



Europäisches
Patentamt

European
Patent Office

Office européen
des brevets

The EPO – Setting the pace for the 21st century: Focus on quality and efficiency

FICPI 2016, St. Petersburg



Raimund Lutz



Vice-President EPO



St. Petersburg, October 2016

Patent protection in up to 42 countries

European Patent Organisation

Founded in 1973

Independent organisation, dedicated to patents

Annual budget: 2.15 billion €(self-financed)

Some 650 million inhabitants

European member states (38)

European extension states

Bosnia and Herzegovina

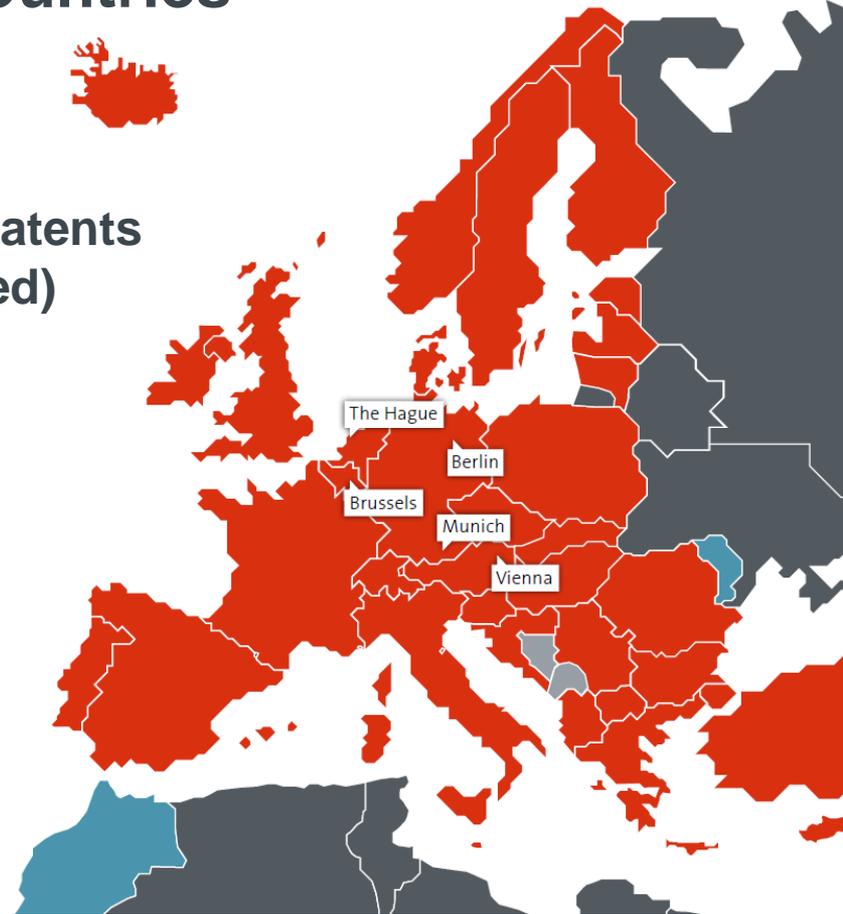
Montenegro

Validation states

Morocco 2015

Moldova 2015

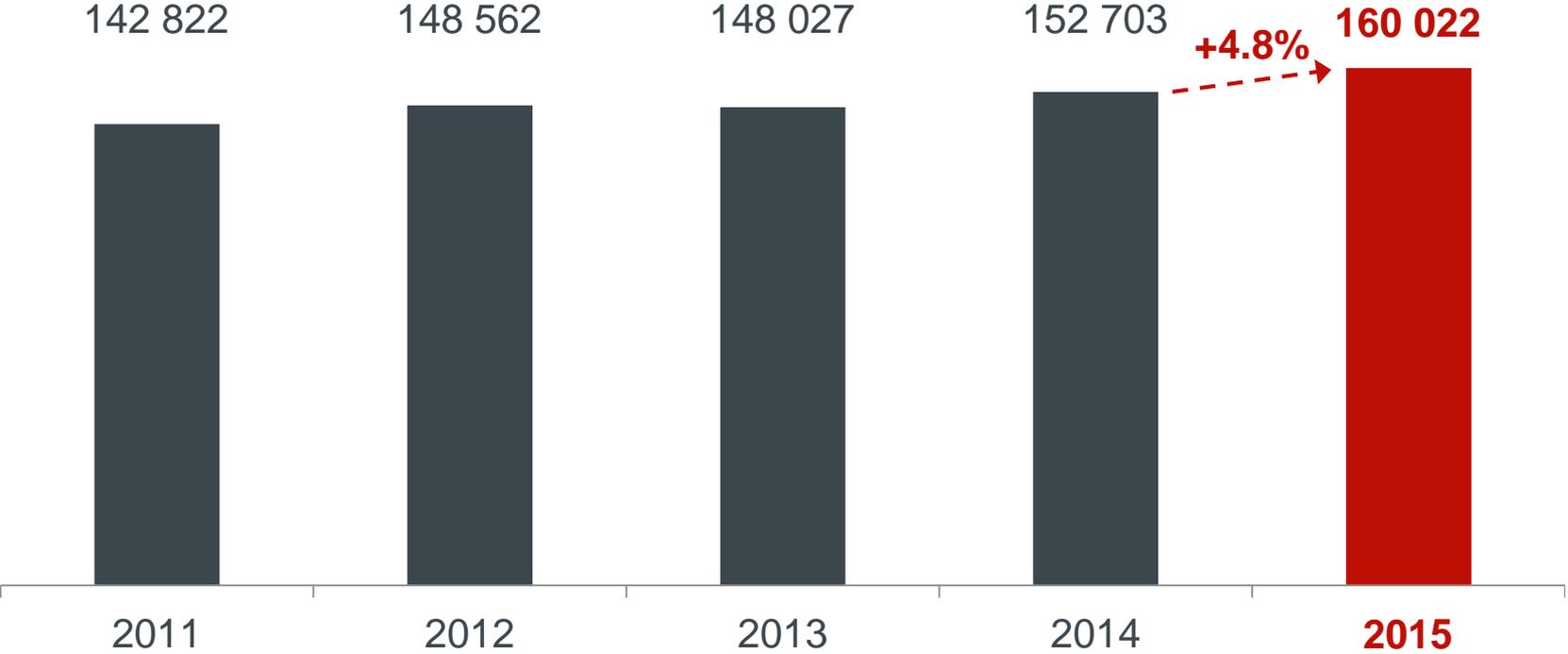
Tunisia – 2016 (TBC)



