

EUROPEAN UNION INTELLECTUAL PROPERTY OFFICE

ANNUAL REPORT 2015

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A VIDEO SUMMARY OF THE 2015 REPORT



IF YOU CAN'T WATCH THE VIDEO, IT IS AVAILABLE IN [YOUTUBE/EUIPO](https://www.youtube.com/user/EUIPO)

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01. INTRODUCTION

Welcome to the annual report for 2015¹. This report provides an overview of a year in which the Office underwent significant changes, reflecting both the closing stages of the Strategic Plan that began in 2011 (SP1) and preparations for the Legal Reform.

1 - This report complies also with article 45 of the Regulation CB-1-15 of the Office's Budget Committee with regard to the Consolidated Annual Activity Report.

Over the last five years, the Office has taken significant steps forward as a result of more than 100 projects that were launched under SP1. Overall at the end of 2015 the Strategic Plan was 97 % achieved, which is a satisfactory completion rate for a multi-year plan of this complexity.

The changes introduced have contributed to faster processing times and higher quality for users, and have also increased efficiency and reduced unit costs by 10 % since 2010. The physical improvements include modernising and expanding the working environment to unite staff under a single roof, and building a state-of-the-art IT system. We have also achieved and maintained a number of international benchmarks on quality.

The Office's staff has played a central role in the evolution of the Office and there has been a progressive breaking down of silos to move the Office towards a team working model that can deliver improved results.

The investment made in the new website and improved tools for e-business and e-communication has resulted in more security for users. It has also delivered reliable systems which are targeted at user needs and empower them to better manage their files.

To complement the improvements made in timeliness, the Office has strengthened the system of quality checks and is regularly updating the published guidelines in order to make decision-making on applications more transparent and predictable. We are also now moving towards greater user involvement in ex post quality checks and towards a detailed regime of ex ante checks.

The advances in quality and performance have been acknowledged by our users. More than 1 900 users responded to the 2015 User Satisfaction Survey and the overall satisfaction figure was in the region of 91 %, which is about six percentage points higher than in 2011.


These results were achieved while respecting the austerity conditions introduced by the EU in response to the financial crisis, and also while dealing with much higher demand for registrations than previously anticipated. For example, in 2015 the growth in EUTM applications, at 11 %, was more than double the historic growth rate of 5 %.

During 2015, the European Trade Mark and Design Network continued to develop, bringing offices and users closer together and improving the IT infrastructure in offices.



The result of this cooperation has been the creation of a wide range of advanced tools, which have been rolled out throughout the EU under the Cooperation Fund. The tools cover the entire trade mark and design lifecycle, including major international databases for trade marks and designs, e-filing, back office file-handling and quality. On average, 14 or 15 new tools have been introduced in each of the National and Regional Offices in the EU, amounting to more than 370 implementations in total – including 56 in 2015.

In parallel, the Convergence Programme, via detailed examination of specific differences in practice between participating offices, has been helping offices to reach agreement on bringing practices closer together. Following intensive consultation with users and IP office experts, the first-ever design convergence project, the CP6 Graphical representation of designs, was endorsed in 2015.



The result of this cooperation has been the creation of a wide range of advanced tools, which have been rolled out throughout the EU under the Cooperation Fund.

In addition to taking part in cooperation activities in the EU and globally, the Office, through the European Observatory on Infringements of Intellectual Property Rights continues to provide support to enforcement authorities and plays a role in improving public awareness of IPR infringement.

Following the initial major studies carried out on the economic contribution of IPR-intensive industries and the perception of citizens, the Office has been digging deeper into the impact of IP on firms, including SMEs, and on young people. It has also published a number of significant sectorial reports on the economic impact of infringements.



The fundamental vision of the first plan remains valid. However, in future the EUIPO will face the additional challenge of doing more while also managing continued constraints due to EU austerity measures.

In addition, cooperation has continued with the other national bodies and EU agencies whose job it is to combat IP infringements directly. This includes running knowledge-sharing events, publishing jointly with Europol a Situation Report on Counterfeiting in the EU, and further developing tools such as the Enforcement Database.

While much has been achieved, no organisation can afford to be complacent and it will soon be time to launch the next Multiannual Strategic Plan – SP2020. The Office will carry out the next five year plan under its new name as the European Union Intellectual Property Office (EUIPO) - introduced from 23 March 2016 as a result of the amended Trade Mark Regulation.

Based on feedback from stakeholders, the broad strategy is clear. The fundamental vision of the first plan remains valid. However, in future the EUIPO will face the additional challenge of doing more while also managing continued constraints due to EU austerity measures.

The vision for SP2020 can, therefore, be summarised as a 'User-driven European Intellectual Property Network'. Under this vision, the Office remains committed to working with all its stakeholders including its staff and users, within cooperative networks that have the power to improve the functioning of the IP system.

These networks will help the Office to make further advances in the quality of its registration services, communicate the real facts about IP to users, citizens and policymakers, and influence and promote positive change both within the EU and in the global markets where EU businesses, including SMEs, are increasingly looking for future growth.

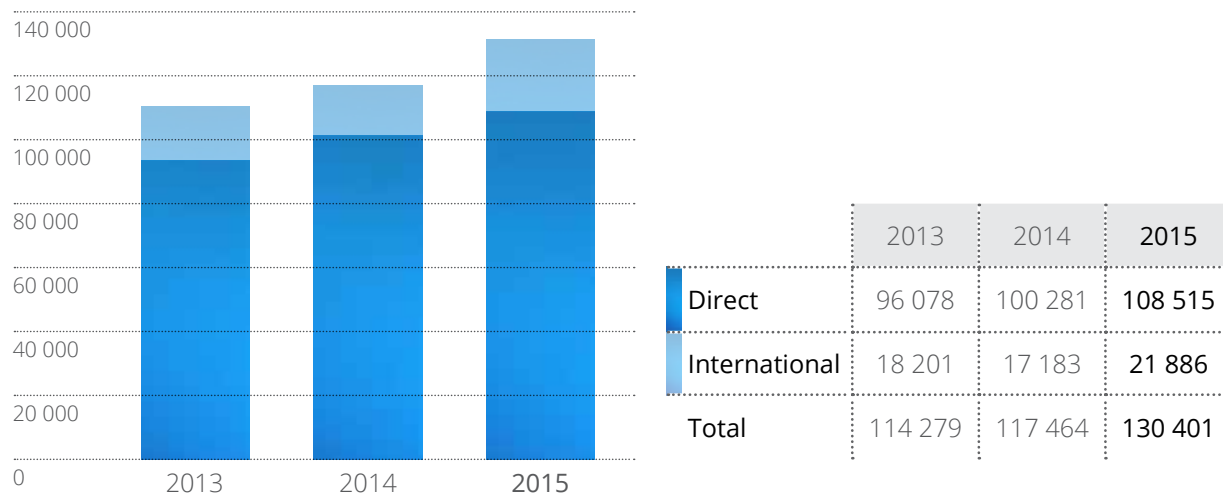


António Campinos
Executive Director, EUIPO

02. VOLUMES

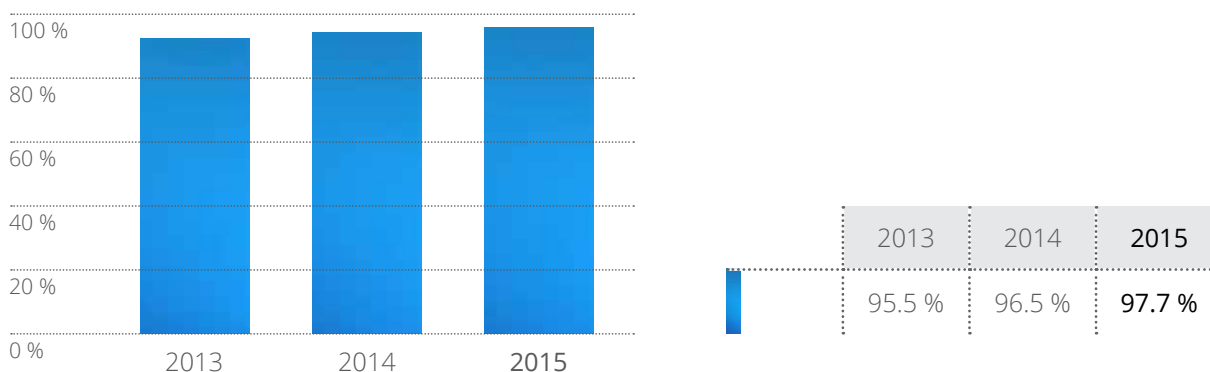
2.1 TRADE MARKS

During 2015, the Office received more than 130 000 trade mark applications, which was over 11 % more than in the previous year. The 8.2 % increase in direct trade mark applications was accompanied by a growth of 27.4 % in applications for international registrations, which reached 21 886 (16.8 % of the total).



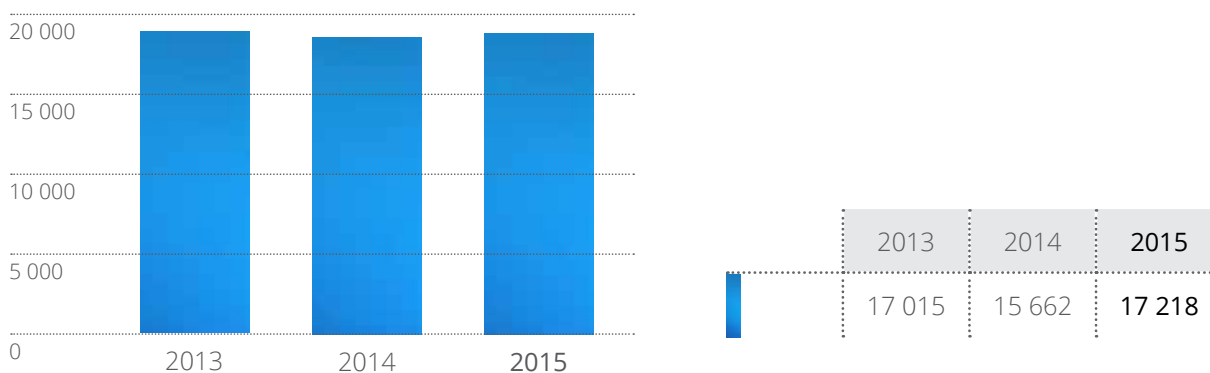
E-filing

E-filing continued to be the preferred way of doing business with the Office, with 98 % at the end of 2015, which was 1.2 percentage points higher than in 2014. This reflected increasing use of the enhanced tools available on the Office's website and the impact of various user engagement and communication initiatives undertaken during the previous years. Fast Track filing for trade marks, introduced in November 2014, was used in 17 % of EUTM applications.



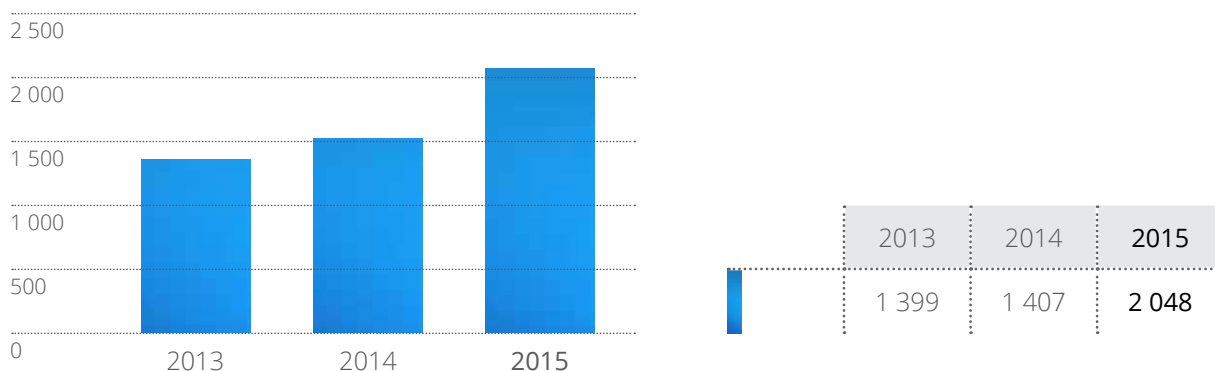
OPPOSITIONS

The number of oppositions against published EUTMs increased by almost 10 %, with just over 17 200 filed during 2015. Opposition e-filing grew steadily during the year, reaching 76 % of the total at the end of 2015.



