EUIPO
EUROPEAN UNION
INTELLECTUAL PROPERTY OFFICE

ANNUAL
REPORT
2017

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MESSAGE FROM THE EXECUTIVE DIRECTOR

For the EUIPO, 2017 was a year of continued progress in the drive to create a user-centred Office, with a number of projects in the Strategic Plan delivering significant results.

Strong growth in applications for EU trade marks (EUTMs) and registered Community designs (RCDs) was combined with initiatives aiming to deliver higher quality in both products and services.

The temporary slowdown in the growth of EUTM applications during 2016 was reversed during 2017, as the EU and global economies strengthened and Chinese companies began to apply for IP rights in increasing numbers.

The year ended with overall growth in EUTM applications of 8.2 %, and 3.7 % more RCDs than the previous year. Chinese companies became the third largest applicants for EUTMs, with demand doubling since 2015.

The Strategic Plan continued to be implemented at a fast pace and was 55 % complete by the end of the year — 8 percentage points ahead of schedule. Over 50 different projects covering every aspect of the Office's business have been launched, 6 of which have been completed and closed.

To cope with the increase in workload in the EUTM and RCD areas, new working methods were introduced to improve examination quality, effectiveness and efficiency. In spite of the higher demand, by the end of the year new, tighter timeliness standards for the publication of both EUTM and RCD Fast Track files were being fully met. As a result of a concentrated effort, a 33 % increase in opposition decisions was achieved, bringing the Office into timeliness compliance by the fourth quarter.

Building on the success of the Initial Central Examination (ICE) initiative on Absolute Grounds, this teamwork strategy has been extended to designs, classification, all inter partes decisions (including oppositions, cancellations and invalidity) as well as recordals, with examiners being encouraged to dedicate time to knowledge sharing to increase consistency and quality.

All the ICE initiatives have been facilitated by 'helpers' that are based on machine learning. In addition, comparison tools for goods and services are being developed to speed up the examination process, and a big data technique is being used to simplify management reporting and control work distribution in order to meet the Office's quality standards.

At the same time, the digital transformation of the Office continued in order to make life easier for examiners and users, with the introduction of new e-filing tools for cancellations, invalidities, appeals and international applications.

Overall, the Office achieved 5.9 % efficiency gains in 2017, almost 1 percentage point higher than the 5 % commitment stated in the Annual Staff Policy Plan.

The Office's commitment to environmental and social development the EUIPO become the first public body to publish a Sustainability Report based on new international standards.

As a result of the very successful user involvement in the Stakeholder Quality Assurance Panels set up during the year, the gap between the Office's definition of quality and the perception of users began to narrow and these results were fed back into the revision process for the Guidelines, creating a virtuous circle.

The benefits of the tools and new ways of working created under the European Union Intellectual Property Network continued to be spread under EU-funded IP projects in third countries

The Office continued to give high priority to supporting staff and talent management. Two competitions to select specialists in the field of intellectual property were completed successfully in close collaboration with the European Personnel Selection Office, resulting in the publication of reserve lists for more than 160 administrators or assistants. The Office is moving ahead with the recruitment of around 95 people from these lists, in a first phase, in line with the Multi-Annual Staff Plan.

The headquarters were also improved and expanded, with the inauguration of the third phase and the completion of the campus, continuing the process of providing state-of-the-art facilities to support team working and a better work-life balance for staff.

Reflecting the Office's commitment to environmental and social development the EUIPO become the first public body to publish a Sustainability Report based on new international standards. The campus received another environmental design award, and compared to with 2016, the consumption of water per on-site worker has fallen by 28 % and the use of electricity by 14 %.

The partnership approach pioneered under the European Union Intellectual Property Network continued under the European Cooperation Projects (ECPs). Stakeholders took on an enhanced role in selecting the projects that would have the greatest benefits for users. The contribution of the Cooperation Fund was also independently recognised by the receipt of the European Public Sector Award for 2017 from the European Institute of Public Administration.

The benefits of the tools and new ways of working created under the European Union Intellectual Property Network continued to be spread under EU-funded IP projects in third countries, as well as through bilateral agreements. During the year, implementation began of three new IP Key projects in China, South East Asia and Latin America, and the Office continued to work on projects in India and the ASEAN region.

Work also moved forward to strengthen the IP system generally with the implementation of the second phase of the amended trade mark regulation in October; the publication of new studies by the Observatory; and strengthened cooperation with enforcement authorities and agencies.

All these measures were designed to ensure that the Office continued to put users' needs at the centre of its activities by providing high-quality registration services that can be protected in the global marketplace, where EU companies, including our SMEs, are increasingly doing business.

António Campinos
Executive Director, EUIPO

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MISSION STATEMENT

The European Union Intellectual Property Office (EUIPO) was originally founded as the Office for Harmonization in the Internal Market (OHIM) in 1994. The Office's mission was to manage the EU trade mark (EUTM), created by Council Regulation (EC) No 40/94 (later replaced by Council Regulation (EC) No 207/2009), and the Community design (RCD), created by Council Regulation (EC) No 6/2002. In order to do so, the Office carries out examination, registration, opposition and cancellation procedures for EUTMs and examination, registration and invalidity procedures for RCDs. All decisions adversely affecting a party to proceedings can be appealed to the Boards of Appeal of the Office.

The IP rights granted by the Office are, together with the protected geographical indications and the plant variety rights, managed by the European Commission (DG Agriculture and Rural Development) and the Community Plant Variety Office (CPVO) respectively, the sole unitary IP rights in the EU.

At the international level, with the accession of the EU to the Madrid Protocol in October 2004 and to the Hague Agreement in January 2008, a link was established between the international registration systems managed by WIPO and the European Union system, allowing EUTM and RCD applicants and holders to apply for international protection of their rights by filing an international application. Conversely, holders of international registrations under the Madrid Protocol and the Hague System are entitled to apply for protection of their trade marks and designs under the European Union system.

In 2012, Regulation (EU) No 386/2012 and Directive 2012/28/EU entrusted additional tasks related to the enforcement of IP rights to the Office (the European Observatory on Infringement of Intellectual Property Rights) and to the management of the EU database of orphan works.

Finally, Regulation (EU) 2015/2424, amending Council Regulation (EC) No 207/2009, expressly included in the list of tasks to be carried out by the Office those related to cooperation with the IP offices of EU Member States in order to promote the convergence of practices and tools in the field of trade marks and designs.

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EUIPO STRATEGY

Following the SP2020 and the mandate from its stakeholders, the Office focuses on achieving the following strategic goals:

> **1. IMPROVING OPERATIONAL EFFECTIVENESS;**

> **2. ENHANCING ACCESS TO THE IP SYSTEM AND IP KNOWLEDGE;**

> **3. BUILDING NETWORK CONVERGENCE WITH A GLOBAL IMPACT.**

These goals are built upon the twin principles of a 'Collaborative Organisation' and 'International Cooperation' and are made operational in six Lines of Action (LoA), each comprising a number of individual projects.

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OUR VISION AND VALUES

The **EUIPO's vision** is to be a true organisation of excellence, one that complies with modern and recognised quality standards and that, together with the national offices and BOIP can form part of a comprehensive and increasingly integrated **European Union Intellectual Property Network** (EUIPN), for the benefit of users.


In line with the Europe 2020 Strategy of smart, sustainable and inclusive growth, the Office's vision for SP2020 is summarised as a 'User-driven European Intellectual Property Network'. The Office remains committed to working together with users, the national and regional IP offices, the European Commission and all other stakeholders (including its staff) within cooperative networks that have the power to influence and promote positive change within the international context faced by EU businesses. All activities follow the priorities of the EU policies and priorities in international cooperation, taking into consideration the existing association agreements, free trade agreements and the cooperation policies established by the EU for regional areas, such as the European Neighbourhood Policy.

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VOLUMES AND PROGRESS IN THE IMPLEMENTATION OF THE STRATEGIC PLAN

During 2017, the Office received more than **146 000 EUTM** applications, which was **8.2 %** more than in the previous year. The 4.3 % increase in direct EUTM applications was accompanied by an increase of **32.4 %** in international registrations designating the EU, which totalled 24 880

TRADE MARKS
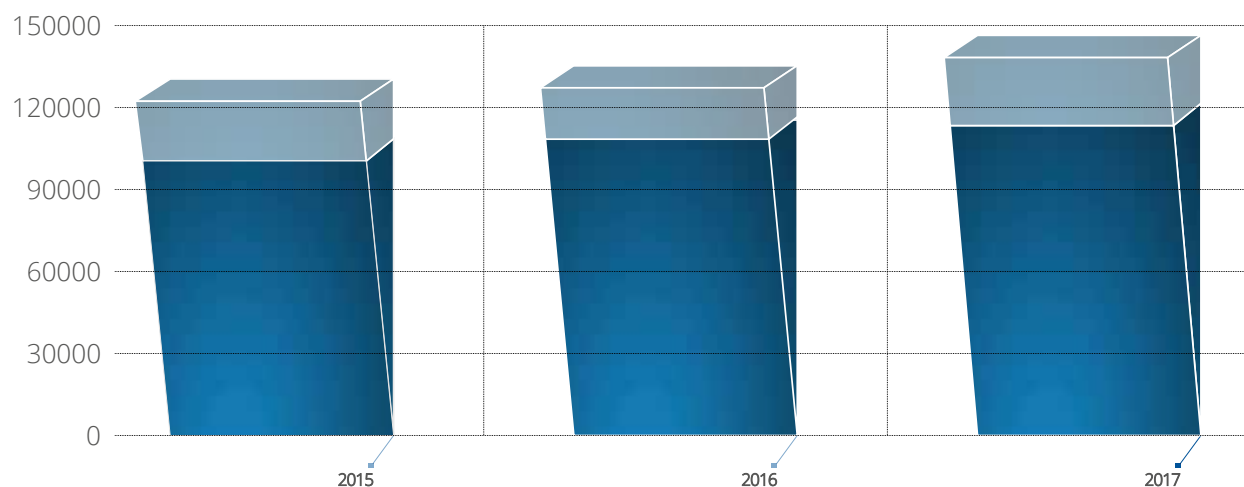
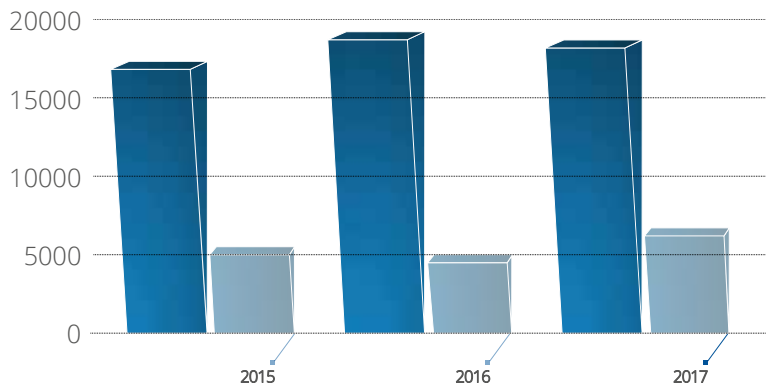|	2015	2016	**2017**
Direct	108 564	116 561	121 529
International	21 879	18 784	24 880
Total filings	130 443	135 345	**146 409**
EUTM registered	109 309	126 004	128 376