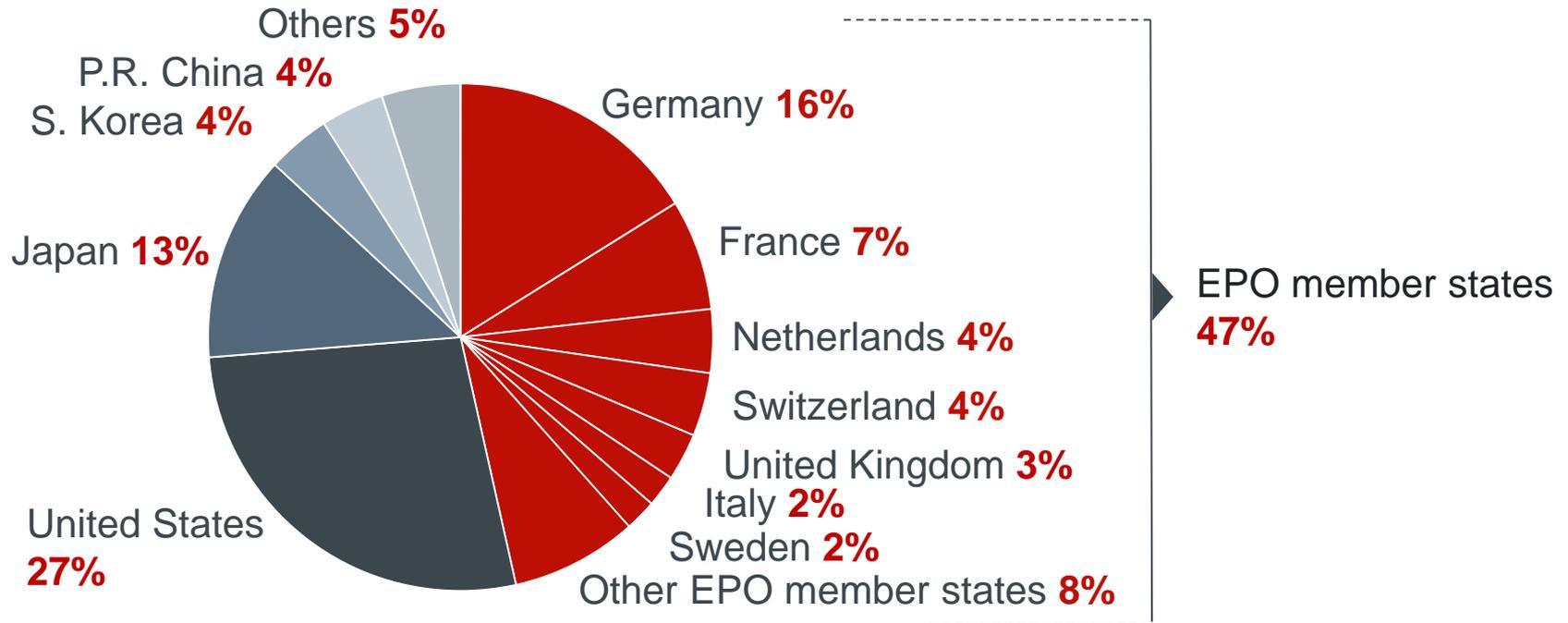
Key facts: the EPO at a glance

- **Second largest** intergovernmental institution in Europe
- **Global player** and voice of Europe in patents
- **7000** employees, of which around **4300 highly qualified examiners**
- Will be in charge of **granting and administering the unitary patent**
- **High-quality European patents (ISO 9001 certification)** are drivers of innovation and secure the competitiveness of the European economy

Growth of European patent applications



Origin of European patent applications in 2015



Flow of patent applications between EPO and IP5 countries (2014)



Countries driving growth

Growth champions

P.R. China	+ 22.2%
United States	+ 16.4%

Stable applications

France	+ 1.6%
Austria	+ 1.4%
Sweden	- 0.9%

Countries with significant growth rate

Italy	+ 9.0%
Belgium	+ 5.9%
United Kingdom	+ 5.7%
S. Korea	+ 4.0%
Spain	+ 3.8%
Netherlands	+ 3.3%
Switzerland	+ 2.6%

Declining applications

Denmark	- 2.7%
Japan	- 3.1%
Germany	- 3.2%
Canada	- 3.7%
Finland	- 8.3%

Growth from lower volume countries

Czech Republic	+ 27.5%
Portugal	+ 21.2%
Poland	+ 17.8%
Turkey	+ 10.9%
Israel	+ 5.0%

Leading fields of technology – global

TOP 10

		2015	Change	
1	Medical technology	12 474	11.0%	↗
2	Digital communication	10 762	3.2%	↗
3	Computer technology	10 549	7.8%	↗
4	Electrical machinery, apparatus, energy	10 198	- 1.8%	↘
5	Transport	7 802	- 1.6%	↘
6	Measurement	7 727	8.0%	↗
7	Organic fine chemistry	6 414	2.1%	↗
8	Engines, pumps, turbines	6 374	17.9%	↗
9	Biotechnology	6 048	5.1%	↗
10	Pharmaceuticals	5 884	9.6%	↗