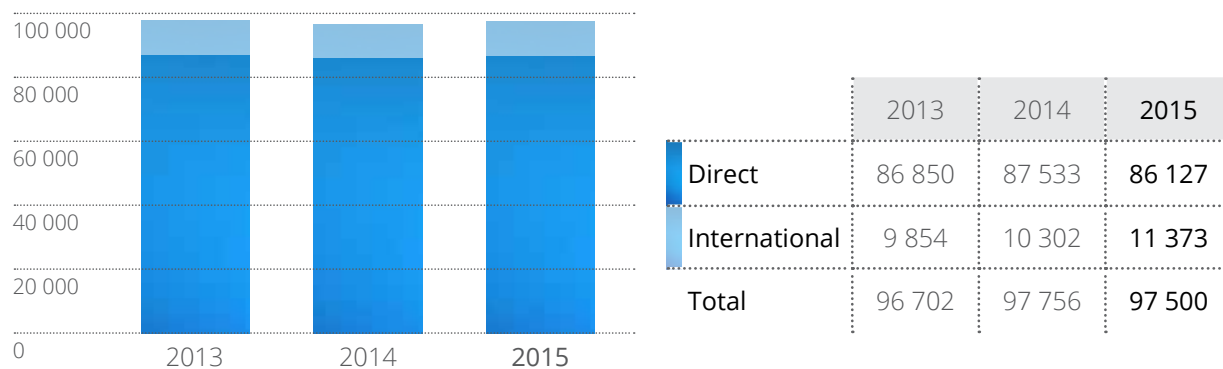
CANCELLATIONS

Cancellation requests increased to over 2 000, up more than 45 % in comparison with the previous year. However, this significant increase was due to one applicant who filed more than 500 cancellation requests.



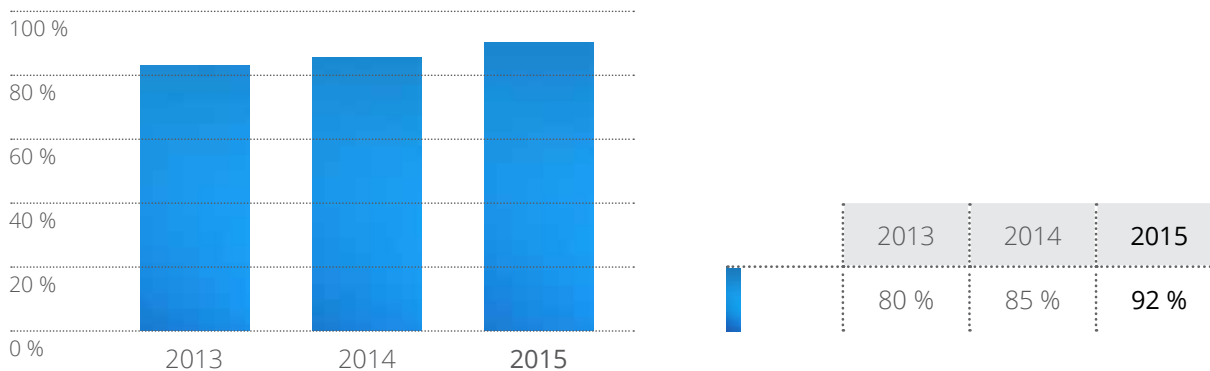
2.2 DESIGNS

The Office received 97 500 Registered Community Design applications, slightly fewer than in 2014. Of this total, international filings rose by 10.5 %, to over 11 300.



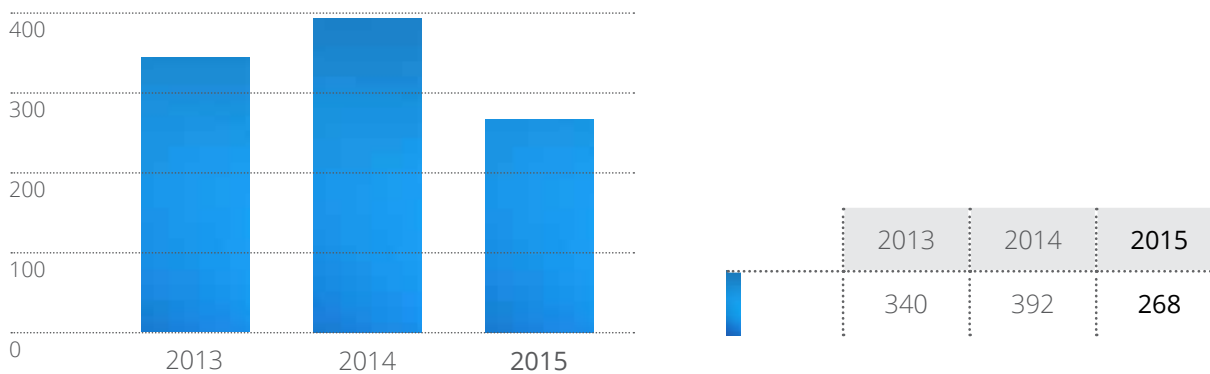
E-filing

During the year, design e-filing continued to grow in popularity, reaching 92 % of the total at the end of the year, 7 percentage points more than in 2014.



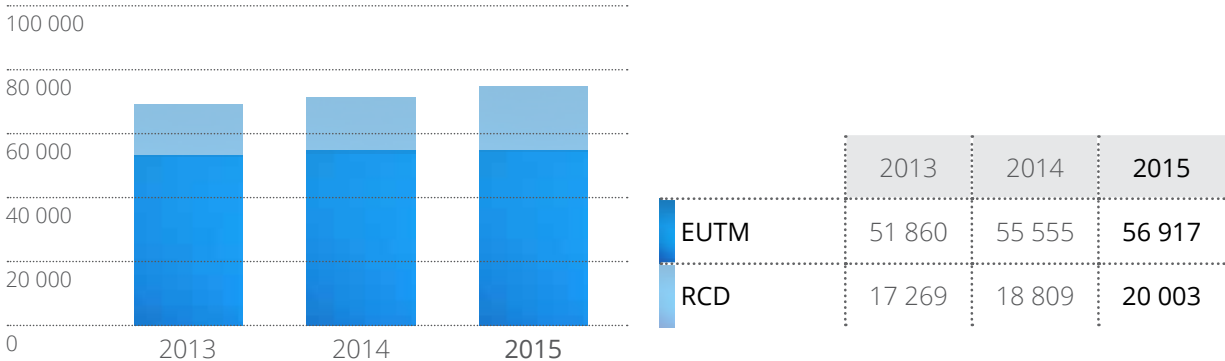
INVALIDITY

A total of 268 invalidity applications were received in 2015, 32 % fewer than in 2014.



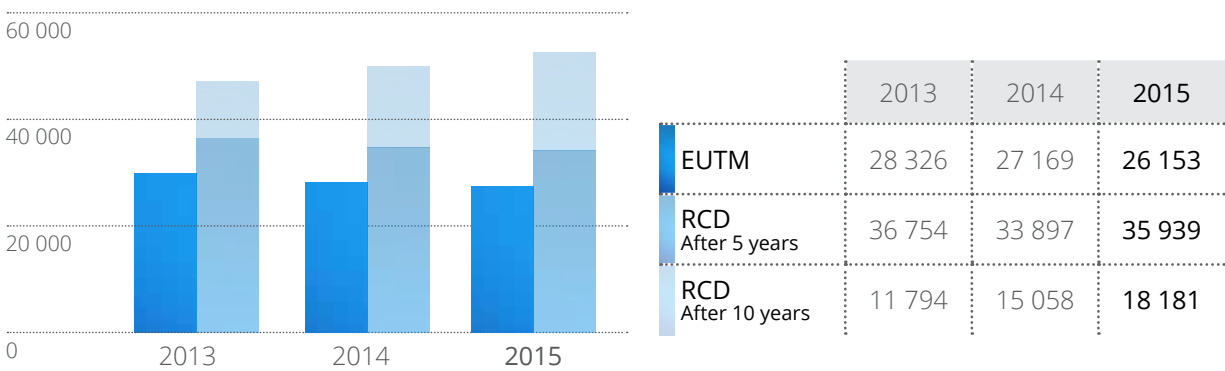
2.3 RECORDALS

In 2015, there were almost 57 000 EUTM recordals, 2.5 % more than in 2014. The Office also received more than 20 000 RCD recordals, up 7 % on the previous year.



2.4 RENEWALS

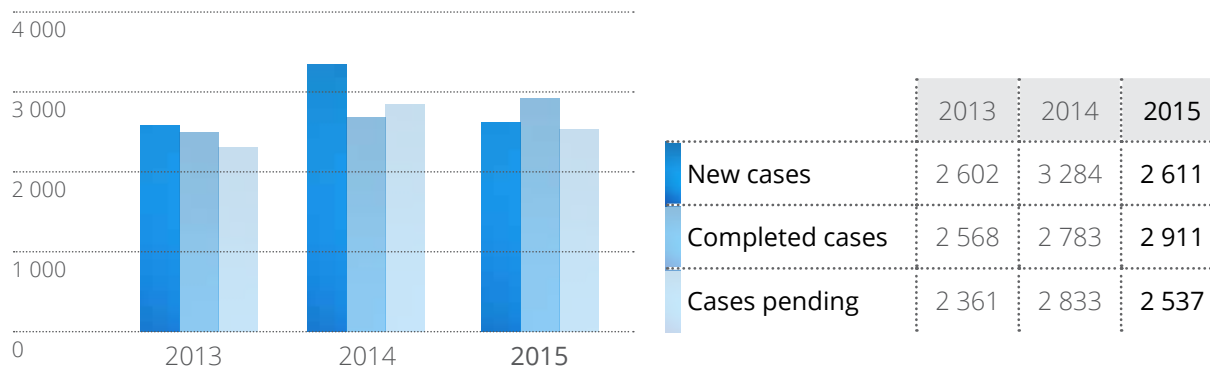
EUTM renewals fell compared with the previous year, to 26 153. However, RCD first and second renewals showed 6 % and 21 % increases in 2015, respectively, compared with the previous year.



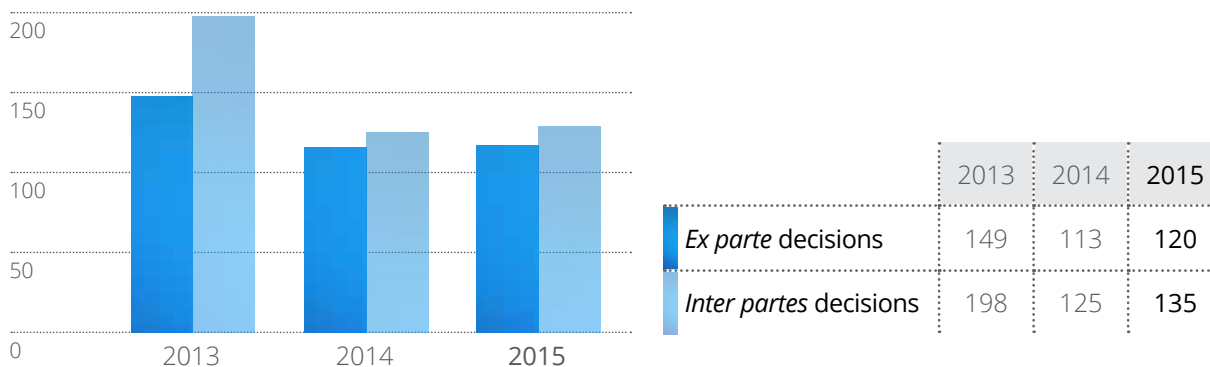
2.5 APPEALS

In 2015, 2 611 new appeals were filed, which represents a decrease of 20.5 % compared with 2014 but is still slightly more than the number received in 2013.

