

Kluwer Patent Blog

European Patent Office publishes Annual Review 2020

Kluwer Patent blogger · Saturday, July 3rd, 2021

“The Annual Review 2020 shows that demand for European patents remained nearly on a par with last year. The Office received a total of 180 250 European patent applications, 0.7% fewer than in 2019. To meet this demand during the pandemic, the EPO accelerated the digitalisation of the patent grant process and extended teleworking to almost all staff, introducing changes that were originally due by 2023 in a matter of months.

The output of our patent examiners reached 401 996 search, examination and opposition products. Further, the EPO published 133 715 European patents in 2020, -3% compared with 2019, but well above its target of 120 000. While there was a slight increase in the mean time taken for search, the timeliness of the Office’s examination and opposition work continued to improve.”



The European Patent Office writes this in an [press report on the occasion of the publication of the Annual Review 2020](#) last Tuesday. The review includes no less than seven reports, covering quality, social affairs, the environment, IT, data protection, communication and engagement. Below, a selection of quotes from all seven.

Quality report

In the quality report the EPO explains its use of five key pillars to describe developments in this field: “design; support; shared values; metrics and continual learning; and dialogue.”

“We are using the opportunities of digitalisation to design new, automated procedures so that getting things right is the default. Where automation is not possible, we are putting in place ways to support staff in their daily tasks.” (p2)

“In 2020 we opened up our review cycle to public scrutiny, so that we could involve the widest possible participation and take into account the feedback of anyone willing to send in suggestions, for both the EPC Guidelines, as well as for the Guidelines for Search and Examination at the EPO as PCT Authority (PCT-EPO Guidelines). This was our first public user consultation, and we received 150 responses. These were discussed extensively at successive meetings of our Standing Advisory Committee Working Party for Guidelines. As a result of these comments, both feedback

from users and from our partnerships through Convergence of Practice could be incorporated into the Guidelines, which were published in a public preview in February 2021. The consultation cycle was considered a success and has now been implemented as a regular annual exercise.“ (p8)

“In 2020, the Quality Management System of the Patent Process was recertified for the second time under the ISO 9001:2015 standard. The auditors highlighted the success of IT digitalisation work carried out in 2019, which enabled us to move over swiftly and efficiently to remote working in early 2020.” (p10)

“The EPO’s continued production achievements reduced stock levels to 11.7 months of available work in 2020 (long-term objective: around 11.0 months). The decrease in the volume of stock has also seen a reduction in the number of old files (valid examination request < 2013), which was an obstacle to improving examination timeliness. This has been possible thanks to targeted actions for tackling the backlog of old files, which decreased from 12 000 to 4 000 in the course of 2020.” (p34)

“The average examination duration for standard cases was 23.2 months at the end of Q1 2021, with almost 79% of standard grants sent to applicants within 36 months. Our goal for 2021 is 80%.

The average time to grant for EP first filings has fallen by 3.3 months over the past year to 43.9 months from filing to grant (end of Q1 2021). As examination stocks continue to decrease, we expect to reduce these processing times even further.” (p36)

“Opposition timeliness for standard cases improved in 2020, with 74% of standard cases completed within 18 months. However, many oppositions could not be completed without oral proceedings, which were postponed by COVID-19. As a result, the opposition backlog has grown. We expect opposition timeliness to deteriorate in 2021, as we process cases that could not be completed in 2020. Nonetheless, we plan to reduce average opposition pendency to the 2019 levels over the next two years.” (p37)

“The EPO switched to virtual meetings to stay engaged with applicants during the pandemic. Lengthy business trips were replaced by frequent virtual meetings, limited to just a few hours in length.” (p39)

Social report

The social report is mostly a collection of numbers concerning staff, salaries, nationalities, conflicts. It doesn’t elaborate however too much on the social conflicts which have tarnished the EPO for many years, although some information is provided.

“At the end of 2020, the EPO employed 6 403 staff. The total number of staff decreased by 3.10% compared with the previous year.” (p6)

“The EPO has five different sites: Munich, The Hague, Berlin, Vienna and Brussels.

