made under SP2023, the latest financial study also equips our Office with a picture of how the EPO's finances are set to evolve in the future. Our long-term financial sustainability has been assessed, taking due account of developments in the technological and financial landscapes that have occurred since 2019 – especially in the light of the high levels of inflation.

Fundamentally, the study found that the EPO's finances are projected to evolve positively. Using the base case scenario, the EPO is expected to achieve a more positive outlook over the next 20 years. By 2042, it is expected that the funding requirement of the Office will be EUR 1.7bn while the available cash surplus is expected to be EUR 5.9bn, resulting in an overall coverage surplus of EUR 4.2bn.

Coverage gap/surplus in 2042

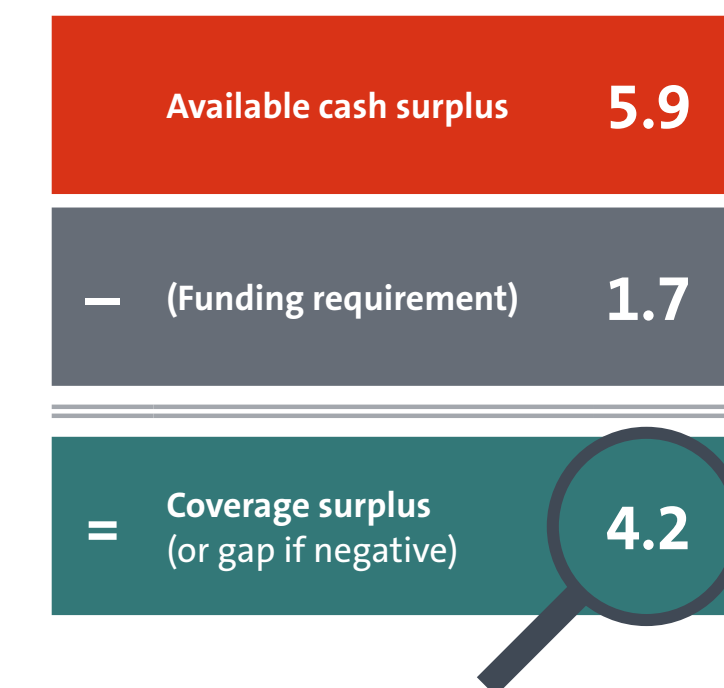
Base Case, in EUR bn, deflated to 2022



Baseline for the financial assessment and sensitivity analysis

Source: EPO Financial Statements 2018-2022; Financial Study 2019; Mercer & Oliver Wyman analysis

Example calculation of coverage gap/surplus
Base Case, in EUR bn, deflated to 2022