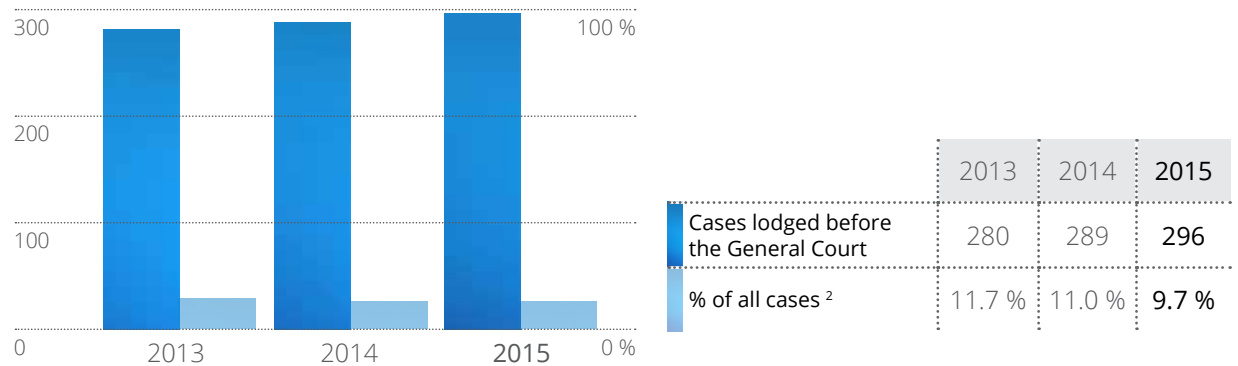
The Boards notified 2 911 decisions in 2015, 4.6 % more than in 2014. At the same time, the number of cases pending was reduced by 10.4 % to 2 537 cases.



The average length of the appeals procedure increased by 7 calendar days in *ex parte* cases and 10 calendar days in *inter partes* cases. The average pendency times in calendar days can be seen below:

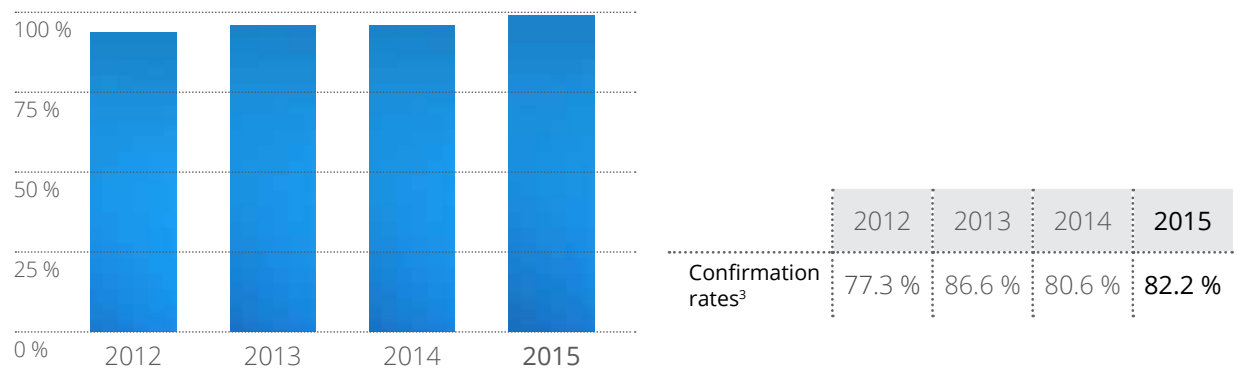


Appeals and confirmation rates



2 - The relevant decisions are those notified in the same period, but two months earlier, to allow for the deadline for appeal to the Courts.

As can be seen from the table, the percentage of Boards of Appeal decisions appealed to the General Court declined significantly in 2015, from 11.0 % to 9.7 %.



3- According to the Balanced Scorecard (BSC), the appeal confirmation rate is defined as the proportion of cases fully or partially confirmed (measured against the total including those reversed in full, giving half weight to cases reversed in part.)

The confirmation rate at the General Court is 82.2 %, which is 1.6 percentage points higher than the level for 2014.

Mediation

Nine mediation cases were filed in 2015, seven of which were pending at the end of the year. Since the mediation service was launched in 2013, a total of 15 mediation requests have been accepted. Of those, six cases have been concluded with a settlement.

Concluded/pending mediations

		2013	2014	2015	Total
Mediations concluded	a) with settlement	1	4	1	6
	b) without settlement	—	1	1	2
Pending mediations		—	—	7	7
Total number of mediations		1	5	9	15

In addition, the Registry of the Boards of Appeal received a number of unilateral requests for mediation (12 in 2014, 10 in 2015) that were rejected by the other party.

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03. QUALITY

At the end of 2014, a new Product Quality Framework was launched. The aim of this initiative is to expand quality controls to all areas of the Office. In particular, for trade mark and design processes, the framework involves creating a complete system of quality checks to be performed on the Office's main products. Until last year the focus was on evaluating our decisions, after disclosure to users (ex post). With this new framework, the attention has shifted to ex ante controls, which will correct decisions before they are delivered to our users and will complement the existing systematic ex post quality checks.

During 2015, the governance framework was implemented. The Quality Board is the top management board responsible for quality matters, while the Knowledge Circle on Quality is the cross-departmental team of experts managing operational quality activities. Several elements of the framework were implemented during the year, among which were the definition of a unique quality criterion to be used in ex ante and ex post activities and a quality check catalogue including all the possible checks to be performed on core business processes.

3.1 PRODUCT QUALITY

The ex post checks carried out in 2015 showed good results for the majority of working areas. Improvement in the quality of opposition decisions has been one of the major concerns for the past two years. Regarding cancellation decisions and cancellation proceedings, the average results for 2015 reached excellence and compliance levels respectively⁴.

The reorganisation of the Operations Department began in October 2014 and, at the beginning of 2015, led to the creation of smaller coherent teams of 15-20 members of staff (16 core teams in total, plus a central team) dealing with the entire trade mark and design process from reception to registration. The functions of legal and procedural advisers were integrated into the core teams in the form of a horizontal reference persons' group. One of the purposes of this reorganisation was to place quality expertise within the teams, enhance cohesion among team members by setting up small teams and increase ex ante quality feedback. The new team structure still has to mature in order to yield the envisaged improved quality. The first two pilot schemes for ex ante checks were launched and the results obtained have been used to improve and adjust the process, which will officially start in 2016.

4 - The Service Charter and Balanced Scorecard set out the criteria for three levels of performance on a wide range of indicators – 'excellence', 'compliance' and 'action needed'. For further information see the Office's website.



3.2 TIMELINESS

During 2015, the Office set more demanding timeliness objectives as well as new objectives to reflect the Fast Track procedure for EUTM filings that was introduced in November 2014. The timeliness standard for registration of straightforward, non-opposed EUTM files was met in more than 99 % of cases throughout the year. The average pendency time fell from 19.2 weeks at the end of 2014 to 16.7 weeks at the end of 2015. Opposition and cancellation decisions also met the target level (10-25 weeks in 99 % of cases).

Overall, the timeliness index (which covers a full range of indicators) exceeded objectives by 9 %.

In addition, since 2010 the average time taken to achieve some of the important steps in the Office's operations has improved significantly:

- The average time to register a EUTM has fallen from 178 days to 136 days (or less than 20 weeks). Under the new EUTM Fast Track, qualifying files are being registered in 17 weeks;
- The average time for an opposition decision has dropped from 18 weeks to 5 weeks at present — a 13-week reduction in 5 years;
- The average time to register a design has fallen from 12 days to 5 days and an increasing proportion of filers is using the Fast Track;
- In 2010, 79 % of RCDs were meeting the 45-day target for registration. About 41 % were being registered in under 10 days. Today, 98 % of designs are registered in under 10 days and 30 % are registered within 48 hours.

3.3 CONSISTENCY

Consistency is monitored in the Office's Balanced Scorecard (BSC) using a Consistency Index, which is composed of indicators measuring the proportion of first instance decisions that are appealed to the Boards of Appeal, and the proportion of Boards of Appeal decisions that are appealed to the General Court.

The Consistency Index remained at excellence level throughout 2015. Among its components, the inter partes appeal rate and the percentage of Boards of Appeal decisions appealed to the General Court reached excellence level in 2015. The ex parte appeal rate, however, remained at compliance level for the whole year.



The inter partes appeal rate and the percentage of Boards of Appeal decisions appealed to the General Court reached excellence level in 2015.

3.4 PREDICTABILITY

Predictability is monitored using the BSC Predictability Index, which in turn is composed of indicators such as the absolute grounds objection rate; the classification deficiency rate; the formalities deficiency rate; the opposition admissibility deficiency rate; and the opposition non-substantiated deficiency rate.

The Office adheres to the principle that all tools developed for use by its examiners should also be available to users, especially the Guidelines used by examiners. The Predictability Index improved in 2015, achieving excellence level. Part of the reason for this lies in the recent convergence of practice resulting from the Convergence Programme, which has represented a change for users, to which they have been adjusting gradually. The same is true for the stricter approach to examination. These changes in Office practice are reflected in the Guidelines, which are updated following consultation with user associations and National and Regional IP Offices. Over time, convergence of practice and consistency of approach should result in higher predictability.

3.5 EFFICIENCY

Since the launch of the new website, electronic means of communication have become the main channel of communications for most of the Office's users. The Office has launched initiatives to further enhance the use of electronic filing and communications, and is increasing the number of

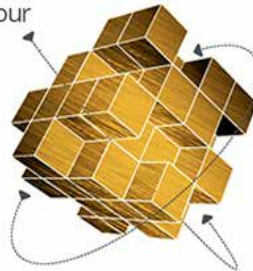
online solutions to cover the remaining proceedings in order to offer complete electronic availability to its customers. Today only a few processes, such as international applications, RCD invalidities, EUTM cancellations, and appeals, are still to be automated. A new RCD e-filing option with improved functionalities, such as 3D file upload capability, was launched in September 2015.

The new online form for designs.

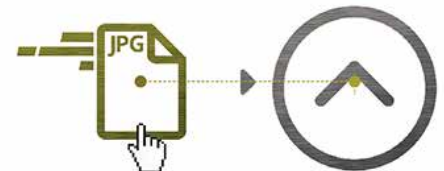
Better in many ways.

Get the full picture with EUIPO's new online form for designs.

Use the **3D image** uploader to present your design from different camera angles.



Upload your images seamlessly with the new **drag-and-drop** function.



Major milestones were reached in 2015 in the Office's endeavours to become a fully-fledged e-organisation and to engage users. Electronic means of filing and communications became the preferred means of communication for users in less than two years. This shift led to a significant reduction in the paper or fax correspondence to be handled by the Office, by 25 % for faxes, and by 21 % for mail received. The increase in the use of e-filing and e-communications also led to the elimination of the initial administrative step of reception, scanning and dispatch, which may take 1 or 2 days, for all correspondence filed electronically.