Munich and The Hague are the two largest. At the end of 2020, 3 579 staff (56% of the total) were working in Munich, while there were 2 536 (40% of the total) in The Hague.” (p8)

“The 10% highest-paid staff earn monthly full basic salaries at or above EUR 13 462 (90th percentile). The 10% lowest paid earn monthly full basic salaries at or below EUR 6 171 (10th

percentile). The ratio between the 90th and 10th percentiles is therefore 2.18.” (p31)

“The most common grade in job group 4 is G13. Within this grade, the most common step is step 5. A typical examiner with permanent status in grade G13-5, working in Germany, married, with a spouse who is not gainfully employed, two dependent children and expatriate status, can expect a total net monthly remuneration of approximately **EUR 15 927**, made up of:

- Basic salary: 13 441 EUR
- Household allowance: 806 EUR
- Expatriation allowance: 2 897 EUR
- Dependants’ allowance: 743 EUR
- Total deductions: -1 960 EUR

(...) In job groups 5 and 6, the most common grade is G8. Within this grade, the most common step is step 1. An administrative employee with permanent status in grade G8-1, working in Germany, married, with a spouse who is not gainfully employed, two dependent children and no expatriate status, can expect a total net monthly remuneration of approximately **EUR 6 780**, made up of:

- Basic salary: 6 604 EUR
- Household allowance: 396 EUR
- Dependants’ allowance: 743 EUR
- Total deductions: -963 EUR” (p33)

“Given the COVID-19 pandemic, the Office took the necessary measures to enable all staff to work from home. The necessary equipment was delivered to staff members on request (furniture and IT equipment), while provisions were made for flexible time arrangements to enable staff to combine their work duty with private obligations, such as looking after children or supporting home schooling.

In 2020, 6 276 employees teleworked at some point, each teleworking an average of 114 days. Following the approach initiated during the pilot phase, employees were allowed to telework from a location other than their normal residence. Employees teleworking at least once in another location represent 37% (2 319) of the teleworkers. Among these employees, the average number of days teleworked from another location was 39 days in 2020.” (p40)

“A network of 12 confidential counsellors (four in Munich, four in The Hague, two in Berlin and two in Vienna) supported the Conflict Resolution Unit in its informal conflict resolution activities in 2020. The counsellors are regular staff members who spend up to 50% of their time supporting, encouraging and facilitating the informal and amicable resolution of workplace conflicts. In 2020, the counsellor network was actively consulted by colleagues facing challenges related to the COVID-19 situation, which explains the increase in cases of counselling on workplace difficulties.” (p52)

“The initial settlement initiative, concerning what are known as the remitted appeals, was completed in early 2020, having achieved 85 successful settlements out of a total of 335 cases: an overall success rate of 25%.

Settlement discussions of individual appeals continued in 2020, where 117 cases (internal appeals and ILOAT complaints) were examined, leading to a successful settlement in 36% of cases. The

success rate is higher (53%) considering individual appeals submitted by staff with a maximum of three files examined for settlement” (p58)

Engagement report

More information about social conditions at the EPO can be found in the so-called engagement report.

“Engagement in a work context can be defined as the emotional involvement or commitment to an organisation. It is an outcome measure depending on the delicate interplay of various organisational and personal factors. For engagement to be sustainable, employees need to feel empowered and enabled to do their job, while being able to maintain energy levels at the individual level.” (p2)

“The increase in engagement observed in 2020 can be traced back to the EPO-wide staff engagement survey of 2019, which provided the baseline as to where we stood as an organisation. In 2019 our overall score for sustainable engagement was 15% below the European Benchmark. Our aim is to increase the engagement significantly year-over year, in order to bridge the gap by 2023.” (p4)

“Our efforts to inform everyone on matters affecting them during 2020 were appreciated by 78% of staff, up from approx. 30% in 2019. A dedicated taskforce met regularly to decide on the course of action, and information was systematically distributed via all management layers, as well via designated web pages (Strong together).” (p8)

“Our response to the current situation in taking care of the well-being of our colleagues received a 56% approval rating. The comments provided insight into the concerns of our people and the kind of support they required: the main difficulties related to distractions due to COVID-19 (a reality for 46% in May); balancing home-schooling and work, concerns about performance targets and coping with the many changes including new technologies and paperless procedures. To support staff, we relaxed the rules on parental leave, encouraged managers to adjust performance targets and introduced a phased implementation of paperless procedures.” (p11)

“While we do not have exact figures for coping and energy levels in the last quarter of 2020, there were more and more signals from staff, line managers and senior management about overall fatigue and lagging energy levels across the organisation.” (p13)

“The crisis and the resulting sense of being “in it together” seems to have contributed to the development of a greater awareness of and sensitivity towards topics relevant for staff engagement, such as well-being, diversity and inclusion and collaboration. It has opened up a new level of empathy never seen before between management and staff and among colleagues.” (p18)

Communication report

“A major challenge that was identified was the threat of misinformation about patents and COVID-19 arising from the pandemic. In response to this, the EPO set up a special area for practitioners on the EPO website, which was visited nearly 500 000 times, and created the “Fighting Coronavirus” platform, which generated nearly 30 000 visits. We also responded directly to many media enquiries about patents and coronavirus, and published a Q&A for journalists in May.” (p2)

“Last year saw the launch of two comprehensive staff surveys: “Strong Together: Working during COVID-19” (in May) and “Shaping the New Normal” (in September). Staff feedback represents a valuable source of insight into the challenges and opportunities faced by individuals and the organisation as a whole.