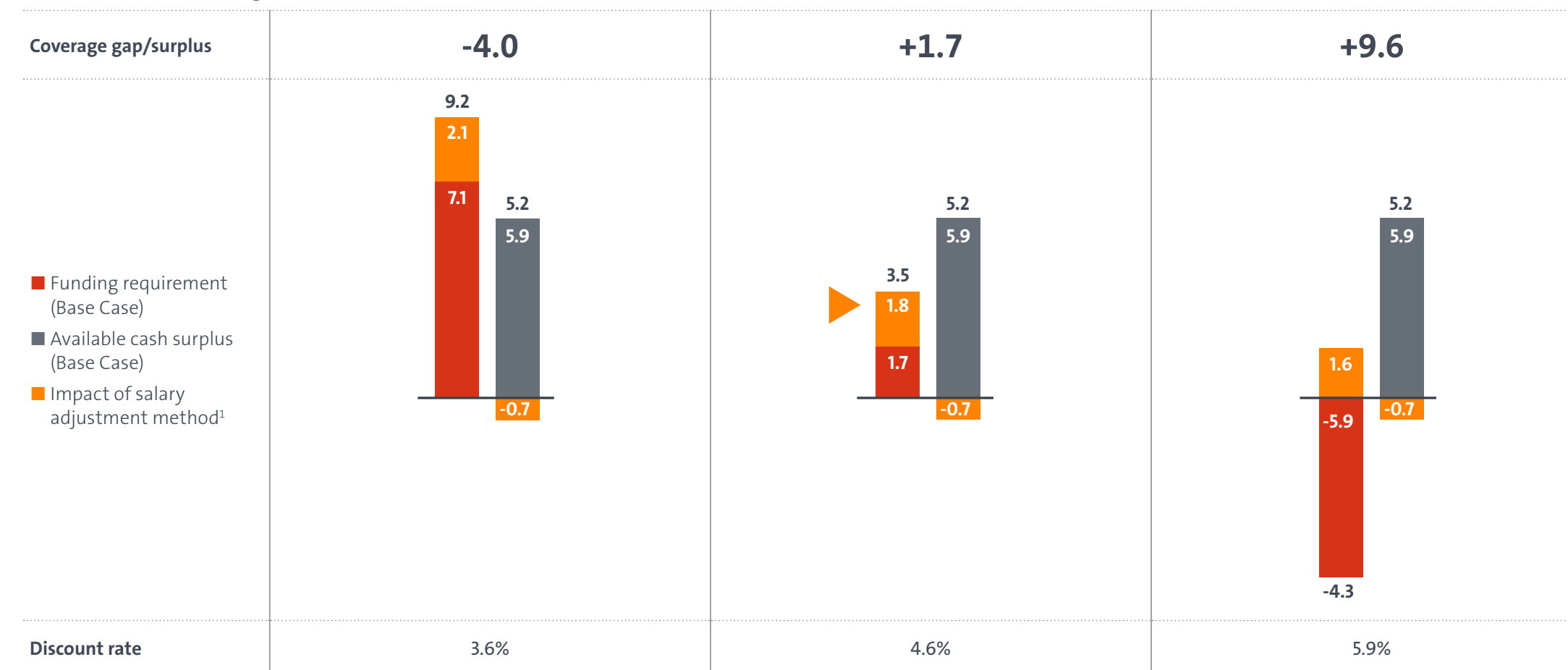
LOOKING TO THE FUTURE

Notably, the measure on salary adjustment has contributed EUR 1.8bn in the middle scenario to improving the funding requirements. This means that without the salary adjustment the overall funding requirements of the Office would have been EUR 3.5bn instead of EUR 1.7bn. Additionally, the salary adjustment method has increased the cash available by EUR 0.7bn. Digitalisation has improved the cash position of the Office by EUR 1.3bn in the middle scenario for future coverage. Without this measure, the Office's available cash would have amounted to EUR 4.6bn instead of EUR 5.9bn.

Impact of salary adjustment measure:

Coverage gap/surplus in 2042

Base Case without digitization benefits, in EUR bn, deflated



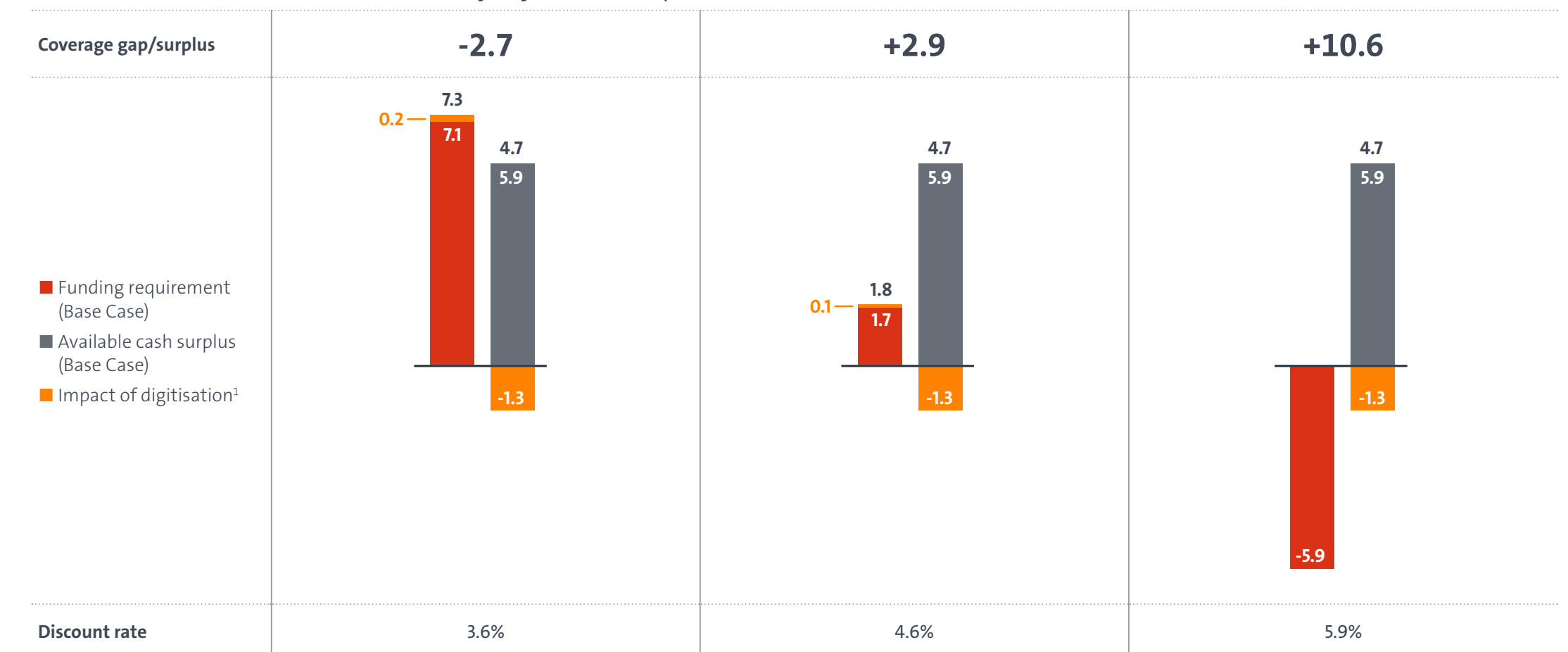
¹ Implemented on basis of CA/18/20

Note: The sums of individual figures might be different from the totals due to rounding; Source: EPO Financial Statements 2018-2022; Financial Study 2019; Mercer & Oliver Wyman analysis

Impact of digitalisation:

Coverage gap/surplus in 2042

Base Case with method for collective salary adjustments in place until 2020, in EUR bn, deflated to 2022