The new EUTM Fast Track, introduced on 24 November 2014, provides a quick route to publication, provided the application complies with two main conditions — goods and services are selected from a database of terms already accepted by the Office; and payment must be made at the time of application. Subject to these conditions and provided that there are no deficiencies at the moment of filing and during the examination of the application, the application will proceed via Fast Track and

will be published within the established timeliness standard of 3-4 weeks, which is twice as fast as the normal timeliness standard. In 2015, around 28 % of EUTM applications went through the Fast Track. Of the total applications received as Fast Track, this status was lost in 40 % of cases. The reasons behind the loss of Fast Track were non-immediate payment and examination deficiencies.

3.6 CUSTOMER SERVICES

The Key User programme has been in operation as a pilot since 2013. In 2015, the initial objective of engaging 250 Top Users of the Office as active Key Users was achieved. The programme has produced significant achievements in terms of digital engagement measured by the rate of e-filing and e-communications. In two years the Key Users have moved from limited use of electronic means of communication to nearly full use: 100 % of their EUTM applications, 98 % of their RCD applications and 85 % of their oppositions are now filed electronically.



During 2015, the Key User pilot programme was extended to cover tools such as the Harmonised Database (HDB) and the Enforcement Database (EDB).

At the end of 2015, the pilot phase of the programme was officially closed with 261 users on board, representing more than 43 % of the Office’s overall business. After the pilot phase, the programme became a part of the normal activities of the Office.

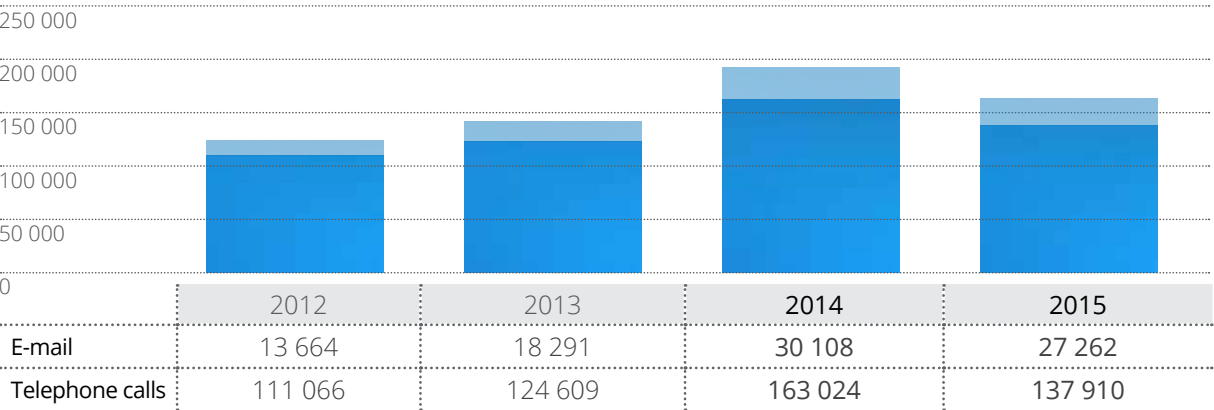
Based on the success of the Key User programme, a new aspect was added in 2015 by associating examiners with Key Users, with the aim to help users reduce their classification and formalities’ deficiencies.

Action taken during 2015 included:

- workshops in Denmark, Germany, Spain, Italy, Finland and the United Kingdom, where the main topic covered was the promotion of the HDB;
- visits to individual Key Users and videoconferences focusing on the HDB, TMclass and how to avoid deficiencies.

Accessibility

In 2015, volumes of user interactions were lower than in the previous year, when the launch of the website in late 2013 resulted in a significant increase in the first quarter of 2014. However, allowing for this temporary change, the overall trend in user interactions since 2012 can be seen as an increasing one which corresponds to the usage of files.



The accessibility service standards set by the Office were achieved systematically for all indicators:

- Telephone-call handling consistently achieved excellence level, with more than 99 % of incoming calls answered within 15 seconds;
- Written query response time was at compliance level with 99 % of emails replied to in less than 3 days; the Office is striving to achieve excellence level (up to 2 days) which was reached during four months in the second half of 2015;
- The Complaints Unit also achieved excellence, with all complaints being handled in a maximum of 7 days during 2015;
- As a result of user feedback, new initiatives such as the callback strategy were launched at the end of 2015, in order to improve the quality of interactions with the Office and its examiners, and this will be implemented further in 2016.

User Satisfaction

The 2015 User Satisfaction Survey (USS) was launched on 9 November.

All 25 000 users of the Office's services during the past 12 months were sent the survey and 7.78 % of them completed it. The main findings are as follows:

- The level of overall user satisfaction increased from 81 % in 2014 to 91 % in 2015;
- In 2015, 85 % of users indicated they were satisfied with the Office's website, up from 71 % in 2014. The channel most used to communicate with the Office is its website, selected by 88 % of users;
- Of the 26 % of users who perceived a change in the Office's services, 84 % described these as 'somewhat better' or 'much better'. 30 % of users indicated they were aware of changes made as a result of the Office's Strategic Plan between 2011 and 2015, and 91 % of them said the changes were positive;

- The level of satisfaction with the Office's various services (EUTM, RCD and appeals) increased compared with the previous year by at least 8 percentage points for each service. Overall satisfaction with the EUTM core process increased from 83 % in 2014 to 93 % in 2015;
- The level of satisfaction with Office staff had a direct influence on overall satisfaction with the Office. Altogether, 88 % of users said they were satisfied with Office staff, and 92 % said they were satisfied with the level of service in their interactions with the Office;
- In 2015, the relevance of the content of the Office's communications increased by 24 percentage points, with 91 % of users considering it relevant;
- The two processes that users ranked as most in need of improvement were EUTM registration (27 % of users) and EUTM opposition (18 %);
- The two services that users ranked as most in need of improvement were harmonisation of trade mark practice in the EU (25 % of users) and user interaction with the Office (16 %).

In addition to the annual measurement of user satisfaction, and within the framework of endeavouring to measure customer satisfaction in a more systematic manner, the Office has also been working on the introduction of immediate feedback (e.g. short surveys) in tools and services that are of great relevance to users. This system of measurement will be set up during 2016 for the services of the Information Centre (telephone calls, written queries and complaints) and is expected to be extended to EUTM and RCD e-filing forms on the website.

04. EUROPEAN TRADE MARK AND DESIGN NETWORK

The creation of the European Trade Mark and Design Network (ETMDN) is a reality, thanks to the efforts of both IP offices and user associations, and their support for the projects in the two main strategic programmes (Cooperation Fund and Convergence Programme).

Those efforts have been sustained over the past five years as a result of dedicated resources which were organised in a well-structured manner with IP offices across the EU. Through a set of cooperation agreements, clear results have been identified whether in the development and implementation of tools of the Cooperation Fund or in the establishment of common practices in the Convergence Programme.

Constant endeavours to optimise use of the resources provided through these agreements have resulted in better levels of budget execution. However, work continues to make further improvements in this area.

4.1 COOPERATION FUND

The Cooperation Fund is a cooperative endeavour by all National and Regional IP offices in the EU, as well as the European Commission, the Office, EPO, WIPO and user associations. Common IT tools created under the Fund cover the whole life cycle of a trade mark or design. The range includes pre-clearance for filing, examination, possible opposition, registration, life cycle management of the trade mark, dealing with cancellations, renewals and the defence of rights against infringement. Advanced search databases are also available free of charge on the internet.

All of these projects are fully implemented in several offices. At the end of 2015, 370 implementations had successfully been carried out in the EU National and Regional IP Offices – including 56 during the year, such as the implementation of e-services in Greece's OBI. So far, the Cooperation Fund has received 377 'intents to implement'. A large part of the Cooperation Fund efforts were still concentrated in 2015 on the Back Office project for the management of trade marks and/or designs, which 10 out of 12 offices (Benelux, Estonia, Greece OBI & GGE, Spain, Latvia, Lithuania, Malta, Poland, and Finland) put into production in 2015, with other offices (Romania and the United Kingdom) in the process of doing so. By the end of 2015, 17 offices had put these solutions for trade mark applications into production, and 15 offices had also done so for designs. E-services had been implemented by 15 offices. This is a significant change in the IT landscape across the network. Before the implementation of this Cooperation Fund solution, only 13 offices of the network had trade mark e-filing and only 9 had e-filing for designs.

ETMDN Operation Centre (OC)

Following the creation of the ETMDN OC at the end of 2014, 2015 saw the consolidation of this area with its functions and responsibilities set out and the collaborative framework with other departments of the Office defined.

One of the main areas of focus in 2015 was developing usage of the HDB (Harmonised Database) by targeting different audiences. Efforts were made to promote the HDB, as well as to improve its content with initiatives such as the 'experts tandem', where classification experts work hand in hand with industry experts to include specific market sector terminology and 'recurring lists', where the area revises companies' frequently used lists of goods and services of non-HDB terms, proposing comparable HDB terms for future use.

HDB content grew during 2015, with approximately 5 000 Madrid goods and services (MGS) terms being introduced into the HDB in collaboration with the National Offices. This alignment process will be ongoing, following an agreement reached with WIPO to introduce MGS terms into the harmonised workflow twice a year. Furthermore, legacy terms from the ID list maintained by the Office and its TM5 partners were integrated into the HDB. Actions to promote and improve the HDB in 2015 were not made by the ETMDN OC alone, but rather with the support and input of the National and Regional IP offices, which met to discuss classification and similarity-related matters during the ETMDN Maintenance Forum.



In 2015, RCD data was made available to the National and Regional IP Offices in the same way as 'EUTM download'. Further developments in this area are still foreseen with the future creation of the Open Data Platform simplifying the data download process, as well as improving communication and transparency.

The number of online tools and services offered to users increased with, inter alia, the successful launch of the new RCD e-filing application with improved user friendliness and enhanced features such as 3D Designs. In 2015, a trial version of searching for images in eSearch plus was also released, providing enhanced searching capacity for images, as well as allowing the Office to collect feedback on customer needs and requirements in that field. Finally, new functionalities were added to the user area and e-filings to improve user experience.

4.2 CONVERGENCE PROGRAMME

The Convergence Programme is a joint undertaking that focuses on non-legislative changes in practice, and is supported by experts from National and Regional IP Offices, the Office, user associations and WIPO. The Convergence Programme achieves its aim by examining in detail specific differences in practice between participating offices and seeking agreement. Each project leads to consultation with end users, resulting in common communications, which are translated and published. Following intensive consultation with users and IP office experts, the first-ever design convergence project, the CP6 Graphical representation of designs, was endorsed by the Administrative Board in November 2015. Regarding CP7 Harmonisation of product indications, the tool that will enable these terms to be searchable ('DesignClass') was put into production by the end of 2015.



Following intensive consultation with users and IP office experts, the first-ever design convergence project, the CP6 Graphical representation of designs, was endorsed by the Administrative Board in November 2015.

4.3 RELATIONS WITH STAKEHOLDERS

An exhaustive analysis and overview of the Office's stakeholder engagement in 2013 (Stakeholder Engagement Plan) highlighted the need for improvement in the Office's stakeholder relationship management between departments in order to facilitate decision making and close the gap between current and desired engagement with identified stakeholders. Therefore, the Relationship Excellence Project (REP) was established to support Office-wide management of stakeholders and events. By the end of 2015, the first deliverable of the project was put into production (a more functional events database to manage the increasing number of events in which the Office participated in 2015, including videoconferences).