Top EPO applicants 2015

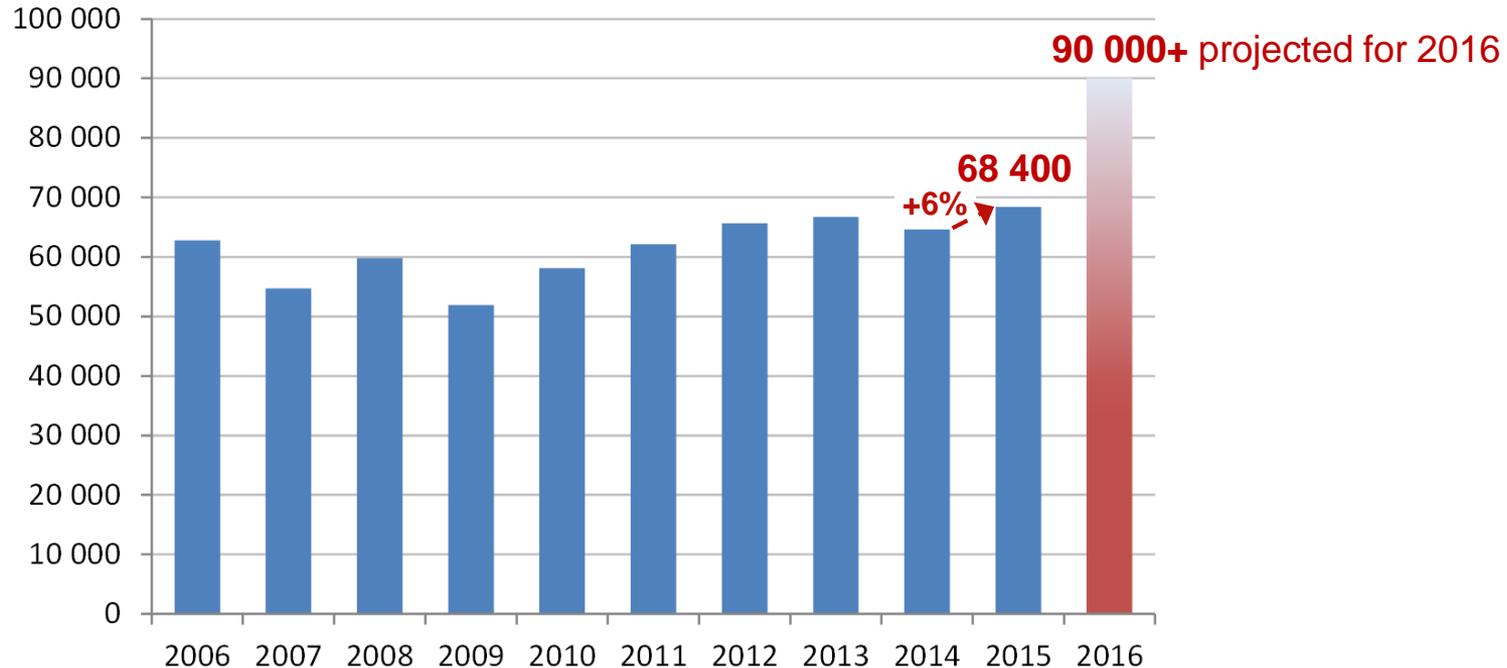
TOP 10

		2015	Change	
1	Philips	2 402	3.7%	↗
2	Samsung	2 366	- 6.9%	↘
3	LG	2 091	27.7%	↗
4	Huawei	1 953	22.1%	↗
5	Siemens	1 894	- 11.2%	↘
6	United Technologies	1 869	110.0%	↗
7	Qualcomm	1 705	16.9%	↗
8	Robert Bosch	1 493	3.8%	↗
9	BASF	1 384	- 9.5%	↘
10	General Electric	1 316	57.0%	↗

● EPO member states
 ● United States
 ● S. Korea
 ● P.R. China

Note: Based on European patent applications filed with the EPO (direct European patent applications filed at the EPO under the EPC, plus international PCT filings which entered the European regional phase (becoming a European application) in the year under review).