e-FILING

As in previous years, e-filing continued to be the preferred way of doing business with the Office, accounting for more than **99 %** at the end of 2017. Over **25 %** of EUTM applications were processed as **Fast Track.**
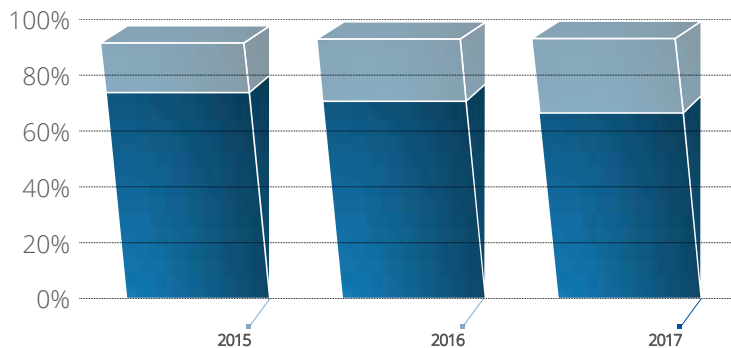
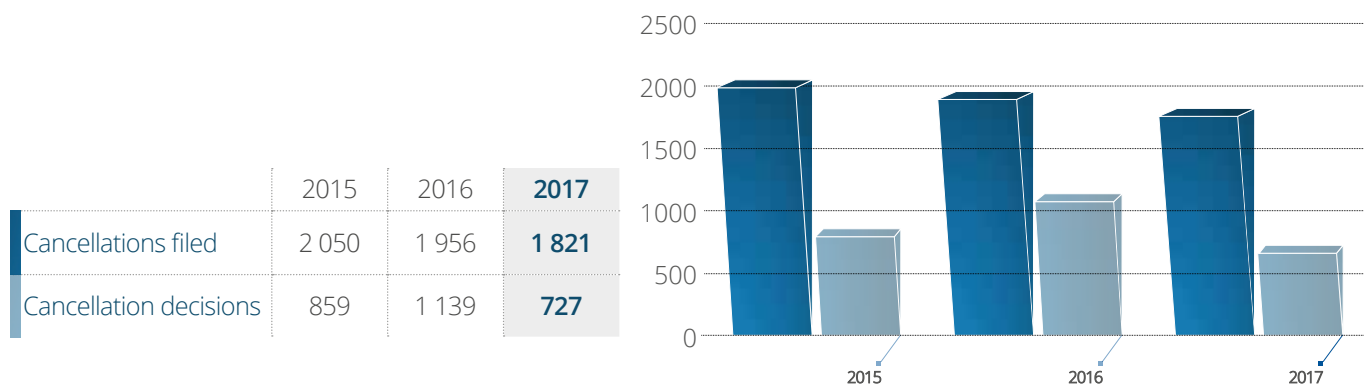|	2015	2016	**2017**
% via e-filing	97.7 %	98.9 %	**99.35 %**
% via Fast Track	18.2 %	21.6 %	**25.6 %**

OPPOSITIONS

The number of oppositions filed against published EUTMs decreased slightly, by **2.9 %**, with **18 570** filed during 2017. Nonetheless, a significant increase of 33 % was achieved in opposition decisions notified throughout the year.

	2015	2016	**2017**
Oppositions filed	17 217	19 125	**18 570**
Opposition decisions	5 474	5 007	**6 668**

CANCELLATION

The overall number of cancellation requests was lower in 2017 than in 2016 (1 821 versus 1 956).

	2015	2016	**2017**
Cancellations filed	2 050	1 956	**1 821**
Cancellation decisions	859	1 139	**727**

The Office received almost **110 000 registered Community design** filings, **3.7 %** more than in 2016.

REGISTERED COMMUNITY DESIGNS
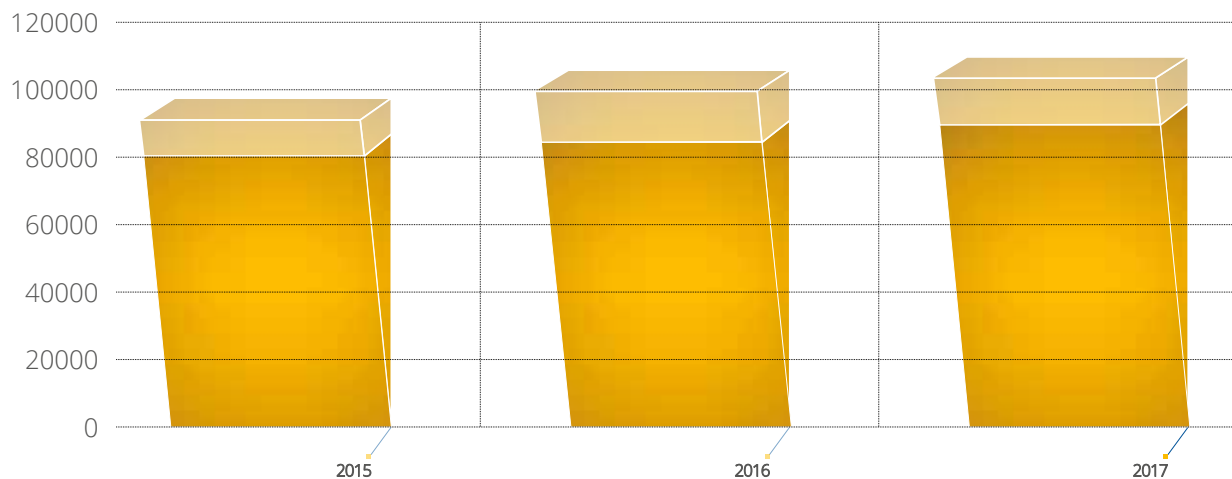
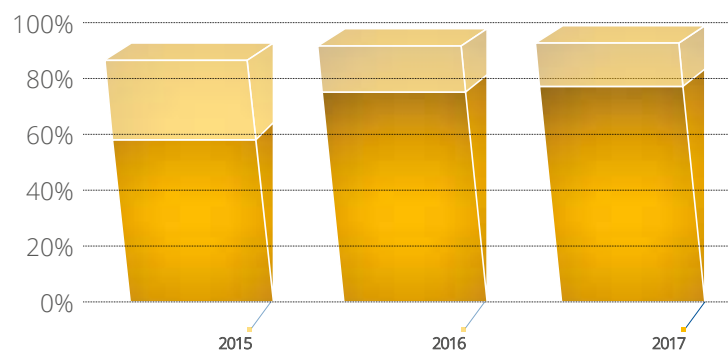|	2015	2016	2017
Direct	86 334	90 888	**95 800**
International	11 373	14 889	**13 928**
Total filings	97 707	105 777	**109 728**
RCDs registered	82 534	88 134	**94 025**

e-FILING

During the year, the popularity of e-filing in designs continued to grow, accounting for 97 % of the total at the end of the year.

	2015	2016	2017
% via e-filing	91.3 %	96.6 %	**97.0 %**
% via Fast Track	28.3 %	18.8 %	**17.0 %**

INVALIDITY

There was a decrease in the overall number of invalidity applications received in 2017. Altogether, 440 applications were received in 2017, compared with 507 in 2016 (down 13 %). The higher number of invalidity decisions in 2017 corresponds to the increase in the number of invalidity filings in 2016, as is also reflected by the number of cases closed.
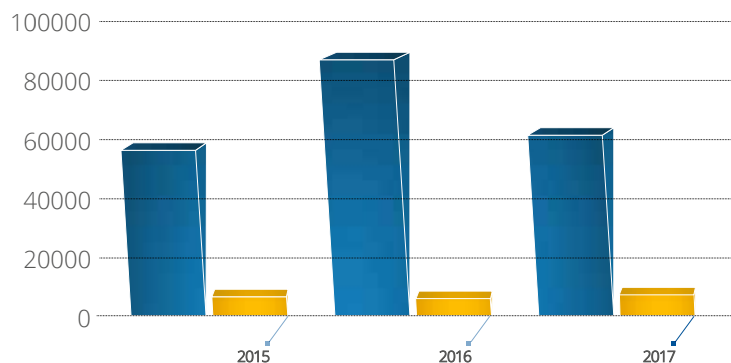
	2015	2016	2017
Invalidity filings	269	507	**440**
Invalidity decisions	244	196	**225**
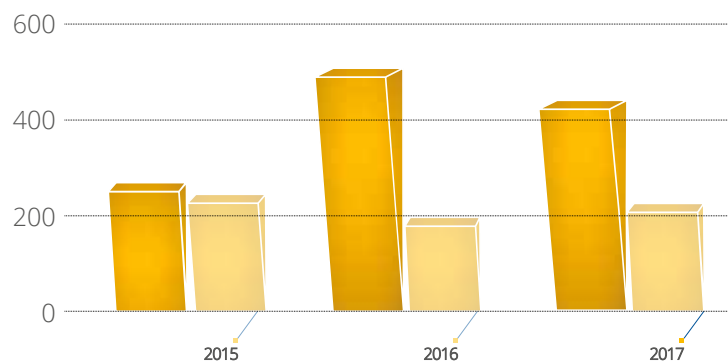
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In 2017, there were more than 64 000 EUTM recordals, 28.4 % less than in 2016. As part of the Legal Reform, the Office received 24 875 'Article 28(8) declarations', allowing EUTM owners under certain circumstances to render a more specific list of goods and services. The Office also received 1 391 more RCD recordals, representing an increase of 15 % compared with the previous year.

RECORDALS

	2015	2016	2017
EUTM	58 921	89 516	64 026
RCD	9 441	8 820	10 211

EUTM renewals decreased compared with the previous year, to a total of 48 048. In 2017, RCD first and second renewals showed 7 % and 1 % increases, respectively, compared with the previous year.
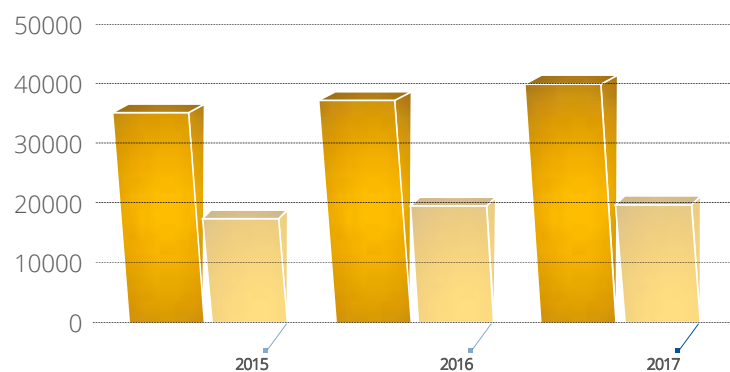
EUTM RENEWALS
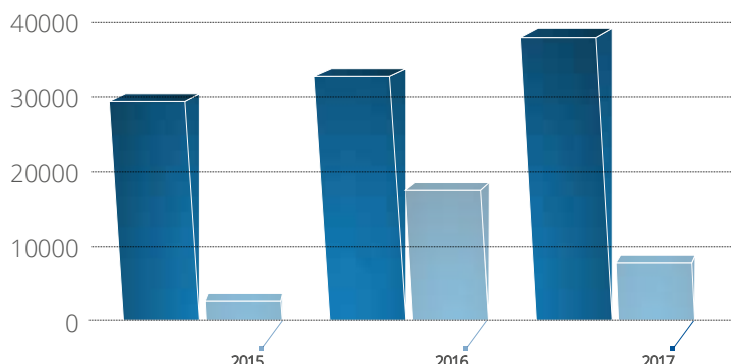
	2015	2016	2017
1st Renewals	30 418	33 686	39 093
2nd Renewals	8	18 575	8 955

RCD RENEWALS

	2015	2016	2017
After 5 years	36 528	38 594	41 392
After 10 years	18 723	20 885	21 108

In 2017, 2 761 new appeals were filed, which represents an increase of 12.8 % compared with 2016. The Boards of Appeal completed 2 695 decisions in 2017, 184 fewer than in 2016.