4.4 INTERNATIONAL COOPERATION

By the end of 2015, the Office had extended the approaches pioneered with the ETMDN onto the global stage by carrying out more than 130 activities and 417 interventions as an implementing agency for EU-funded programmes in third countries, and by working with its TM5 and ID5 partners to broaden the coverage of the flagship tools such as TMview and DesignView in their respective jurisdictions. In these efforts, the Office is strongly committed to the TM5 and ID5 partnerships, promoting the creation of common tools and databases and convergence of practice for the benefit of users across the globe.

TMview provides access to nearly 40 million trade marks from 54 offices, including all IP offices in the EU and many of the most important non-EU economies. It is used as a tool of reference with more than 7 million searches per year.

DesignView is the first multi-office search tool on designs ever developed by an IP office. This tool provides access to more than 9 million designs from 47 offices and is used more than 700 000 times each year.



Finally, 58 offices, including all the IP offices in the EU, have integrated their goods and services database lists into TMclass, which now attracts almost 7.5 million searches per year. Harmonised goods and services are now a reality at the Office, with 94.9 % of EUTM applications using terms from the HDB.

Every TM5 and ID5 office participates in at least one of these tools by facilitating data related to trade mark and design information.

All told, so far there have been 80 implementations of tools in 37 non-EU offices including the ASEAN IP offices, BRIC countries (Brazil, Russia, India and China), TM5/ID5 Offices, and international organisations in the IP field such as WIPO.



EU-FUNDED PROJECTS

The EU-funded projects are on track and being implemented as agreed with the respective key stakeholders for each geographical area. Very positive feedback is being received from implementing partners and stakeholders; so much so that beneficiaries are supporting requests for an extension (of the implementation period) for ECAP III, so that all the programmed activities can be implemented adequately and results consolidated. All four projects: ECAP III (ASEAN), IP KEY (China), IPC-EUI (India) and P4M-IP (Russia) are now immersed in the final stages of implementation. Two flagship tools have been implemented in China (TMclass and DesignView), while TMview, DesignView and TMclass flagships have been implemented in Russia. Nine ASEAN countries joined ASEAN TMview and ASEAN TMclass and ASEAN DesignView, which also went live in August 2015. This constitutes an important contribution to convergence of IP environments in Asia, the fastest-growing region in the world, and the EU, as the external dimension of the ETMDN is rolled out.

WIPO

Cooperation between the Office and WIPO was reinforced in March 2015 through the signing of a revised Memorandum of Understanding (MoU). Activities of major interest, such as data exchange, convergence, and enforcement were translated into a work plan for implementing the MoU, which was established in the second quarter of 2015. In the area of data exchange, the aim is to establish a mechanism for receiving Madrid and Hague international registration data from WIPO on the one hand, and to provide EUTM/RCD data to WIPO on the other. WIPO and the Office also worked towards the integration of WIPO's Madrid goods and services terms into the HDB. WIPO continues to play an important role in the Convergence Programme.

EPO

The Office and the EPO engage in reciprocal participation in their technical and governing bodies and also cooperate closely on multiple projects and activities. The two offices established the Pan-European Seal traineeship programme in 2014. The Pan-European Seal IP Campus — Pilot 2015 took place in Alicante from 11 to 13 May 2015. The EPO participated in the event. In October, the Office and the EPO welcomed the trainees for a year-long traineeship. More new members joined the Pan-European Seal programme during 2015, and further expansion is expected within the next few years, with a special emphasis on the gradual representation of Universities/Programmes from all the EU Member States and all EPO member countries. In the area of staff exchange, an EPO expert

is currently working at the Office, and staff members from the two organisations have carried out a number of technical and study visits. Where required, the EPO provides expertise on the EU-funded projects in which the Office is active, including IP Key and ECAP III. Other recent areas of cooperation include sharing of information on IP classification systems, as well as benchmarking on Enterprise Content Management and e-communications.

TM5 & ID5

The TM5 annual meeting was held on 1-2 December 2015 in Alexandria (Virginia), hosted by the USPTO. Each partner presented its current status and agreed on the next steps for its leading project(s). The ID5 inaugural meeting was held over the following two days on 3-4 December 2015 in the same venue as the TM5 meeting. This inaugural meeting covered a discussion of the ID5 Rules of Governance and proposals for collaboration projects (12 new projects will be launched). Furthermore, the Office continues to foster further user involvement in both meetings and projects. To this end, a review of the rules of those fora was promoted.



NETWORK OF EU AGENCIES

The Office has established a number of networks comprising National and Regional IP Offices and other key stakeholders. The networks that have been set up provide a platform for contact points to engage in exchanges on important issues including training, communication, fraud, IT security, and other areas of mutual interest. The Office is also a member of a number of networks established by

other stakeholders that provide a platform for exchanges on important issues between EU Agencies and other stakeholders. The EU Agencies Network is designed to improve coordination, information exchange and agreement on common positions on issues of shared interest across EU agencies, further improving their efficient and effective functioning. In March 2015, the Office took up its role in the 'troika' of the coordination network of EU agencies, at a ceremony in Dublin. The troika includes Eurofound, which currently coordinates the network, and the outgoing coordination agency, the Fundamental Rights Agency. The Office will occupy the chair of the network in 2016. Over 40 agencies work across a variety of issues that affect EU citizens on a daily basis, including education, food safety, industry, working conditions, health and safety, justice, transport, business and innovation.

05. OBSERVATORY

The Observatory is made up of a network of public and private sector representatives, who collaborate in five working groups — Public Awareness, Enforcement, Legal and International, IP in the Digital World, and Economics & Statistics.

5.1 PUBLIC AWARENESS

The studies carried out to date by the Office through the Observatory aim to address a trilogy of themes — quantification of the importance of IPR to the economy; mapping what European citizens think and know about IPR; and quantification of the extent of IPR infringement and its consequences for the economy and society. Several studies and reports were published during 2015, including: the second phase of the IP Contribution Study, which analyses the relationship between the ownership of IPR and economic performance at the level of individual companies; studies of the impact of IPR infringement on specific industry sectors; a joint Office/Europol situation report on counterfeiting, providing information on routes, entry points, and modus operandi of criminal organisations involved in counterfeiting; a research report on IP in education; a report on Inter-Agency Cooperation at national and international level in IPR enforcement; updates on earlier reports on storage and destruction and costs and damages; and a guide to IPR protection in the Ukraine, to supplement similar guides for Brazil, China, India, Russia and Turkey, published in 2014. These studies and the evidence they contain have attracted significant coverage in mainstream, economic and social media, as well as in specialised and trade press. Close to 1 000 press clippings have been collected in the five directly targeted key countries (France, Germany, Italy, Spain and the UK), for an estimated advertising value equivalent to over EUR 4 million, in addition to outreach efforts and dissemination activities undertaken by stakeholders in other EU countries.



As part of the Youth Action Plan, a qualitative and quantitative survey called the Youth Scoreboard, was completed to deepen the analysis of European youngsters' attitudes towards purchasing counterfeit goods and consuming illegal digital content. Another strand of the Youth Action Plan, the setting up of a community and an online dialogue on social media networks, was launched with the creation of Facebook and Twitter accounts and a mapping of young opinion leaders, influencers and multipliers for the younger generation in the 28 Member States. An online platform, the Ideas Powered website, has been developed to serve as a repository of content for the social media accounts, and also as an operational platform to support and share the contributions of youth opinion leaders and influencers, while supporting the organisation of a monthly video competition designed to generate interest in and traffic to the website and to the social media accounts. The Ideas Powered Facebook account received over 20 000 'likes', mainly from the target audience (91 % are between 15 and 24 years old) and the Twitter account has more than 8 000 followers in total.



► I USE LEGAL SOURCES / CULTURE MATTERS TO ME

Another strand of the Youth Action Plan, the setting up of a community and an online dialogue on social media networks, was launched with the creation of Facebook and Twitter accounts.

A grant scheme was published to support awareness-raising initiatives on the value and benefits of intellectual property, and on the damage caused by infringements. Among the 125 proposals evaluated, 11 projects were selected for financial support, amounting to a total budget of EUR 500 000. The selected projects will support the Observatory's objectives by:

- reaching out to youngsters, highlighting the positive value of IP and the importance of being fair to creators and innovators, with approaches that are relevant to this audience, such as gamification, social media dialogue and e-learning activities;
- bringing IP closer to citizens in their daily lives, at local level, and highlighting the value of originals and creativity, in contrast to the damages of counterfeiting and piracy;
- building a better understanding of IP by developing educational programmes in schools for children from various age groups.

5.2 ENFORCEMENT

ENFORCEMENT DATABASE (EDB)

The EDB enables sharing of information on IP matters between businesses and enforcement authorities. After the latest EDB roadshow for customs, which ended in February 2015, the tool is now accessible to all EU customs authorities, and some police authorities are starting to use it as well. The tool has developed into being a real means of communication between companies and the enforcement authorities in Member States. At the end of 2015, more than 270 companies had entered information into the tool. The EDB has been linked to the DG TAXUD COPIS system. Since July 2015, it has been possible to send electronically generated Applications for Action (AFAs) via the EDB.

In September 2015, the Office hosted its first EDB Forum. The event gathered around 90 police and customs officials from the 28 Member States and more than 100 right holders. It was a unique opportunity for right holders to meet EU enforcers from all EU Member States, and to share experiences and discuss the latest enforcement trends. The forum featured several sectorial workshops addressing the problems of IP infringement by industry sector, a number of workshops

on the EDB, and an exhibition. During the exhibition, EDB users had an opportunity to share their experiences of counterfeit goods and to show enforcers where to find their product information in the EDB.



Anti-Counterfeiting Intelligence Support Tool

The Anti-Counterfeiting Intelligence Support Tool (ACIST) is a tool that collects data on seizures, with the aim of supporting improvements in seizure performance across the EU. The data is collected from Member State police, customs and other possible enforcement authorities, and is uploaded to a single or multiple databases. Users can access and use the information by producing statistical reports. Until now, reporting of data on customs activities had been done successfully through DG TAXUD. As for seizures in the internal market, data from the national authorities in the majority of the EU Member States are also available in the tool.

COORDINATION WITH OTHER AGENCIES

Due to the higher profile of IP activities and the large number of institutions and agencies with a common interest, an inter-agency Coordination Group on Infringements of IP Rights was set up in 2014 with representatives of other EU agencies (such as Europol, Eurojust and Cepol), the European Commission and international organisations such as WIPO, Interpol, ECO and OECD. In March 2015 WIPO hosted a meeting of the group in which ongoing activities, projects and issues among those agencies that deal with IPR infringements were discussed to avoid duplication of efforts and seize new opportunities for collaboration. A first joint Office-Europol report on counterfeiting in the EU was published at the end of April 2015. This report serves to expand the knowledge of policymakers and practitioners in this field, and to understand better what countermeasures might be most effective for at least limiting the proliferation of counterfeit goods. The report also includes contributions from Eurojust and from enforcement authorities from several Member States.

The successful Judges' Seminar series continued to run, bringing together senior IP judges and prosecutors from every EU Member State, and occasionally from the USA. In 2015, four seminars focusing on different thematic areas and the biannual symposium were held in Alicante. The first workshop of the European Intellectual Public Prosecutors Network, co-chaired by the Observatory and Eurojust, was held at the Office in June 2015.



The successful Judges' Seminar series continued to run, bringing together senior IP judges and prosecutors from every EU Member State, and occasionally from the USA.

Two major knowledge-building conferences were held during 2015; the first, in June, was on the counterfeiting of cosmetics, perfumes and luxury products, while the second, in November, was on the 'Infringements of Designs protected by Design and Copyright Law'. Both conferences were organised in cooperation with Europol and Eurojust. A comprehensive report was produced after each of the events, which includes conclusions and proposals. These reports are widely distributed through the Europol Expert Platform and are available on the Observatory website. Regional seminars for enforcers were organised in Italy and in Hungary.