European patents granted 2006-2016



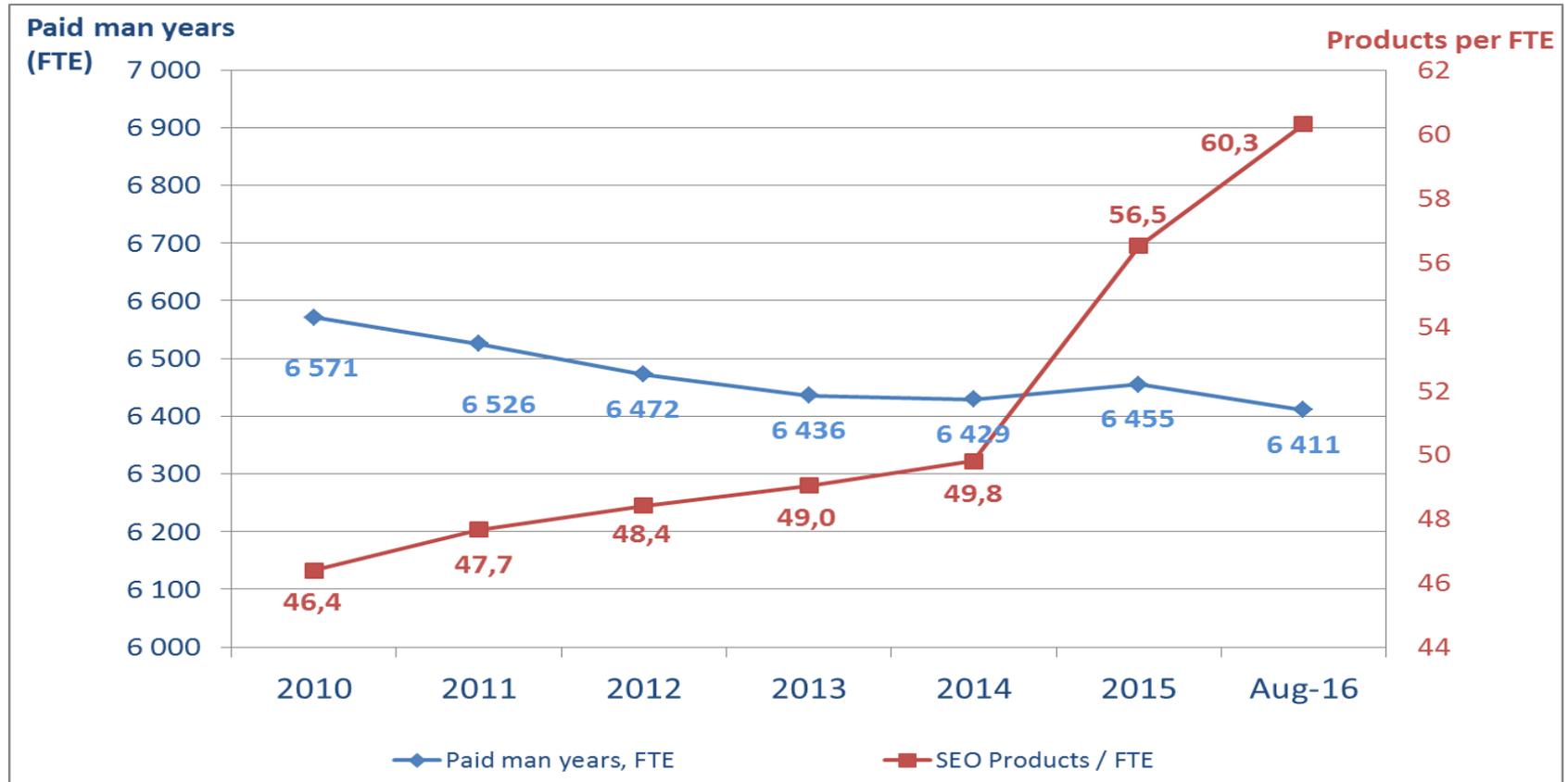
**Steep increase in grants projected in 2016:
2/3 capacity increase, 1/3 efficiency increase**