APPEALS

	2015	2016	2017
New cases	2 613	2 446	2 761
Completed cases	2 907	2 879	2 695
Cases pending	2 537	2 071	2 136
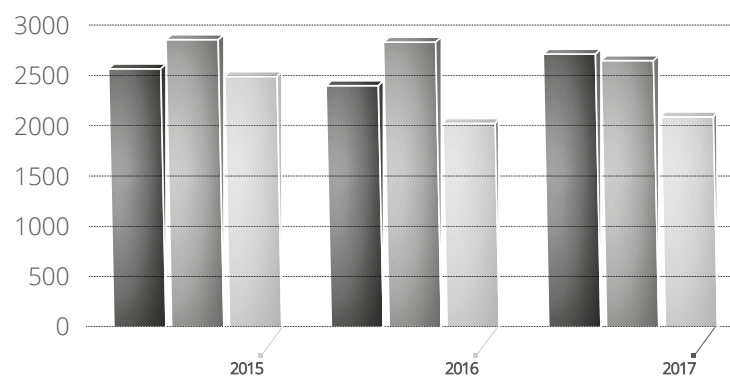
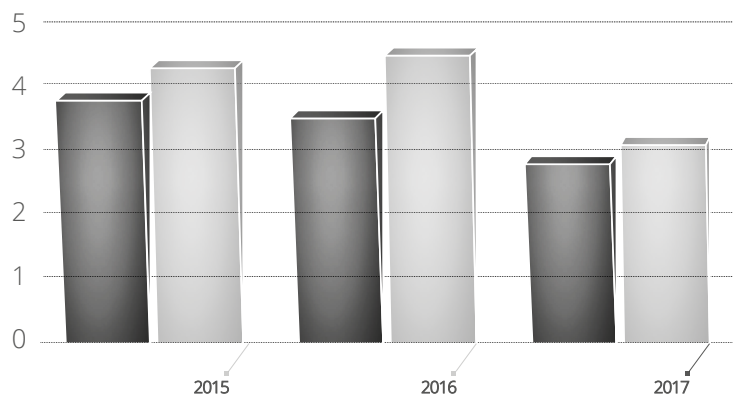The average length of the appeal procedure decreased by 0.7 months (21 natural days) in ex parte cases and by 1.4 months (42 natural days) in inter partes cases. The average pendency time in months can be seen below.

	2015	2016	2017
Ex parte decisions	3.9	3.6	2.9
Inter partes decisions	4.4	4.6	3.2

The General Court confirmation rates remained high in 2017, at 86 %.
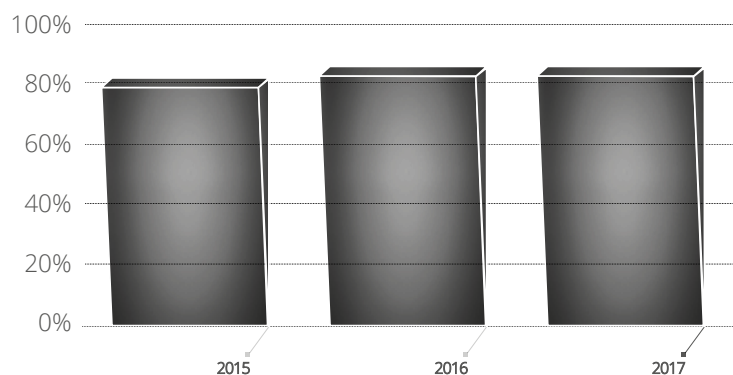
	2015	2016	2017
Confirmation Rates	82.2 %	85.7 %	86 %

The percentage of Boards of Appeal decisions appealed before the General Court was 8.4 % in 2017, slightly lower than the previous year.

	2015	2016	**2017**
Cases lodged before the GC	296	331	**299**
Percentage of all cases	9.7 %	9.6 %	**8.4 %**

MEDIATION

During 2017, a total of 19 mediations were proposed by the parties or by the rapporteur, of which four were accepted and are ongoing and five are pending a response. There were two unilateral mediation requests and 16 mediations suggested by the rapporteurs in 2017, of which 10 were not accepted by one or both parties.

		2015	2016	**2017**
Mediations concluded	a) with settlement	8	2	**0**
	b) without settlement	4	5	**0**
Mediations pending		0	0	**4**
Total number of mediations		12	7	**4**
Number of proposed mediations		59	31	**19**

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CONCILIATION

During 2017, 186 cases were concluded after an amicable agreement between the parties and 2 cases concluded after conciliation.

	2015	2016	**2017**
Amicable agreements	261	229	**186**
Conciliations	23	5	**2**

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IMPLEMENTATION OF THE SP2020

During 2017, the second year of the implementation of the SP 2020, work continued at an intense pace. Over 50 projects have been launched since July 2016 and 6 have already been closed. All the Strategic Key Performance Indicators, which monitor the implementation of the SP2020, finished 2017 in the compliance or excellence range.

The three 'dimensions' of quality — quality of product, quality of applications and quality of service — continue to be the Office's top priority. The EUIPO is continuously seeking improvements in this area in order to deliver the highest standards of public service, supported by modern systems and tools within a networking environment.

The first SP2020 goal, to 'improve operational effectiveness', is being achieved continuously through the development of systems, processes and approaches that will make users' lives simpler. The level of achievement of the Quality Service Charter objectives indicator finished 2017 in compliance range, despite the fact that more demanding targets were set in 2017. After some months in actions needed, the results were thoroughly analysed and actions taken to improve the quality of EUIPO products.

1 IMPROVE OPERATIONAL EFFECTIVENESS[1]

Code	Strategic Key Performance Indicators	Unit	Target 2017	2017 Performance	
1.1	Staff highly engaged	%	76.0 %	76.0 %	
1.2	Staff understanding of the Strategic Plan	%	74.0 %	74.0 %	
1.3	Staff contribution to the Strategic Plan	%	85.0 %	85.0 %	
1.4	Level of achievement of the Quality Service Charter objectives	%	73.0 %	73.1 %	
1.5	User satisfaction with customer services provided	%	83.0 %	92.0%	
1.6	EUTM and RCD straight-through cases	%	64.0 %	69.6%	
1.7	Incoming and outgoing electronic communications with our users	%	66.0 %	92.0%	
1.8	Greenhouse gas emissions per on-site worker	t CO_2 eq/ onsite worker	3.50	2.73	

1 - In order to monitor implementation of the goals via Strategic Key Performance Indicators, three levels of achievement were established (Excellence, Compliance and Action needed), expressed by weather pictograms (sunny, sunny intervals and cloudy, respectively).

Within the framework of the second goal, to 'enhance access to the IP system and IP knowledge', the Office is striving to make its systems more accessible and straightforward for users, such as SMEs, so that they can avoid costly mistakes in protecting their IP. The aim of a strong IT structure is to deliver a high-quality IP system, strengthened by the harmonised implementation of the Legislative Reform.

2 ENHANCE ACCESS TO IP SYSTEM AND IP KNOWLEDGE

Code	Strategic Key Performance Indicators	Unit	Target 2017	2017 Performance	
2.1	User overall satisfaction	%	85.0 %	91.0 %	☀
2.2	Attendees' satisfaction with events	%	80.0 %	93.1 %	☀
2.3	Advertisement Value Equivalency for Observatory studies and reports	kEUR	750.0	3 741	☀
2.4	Training courses delivered to our stakeholders	days	3 080	3 853	⛅
2.5	Europeans demonstrating a good objective knowledge of IP	%	75.0 %	75.0 %	⛅

The third goal, to 'build network convergence with global impact', was chosen as a direct consequence of the increasing globalisation of trade. Given the importance of IP, the EUIPO is increasingly encouraging a network approach to be applied in the global context.

In order to promote better understanding of IP, substantive law and enforcement among the authorities empowered to control and protect IP, work began on a virtual online platform, with the intention that in the future this platform would serve as the main source of reference for IP educational modules and training courses for law enforcement officers throughout the EU. The majority of Strategic Key Performance Indicators were in 'Excellence'.

3 BUILD NETWORK CONVERGENCE WITH GLOBAL IMPACT

Code	Strategic Key Performance Indicators	Unit	Target 2017	2017 Performance	
3.1	Multi-office users expressing satisfaction with the network convergence	%	55.0 %	57.0 %	
3.2	Usage of TMview, DesignView and TMclass	Monthly searches	1 200 000	2 061 449	
3.3	E-filings in the network done using European Cooperation Projects (ECP) Tools	%	63.0 %	74.4 %	
3.4	Enforcement Database (EDB) usage by enforcement authorities	Connec-tions	2 762.0	4 149.0	

Execution of the SP2020 projects is based on the project plans for those projects for which the project briefs have been approved. By the end of 2017, the SP2020 was 55 % completed, which is 8 percentage points ahead of the target defined in the Work Programme 2017. Execution of the SP2020 projects for 2017 is as follows.