5.3 LEGAL AND INTERNATIONAL

National and Regional IP offices were invited to participate in a national enforcement-related case-law pilot study. Eight offices agreed to take part in the study: Denmark, Spain, France, Lithuania, Romania, Slovenia, Sweden and the United Kingdom. The Community Plant Variety Office (CPVO) was invited to provide key judgments related to the enforcement of plant variety rights. In total, 339 judgments were provided by National Offices implementing the pilot study and the CPVO.

The Observatory continued to support the EU-funded projects and bilateral projects in third countries. In order to support IPR enforcement outside the EU, a network of IP experts in EU delegations that deal with IP was created in 2014 and held its annual conference in Brussels in July 2015. The Office has been working with DG Trade to consolidate the network by providing technical support to improve IP knowledge and to exchange information among its members.

5.4 IP IN THE DIGITAL WORLD

A European aggregator of legal offers composed of a central portal that will link to the different national aggregators installed in each Member State is being developed. These national aggregators (already existing or to be built with the help of a toolkit created by the Office) will show existing legal offers available in the country for each of the five content fields managed by the project: music, films and TV, e-books, broadcasting of sports and video games. The aggregator will be a first step towards the possibility for European consumers to search the legal offers available by the title of the work. The current project identifies websites containing legal offers through the European and corresponding national aggregators, while the search by the title of the work itself will be developed in a follow-up project.

A number of studies and activities are currently under way, including a study on voluntary collaboration practices between IP right holders and online intermediaries, a study on business models used to infringe IP online and a collection of answers from national academic experts to copyright questions frequently asked by consumers in the context of their online activity. A study on digital advertising on web sites suspected of selling infringing goods was completed in 2015 and published in January 2016.

ORPHAN WORKS DATABASE

Directive 2012/28/EU⁵ sets out common rules on the digitisation and online display of orphan works and establishes the creation of a single European registry for all recognised orphan works, which will be shared by all Member States. The inclusion of a work in the register will enable cultural institutions to use orphan works while ensuring adequate protection for right holders. The development of the registry was entrusted to the Office and was finalised at the end of 2014. In 2015, the Office devised a strategy to encourage the use of the database as a central European repository of information related to orphan works, and created a stable network of stakeholders. Awareness-raising and training initiatives have been carried out in cooperation with competent national authorities, key beneficiary organisations (such as libraries, educational establishments, museums, as well as archives, film or audio heritage institutions and public-service broadcasting organisations) and the European Commission. The number of records in the database stood at approximately 1 430 at the end of 2015.

5 - Directive 2012/28/EU of the European Parliament and of the Council of 25 October 2012 on certain permitted uses of orphan works (OJ L 299, 27.10.2012, pp. 5-12).



5.5 ECONOMICS AND STATISTICS

The first report on infringement quantification, focusing on perfumes and toilet preparations, was published in March 2015. A report on clothing, footwear and accessories was published in June 2015. In September 2015, the third report in the series was released, on sports goods, followed by a report on toys and games in December 2015. Several more sectors will be investigated using this methodology. Each report quantifies the lost sales in the legitimate economy due to the presence of counterfeit products in the EU marketplace, as well as the resulting loss of employment and public sector revenue.

The IP Contribution Study (company level) was published in June 2015. This major study, a follow-up to the 2013 industry-level study, examined the relationship between ownership of IP rights and economic performance for more than 130 000 companies in 12 EU Member States. It found that companies that owned trade marks, patents or registered designs had higher revenue per employee, employed more workers, and paid higher wages than companies that owned no IP rights.

Work continued on several major economic studies to be published in 2016, including a joint study with the OECD on counterfeit trade, a study on infringement of Geographical Indications, a study on companies' use of trade secrets based on the Community Innovation survey, and a study on the value of public domain works in the film industry.



06. ACADEMY

The Academy has been operating as the Office's knowledge and information dissemination hub since 2011. Achieving high levels of professionalism and depth of expertise in the Office's workforce in IP-related matters and soft skills is an ongoing effort at the heart of an organisation of excellence. However, the Office must also concentrate on reaching out to the broader community of stakeholders, in particular SMEs, IP specialists, academia and society in general.

Internally, the Academy is responsible for improving the value of the Office's products and services and building its capacity and reputation. This aspect of its work is especially important following the changes in the operations of the Office, which concentrate all examination tasks in the Operations Department under a teamwork-model approach and develop a client-oriented Customer Services Department. These changes require increased training in trade mark and design administration processes and tasks and further training in soft-skill areas, including languages and teamwork, as well as HR and finance management.

Externally, and building on in-house expertise, the Academy manages and disseminates a wide range of IP knowledge to the IP community and the public in general. These activities are carried out in collaboration with IP organisations, such as EPO and WIPO, as well as with academia, the relevant European Commission services and other public and private organisations, and in alignment with the Office's international activities.

OFFICE ACADEMY LEARNING PORTAL (OALP)


Launched in 2013, the OALP is a learning hub aimed at creating an IP knowledge community to fit user needs best (internal staff, National and Regional IP offices, law enforcement, European and international IP organisations, entrepreneurs, academia, user associations). The range of e-learning materials and tutorials available includes a wide selection of IP materials structured in three levels of 'basic, intermediate and expert': EUTM in a Nutshell, RCD in a Nutshell, IP Teaching Kit (in partnership with EPO), the new Office website tutorials, and e-Learning for SMEs. In addition, a set of soft-skills courses are available for internal staff, National and Regional IP offices and Pan-European Seal members. In total, more than 480 courses are available on OALP, 152 of which are available to external stakeholders. The number of webinars broadcast in 2015 was 53, with a total of 7599 connections. There were 4 IP author conferences with 791 connections, which gives a total of 8390 connections. During 2015, the e-learning portal was visited 9 106 times per month on average (an increase of 42 % over 2014, with an average of 6 400 visits per month).



PAN-EUROPEAN SEAL

A pilot Pan-European Seal Professional Traineeship Programme was launched by the Office in 2014, with the European Intellectual Property Institutes Network (EIPIN) as founding partners, and the full programme was launched officially in 2015. The Pan-European Seal is promoted in partnership by the Office and EPO, together with their strategic university partners (a total of 19 in 2015). It is a comprehensive IP programme that bridges academia and the IP labour market, based on the premise that strengthening cooperation with universities will not only help to disseminate IP knowledge and awareness but also enhance IP content and make it more relevant to the needs of global IP users.

The Pan-European Seal sets up a programme that reaches all academic areas, promotes the use of online tools amongst university lecturers and students, helps young people to access the IP labour market, and encourages multicultural exchange. This programme provides a framework for early talent detection by offering paid traineeships, enhancing the professional qualifications of young people. The aim of the Pan-European Seal is to improve IP knowledge from a multidisciplinary perspective; to provide career guidance on different professional pathways; and to enhance networking with potential recruiters.



The Pan-European Seal sets up a programme that reaches all academic areas, promotes the use of online tools amongst university lecturers and students, helps young people to access the IP labour market, and encourages multicultural exchange.

Trainees at the Office benefit from access to a very wide range of training provided by the Office both 'on-the-job' and in the form of online courses, through the OALP and activities such as the Pan-European Seal IP Campus. This event builds upon 'on-the-job' learning and other training provided through a programme of lectures and discussion panels with speakers from the Office, EPO and the private sector, and visits to local IP-intensive industries.

As a commitment to social responsibility, and in the context of the ongoing battle against high levels of youth unemployment in Europe, the Pan-European Seal will offer at least 100 traineeship posts every year, administered by both offices. Within five years, 500 of the best young graduates will have benefited from a year-long traineeship in IP.

On 13 October 2015, the Office welcomed 60 trainees, 10 more than the initial target of 50 trainees for a year-long traineeship. At the same event, the 14 trainees that took part in the Office's pilot edition received certificates, with four of them being granted a diploma with merit. In parallel, the European Patent Office started its pilot edition of the Pan-European Seal with 34 trainees, 20 more than the target foreseen.



More new members are expected to join the Pan-European Seal programme during 2016 and also within the next few years, with a special emphasis on the gradual representation of universities/programmes from all the Office's and EPO's member states. The expansion of associated partners to co-promote the Pan-European Seal programme is also foreseen.

SUPPORT FOR THE CREATION OF A JOINT DOCTORATE IN INTELLECTUAL PROPERTY

The Office has supported the creation of a joint doctorate in intellectual property, the programme being carried out under the European Commission's Marie Skłodowska-Curie Actions, in collaboration with EIPIN. The Office will consider supporting other similar IP programmes if considered relevant.

If the application is successful, that is to say, if the Commission supports the proposal with a corresponding grant, this programme will become a landmark in IP teaching, thanks to the mobility of students and a more interdisciplinary, inter-sectorial, global perspective, responding to the demand, not just in Europe but worldwide, for more international expertise and the qualifications to match. This will enhance students' employability, ensuring that this programme remains fresh, relevant, and cutting edge.

KNOWLEDGE REPOSITORY

In 2015, the Knowledge Repository (ShareDox) continued to consolidate its presence in the Office and has become an important administrative tool in the working life of the Office's staff.

The latest figures show that 3.9 million documents are currently stored in ShareDox, an increase of 600 000 since December 2014. Likewise, the usage of the system has exceeded expectations — 6 million documents have been consulted and modified since the beginning of the year.

In addition, this year has seen a surge in the use of other functionalities of ShareDox, which in turn has improved and benefited the Office's work processes.

07. HR REFORM

Following the reorganisation of the Office in October 2014, Finance and HR are now two separate departments.

7.1 EPSO COMPETITIONS AND CAST LISTS

Following the completion of the two EPSO competitions conducted during the first half of 2014 and the establishment of two lists of 63 AST and 45 AD laureates respectively, available to the Office for recruitment between 2014 and 2017, 77 staff have been appointed so far in permanent positions, replacing temporary agents. These appointments took into account sound financial management and the Interinstitutional Agreement on Budgetary Discipline.

Moreover, the first Office database of candidates (CAST) from which to recruit contract agents to cover the needs of the Office during the period 2015-2018 has been operational since Q4 2014. The Office will continue to work in collaboration with EPSO to maintain its own CAST list. An update of the CAST list was launched at the end of 2015 and two new IP profiles were added to align with the Office's business needs. In 2015, a total of 17 contract agents were recruited from the Office's CAST list.



7.2 STAFF DEVELOPMENT FRAMEWORK

The job and competency mapping launched in September 2013 is fully operational and has been integrated into all HR processes since January 2015. HR delivered 19 sessions, organised by department, in order to inform all staff and explain the concept and how it is being used. The job and competency mapping is a living document and is therefore regularly updated according to the needs of the organisation. In this context, an annual revision was carried out and completed in December 2015, including the competency framework for contract agents.

7.3 TALENT MANAGEMENT TOOL

The concept of the talent repository has been revised and finalised in order to support talent management as a key element of the Office's strategy and staff's career development. As a result, a talent management tool has been developed consisting of a talent profile in which all staff have the opportunity to record their talents and professional interests, and a talent search tool that allows the Office to search for specific talents and profiles depending on business needs. The talent management tool is open to all statutory staff; it aims to facilitate the Office's search for talent internally to meet current and future needs, and to promote the talent and career development of staff.

7.4 PERFORMANCE MANAGEMENT

Further revision of the appraisal process has been undertaken in order to improve the setting of team objectives, as well as the definition of annual staff learning needs through the identification of competency gaps and appropriate learning methods. The peer feedback concept has been defined and will serve as a learning and development tool, allowing staff to reflect on their strengths and opportunities for development when working in teams.