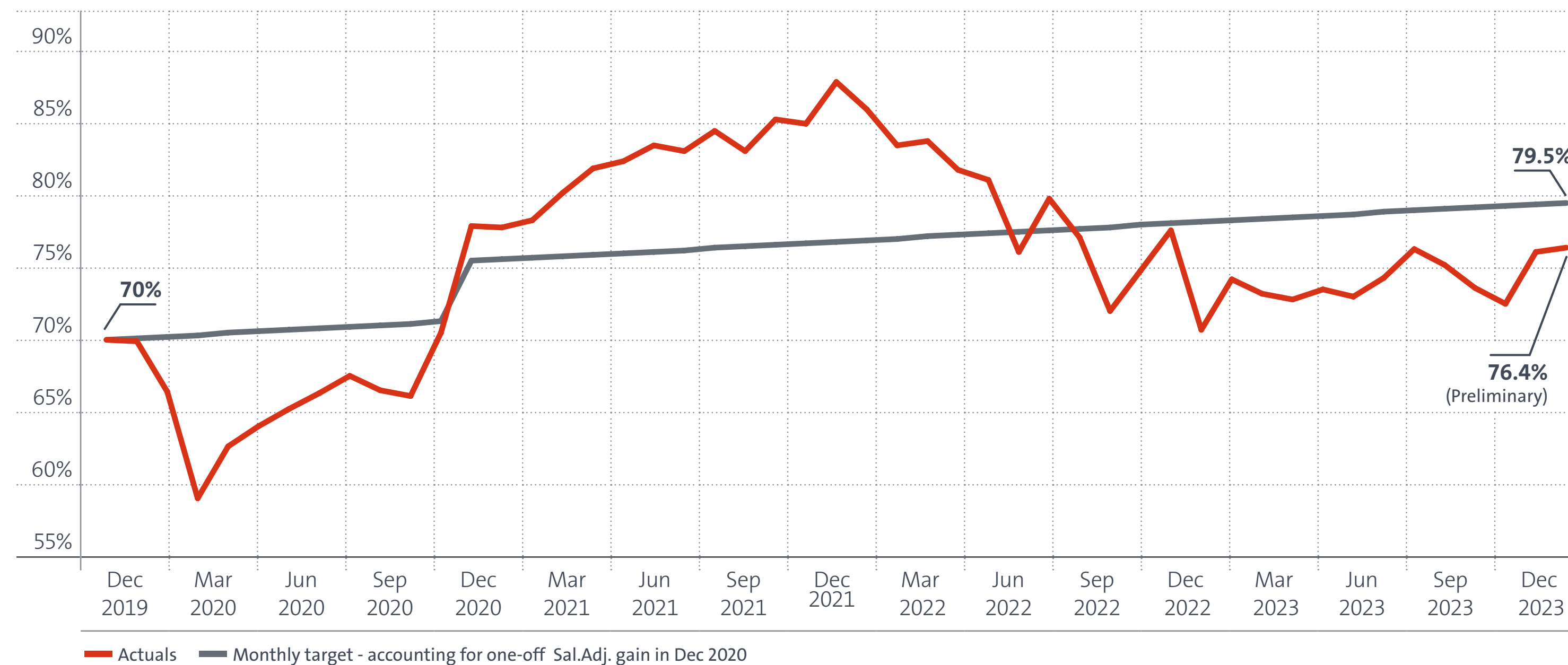
¹ Implemented on basis of CA/18/20

Note: The sums of individual figures might be different from the totals due to rounding; Source: EPO Financial Statements 2018-2022; Financial Study 2019; Mercer & Oliver Wyman analysis

ACHIEVING FINANCIAL SUSTAINABILITY AND RESILIENCE

Together, the 2019 financial study, the financial measures deployed and the 2023 financial study have shown that the EPO now has the possibility to move from a situation in which it would not have been able to cover its long-term financial obligations to the situation in which we stand under the current macroeconomic scenario, where we are able to face our long term liabilities and *more than* cover our long-term financial obligations – and achieve our long-term goal of financial sustainability.

Our road to financial sustainability is also a journey to financial resilience.



However, to reach this goal, we must continue to make concerted efforts. The 2023 financial study is only an appraisal of the current situation and based on a set of assumptions that can change in the future. There are external parameters beyond the EPO’s direct control, such as incoming workload. In addition, there are macroeconomic parameters, determined by external market forces, such as the discount rate, inflation and capital market performance. Each factor can have a very significant impact on our ability to achieve financial sustainability. For example, the predicted surplus of EUR 4.2bn is based on a discount rate¹¹ of 4.6% in line with expected returns on our financial assets. Small changes to this parameter have a disproportionately big impact on our coverage gap.

As a result of this uncertainty, our road to financial sustainability is also a journey to financial resilience. The EPO must continue to make progress on the factors that we can control so that we can still achieve financial sustainability even in the face of any unexpected economic shocks or negative external influences. This can only be achieved by increasing productivity, planning well our production, protecting our vulnerabilities by introducing a better risk management approach and incorporating an economic buffer into our projections for achieving financial sustainability. For the latter, our positive operating result surplus will be the first resource.