(...) Based upon the findings of the survey in May, a follow-up communication campaign was also run – “From Survey to Action” – detailing the steps being taken as a result. They included supporting the roll-out of new IT equipment, as well as performance-related measures such as adjusting individual and team targets.” (p7)

“The EPO’s response to the COVID-19 pandemic massively accelerated a process of digital transformation that had already been initiated under the Strategic Plan 2023 in 2019.” (p8)

“The former Annual Report, traditionally published every March, was split up into two publications in 2020. The content relating to the EPO’s operational performance in 2019 (...) was presented in the Annual Review in June (...). The remaining content relating to the previous year, namely statistics on European patent applications filed and granted patents published by the EPO was published online as the Patent Index 2019 in March.” (p9)

“Social dialogue is about constructive exchanges with staff and their representatives on key issues and promoting consensus-building. The EPO’s commitment to fostering social dialogue is clearly stated in its Strategic Plan 2023, reflecting its firm belief that internal discussion is a more effective way of addressing problems than legal action.

To build trust and effectively reach out to all staff, social dialogue must be supported by a proactive communication strategy. This strategy involves presenting complex issues in a clear and timely manner, gathering staff feedback (via special mailboxes, focus groups etc.) and channelling it into ongoing discussions.

Over the course of the year 17 intranet news items were published reporting on all meetings with the Central Staff Committee (CSC), SUEPO, and the FFPE, and on the outcomes of General Consultative Committee (GCC) meetings. These updates achieved a total of over 57.000 page views.” (p16)

“The ‘strengthen corporate culture’ programme “aims to strengthen the EPO’s culture through effective and engaging communication. By developing a sense of common purpose, as well as shared values, vision and mission, this programme will foster staff engagement. The programme consists of three projects and four tracked activities.

The programme was set up in April and project managers were appointed for each of the three projects. Two tracked activities within the Management Communication project were finalised in 2020, namely the reorganisation of Principal Directorate Communication into channels and content directorates and the selection of staff to participate in the Communication Intelligence Network (CIN).” (p19)

IT report

This report is especially interesting as [not too long ago an EPO insider described the digital infrastructure as completely unreliable and outdated](#): *“The shock came when we started to look inside the machinery. It is scary when the technology you have in front of you is from a time when*

you were still in school, and the people who can help you have long since retired.” But according to the IT report 2020, a lot has changed:

“The sudden onset of the crisis put pressure globally on basic IT infrastructures as entire countries went into lockdown and relied heavily on these systems. Users, staff, service providers, software vendors and hardware manufacturers all had to adjust overnight. These were unprecedented conditions. Lockdown measures in some areas, notably Asia, where a lot of IT equipment is manufactured, also pushed supply chains for such equipment to the limit. Transportation was overstretched.” (p2)



“The move to secure cloud-native architectures also offers enormous advantages in terms of availability and performance. But there is no place in the cloud-native world for 1970s technology, such as the mainframe. For this reason, in 2020 we continued to decommission legacy applications, progressively migrating new systems to the data centre in Luxembourg.” (p3)

“Simplifying and upgrading IT systems 2.1 Delivering PGP and search

The first example of the new, cloud-native architecture was rolled out in the second quarter of 2020, when a rebuilt client data system for registered attorneys was deployed. This was the first step in replacing all legacy components.” (p6)

“Although, by early 2020, good progress had already been made towards digitalised workflows and a fully digitalised, end-to-end patent grant process (PGP), the pandemic accelerated these efforts dramatically. In April 2020, a minimum viable product was delivered for a paperless search and examination workflow, assisting examiners, formalities officers and line managers in the core processing steps for European patent (EP) search and examination files. By the end of 2020, 97% by volume of basic workflows with basic functionality had been digitalized, allowing examiner and formalities officer actions, as well as preparation for oral proceedings, to be carried out remotely and without paper.”(p6/7)