7.5 HR INFORMATION SYSTEM (HRIS)

In 2015, the work programme for the HRIS concentrated on subjects considered critical: the implementation of changes imposed by the new Staff Regulations (for instance, the working time module); the implementation of the module for reimbursement of mission expenses; the preparation

of the appraisal and promotion exercise; the setting-up of electronic tools for talent management and peer feedback respectively; and the development of the e-recruitment module.

The new e-recruitment tool went live on 1 April 2015. It was initially planned for the external selection of temporary staff and trainees, and was used for trainee selection first. It resulted in reduced administrative work and increased quality and consistency of selection procedures. Initial focus was on the online application process, communication with candidates and the screening of application formalities.

In parallel, the Office has launched an analysis of the tools available in Finance and Human Resources (HR), in order to provide an adequate interoperable HR and Finance information system(s), a so-called Enterprise Resource Planning system, allowing for smooth workflows for transactions and for management decision-making based on available strategic data.

7.6 TEAMWORK AND MATRIX ORGANISATION

Following the decision of the President that entered into force on 9 October 2014, the internal structure of the Office has been adjusted to a new logic of teams and matrix organisation of work. In particular, this concept has brought a major change in working methods and the level of collaboration in core business departments. There are now 17 small, autonomous and highly efficient teams that deal with files from application through to registration, records or cancellation/invalidity. The multidisciplinary teams' work is facilitated by team leaders, and reference persons are assigned to ensure the implementation of consistent practices across the teams.

The creation of high performance teams is a gradual process that is planned to unfold over three years until the end of 2017.

The results of the reorganisation process have been positive. The increasing volumes and workload have been absorbed by the existing staff, showing a positive trend in terms of productivity gains and team effort. In the new core business teams, the members share a common goal and responsibility for ensuring that all quality and timeliness standards set in the Service Charter are achieved for each individual action.

Individual volume targets have been abolished to foster team achievements and collaboration between individual members of staff and their team colleagues. The work distribution is triggered by an individual request from the examiner when they are actually available to perform these tasks, in order to improve first-in-first-out file management. Cross-team collaboration is encouraged in order to make the most of the entire department's potential. Legal and process advisers have been integrated into the teams in order to embed quality where the work is done and ensure availability of experts' knowledge. The teams are given management information on a daily basis to allow them to react immediately to workflow changes.



08. FINANCE

In the 48th meeting of the Budget Committee, the Office's new Financial Regulation and Implementing Rules were adopted as submitted, allowing formal adjustments to be made after publication of the Office's revised founding act. They entered into force on the same date as the Amending EU Trade Mark Regulation, namely 23 March 2016.

8.1 SIMPLIFICATION AND PROCESS OPTIMISATION

An improvement in the invoice-handling process has been defined and successfully implemented in relation to the keying-in of paper invoices from suppliers (outsourcing of these tasks to the external company doing the keying-in of most of the Office's documents). Considering the positive results of this experience, particularly in terms of quality and efficiency, similar solutions are being analysed for other keying-in processes in the same area. Moreover, efforts to promote and extend the use of e-invoicing among the Office's vendors have paid back, with 25 % of invoices received electronically (32 % during the last 6 months of 2015) compared with 15 % at the end of 2014.



In order to increase the efficiency of the fee management processes, the Office has enhanced the automation of back office information systems and communications with and awareness of users, leading to increased automatic recognition of bank transfer payment codes (50 % at the end of 2015 versus 23 % at the end of 2014). Expanding e-payment services in the medium term will

further allow for increasing recognition rates. Moreover, around 3 % of direct EUTM applications ultimately remain unpaid, with a large proportion of them (82 %) resulting from bank transfers that were not completed. The Office is monitoring the levels of unpaid files closely and adapting its actions accordingly. Finally, the Office decided to launch a project for outsourcing some of the fee management tasks; the results of this will be visible in 2016, once the current teams have absorbed the one-off consequences of the Legal Reform on fee handling. The above measures aim to increase the quality of payment services for users, supported by more efficient operations, and allow for devoting internal staff to core activities.

8.2 BUDGET ACCURACY

A new structure of cost centres and internal processes has been implemented. The analysis and definition for an Enterprise Resources Planning system to be launched during 2016 was carried out in 2015. This will include an IT tool to follow up the establishment and execution of the Budget, which will help to manage the activity-based Budget model to allow for activity-based management of the Office. This Budget model has also been fine-tuned and prepared for the new SP 2020. The whole process will be brought into line with the new Budget cycle envisaged in the new Framework Financial Regulation and the Office's new Financial Regulation and more specifically with the Office's Work Programme. Moreover, with the aim of reinforcing the accuracy and transparency of the Budget execution, a new position of comptroller has been created.

A new structure of cost centres and internal processes has been implemented. The analysis and definition for an Enterprise Resources Planning system to be launched during 2016 was carried out in 2015.

8.3 COMPLIANCE

The Office continually seeks to improve compliance through better rules, procedures and training, and to improve accountability and transparency through the implementation of appropriate tools and methods. The concentration of procurement, economic file preparation and vendor management tasks in the Finance Department (FD) aims to bring added value through the harmonisation of different

practices and to increase efficiency by creating economies of scale. The complete vendor landscape is under analysis, with a view to further optimisation both in terms of contractual conditions and in terms of managing resources and assessing risk in order to create further gains. The External Resource Management System has been integrated with these support activities, providing an overall system of information on the available framework contracts at the Office, vendor performance and the quality of their deliveries. A time management system has been introduced, which aims to provide a modern, online solution to follow up contracts with external resources.

8.4 OTHER PROJECTS

In line with the Common Approach on EU decentralised agencies, and following the recommendation from the European Anti-Fraud Office (OLAF), the Office evaluated its fraud-related risks during the office-wide risk assessment carried out in 2014 and developed an Anti-Fraud Strategy 2015-2016. The strategy encompasses all stages of the anti-fraud cycle, that is to say, prevention, detection, investigation and corrective measures, and aims to provide a framework and define the level of fraud-proofing that the Office intends to achieve. The implementation of this strategy has advanced smoothly and, as an example, a half-day conference on fraud prevention was delivered by OLAF at the Office's premises, targeting top and middle managers, as well as HR and Finance Department staff.

09. WORKING ENVIRONMENT

The extension of the Office's headquarters, with construction commencing in January 2013 and finishing with the inauguration of the building in November 2014, opened for normal operation in the first week of April 2015, when the staff previously located in a rented building close to the headquarters moved to the new premises. For the first time since 1996, all the staff of the Office work together again under one roof.

In May 2015, a new data processing centre came into operation in the recently occupied building. Its technical installations (fire protection, power supply, air conditioning) were designed to meet the most demanding reliability standards, in order to ensure maximum continuity of IT services. It became the Office's main computer centre, replacing the one located in the original building since the year 2000.

The new wing was certified in the category 'Exceptional' according to the internationally recognised building sustainability standard BREEAM. It was the first building in Spain to be rated in this, the highest, category. The building was also granted certificates for its accessibility and energy efficiency, reaching Class A (again the highest) of the EU energy efficiency ranking.

In parallel to the occupancy and operation of the new building, several developments took place in the original building over the year, aimed at improving the headquarters as a whole.



In June 2015, a new à la carte restaurant was completed as part of the project to expand and renew the Office's catering facilities. Its opening was followed by the enlargement and refurbishment of the general restaurant, which was opened in autumn and now offers spacious self-service facilities and informal and relaxing dining areas with increased capacity, better acoustics and an improved design.



Also in the autumn 2015, several new commercial services offered on-site to staff were launched. The services chosen were in line with the Office's policy for a healthy workplace, leading to an improved work-life balance for staff.

In addition, most of the content of the central administrative archives and a substantial part of the trade mark and design archives had been moved to external facilities by the end of the year. The area released by this will allow for the creation of new project areas and interaction spaces as part of an initiative to optimise certain areas of the buildings in 2016.

The third initiative of 2015 related to the working environment consisted of the launching in April, and further processing and completion, of an open call for tenders for the construction of the first module of a new office building, to be erected on the plot of land purchased by the Office in late



2014. The design and build contract for this new building was signed in December 2015. Work on the detailed design of the building commenced immediately afterwards, and the current forecast is to start construction in the spring of 2016. The completion of the building is scheduled for the first quarter of 2018. The building will include 150 new workplaces, and is intended mainly to provide the Observatory and the Academy with better infrastructure, suited to their specific needs.

In parallel, the Office filed a proposal in April 2015 with Alicante's town council to modify the urban development plan of the area where the headquarters stands in order to enable the stretch of road between the two plots of land owned by the Office to be purchased. Approval by the town council is expected within the first half of 2016, which will allow the road to be included in the planning of the construction works for the new building.



10. OFFICE IT SIMPLIFICATION

Over the past few years, many obsolete systems have been decommissioned and standard reference architecture has been put in place, with a governance structure that controls improvements to existing systems and the development of new ones. The number of applications has fallen, the number of areas covered by IT tools has expanded, and the stability and resiliency of the systems has improved. This has given the Office flexibility and agility in delivering new systems, and improved the timeliness and, ultimately, the quality of software development.

10.1 BACKUP DATA CENTRE PROJECT

In 2010, many of the Office's systems could only be recovered within days, or even weeks, in the event of a major disaster. Today the majority of IT systems run in parallel with a backup system and can be recovered instantly. The availability of the Office's systems has increased to over 99 %.

The new data centre that has been set up guarantees high availability with the potential to support future growth. Procedures, tools, and network and server components have been modernised, making management of the IT infrastructure efficient, agile and secure.

The ISO 27001 audit held in September 2015 commended the data centre project and considered it to be a major technical achievement, delivering top-of-the-line infrastructure. The Office has studied options to leverage this new infrastructure in order to exploit synergies with other bodies, via shared services, and a small pilot experiment with EFCA (European Fisheries Control Agency) has been launched.

10.2 PROJECTS FOR PROCESS EFFICIENCY

E-ORGANISATION

External users can now benefit from faster and better services when filing applications or conducting other proceedings before the Office. In 2010, only 50 % of our procedures could be initiated electronically. The figure now is over 80 %.

Since November 2014, new Fast-Track processing for EUTMs and RCDs has provided a quick route to publication via the website. Moreover, changes to Back Office and website systems have been made in order to support the entire examination of the classification of goods and services of international registrations (IRs).

The new RCD e-filing version sets up a robust, stable and secure infrastructure to ensure continuity of service to the users. The new application includes a 3D image uploader, which is already being used by applicants. The tool is therefore more versatile, seamless, fast and market-connected via its link with DesignView.

The Document Access Services to support trade marks and designs will be modernised to improve performance and integration with other applications. All Office users will enjoy fast document access, even when accessing larger files. The new services will support the new media files enabled with the Legal Reform (e.g. sound, video and 3D files) and enhance email integration, therefore reducing the use of paper files in the Office.