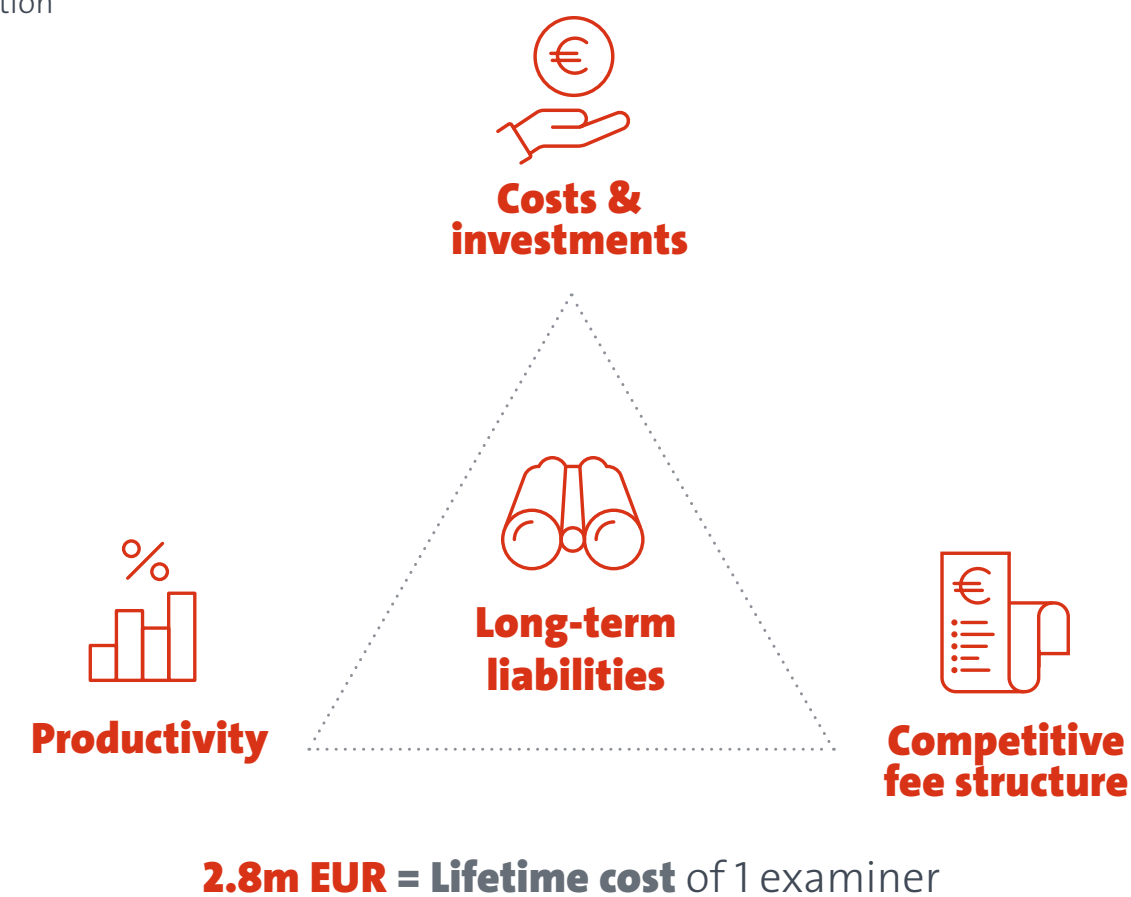
¹¹ - Discount rate is the interest rate used to calculate the present value of future assets and liabilities. Higher inflation expectation leads to higher discount rate.

ACHIEVING FINANCIAL SUSTAINABILITY AND RESILIENCE

Increase productivity

Productivity is one of the elements that is under our control. With the right level of productivity, we achieve the right equilibrium in terms of our cost structure, our fees as our main source of revenue and our long-term liabilities (see chart below). In other words, if we want to retain our comprehensive social package to attract the best talent in Europe and we want to achieve this with fair and competitive fees for our users, we need to improve productivity. This does not mean being faster for the sake of producing, but prioritising what needs to be done, and when, with the quality of our products and services. It is worth noting that where productivity has increased the most, i.e. in search, quality has remained at a high level. Where productivity figures have been lower, in examination, quality has been lower at the same time.

- Social package to attract talent
- Technology infrastructure and tools
- Co-operation



The sensitivity analysis in the 2023 financial study across different parameters confirms that higher productivity is one of the main levers of our financial sustainability. Only one product fewer per FTE per annum than assumed in the period between 2028 and 2042¹² has a negative impact on our coverage gap/surplus of EUR -1.0bn.