SP2020 - PROJECT EXECUTION - EXECUTED V ESTIMATED UP TO 2017 - Q4
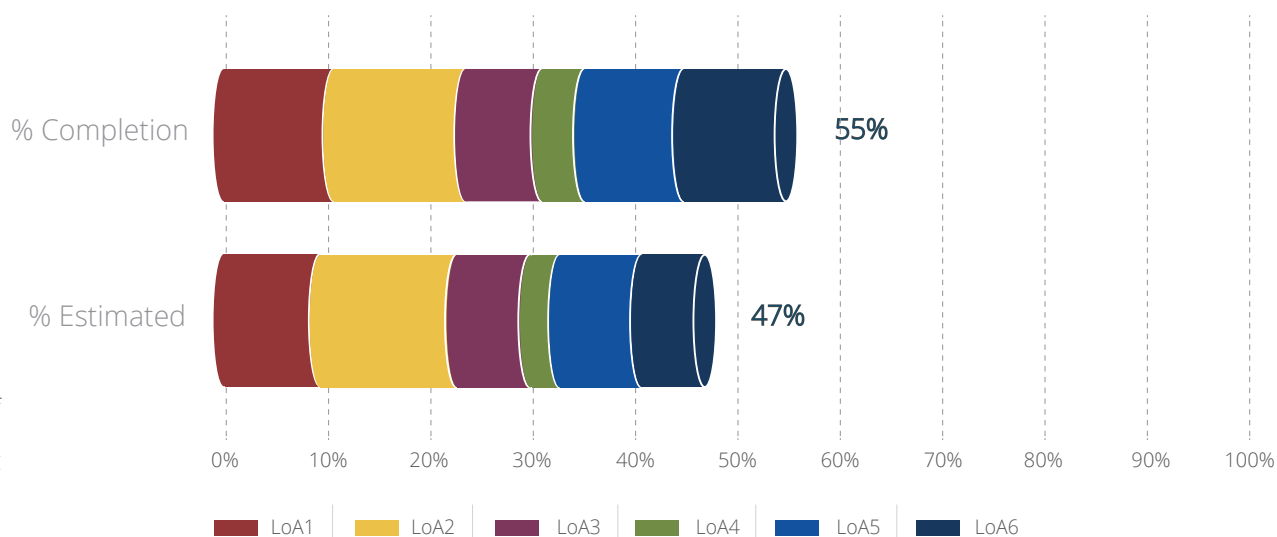
2 - Risk level refers to the project's level of exposure to risk, even if all risks are being effectively managed and the project is being implemented as planned. The level of risk can be classified as:

• *Under control* — no significant risks;

• *Attention needed* — several low-level risks whose cumulative effect may affect the project but without exceeding tolerances or implying any change in scope;

• *Threat* — several medium-level risks whose cumulative effect may affect the project's tolerances or imply a change in scope.

The next graph shows project execution by Line of Action[2] (LoA). Regarding risks that the Office needs to manage, the risk level for LoA 3 and LoA 5 is 'Attention Needed', the intermediate or moderate level. Accordingly, the risks in LoA 3 are due to the possible impact that the back office new release and data migration might have on the normal operation of the systems. The risks for LoA 5 are related to the impact that the said back office release might have on IP rights production, timeliness and quality, which could affect the provision of products and services to the Office's users according to the Office Service Charter commitment levels. Finally, remarkable progress of up to 62 % was observed in LoA 6. An important increase in the execution can be identified compared to the estimation set, which is explained by the Legal Reform programme. The majority of projects in this programme are nearly finished.

SP2020 - PROJECT EXECUTIONBY LINE OF ACTION
Executed vs Estimated until 2016-Q4

☀ LoA1	61%	▲ +9%
☀ LoA2	79%	▼ -3%
⛅ LoA3	45%	▲ +4%
☀ LoA4	26%	▲ +6%
⛅ LoA5	58%	▲ +8%
☀ LoA6	62%	▲ +26%

0%   10%   20%   30%   40%   50%   60%   70%   80%   90%   100%

☀ Under control   ⛅ Attention needed   ☁ Threat   ■ LoA1   ■ LoA2   ■ LoA3   ■ LoA4   ■ LoA5   ■ LoA6

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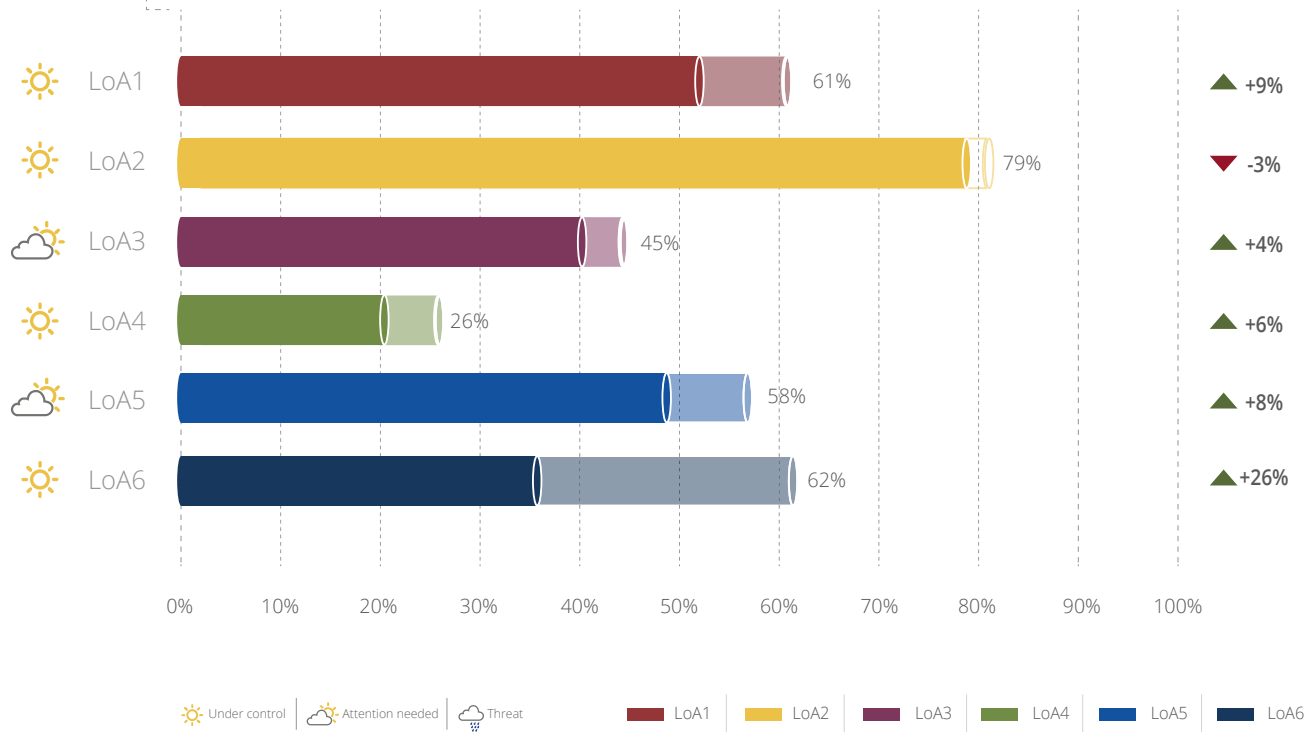
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KEY ACHIEVEMENTS IN 2017

The activities defined in the SP2020 are structured under six LoAs, which are further divided between activities and SP2020 projects.

LINE OF ACTION 1 — BUILD A DYNAMIC AND KNOWLEDGEABLE ORGANISATION

61%
executed

TALENT CAPITAL

Human resources play a critical role in ensuring that the Office's most valuable asset — its employees — are supported in driving key business objectives and continue momentum towards becoming a dynamic and knowledgeable organisation. The Office is committed to continue fostering the professional development of its staff through talent strategy, as reflected in the SP2020.

As part of the Office talent management strategy, 6 calls for talent were published during 2017. A total of 49 statutory staff expressed interest in broadening their expertise through involvement in activities or projects run by different departments, and 29 staff have actually participated in talent assignments.

A follow-up to the staff satisfaction survey was conducted through the development of 106 departmental action plans and 6 corporate action plans, as well as workshops with managers on staff engagement. All departmental action plans were completed, while over 50% of the corporate action plans were implemented.

During 2017, the Office tested some modules relating to preparing the workforce plan and to the management of external and interim staff, as well as statutory staff missions. These modules represent the first phase of the Enterprise Resource Planning project, which aims to modernise the working methods of the Office's Human Resources and Finance departments.

During 2017, the Office achieved 5.9 % efficiency gains, almost 1 percentage point higher than the 5 % commitment stated in the Annual Staff Policy Plan (ASPP)[3]. This result was obtained by using the 2017 volume outputs of the main EUTM and RCD registration procedures delivered by the Office (EUTMs examined, opposition decisions, cancellation decisions, RCDs examined and invalidity decisions),
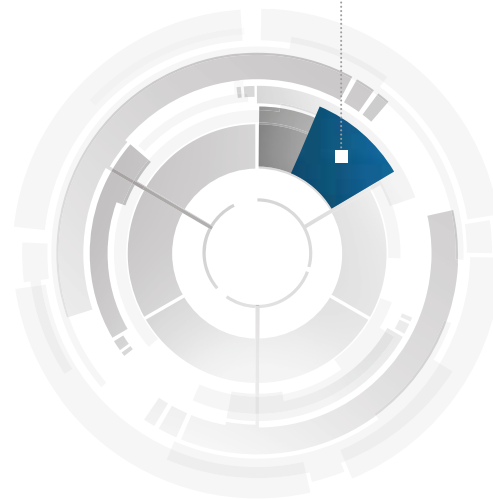
3 - Appendix 4 of the Office Work Programme 2017.

together with the time Office staff reported via task allocation on activities and projects. The calculations of the efficiency gains followed the approach and assumptions established in the ASPP 2017.

INTERNAL COMMUNICATION

In 2017, the Office fully modernised and enhanced its intranet, one of the main channels of communication with staff. As well as increasing user accessibility, the modernisation process resulted in a 30 % increase in staff accessing the intranet for updates and information on the Office and its activities. In parallel, a new communication campaign was developed aiming to maximise staff awareness of the SP2020 projects and their engagement, to ensure that all staff members understand and feel included in the strategic direction and aims of the Office, at individual and at team levels.
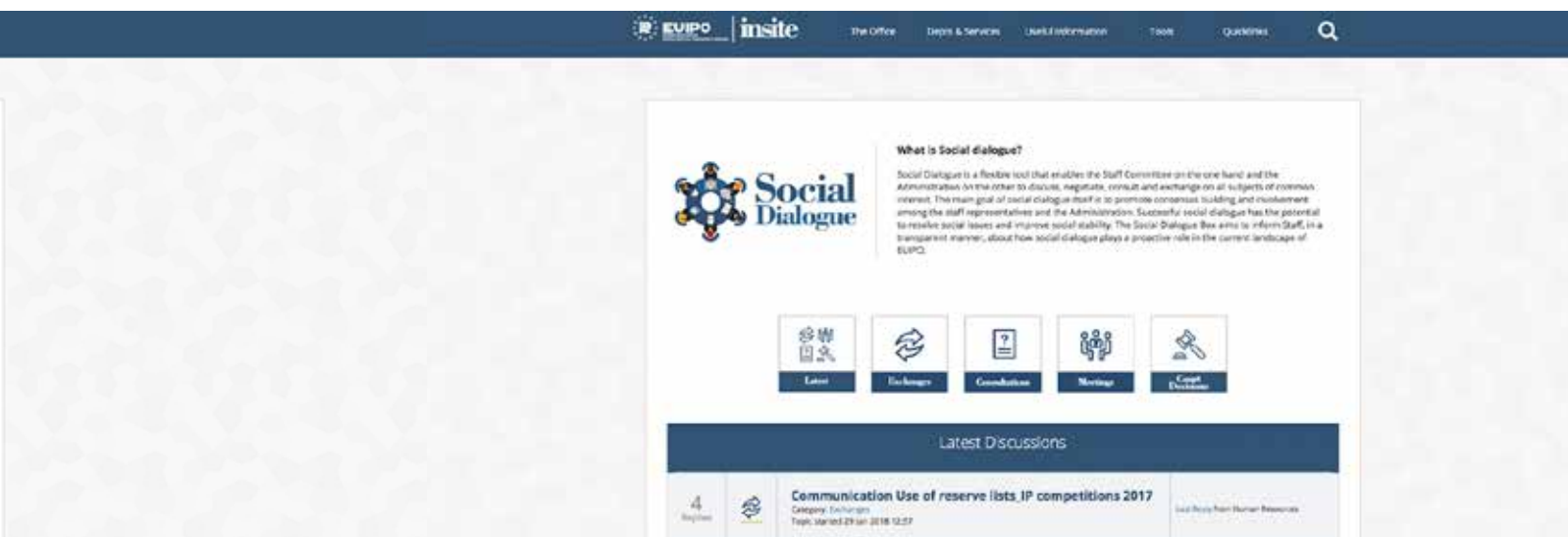
During 2017, the Office carried out a series of actions that aimed to intensify staff engagement, both internally and externally. The 60th anniversary of the Treaties of Rome was a focal point in this strategy, which was celebrated by the Office in collaboration with the city of Alicante, thus helping to reinforce links between staff and the city.