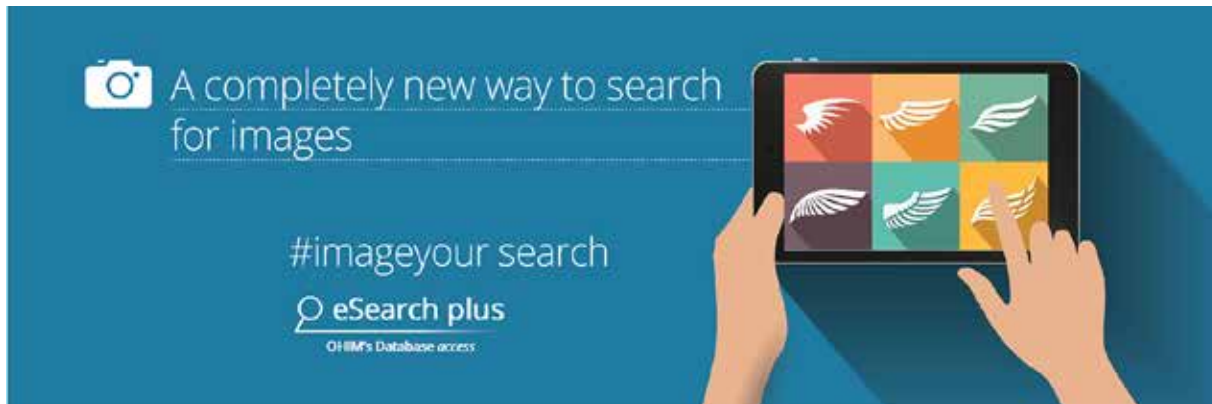
IP TOOL PROGRAMMES

Under the IP Tool programmes, the Office aims to integrate several systems that currently exist as separate and different modules into one single tool. The vision is to have a Back Office supported by IT tools in order to be able to gain agility and flexibility and form the backbone of a fully-fledged e-organisation. The ultimate outcome is to support all IP processes at the Office using an integrated platform. The foundation for these tools has been in place since early 2015, and trade mark and design files can be inspected automatically via this new single tool.

The implementation of more tools, including transfers, seniorities and change of representatives and records is under way.

AGILITY

The Office has gained flexibility and agility in delivering its systems through many initiatives. The timeliness and quality of software development and maintenance has been improved through the software industrialisation project, by means of which the Office has moved from a craftsmanship-based approach towards an engineering-based approach. In 2012, the average development and deployment time for a high priority change to the systems was over 60 days; this time has now gone down to 20 days. Overall, the Office has learned to plan better and to execute better. After having started with a 100 % deviation from the project planning, the deviation now does not exceed 15 %. In-house training and coaching has led the organisation to mature significantly in terms of project management and timely delivery.



10.3 IT SECURITY FRAMEWORK

Security, which is an important issue for the Office and its users, could only be ensured with new network architecture. In the last five years, the Office has improved the infrastructure, with better performance and monitoring, higher redundancy and more backup options, as well as enhanced security measures that comply with the relevant ISO standards. In September 2015, the Office achieved ISO 27001:2013 Information Security recertification for all activities — another milestone in the Office's path to enhance security for the benefit of users.

The Office continues to run the 'IT Security Network', which involves all National and Regional IP offices, as well as the EPO and WIPO. A workshop was carried out in the first quarter of 2015, and a full meeting in Brussels in October 2015. The agenda was based on contributions from all participating offices and included discussions on security-threat awareness and the latest technical developments and legal issues in the field of cyber security.

11. DATA PROTECTION

Data protection continues to be a major item on the Office's priority list. While the discussions on the legal reform on data protection in the EU progresses, issues such as cloud computing and open data are being considered at the Office, thus influencing many of the current online data processing strategies. While notions such as 'privacy by design' and 'privacy by default' are expected to be introduced in the Legal Reform, the Office is committed to embracing its new technological and digital environment under the safest conditions for data subjects.

As for internal consultations, the number of queries continued to grow over the past four years (35 in 2012, 50 in 2013, 51 in 2014, and 65 in 2015). This indicates an increased level of interest and awareness in the Office for issues relating to the protection of personal data.



In addition, there has also been an increase in data-processing notifications submitted to the DPO (11 in 2012, 13 in 2013, 14 in 2014, and 22 in 2015). This reflects the current intense portfolio of activities in the Office and allows the conclusion to be reached that more active and current data-processing operations at the Office are now being duly assessed and confirmed by the DPO. In particular, the DPO has continued to provide support and expertise to the data controllers at the Office, reinforcing the need to apply a 'privacy by design' approach. This also means that the DPO team is committed to promoting the personal data-protection culture within the Office, so that all departments are aware of their obligations and accountable for compliance with data-protection requirements.

With respect to complaints received, the number of external complaints has undergone an abrupt drop: from seven cases in 2013 to none in 2015. As for internal reports, there was one dissatisfaction report in 2015, compared with five in 2013 and seven in 2014. This is a positive trend that reinforces the need to continue with the current level of controls and awareness at the Office.

In line with this strategy, the DPO is maintaining and reinforcing cooperation with controllers, data protection coordinators (DPC) and data subjects. Regular meetings were organised with internal stakeholders, notably on the theme of privacy by design and privacy by default.



DPO is maintaining and reinforcing cooperation with controllers, data protection coordinators (DPC) and data subjects. Regular meetings were organised with internal stakeholders, notably on the theme of privacy by design and privacy by default.

Finally, the European Data Protection Supervisor (EDPS) visited the Office on 10 July 2015, confirming the current efforts that the Office is undertaking in order to be fully compliant with the standards set by the regulation. It was a moment for the Office's management to exchange views with the supervising entity on current data-protection issues and an opportunity to conduct, along with the EDPS, a specific training session on data subject rights, open to all Office staff.

12. CHALLENGES FOR 2016

The main challenge foreseen for 2016 is the swift and efficient implementation of the legislative package. The implementation will be necessary at both EU and national level, following a strict time frame.

The Office is keen to continue the effective cooperation forged with National and Regional IP offices and users under the ETMDN and will carry out the logical follow-on activities without embarking on any new initiatives. In 2016, the Office also needs to press ahead with its quality agenda, which remains at the centre of all our activities and is closely linked to, and supported by, a cultural change in our working methods, by implementing a team-working model.

In addition to these necessary follow-on activities, new challenges are foreseen, for which any delay could have negative consequences for the efficient and effective running of the Office. This applies in particular to continuing IT improvements and necessary preparatory work for important infrastructure projects, both of which in turn support the changes in working methods for staff and are central to the drive for organisational excellence.

Upon approval of the Strategic Plan 2020, the Office will focus on achieving the strategic goals defined in the new multi-annual programming document — to improve operational effectiveness, enhance access to the IP system and IP knowledge, and build network convergence with a global impact — all of which are built on the achievements of the previous plan and represent an evolution of the course charted in the past five years. The projects and activities included in this Strategic Plan are those to which the Office has assigned the highest priority, based on their potential to benefit users and other stakeholders.



While the Office's main focus continues to be on delivering high-quality products and services to trade mark and design users, other important activities include cooperation projects, enforcement support activities and studies related to IP and IP-rights infringement.

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The first goal of improving operational effectiveness builds strongly on the strategy of operational excellence in the previous plan. With this goal, the Office will do the right things at the right time, in a cost-effective manner. It will develop systems/processes/approaches that make the life of our users as simple as possible, with the least environmental impact. This goal will only be achieved with a high degree of staff engagement and commitment towards user focus and higher effectiveness. The second goal is to 'enhance access to the IP system and IP knowledge'. The IP system can only be enhanced when stakeholders, whether they are lawyers, examiners, users or members of the public, have a shared understanding of its role, importance and functioning within society. Making the system more accessible and straightforward for users (e.g. SMEs) will be vital if they are to avoid costly mistakes when protecting their intellectual property. Finally, the third goal of building network convergence with global impact is a direct consequence of the increasing globalisation

of trade, meaning that the network approach pioneered within the ETMDN and the other existing networks supported by the Office, will benefit from being applied in a global context.

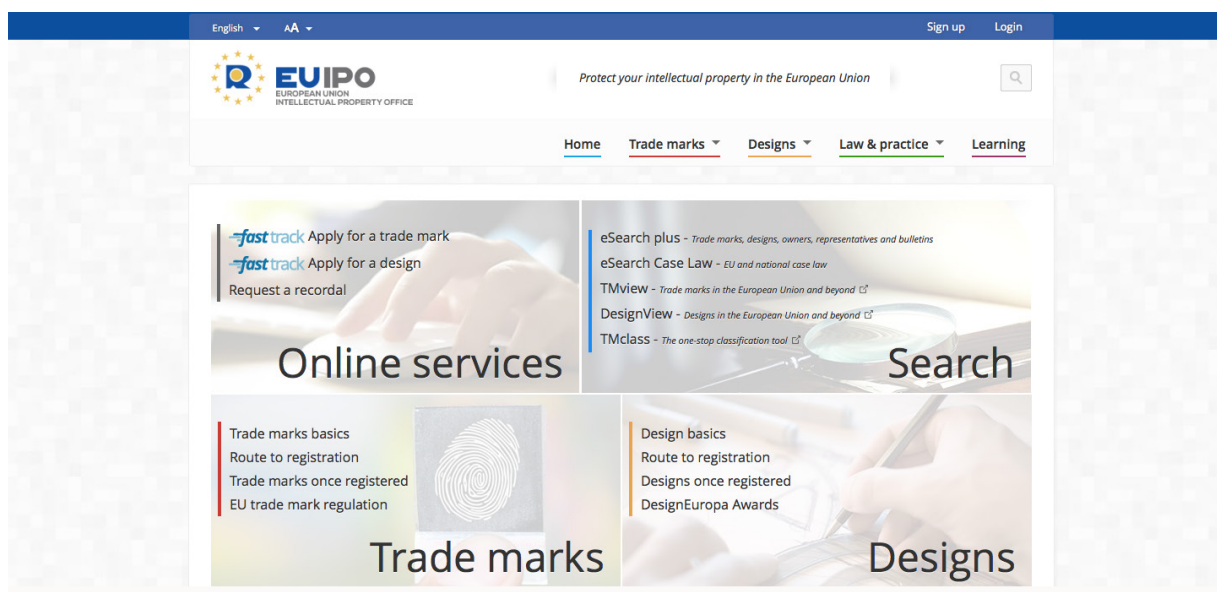
As mentioned above, all the activities and projects defined under each Line of Action (LoA) are designed to achieve the three Strategic Goals, and to deliver this vision requires a dynamic and knowledgeable organisation (LoA 1) that acts in a transparent and accountable manner (LoA 2). As we live in an increasingly digital world with all its opportunities and threats, this must be supported by an effective and secure digital environment (LoA 3). Since the IP market is interconnected and interdependent, strong network engagement with other players is essential (LoA 4). This must be coupled with the provision of high quality, customer-driven services (LoA 5). Taken together, all these elements support the wider interpretation of our institutional mandate implicit in the Office's new name and expanded role, at the heart of which is the vision of strengthening the intellectual property system (LoA 6).



Looking forward, protecting and improving the quality of services to users in the Office's core tasks and implementing the reform will be the top priority, together with the need to sustain the ETMDN while at the same time achieving a balanced Budget with full accountability and transparency.



GO TO FURTHER CONTENTS ONLINE:



The screenshot shows the EUIPO website interface. At the top, there is a navigation bar with 'English', 'AA', 'Sign up', and 'Login'. Below this is the EUIPO logo and the tagline 'Protect your intellectual property in the European Union'. A search bar is also present. The main content area is divided into four sections: 'Online services' (with links for 'fast track' for trade marks and designs, and 'Request a recordal'), 'Search' (with links for 'eSearch plus', 'eSearch Case Law', 'TMview', 'DesignView', and 'TMclass'), 'Trade marks' (with links for 'Trade marks basics', 'Route to registration', 'Trade marks once registered', and 'EU trade mark regulation'), and 'Designs' (with links for 'Design basics', 'Route to registration', 'Designs once registered', and 'DesignEuropa Awards').



MANAGEMENT OF RESOURCES

MANAGEMENT ASSURANCE

DECLARATION OF ASSURANCE

ANNEXES

EUROPEAN OBSERVATORY ON INFRINGEMENTS OF INTELLECTUAL PROPERTY RIGHTS

ANNUAL REPORT 2015



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