“Another crucial development in 2020 was new functionality enabling patent applications and prior-art documents to be annotated digitally.” (p7)

“A pilot project using iPads for opposition and board of appeal hearings was an important step towards improving support for paperless oral proceedings. The 750 iPads deployed during the project and a dedicated app – Aly – enabled users to interact with digital dossiers, legal texts and cited documents, sharing annotations live during oral proceedings, even when working from home across Europe.” (p7)

“In 2020, the EPO Data Science team built new AI pre-classification models to provide an in-house alternative to the outsourced system used to assign incoming applications to teams.” (p7)

“A pilot project for conducting oral proceedings in opposition by videoconference was also launched. The need to support oral proceedings requiring simultaneous interpretation prompted us to look for an alternative technical platform to the existing setup. Zoom was selected as it allows not only simultaneous interpretation, but also remote attendance by the general public, as well as having other advantages over the previous platform.” (p9)

“To ensure much better availability for users, the migration to the data centre in Luxembourg continued in 2020 with the first applications moving from the computer centre in The Hague. The first to be moved successfully included new online filing (CMS), Online Filing 2.0 and the Online Filing server, including the server for the German Patent and Trade Mark Office. A complete migration plan was also drawn up for all remaining applications in 2021.

With regard to decommissioning the mainframe, progress was made by moving the PHOENIX image archive to cloud-native servers running an off-the-shelf image archive, Scalify.” (p12)

Data protection report

“In 2020 the EPO began the groundwork that will lay the foundations for its new best-in-class data protection framework.” (p2)

“The EPO’s creation of a new Directorate Data Protection Office in its Directorate General 0 Presidential Area as of 1 January 2020 reflects the importance it attaches to protecting personal data. This new position within the organisation means that the DPO reports directly to the President, which ensures independence from the operational business units.” (p5)

“Co-operation: as regards contacts with other international organisations, the DPO is part of a network including counterparts from e.g. CERN, the EMBL, ESO, ESA, the ECMWF, the EUMETSAT and the IARC. (...) In 2019, the EPO and the EUIPO signed a memorandum of understanding envisaging a collaborative operational implementation of their closely aligned data protection frameworks and joint drafting of templates, guidelines and training programmes.” (p5)

Environmental report

“The EPO is fully committed to promoting sustainability and reducing its environmental footprint, with a view to achieving its long-term goal of going CO₂-neutral by 2030. In 2009 it adopted the Eco-Management and Audit Scheme (EMAS) as a framework to minimise its environmental impact and foster a sustainable work environment for staff” (p2)

“The digitalisation of workflows in the EPO’s core processes, for example, led to a dramatic drop in paper consumption. In 2020 the EPO used 58.7 million fewer sheets of paper than in 2019, representing a decrease of -47.5% in total annual paper consumption. (...) Last year also saw a drastic drop in CO₂ emissions, largely thanks to an 80% decrease in duty travel during 2020.” (p2)

“The structure of our environmental management system is set out in our environmental management handbook, which applies to all sites. We regularly evaluate our environmental context to identify relevant stakeholders and their expectations with regard to the environmental management system. The system is also regularly assessed in internal audits, thus ensuring a

continuous improvement process. Staff are encouraged to adopt environmentally friendly behaviour.” (p21)

“Across all sites, waste decreased by at least one quarter compared with 2019. The sharpest decline was registered for food waste (-60.7%), indicating the reduced number of meals served. (...) The reduced figures for paper waste (-26.4%) and residual waste (-39.8%) can be partially attributed to the lower number of people on site. However, the main driver was the accelerated digitalisation of the patent granting process, which led to significant savings in paper consumption (...) and thus in paper waste.” (p38)

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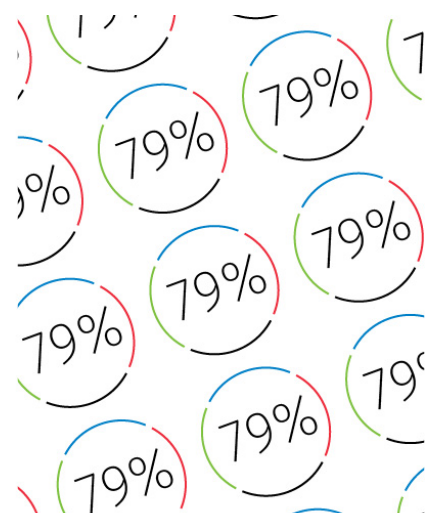
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