Production, Productivity and Grants

Record increases in **production**

	2015	2015 vs. 2014
Production	365 000	+ 14%
Searches / Examinations / Oppositions		
Patents granted and published	68 400	+ 6%

Record increases in productivity (latest figures)

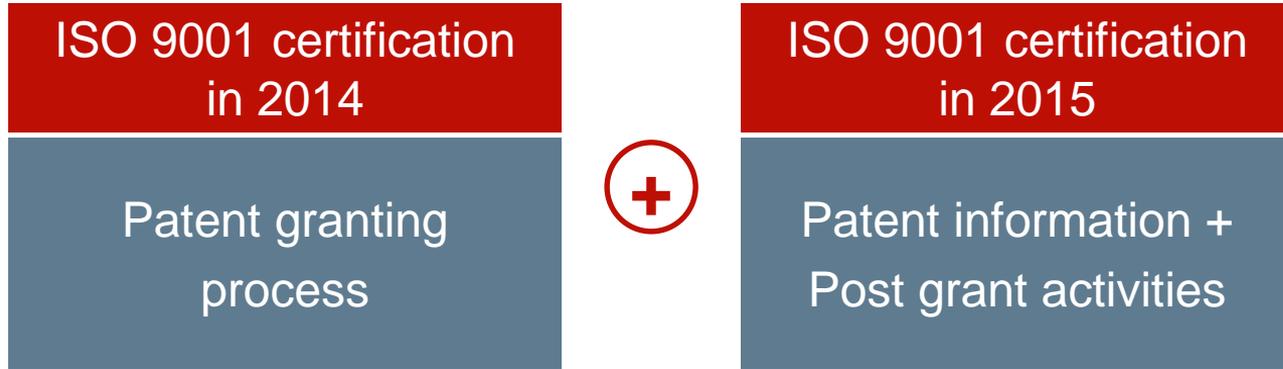


How has the EPO managed to increase output?

- Staff ceiling remains at **7 075 budget posts**
- Conversion of support staff posts **to examiner posts** (over 500)
- Examiners have been brought **back to examination** from other tasks
- **New career system** with performance incentives
- Improved health management with **significant reduction** in sick leave (**<35% since 2010**)

Quality – a core value of the EPO

- **ISO 9001** certification for **entire patent granting process**



- **First of the largest patent offices** to be fully ISO certified
- **2016 IAM survey** ranked EPO as the best of the five largest patent offices for quality.
- Fifth consecutive IAM survey in which EPO has ranked number 1 for Quality of Products and Services

Quality in search and examination (I)

- **High specialisation** and **intensive training** of EPO examiners
(4300 examiners working in divisions of 3)
- EPO does not outsource any of its core tasks
- Almost complete availability of **Asian documentation**: 27% of EPO citations are from Asia
- **Patent Translate**: used 20 000 times per day
- **Stability** in our procedures and **predictability of results**
- **State-of-the-art tools** allowing efficient access by examiners
(e.g. new Epoque)

Quality in search and examination (Cont.)

- **Cooperative Patent Classification (CPC)**: 24 IP Offices now classifying, or intending to classify, in the CPC including, EPO, USPTO, KIPO, SIPO, INPI Brazil, IMPI Mexico, ILPO, ROSPATENT and 16 EPO Member States.
- Very comprehensive prior art coverage: over **90 million patent documents** available to examiners
- A **standards documentation** standing at almost 3 million documents
- Regular “**Partnership for Quality**” meetings with users in Europe, US, Japan, China and Korea, promoting a direct user contact

Reduction of backlogs

Early Certainty from Search (ECfS)

- All incoming searches are issued with written opinion within 6 months
- Backlog of searches under ECfS **was cleared in mid 2016**
- The total backlog in late files in other priority areas is planned to further decrease in 2016



Global Stock reduced to less than 16 months

***from around 36m in 2014**

Early certainty – Expanded

- Launched on 1 July 2016, to respond to needs of users and ensure timeliness.
- Following success of ECfS, EPO has extended Early Certainty to Examination and Opposition.
- **Examination** - Streamlining patent practice, workflows & procedures. Supported by extended refund fees following withdrawal.
- **Opposition** - streamlined opposition procedure set to deliver decisions faster, while giving parties more time to react to summons and prepare for oral proceedings.