Internal communication was further reinforced with the launch of a dedicated internal audiovisual channel in the Office in 2017, dedicated to staff matters, and an internal communication campaign supporting actions taken arising from the findings of the staff satisfaction survey.

INTERNAL KNOWLEDGE MANAGEMENT

During 2017, significant efforts were made to increase the volume of e-learning courses available in the Academy Learning Portal and to enhance the quality of this offer with the revision of outdated content in the context of the Legislative Reform. The net content of the e-Learning Portal increased in 71 % (from 262 items at the end of 2016 to 448 at the end of 2017). A total of 399 courses were created in 2017, mostly courses in corporate competencies, followed by IP content originating from webinars and recorded conferences.

Users were made aware of the increased content of the Learning Portal thanks to extensive communication efforts: 156 857 hits in the Learning Portal are 59 % above the excellence level set for 2017, which was 98 650 hits. The Office issued a total of 7 251 certificates in the Learning Portal in 2017, which is 46.0 % more than in 2016.

Various activities enhancing the training offer resulted in 5.53 training days per employee, when the excellence target was 4 training days. This presents a 16.9 % increase from training days in 2016. Simultaneously the satisfaction of staff with the training provided by the Office was 82.8 %; beyond the excellence target of 78 % and slightly higher than the 81 % in 2016.

Following the results of the staff satisfaction survey, the Office put in place a Leadership Development Programme. The first set of courses took place for a part of the team leaders and newly appointed managers, as well as the training activity for the directors of the Office 2017.

To support the general improvement in staff competencies and to meet the specific needs of SP2020 projects, a variety of training activities, including language courses, internal knowledge-sharing sessions and lunchtime conferences were organised. In that respect, internal communication about training opportunities was greatly improved via the monthly list of activities. In 2017, the Office also delivered the 'Ethics, integrity and anti-fraud' training to more than 400 staff members as part of the EUIPO's anti-fraud strategy.

SP2020 PROJECTS UNDER THE TALENT CAPITAL PROGRAMME

Talent Management: 360° Feedback

This project contributes to the EUIPO's staff development and staff engagement, and plays an important role in supporting an open feedback culture and collaborative organisation. By providing and receiving feedback, the EUIPO's staff will have a better understanding about how they work in teams (peer feedback) and, in addition, managers will have a better understanding of how to improve their leadership skills (360° feedback). Giving and receiving feedback will become a natural process and will be an integral part of the Office's culture and management style.

During 2017, the Office worked on preparing and validating the peer and 360° feedback questionnaires, as well as on the development of the communication strategy and the methodology to be followed. An effective tool for the abovementioned feedback exercise was set up by the end of 2017.

In January 2018, the Office launched the EUIPO Feedback Exercise, which included Staff Satisfaction, Peer and 360° Feedback. The purpose of this voluntary and confidential exercise was entirely developmental, helping both the Office and staff members to grow together. 73 % of staff took the opportunity to express their opinion in the staff satisfaction survey (this is in line with the 2016 response rate of 74 %). The results of the EUIPO Staff Satisfaction Survey showed improvements in almost all areas compared with the 2016 results exceeding in most cases the EU norm. In particular staff engagement has risen to 82 % (versus 77 % in 2016). The results reflect the collaborative effort and commitment of the Office towards building and implementing effective action plans stemming from the previous staff satisfaction survey, in particular considering the short period of time between the completion of the action plans and the launch of the 2018 staff survey. The Office will continue to strive in maintaining the good results while continuing to work at the same time in some areas for improvement namely around top management and supportive culture.

Talent Management: IP Competition

In 2017, the Office, in close collaboration with the European Personnel Selection Office (EPSO), launched two competitions (one for Assistants — AST — and another for Administrators — AD) to select specialists in the field of intellectual property after exhausting the reserve lists from the previous IP competition in 2014. These new IP competitions were completed successfully during 2017. Altogether, 1 100 applications were received for AD and 943 for AST. Overall, 230 candidates were invited to the assessment centre in Brussels for AST and 226 more for the AD competition. The final reserve list for AST was published in October and resulted in 84 laureates. The AD selection procedure started in September and the final reserve list was finalised in December (published in January 2018), comprising 77 laureates.

The creation of these two reserve lists will allow the Office to cover the staffing needs of the core activities of the Office for the period up until 2020. Once established, they will enable recruitment of high-quality staff in an increasingly international and competitive labour market by offering permanent employment opportunities to staff, motivating and retaining talented staff in a fair and transparent manner.

Knowledge Repository — Next Generation

Upgrading the internal office documentation system (ShareDox 3.0) was an important milestone for this project, because of a technical constraint on achieving the project objectives. In tandem with this

upgrade and detected learning gaps, a new Office-wide refresher course was implemented to present the new interface with some improved features. Altogether, 1 136 users completed the training course. At the same time, by the end of 2017, the requirements specifications for the new functionalities and improvements described in the project brief scope were defined, which triggered the launch of the procurement phase prior to its development.

e-Library Portal

The project launched in 2017 envisages the move from a traditional paper-based library to an e-Library Portal that is rich in e-content, whereby internal stakeholders will have access to state-of-the-art knowledge in the IP field and other related fields, in order to do their work to the highest quality standards. This is a tool for providing IP knowledge in various formats (e-books, online reviews and journals, tutorials, videos) without physical boundaries. As of December 2017, a feasibility study commenced on the integration of the new discovery search tool with the Office's internal systems and also with the library's current external e book providers.

INFRASTRUCTURE AND LOGISTICS MANAGEMENT

The third phase of the EUIPO's campus was completed with the construction of the new building. A new sustainable campus provides the EUIPO's staff, IP professionals and stakeholders from around the world with a space in which to share experiences and work together.

Support services were improved with regard to hospitality, general logistics and security/safety. Security activities included coordination with EU, state and local intelligence and police authorities, surveillance of the premises, access control, and the maintenance and operation of security equipment. Safety is managed in accordance with the OSHAS 18001 standard, with the focus on physical safety, ergonomics, health and hygiene, as well as external contractor compliance with safety requirements.

In the framework of the initiatives for the reduction of EUIPO's environmental impact, and further to the agreement reached with the city council for the Office to contribute to the construction of a new urban park over 4 years, the Office planted the first trees in the new urban forest of the Sierra del Porquet as part of a new park, which will eventually be 24 hectares wide, in the Agua Amarga district.

SP2020 PROJECTS UNDER THE WORKING ENVIRONMENT PROGRAMME

Integration of the EUIPO campus

In 2017, the purchase of the stretch of road situated between the existing two plots from the city council and the integration of the part of the road purchased by the Office in the context of the process for the construction of the new building led to the creation of the new EUIPO campus: a unified, integrated campus which is certified in the fields of sustainable construction, environmental management, safety, accessibility and energy efficiency. In the framework of this new EUIPO campus, the regeneration of the municipal gardens surrounding the EUIPO's headquarters was completed according to the plan.

Construction of a new building

The construction of the new AA3 building was successfully completed in 2017. This milestone will allow the progressive opening of the new Office facilities, such as the new parking and outdoor sports area, and the final occupancy of the building by April 2018.

The new EUIPO AA3 building received the qualification of 'Outstanding', which is the highest possible award issued by the Building Research Establishment Environmental Assessment Method (BREEAM). The EUIPO AA3 building also received the coveted and highly competitive people's prize — the 'Your BREEAM Award' — which gives members of the public the chance to vote for a BREEAM building they love.

Refurbishment of the buildings

In parallel with the expansion of the EUIPO's facilities, the Office worked on optimising use of the existing buildings to make the most of the currently available areas. In that regard, the EUIPO's AA1 and AA2 buildings were partially refurbished.

The results of this project were the creation of adequate space to locate the Office's call centre on the ground floor of the AA2 building (42 additional workplaces), setting aside some areas of the main building so as to create different types of warehouses, and the refurbishment of available free space for new adaptable and versatile workplaces, project spaces and other interactive areas.

Increasing security levels

The security network involving all relevant stakeholders is now active and operational. The integration of security levels and corresponding prevention and mitigation measures were implemented. The

proposed security management system is in the final stage of integration. After thoroughly reviewing the requirements, the projects related to the physical security of the campus, security awareness, and vetting of external staff have been adapted to increase their efficiency. The staff security-awareness initiative, using information collected from the EU security services, is in its final stage of development, as is the design of the corresponding internal campaigns in line with the EUIPO's policies and practice.

Reduction of the EUIPO's environmental impact

All the occupied buildings are operated under the standards of the Eco-Management and Audit Scheme (EMAS), following the completion of the external verification audit of the system in April 2017. The energy policy was integrated into the EUIPO's general management policy. Monitoring monthly consumption showed a significant improvement in terms of reduction in water and energy consumption; the quantity of waste generated and greenhouse gas emissions.

In total, 129 photovoltaic panels were installed in the new building (AA3), which will contribute up to 6 % of the total AA3 electricity demand. The sleep mode feature of the computers has been activated Office-wide, and the preliminary results forecast a reduction of 3 % in electricity consumption within one year. Cost savings of approximately EUR 86 000 were achieved in 2017 due to reducing energy consumption.

The EUIPO's carbon footprint for 2017 was drafted and validated by the external auditor following the external audit. Two reforestation projects were completed in order to offset the Office's greenhouse gas emissions.

The initiative to implement green public procurement criteria in calls for tender is progressing satisfactorily. All 13 calls for tender launched by the Office over the year were reviewed and each one included tailored environmental criteria. Moreover, the preparation stage of a series of Office-wide training courses on green public procurement was undertaken.