The financial study assumes a 2.1% per annum average increase in productivity. We believe that this productivity increase is attainable with an Office-wide effort to which everyone will have to contribute. Stateofthart technological infrastructure, modern and flexible tools in examination, leveraging of the latest technology, including AI, and its swift adoption, the flexibility of the new ways of working, upskilling and continued investment in training, including of managers, and operational excellence across all DGs will all pave the way to achieving the required productivity increase.¹³

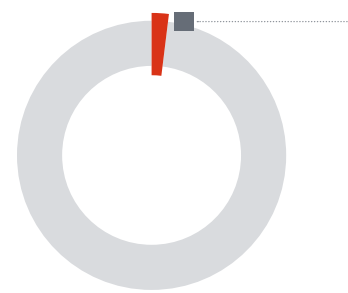
Having observed an increased productivity in search, where digital transformation has delivered improvements in preclassification, classification, pre-search, and search tools, we believe that the same approach as well as changes in the way we work to make the process less sequential and more collaborative will deliver higher productivity in examination in SP2028. Simplification of our processes and replacing outdated, unstable tools such as eDrex and Trimaran, which were meant to be transitional, will unleash the potential for increased productivity. Our simplification boards, in which we discuss with all DGs our PGP processes, better technology and smart use of AI, will be important elements in this endeavour. We have already seen the first signs of these efforts in 2023, where our overall productivity has increased by 3% and our overall production by 4% over 2022. In SP2028, we will put in place all the conditions to achieve the average productivity increase of 2.1% per year.

12 - The financial study covers the period between 2023 and 2042. For the first five years, the study uses plan numbers; subsequently, it is based on assumptions on productivity.

13 - ECB: key factors behind productivity trends in euro area countries, within firm productivity growth.

ACHIEVING FINANCIAL SUSTAINABILITY AND RESILIENCE

KPI target:



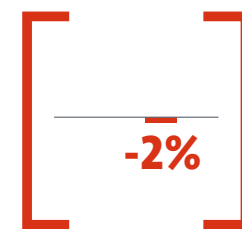
2.1%
average productivity increase per year

Plan production – Production is productivity multiplied by capacity. At the EPO we measure both. Productivity, to know how our efforts in terms of simplified processes, use of technology infrastructure, tools and better working methods enable our staff to deliver the best in the time they have. Production is measured to know the ultimate outcome of our cumulative work in terms of the absolute number of searches, examinations (including patent publications) and oppositions. Here we measure how well we have implemented our yearly plans. Our ambition is first to increase productivity, which positively affects our long-term financial sustainability. We will continue with our regular recruitments and continuous knowledge transfer and regularly review the replacement ratios depending on productivity gains, incoming workload, demographics and quality. As capacity also increases our liabilities, the replacement ratios will act as a reference in order to prioritise internal mobility and productivity gains.

13 - The financial study covers the period between 2023-2042. For the first 5 years, the study uses plan numbers; subsequently, it is based on assumptions on productivity.

14 - ECB: key factors behind productivity trends in euro area countries, within firm productivity growth

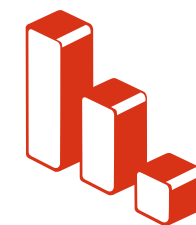
KPI target:



Maintain the negative deviation from our annual production target at no more than -2%

Protect vulnerabilities – Given the EPO’s vulnerability to macroeconomic factors, it is recommended to use the current improved financial position to mitigate financial risks and secure long-term sustainability for the benefit of staff and stakeholders. We will think concretely about four measures. On the basis of the financial study and the outcome of phase 2, we will ensure that all our liabilities are covered at the right level.

KPI target:



Continually reduce the percentage of our unfunded liabilities based on the risk analysis

Second, we will build a buffer against financial risk. From the sensitivity analysis in the 2023 financial study, we know that a 1% decrease in the rate of return of EPOTIF/RFPSS would lead to a decrease of our coverage gap/surplus by EUR -5.4bn. A 1% change in inflation could move our coverage gap/surplus from EUR -8.8bn to EUR +10.2bn. These two parameters (rate of return of our financial assets and inflation), which are outside of our control, have the biggest potential to push the Office into a deep financial gap. The source of our buffer to face these risks and other future uncertainties is our operating surplus. As long as we are in a position to generate a positive operating result, we have to make the best use of this surplus. Over the last few years, surpluses were injected into the RFPSS to support better coverage of our liabilities. On the basis of the outcome of phase 2 of the financial study, technical proposals will be made for the use of the surpluses and the constitution of the buffer.

Third, we need to invest in our real estate to maintain the value and optimise the running costs of our building portfolio according to the principles defined in Driver 1.

Finally, in the next phase of the financial study we will look into the mandate of EPOTIF, its governance, set-up and its funding level. The governance and set-up of EPOTIF, while appropriate for the initial phase, have been shown to be heavy with avoidable overheads. There are synergies with RFPSS in terms of simplification, investment strategies and the management of the fund that we must explore.

ACHIEVING FINANCIAL SUSTAINABILITY AND RESILIENCE

In 2025, the Office will have infrastructure in place, such as the new investment platform, which could facilitate a partial insourcing of EPOTIF management. EPOTIF is where our buffer lies and is in other words one of the guarantees for the financial sustainability of the Office. At its core, it is a sustainability fund. Run with appropriate financial assets, it is a line of defence should the risks identified in the financial study materialise. With these three measures in place, we aim to position the Office in the next five years in a place better capable of weathering macroeconomic challenges. We will monitor our progress regularly and transparently using a top-level KPI for the coverage gap/surplus. It will be recalibrated to account for the findings of the new financial study in order to have a proper baseline for the follow-up.