Complete control over timeliness by 2020:

- 6 months for a search and its opinion
- 12 months on average for examination
- 15 months for a standard opposition.

EPO and PCT

- PCT is the work-sharing vehicle of choice for the EPO
- EPO ranks **1st in the world as ISA and IPEA** (81 100 international search reports 38% and over 9 100 international preliminary examination reports 58.1% in 2015)

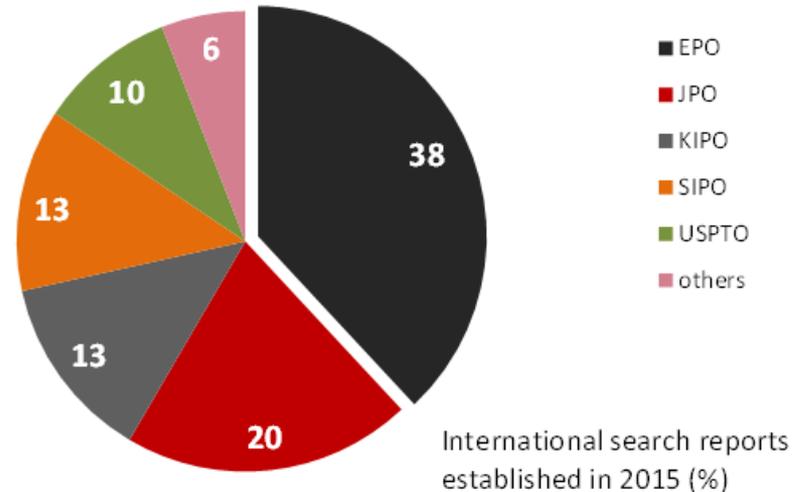
- EPO is ISA for **37% of US filings**

- Improving services to users:

- **PCT Direct** extended to all ROs in July 2015

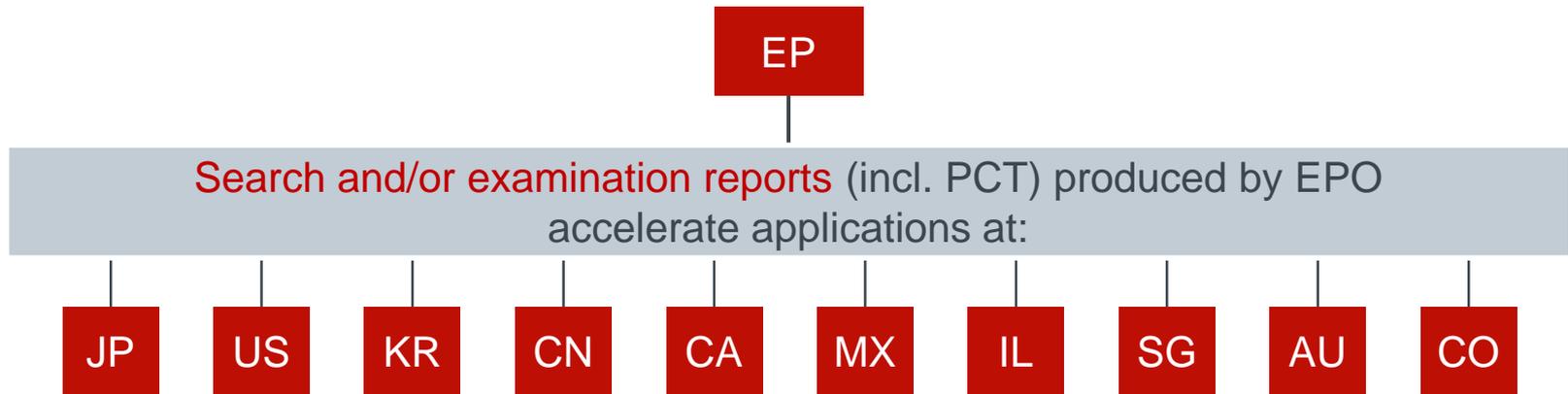
- EPO joined **WIPO ePCT** Phase 1 on 1 Nov. 2014