Further Automation of Facilities Management and Control

The project, whose aim is to increase the digitalisation of the operations related to the management of facilities and associated services, was launched by the end of 2017. This project will integrate automated processes from a number of different systems and databases, also adding the processes that still run manually, with the goal of making them fully digital and more efficient.

LINE OF ACTION 2 — INCREASE TRANSPARENCY AND ACCOUNTABILITY

79%
executed

FINANCIAL MANAGEMENT

The implementation of a fully aligned planning process and the Activity-Based Budget model was completed in 2017, allowing a clear connection between objectives, activities and consequent use of resources. Now it is possible to identify the relationship between objectives, actions and allocation of resources, leading to the full implementation of an activity-based management system. In this respect, the Office's Controller plays a critical role in monitoring the expenditure of the various activities and providing management with accurate, timely and reliable information in order to promote rapid responses to a changing environment.
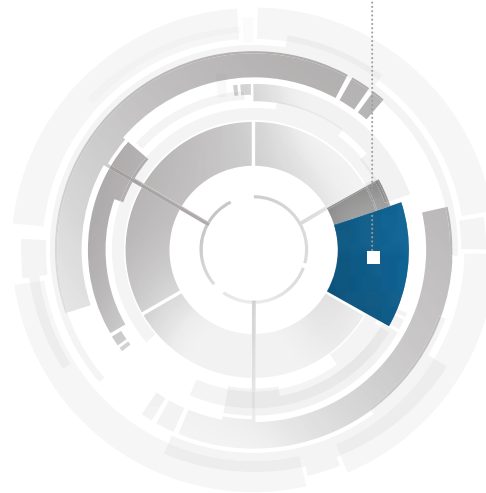
The External Resources Management System (ERMS) provides up-to-date information on the technical and financial performance of the EUIPO's vendors and the execution of framework/direct contracts, as well as monthly monitoring of market execution. Vendor categorisation was applied to enforce the management of the strategically important vendors and related framework contracts and to lessen the administrative requirement for the other vendors and framework contracts.

The Office implemented the risk-based strategy in ex-ante verification of its financial transactions in October, adjusting the level of verification depending on the nature of the transaction and the associated risk level contained. In addition, this strategy should result in efficiency gains that will allow an additional level of control in the form of ex post verification.

The new procurement framework proved its success. Although the key performance indicator measuring the planning, starting on time and timing aspect of procurement procedures is not yet at the desired level, no extension of markets or prolongation of contracts were necessary in 2017 due to delays in procurement processes.

Regarding fees management, diverse IT tools and processes were developed during the first part of 2017 to enhance the automation and the efficiency gains related to sending deficiency letters automatically or the development of agenda-driven fees management tasks. Moreover, the second phase of outsourcing some fees management tasks was completed in 2017.

In addition, the Office worked on ensuring that these processes were adapted properly to the second phase of the Legislative Reform and to the introduction of new tools for the back office management of IP processes.

A call for tender for the Office's operational banks was carried out during the first semester, leading to the substitution of one of the Office's banks. The implementation of this new operational bank was initiated during the last quarter of 2017. In addition, further efforts were undertaken to increase the use of e-invoicing, which now stands at 60 % of the invoices received by the Office.

SP2020 PROJECTS UNDER THE FINANCIAL MANAGEMENT

Implementation of e-Ordering and e-Fulfilment

E-Ordering, a module of the European Commission's e-Prior system, allowing the Office and its vendors to electronically agree and sign purchase orders and specific contracts, went live in October and is being implemented gradually, with ongoing integration of providers into the module. The Office is negotiating the implementation of the next module in the contracting chain with the European Commission, e Fulfilment, which, in the short term, would allow electronic reception of services delivered and, in the long term, e Reception of all types of services, goods and works.

Implementation of e-Procurement

E-Submission for open tender procedures, which reached the 100 % target for usage in 2016, will be extended to negotiated and restricted procedures once the new version has been made available by the European Commission.

Transparency Portal

A new Transparency Portal was developed and rolled out on the EUIPO's website, providing general public (other than IP specialists) with an easy entry point to the most important documents pertaining to the Office and its functions. The aim of the project was to gather relevant documents and information sources, including organisational and legal information, reports and statistical information (including financial information), and to display them in a user-friendly and accessible way to citizens. The Transparency Portal was launched in November 2017, and is available in five languages.

CORPORATE GOVERNANCE

In April, the Office took a significant step towards the integration of the management systems by conducting the first joint external audit including all five management systems (ISO 9001, ISO 27001, OHSAS 18001, UNE 17001 and EMAS), which resulted in the extension of all certifications. The idea behind the first external audit in a coordinated manner for the five systems was to save the time and efforts of the staff involved and to ensure that departments are not over audited.

As indicated in the Office's Strategic Plan, a benefits management framework was developed to integrate organisational efficiency and effectiveness benefits that are aligned with the concepts of corporate sustainability. This framework laid out the foundations for the EUIPO's first targeted and results-oriented Benefits Report. It focuses on closely tracking the achievement of those benefits that specifically respond to the needs and expectations of the Office's main external stakeholders.

In 2017, the Office consolidated the implementation of the strategic planning and reporting cycle stemming from the SP2020 via the Activity-Based Management model, integrating various management tools, such as performance or risk management.

The aim of the project was to gather relevant documents and information sources, including organisational and legal information, reports and statistical information and to display them in a user-friendly and accessible way to citizens.

SP2020 PROJECTS UNDER CORPORATE GOVERNANCE

Corporate Sustainability Framework

The Office published its first Corporate Sustainability Report in June 2017, which was prepared in accordance with the Global Reporting Initiative (GRI) standards, the main international framework for reporting on environmental, social and governance (ESG) issues. The report, validated through the GRI's Alignment Services, reflects the EUIPO's performance in 2016 and its progress towards its short-term sustainability goals set for 2020. According to the GRI Sustainability Disclosure Database, the EUIPO was the first public agency globally to publish a sustainability report based on the new standards, joining other leading private sector organisations.

INTERNAL AUDIT

Internal Audit (IA) provides independent, objective assurance and consulting services designed to add value and improve the EUIPO's operations. IA finalised two audits in 2017, which had started in 2016, and produced the corresponding final reports. The final Audit Plan 2017 included ten audits and was composed of audits on Internal Control Standards (ICS), audits resulting from the Offices' Corporate Risk Register and from the analysis of the audit universe, audits to cover aspects of financial management, workflows and control systems throughout the Office, as well as audit requests from departments, some of which were combined with audits related to risks or ICS. Out of these ten audits, six were concluded and their final reports issued; two were ongoing at the closure of the year; one was postponed, at the request of the department concerned; and another one was cancelled. According to Internal Audit methodology[4] for evaluating the compliance level of implemented Action Plans, overall compliance[5] reached 83.7 %, which is a satisfactory result, above the target level of 80 %.

In addition to the activities mentioned above, IA also continued with the task of overseeing the implementation of the Office's Anti-Fraud Strategy, the renewal of which was adopted by the Budget Committee in November 2016. This task concerns in particular the monitoring of action points, their maintenance and eventual renewal. During the year, the Office provided IA services to the Community Plant Variety Office; the European Foundation for the Improvement of Living and Working Conditions and the Single Resolution Board. The Office attended meetings of the Information Security Forum (ISF) and the Declassification Committee as an observer.

RELATIONS WITH STAKEHOLDERS

During 2017, the EUIPO maintained productive relations with its main institutional stakeholders from the European Parliament, Council, Commission, Member States, National Offices and user associations. Thanks to a policy of regularly holding high-level bilateral meetings with these stakeholders, the Office exchanged views and gathered feedback on a great number of strategic issues of common interest. In parallel, the Office strived to participate actively in events arranged by the registered international user associations, which provide opportunities for disseminating relevant and updated information about IP practice, procedures and tools. As usual, once a year, the group of user associations met at the EUIPO in order to go through all formal and substantive matters concerning users in general. In addition, the Liaison Meetings continued to be the official EUIPO fora in which experts (mainly from National Offices,

4 - The methodology distinguishes between Action Plan implementations that are: fully compliant, partially compliant in an either initial or advanced status, non-compliant or no longer applicable.

5 - Overall compliance is the percentage of Action Plans implemented (applying a weighting factor of 0.3 for initial implementation status, 0.7 for advanced implementation status and 1.0 for full implementation) in the total number of Action Plans closed, not counting 'not applicable' recommendations for accepted reasons.

the Benelux Office for Intellectual Property and user associations) met four times to discuss technical and expert matters relating to cooperation, trade marks and designs. Moreover, in line with the needs expressed by the Member States, an event on the new Data Protection legal framework was organised in order to seek synergies and shared initiatives.

DATA PROTECTION

The new Data Protection Register and Inventory microsite was launched in January 2017. During the year, the Data Protection Officer (DPO) continued focusing on updating and completing this register, which ensures the fulfilment of one of the key requirements of documentation imposed by the compliance and accountability criteria.

Information on data protection published on the Office's intranet was enhanced, in order to give answers both to the main questions the EUIPO's staff members might have as 'data subjects', and to give access to the documentation and forms that are useful for handling personal data. Training and guidance were offered to the various stakeholders in the Office (data protection coordinators, controllers and staff members), in order to raise awareness and reinforce their knowledge on the topics of privacy and personal data protection.

> Training and guidance were offered to the various stakeholders in the Office (data protection coordinators, controllers and staff members), in order to raise awareness and reinforce their knowledge on the topics of privacy and personal data protection.

Moreover, in 2017 the DPO started to prepare for the changes in the privacy and data protection rules, assessing the respective managerial, organisational, IT, human resources and financial adaptations required at the EUIPO and making the initial proposal for the respective measures and actions to efficiently manage the above changes. The proposal was approved by the EUIPO's management, with a mandate to launch an operational project to tackle the required changes.

PUBLIC REGISTER

In order to improve access to administrative documents produced by the EUIPO, in accordance with EU legislation, an online Public Register has been in operation since June 2014. Applications for access to documents can be submitted via the electronic form available on the Office's website. In 2017, there were three requests for administrative documents, which were all successfully complied with. At the end of 2017, the Public Register listed 4 482 documents; 26 874 documents were determined to be sensitive and therefore were not included.

LINE OF ACTION 3 — FOSTER AN EFFECTIVE AND SECURE DIGITAL ENVIRONMENT

45%
executed

The Office continued to simplify and modernise its IT systems, building on the progress made during recent years, in order to make them more efficient and user-friendly. Several IT tools were implemented in 2017.

SP2020 PROJECTS UNDER THE IP TOOL TRILOGY

IP Tool Programme

Under the IP Tool programme, the Office aims to integrate several systems that currently exist as separate modules into one single tool. Low added value tasks are now automated. The ultimate aim is to have one integrated platform to support all IP processes in the Office.