KPI target:



**Coverage gap / surplus,
recalibrated to account for the
findings of the new financial study**

SP2028 KPIS

PEOPLE AND HOMES

Staff engagement

75% overall staff engagement

Recruitment

End-to-end recruitment cycle of below four months' time to hire

Gender diversity

40% of staff are women

Geographic diversity

Staff from all EPC contracting states

Develop talent

- 75% positive impact of training on helping staff to perform their work
- 40% of managers are women

Environmental sustainability

Be a carbon neutral organisation by 2030: carbon footprint of less than 1 000 tonnes of CO₂ by the end of 2028

Build value

25% reduction in the running costs of our buildings in Munich and The Hague

Sense of purpose

85% percent of staff say they understand how their role contributes to the achievement of our mission

TECHNOLOGIES

Availability of IT systems

99% availability of IT systems (internal/external)

Digital transformation

99.5% of PGP processes digitalised by volume, 90% in corporate area

Leverage AI

90% quality in AI-based classification

SP2028 KPIS

QUALITY PRODUCTS AND SERVICES

<p>Digitalise our process Decommission legacy Mailbox and My Files by 30 June 2024</p> <p>Decommission incoming faxes in the PGP by 30 June 2024</p> <p>Decommission smart cards by 31 December 2024</p> <p>Decommission internal legacy search tools by end of Q1 2025</p> <p>90% or more USS respondents rate our online services as good or very good</p>	<p>Timeliness Search timeliness – 90% of all standard search reports to be completed within six months by end of SP2028</p> <p>Examination timeliness – 70% of standard examination files to be granted within 36 months of examination request throughout the SP2028</p> <p>Opposition timeliness – 75% of standard oppositions to be completed within 18 months by end of SP2028</p> <p>End-to-end timeliness – 75% of standard cases to be granted within 48 months of request for an EP patent throughout the period of SP2028</p>
<p>Divisionals End-to-end timeliness divisionals – 80% of standard cases to be granted within 48 months of request for an EP patent throughout the period of SP2028</p>	<p>Classification Classification – accuracy of classification to be at or above 95%</p> <p>Classification of defined prior art within four months of publication</p>

QUALITY PRODUCTS AND SERVICES

<p>Formalities Operational quality control for Receiving Section – above 90%</p> <p>Operational quality control for opposition – above 90%</p>	<p>File allocation 90% accuracy of our AI-based file allocation</p>
<p>Search and written opinion Less than 5% of audited searches and written opinions with an incorrect assessment of novelty or inventive step in 2024</p> <p>Less than 4% of audited searches and written opinions where more relevant prior art was found by the auditor in 2024</p> <p>80% or more USS respondents rate our search products as good or very good</p>	<p>Grant Less than 5% of audited grants with an incorrect assessment of novelty or inventive step in 2024</p> <p>Less than 5% of audited grants with findings on added subject-matter in 2024</p> <p>80% or more USS respondents rate our examination products as good or very good</p> <p>New KPI to be developed by end of 2024 on Boards of Appeal decision on <i>ex parte</i> refusals</p>
<p>Opposition New KPI to be developed by end of 2024 on Boards of Appeal decisions on opposition</p>	

SP2028 KPIS

PARTNERSHIPS

IT co-operation

240 implementations as a result of IT cooperation projects

Convergence of practice

90% of member states agreeing with a common practice to implement common practice at the national level

Validation agreements

14 validation agreements in force or under negotiation following the official request from the interested country and Administrative Council approval

European Patent Academy

80 universities to offer the MIPEF as part of their curricula

90% of universities in the Young Professionals Programme are universities offering degrees in science, technology, engineering and maths

Patent intelligence

14 Espacenet technology platforms in place

PATLIB network

20% of PATLIB Level 3 centre staff to have obtained a technology transfer certification

50% of PATLIB centre staff to have completed EPO technology transfer training provided by the European Patent Academy

FINANCIAL SUSTAINABILITY

Productivity

2.1% average production increase per year

Plan production

Maintain the negative deviation from our annual production target at no more than -2%

Protect vulnerabilities

Continually reduce the percentage of our unfunded liabilities based on the risk analysis

Coverage gap

Coverage gap/surplus, recalibrated to account for the findings of the new financial study

LEGACY TOOLS TO BE DECOMMISSIONED IN SP2028

Decommissioning legacy filing systems in 2024 and 2025:

- Legacy Mailbox
- Legacy My Files
- Incoming faxes
- Third-party observations form
- eOLF (2025)

Decommissioning legacy search and information tools:

- Legacy Espacenet: 2024
- Epoque NET: 2025
- European Patent Register: 2026
- PATSTAT: 2026

Decommissioning legacy examination tools:

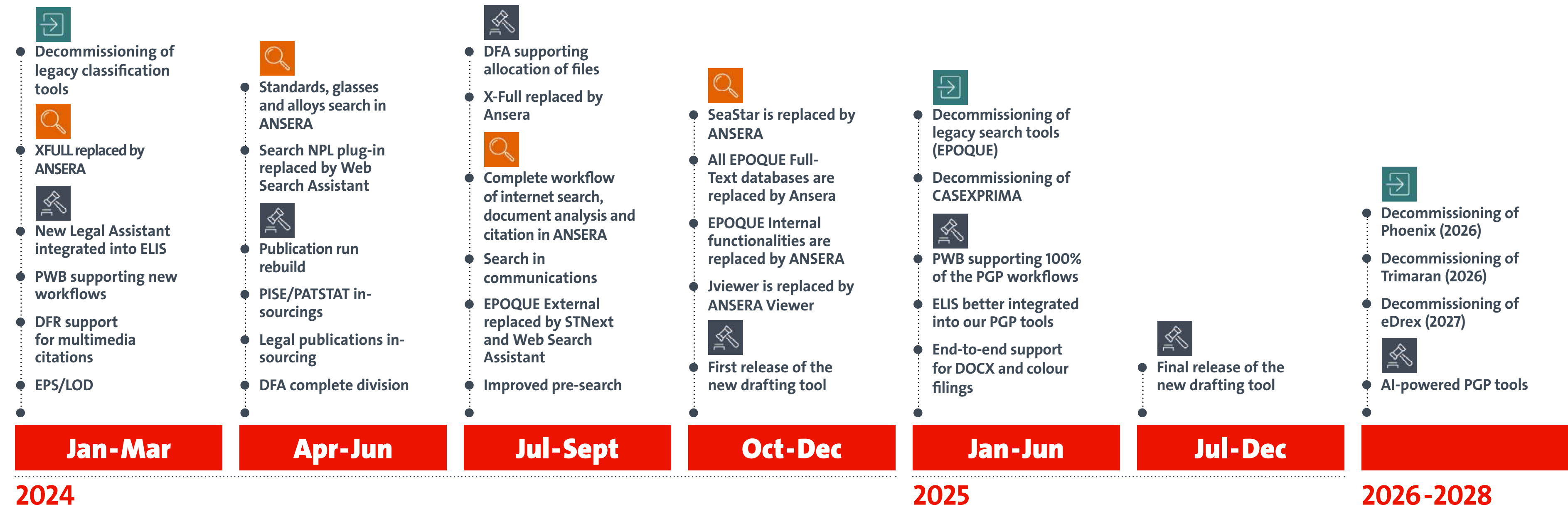
- Epoque: end of 2024
- Trimaran: 2026
- eDrex: 2027

Decommissioning legacy FO tools:

- CASEXPRIMA: 2025
- Phoenix: 2026

SAMPLE PIPELINES

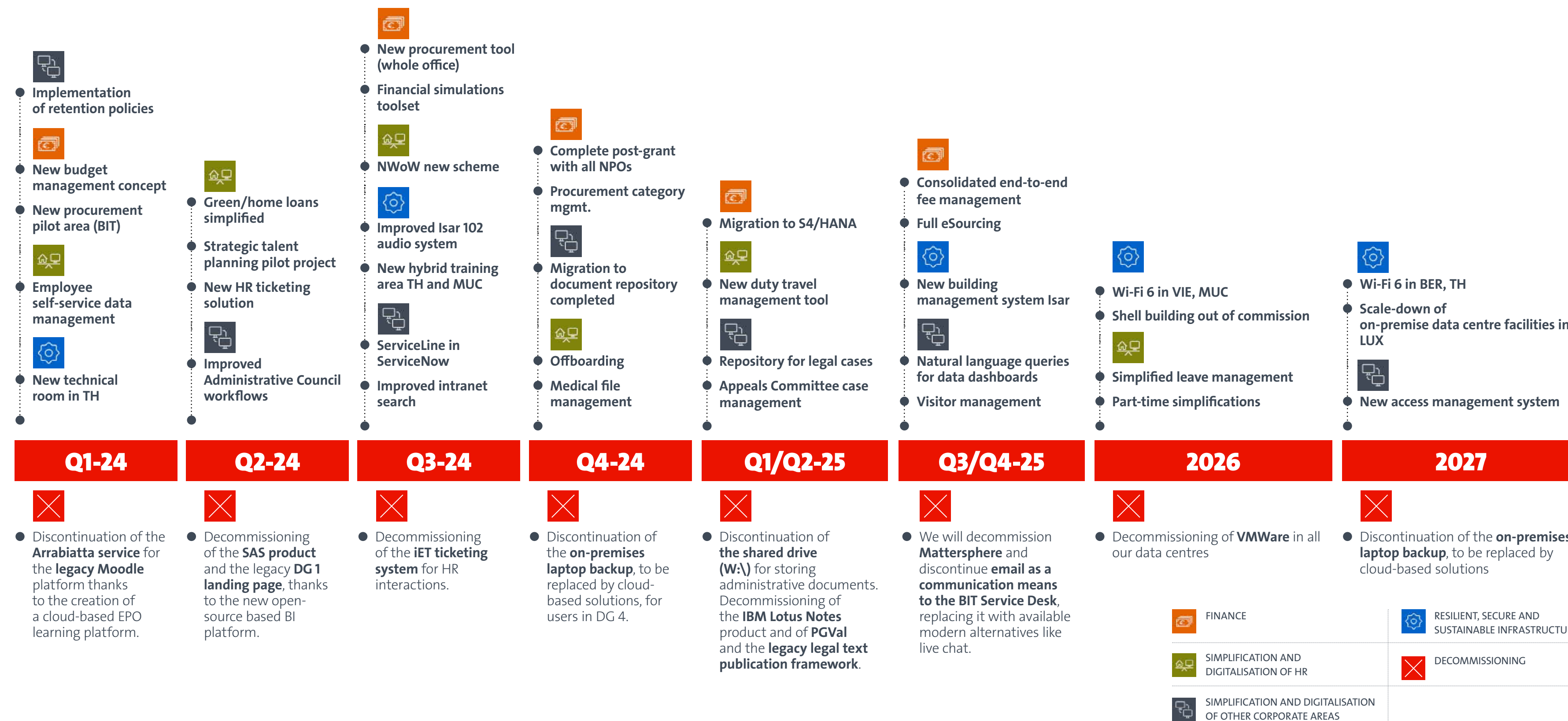
PGP pipeline



 PGP |
  SEARCH |
  DECOMMISSIONING

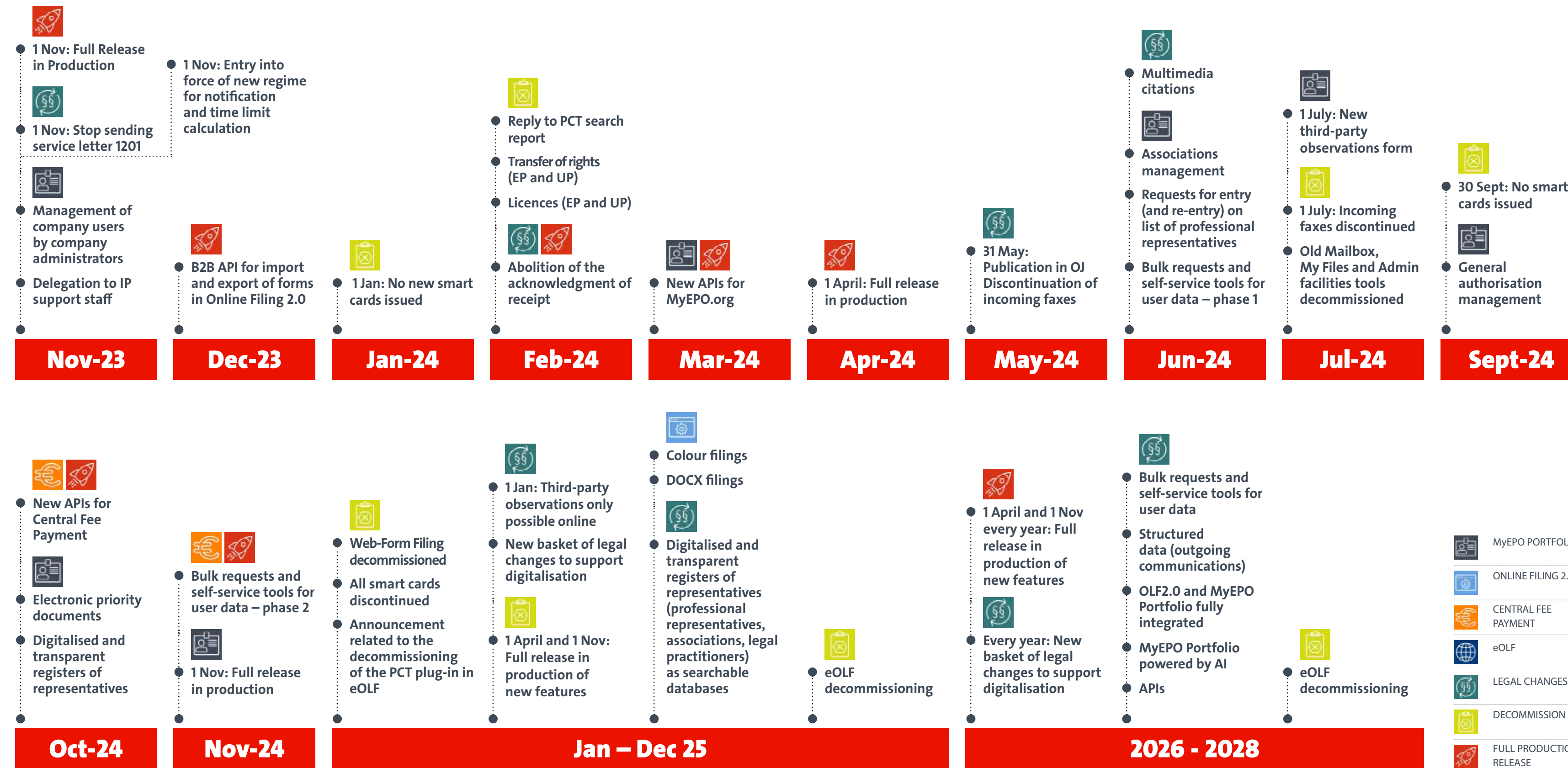
SAMPLE PIPELINES

Corporate pipeline



SAMPLE PIPELINES

Online user engagement pipeline



Follow us

- ▶ Visit epo.org
- ▶ Subscribe to our newsletter at epo.org/newsletter
- ▶ Listen to our podcast at epo.org/podcast



Published and edited by
European Patent Office
Munich
Germany
© EPO 2024



Strategic Plan 2028

EUROPEAN PATENT OFFICE