- **International search fee frozen since** April 2012 (1875€) until March 2018



The EPO PPH pilot programmes

- Fast track examination of applications
- EPO work products can be used at other PPH Offices
(**IP5** + Australia (AU), Canada (CA), Columbia (CO), Mexico (MX), Singapore (SG) Israel (IL))



- Rospatent, The Philippines, Malaysia and others are in the pipeline

Structural reform of the Boards of Appeal (BoA) - I

Reorganisation of the BoA as separate unit

- Separation of the BoA at the organisational level from the other parts of the Office to the extent possible under the current framework of the EPC (BoA Unit)

President of the BoA

- BoA Unit will be headed by a President of the BoA, who will be responsible to the AC; also Chairman of Enlarged BoA

Delegation of powers

- Managerial powers in relation to the BoA Unit delegated by the President of the Office to the President of the BoA

Creation of a Boards of Appeal Committee (BOAC)

- BOAC as subsidiary organ of the Administrative Council (AC) with advisory functions towards AC on matters concerning the BoA, supervision and general guidance towards the BoA Unit

Relocation

- relocation of DG3 in new premises in Munich

Structural reform of the Boards of Appeal (II)

Focus on efficiency and independence

Career Specific rules for the Boards of Appeal

- specific rules that will apply to the members of the Boards of Appeal

Rules on Conflict of Interest

- duty of the Members of the BoA to inform about the professional activities after end of service

New Fee Policy – Better Cost Coverage

- intention to increase the cost coverage of the BoA by increasing the efficiency and later additionally by fee increases. (In 2015, the rate of cost coverage for appeals was 6.3%. The aim is to increase that to 20-25% over the next five years.

Procedure for amendment of the Rules of Procedure

- draft from the PBOA, adoption of the BOAC and approval by the AC

Main features of the Unitary Patent

- **Quality:** A **European patent**, granted by the EPO under the EPC
- **Cost-effective:** **Attractive and business-friendly renewal fee pattern** ensuring that the Unitary Patent provides good value for money
- **Broad territorial protection:** **Uniform protection in up to 26 EU Member States** instead of protection in a few Member States only
- **Reduction of red tape:** **One-stop shop at the EPO** instead of national validation and translation requirements and fee payments with several national patent offices. Reduction of complexity and associated costs.
- **Flexibility:** An **additional option for patent owners**, alongside the existing European and national patent systems
- **Legal certainty:** **Uniform litigation system through the Unified Patent Court**

Unitary Patent – Final preparations

EPO preparations

► **Completed**

- Breakthrough on the legal implementation in December 2015 – adoption of complete secondary legal framework, including: **implementing rules, budgetary and financial rules, the level and distribution of the renewal fees.**
- Finalisation of the technical implementation about to be concluded.

Member States preparations

► **Ongoing**

- Ongoing ratifications of the UPC Agreement by participating Member States. **11 out of the 13 necessary states have ratified so far** and a number of others have planned to ratify in 2016.
- **Brexit:** Ways will be sought for the Unitary Patent package to go ahead and to enter into operation as soon as possible.

The EPO in 2016: Progress and Outlook

- **Building further** on the solid results of 2015: **+9% production** (Jun 2016 vs. June 2015)
- Further improved results **through increased examining capacity and efficiency**
- Number of **granted patents up over 30%** (2016 projection): with maintained high quality
- **Early Certainty:**
 - Backlog in search cleared
 - all **search reports completed within 6 months**
 - Early Certainty from **Examination & Opposition** launched on 1 July 2016
 - New **streamlined opposition procedure** will enable opposition decisions within 15 months for most cases
 - By 2020 aim for **examination duration** of about one year
 - Unitary Patent: **EPO legally and technically ready to deliver**



Thank you
for your attention!