In 2017, the remaining recordals in the EUTM and RCD Registers including renewals, surrenders and changes of name were added to IP Tool, allowing all amendments to trade marks and designs to be handled efficiently. On the basis of the complete set of recordals being implemented in IP Tool, the Office undertook to build a more advanced digital Register, capable of showing the legal situation of a registered IP right at any point in time, including historic data. In parallel, the Office is also planning for a new publication mechanism, to provide users with more visibility and improved functionality.
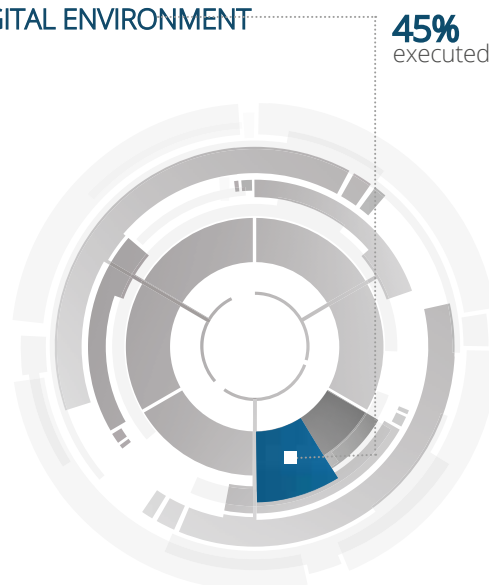
IP ART Programme

This programme consists of three projects: inter partes, ex parte trade marks and ex parte designs. The inter partes project covers opposition, cancellation and invalidity proceedings, which are all characterised by a three-sided relationship between the parties and the Office administering the proceedings. New e-filing tools were launched for EUTM cancellation and RCD invalidity applications, which did not have an e-filing functionality available previously. The new e-filing for oppositions that was released was aligned with the Legislative Reform changes in October 2017.

The Ex Parte Trade Marks project caters for trade mark examination proceedings using the existing IP Tool platform. The first product launched in 2017 was e-filing for international applications followed by an update to the back office in February 2018 covering EUTM applications, trade mark examination, oppositions and RCD invalidities. The back office for examination of international applications is expected to go live in Q4 2018.

IP Tool BoA and Litigation Programme

The programme covers two different areas — the Boards of Appeal and the Litigation area and consists of two projects: e-Appeal and BoA and Litigation Back Office.

Under the e-Appeal project, the Office replaced the generic eComm filing of an appeal before the Boards of Appeal with a new dedicated tool designed to reduce errors that would therefore contribute to a faster and leaner process. The e-Appeal tool went live in April 2017 and provides users with a fully digital environment to file their appeals directly through the Office's website with all the necessary utilities, such as instant receipts. From the go-live on 10 April until the end of 2017, 87.6 % of new cases (1 795 out of 2 049) were received through the new e-Appeal tool, which clearly contributes to make managing appeal proceedings more efficient.

The BoA and Litigation Back Office project addresses appeal handling and management of appeals before the Boards of Appeal and court cases to be handled by the Litigation Unit. This project will lead to the decommissioning of the BoA Single Tool system and to the creation of a completely new litigation back office. This new tool will be constructed on the IP Tool platform, which it will extend with new modules. Its project brief was approved at the end of 2017.

SP2020 PROJECTS UNDER EUIPO DIGITAL SYSTEMS

Business Analytics and Big Data Platform

Like most organisations, the EUIPO is faced with increasing data volumes and complexity. This project aims to provide high quality data for effective decision-making, as users need quick and easy access to understandable data to address important business questions quickly. This project is driven by a list of specific business cases relating to maximisation of the impact of the Similarity and HDB databases, and analysis of deficiency letters. So far, a list of more than 4 000 terms have been identified that can be considered for inclusion in the HDB, and a list of more than 2 500 terms were identified that may be candidates to be included in the Similarity database. The analysis of the Office's letters is progressing for different kinds of deficiencies. In parallel, a big data and business analytics platform has been built with significant capacity, so as to allow for the handling of the EUIPO's anticipated data analysis needs.

Cloud Strategy

By leveraging shared infrastructure, standardisation of services, automatic provisioning and users' direct access to services, the EUIPO will be able to spend less time managing complex IT resources and concentrate on transformational activities. This project will enable the Office to reduce its spending on hardware and central software, thus reducing the financial footprint of running operations. Ultimately, it is about exploring the opportunities of cloud technologies for a set of concrete business cases. The project started with a reduced business case on migrating an e-filing service to a cloud environment for disaster recovery purposes and a migration for cloud-based email in one pilot department, taking full consideration of data protection compliance issues.

Enterprise Resources Planning

The Enterprise Resources Planning project is under development and will provide a more integrated core for human resources processes that are completely interoperable with finance information systems. At the same time, it will support the implementation of the HR strategy for the next years, focusing on talent management and HR's transformation as a business enabler, through modernisation and automation of HR administrative services, and user empowerment (e.g. employee self-service for staff to access personal data and generate certificates). The delivery throughout 2017 of a Budget tool

supported the execution reports for the 2017 Budget exercise and for the preparation of the 2018 Budget. This tool has increased the quality and reliability of the information in Budget preparation and control by involving all stakeholders in a more structured way, thus improving the financial accuracy of projects and activities. Within the HR area, new solutions were introduced to manage contingent workers. A data migration from the existing system to the new platform is being prepared and tested to serve as the basis for a coexistence period between the old and the new system.

Increase IT Security

The Office is improving access control to information assets while preserving accessibility, ensuring that data integrity is respected and is enhancing the IT infrastructure to cope with the new threats. A proactive approach towards cyberintelligence, including active staff interaction within the Office, is being used to ensure coordination, training and communication on IT security matters. In view of the expected benefit to the IP industry of raising information security capabilities and awareness across IP offices, the EUIPO established the IT Security Network for Intellectual Property Offices in 2012. Through collaboration, the goals of the network are to raise standards through the convergence of best practices, to increase technical capability through cooperation, and to share information on an ongoing basis via email exchanges and monthly tele-conferences.

LINE OF ACTION 4 — INTENSIFY NETWORK ENGAGEMENT

26%
executed

EUROPEAN COOPERATION

The first full year of cooperation activity under the new EUTMR was in 2017, and very significant progress in a number of areas was seen. New systems were put in place to manage and conclude agreements between the EUIPO and participating IP offices, and the Office's financial control system was significantly revised. A series of common tools were implemented and the Software Package was updated, in parallel with the construction of new versions of existing software. At the same time, exhaustive analysis of the IP landscape was carried out, resulting in the launch of a number of new cooperation projects to support the convergence of practices.
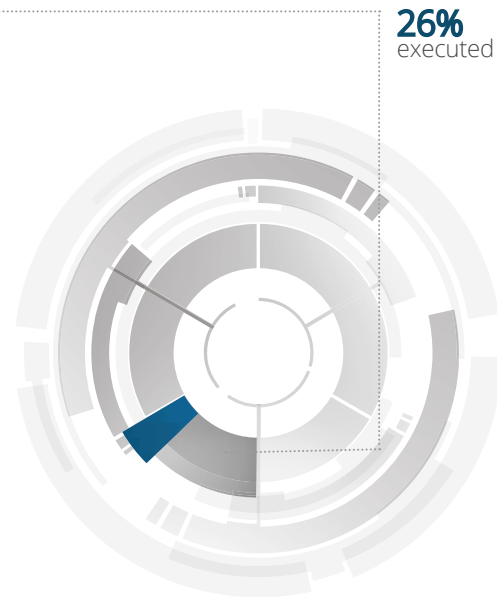
SP2020 PROJECTS UNDER EUROPEAN COOPERATION

ECP1 Consolidating and completing the CF landscape

Under this project, EU IP offices (IPOs) worked together to further extend and implement the tools built under the Cooperation Fund. Particular highlights of this included an initial implementation of DesignView by the German National Office (DPMA), which means that DesignView now includes all the EU design collections. In addition, the Romanian National Office (OSIM) successfully completed its implementation of the Software Package by adding the Back Office. ECP1 also offers support to the implementation of the new tools and improvements developed under ECP2 and ECP3; by November, IPOs were already successfully implementing major improvements to the CF packages as a result of the new projects.

A major area of activity within ECP1 was the reinforcement of the technical community that exists between offices; this is a powerful expression of the network that will enable IPOs to maintain the tools

in the long term in a sustainable manner. The EUIPO hosted a number of workshops and technical exchanges under ECP1 during 2017, enabling National Offices to share their own particular experience and to learn from each other.

ECP2 Major Improvements to TMview and DesignView

A number of major developments within TMview and DesignView were seen in 2017. A first release of TMview enabled the linking of national trade mark collections to the Image Search capability, now in its third successful year of use in EUIPO's eSearch plus. The capability was linked to the collections of three pilot IPOs; the EUIPO, the French National Office, and the UK National Office. Following a successful pilot period, the capability is now available to other IPOs. Aspects of major importance, such as improvement of the user experience of trade mark and design searches, together with dynamic filtering, customisation of the basic search, tagging, expanded trade mark information and search history were addressed by the second release, for which feedback was sought at the October Working Group meeting. TMview has become a global search tool of reference, and is now also used as a major method of substantiation for EUTM oppositions. A separate line of activity was opened during 2017 to reinforce performance and quality monitoring, and detailed reports for each of the indicators in each of the IPOs were ready by the end of 2017.

ECP2 Major Improvements to the Common Gateway

The Common Gateway was conceived as the single point of entry for the network. Improvements to performance and authentication were made available for users of the Common Gateway, as from the implementation of Release 1 in September 2017. In the October meeting of the Working Group, members agreed on the full scope for future releases.

ECP2 Major Improvements to Back Office

Release 1, incorporating powerful new technology into the Back Office software, was delivered in September and has already been implemented successfully in Estonia and Latvia. A number of functional improvements delivered at the same time were implemented on a selective basis by offices. Release 2, which offers a number of improvements to support IPOs in implementing the Trade Mark Directive and compliance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April

2016[6] (General Data Protection Regulation), was agreed at the October Working Group meeting and delivered by the end of December.

ECP2 Major Improvements to Front Office

The updated version of Front Office was released in September 2017; Finland had already successfully implemented the software by December, with Sweden in the final stages of implementation. Bulgaria and Portugal also made remarkable progress in implementation. The new Front Office forms include a technical upgrade, architecture simplifications, the monitoring and statistics framework and new e-services, all of which can be implemented on a selective basis by IPOs.

ECP3 Image Search for trade marks

Significant progress was made on all five workstreams of this project in 2017; the market research was completed by December and nine candidate image search solution providers were identified. The final review of the state of the art was completed. The revision of the testing methodology and benchmarking criteria was finalised, and the full set of testing cases was built. Workstream 3, testing and benchmarking, established a testing environment and validated the first set of test cases. The

project had thus validated the choice of image search provider, while making recommendations for improvement, providing a long list of technical test cases against which progress and performance could be validated, and acquainted the cooperation team with a range of modern high-technology solutions with broad applicability across all the projects.

ECP3 IP User Repository

A feasibility study aiming to propose solutions in order to improve the accuracy and consistency of users' data in IPOs was completed in September and presented to the Working Group members. It was agreed that the best approach for the execution of the data quality streams was to adopt a non-invasive solution, in which the results of the duplicate detection would be stored in a new, clean repository. During November and December 2017, the implementation of the data quality stream was kicked off in Portugal and Slovenia. The development of supporting Data Quality tools also started. The central tool phase is continuing the feasibility study, towards a common IP user model.

ECP3 Academy e-Learning

This project delivered its first pilot recording in October with the collaboration of three IPOs (Austria, Lithuania and Sweden) that gave the national perspective on CP3 regarding absolute grounds for figurative marks. The project is currently in the process of recording the first set of e-learning courses, while the content for the second set of courses was discussed in the October Working Group meeting.

ECP4 EU Cooperation Portal

The e-platform was completed and went live in 2017, automating the process of concluding and modifying agreements between the EUIPO and IPOs. This makes a significant difference in terms of managing this aspect of the cooperation framework. The tool was also capable of accepting, for the first time, statistical data from IPOs under Article 172(5) EUTMR in relation to the offsetting mechanism.

In addition, the single agreement framework with an execution reports functionality, which is part of Phase 4 of the e-platform, will make creating and monitoring cooperation agreements much more efficient both for the EUIPO and National Offices.

ECP4 Collaborative Network

The project covers the language check, which is to identify whether an application for an EU trade mark has any meaning in any EU language in order to examine the application for absolute grounds for refusal. In 2017, the number of participating offices reached 13, meaning that examiners from these 13 National Offices performed the language check task for EUTM applications. The actions leading to this success were: a series of 4 successful implementation workshops, development of a certified e-learning course, and a first annual language check seminar held in November 2017, where more than 40 representatives from implementing and potential participating offices attended.

ECP4 Convergence Analysis Project

Two new convergence projects were adopted by the MB/BC in June and they kicked off during 2017: CP8 on 'Use of a trade mark in a form differing from the one registered' and CP9 on 'Distinctiveness of three-dimensional marks containing verbal and/or figurative elements when the shape is not distinctive in itself'. Another project brief was approved by the MB/BC in November: CP10 — 'Criteria for assessing disclosure of designs on the internet'.

ECP5 Capture and Store Historical Files

The project team finished gathering data on the best way to implement the project. The Office also proceeded with preparations for implementation. Seven EU National Offices joined the project in 2017.

ECP5 Project Management Certification for IP Offices

During 2017, an additional 136 people in PRINCE2 Foundation and 102 in PRINCE2 Practitioner were trained and certified, which increased the total of 237 certifications in PRINCE2 Foundation and 108 in PRINCE2 Practitioner from 16 different IPOs. The approach to establishing the requirements for launching a pilot project management office was also defined.

ECP5 Support to Management Systems for IP Offices

An implementation approach was defined and reviewed by working group members: IPOs will be supported by a local consultancy company during the implementation of ISO 9001:2015, while a central team will find synergies and promote cooperation in the field of quality management systems among different offices. Seven offices formally expressed their intention to participate in the project either by implementing ISO 9001:2015 from scratch, upgrading to this standard or expanding the scope of their quality management systems. Some offices started implementation in 2017. Over time it is expected that experts from the first implementing offices will form a team that will be able to support the remaining IPOs.

INTERNATIONAL COOPERATION

Implementation of the international cooperation strategy adopted by the Management Board as part of the SP2020 progressed in accordance with the project and operational plans, namely the Extension of Tools and Support to the Observatory in non-EU countries project; the successful closure of EU-funded projects in Russia, South East Asia and China; the TM5 and ID5 forums for the five largest IP offices and the continuation of the project in India. 2017 was also the year for setting up new EU-funded projects: a new IP Key project for China; a new ASEAN IP Key project and a new Latin American IP Key project, plus an additional project in the ASEAN region (ARISE+), for which the EUIPO is the implementing agency, on the basis of its technical expertise and contacts with relevant stakeholders in the field of intellectual property worldwide.

The EUIPO hosted the 6th TM5 Annual Meeting in Alicante on 30 November and 1 December 2017. The meeting involved discussions on the partners' respective leading projects. Among thirteen ongoing cooperation projects, the EUIPO reported on the current status of 'Common Statistical Indicators', 'User-friendly Access to Trade Mark Information (notably the completion of the feasibility study of China's integration into TMview)', 'Taxonomy and TMclass Link' and 'User Association Involvement' projects. Furthermore, the TM5 partner offices successfully concluded two projects of which all deliverables were met, notably: Common Statistical Indicators and the Madrid Protocol. The partner offices also reached a consensus on the formal adoption and launch of three new cooperation projects, of which the EUIPO will lead one and co-lead two: Quality Management (JPO/EUIPO), Priority Rights Documents (EUIPO),

Fraudulent Solicitations (USPTO/EUIPO). The partner offices amended the TM5 rules of governance. A dedicated user session was held with the active participation of 15 user associations which share their expectations in relation to those projects.

On 4 and 5 December, the 3rd ID5 Annual Meeting was held in Alicante. During the meeting, the ID5 partner offices shared their progress on 12 collaborative projects. The view and drawing requirements, the compilation of industrial design statistics and the study of design classification conventions and practices projects were moved into maintenance mode, as all deliverables have been met. A 1-day session for user associations from the five partner offices was held on the second day with the active participation of 15 associations. This included a discussion with stakeholders on emerging designs, namely new types of design and new types of representations and formats.

SP2020 PROJECTS UNDER INTERNATIONAL COOPERATION

Extension of Tools and Support to the Observatory in non-EU countries

The project continued with the extension of tools beyond the EU, and for this, an implementation model for the integration of Network tools was established. Progress was made in the definition of the model of extension of the reach of other EUIPN tools to non-EU IP offices (e.g. DesignClass, the Harmonised Database, the User Satisfaction Survey, CESTO, Forecasting or SP Front Office). To that end, numerous technical meetings took place with IP offices during 2017, to explore the technical feasibility of extending such EUIPN tools, including six regional workshops held with ASEAN, Latin American and Caribbean IP offices. As a result of these exercises, 54 intents to implement such tools were formalised, while 76 additional intents were identified through such workshops. In 2017, 24 tool integrations were carried out with non-EU IP offices, particularly in TMview (e.g. Argentina, Colombia, India), DesignView (e.g. Argentina, Japan, Switzerland,) and TMclass. By the end of 2017, over 48 million trade marks and 13 million designs were searchable through those tools and the regional tools in the ASEAN region. Finally, as part of the extension of common practices, in December 2017, 116 out of 129 terms identified under the CP7 project were accepted by WIPO's Locarno Union Committee of Experts, thanks to the initiative of the French, Spanish and Swedish IP offices.

EU AGENCIES NETWORK (EUAN)

On 1 March 2017, the EUIPO organised the last Heads of EU Agencies meeting in Brussels as chair of EUAN; this meeting approved the new EUAN terms of reference and the project brief on the reinforcement of the Permanent Secretariat prepared by the EUIPO. The meeting included topics such as the sharing of services, the implementation of the European Commission's roadmap, and developments related to the Inter-institutional Working Group 2 (IIWG2), and featured an extended exchange with the European Parliament, Council and Commission. The EUIPO provided input on the position paper prepared by the European Food Safety Authority (EFSA), the new chair of EUAN in 2017, for the IIWG2 meeting that took place in Brussels on 27 March, specifically on the EASA pilot case for fee-financed agencies. The EUIPO remained in the Troika of EUAN until February 2018 and continues as the chair of the EU Fee-Receiving Agencies Network (EFRAN).

LINE OF ACTION 5 — ENHANCE CUSTOMER-DRIVEN QUALITY SERVICES

58%
executed

IP OPERATIONS

In January 2017, the Office implemented the new procedure of Initial Central Examination (ICE) regarding Absolute Grounds (AG). Where previously a large number of examiners throughout the Office examined the AG criteria for registration, this task was undertaken by a specialised pool of 20 experienced examiners, who identify acceptable applications and only pass those applications that call for a refusal to the AG decision takers. The result of this initiative greatly contributed to harmonising the examination of absolute grounds, harmonising the objection criteria and cascading the knowledge down from experienced examiners to those with less experience.
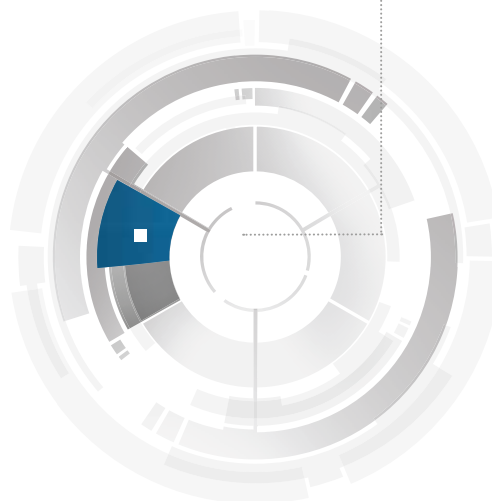
In July 2017, the Office implemented three new working methods to improve quality, effectiveness and efficiency in the examination of trade mark and design applications. The first, called New Initiative of Classification Experts (N'ICE) consists of a pool of classification experts dealing with applications that have the same owner and/or the same list of goods and services — guaranteeing that they will be treated in exactly the same way. Such applications are allocated to the same examiner who will examine their correctness and will also identify possible terms for the Harmonised Data Base (HDB) at a later stage. In the second, named D.ICE (D stands for Designs and ICE is used by analogy to the other team-work initiatives implemented in the Office), experienced design examiners come together each day to perform the full examination of new design applications, and as in ICE, difficult cases are discussed and normally resolved directly within the group that day. The objective was to improve consistency in the examination of designs. The third is an Expert Group of Absolute Grounds Examiners specialised in the areas of geographical indications (GIs), traditional terms for wine (TTWs), traditional specialities guaranteed (TSGs) and plant variety denominations (PVDs). The group aims to increase quality and consistency when examining these complex grounds.

The positive results and the lessons learned from these initiatives inspired development of two other models at the end of 2017. The first, R.ICE, specialises in centralised examination and processing of recordals, with a focus on troubleshooting, team building and harmonisation of practice. The second, IP ICE, addresses checking inter partes decisions, discussing and resolving difficult or doubtful cases before their notification, as well as serving as a meeting point for sharing knowledge and experience.

Due to the constantly increasing number of decisions to be taken, the Office reorganised the production workflow and, through team collaboration, focused efforts and the steady monitoring of all production levels, achieved very high output numbers in decisions notified in 2017.

Timeliness

At the end of 2017, the average time taken to publish an EUTM via fast track was 1.1 weeks, with registration taking place in just under 4 months. As far as regular track is concerned, the average time taken to publish an EUTM was just over 2 weeks, with registration taking just over 4 months. A significant increase of 33.1 % was achieved in the number of opposition decisions taken, which represents 6 668 opposition decisions in total, compared with 2016. At the same time, the average time for opposition decisions was reduced from 4 months at the beginning of the year to 3.1 months at the end of the year.

Excellent results were achieved in the area of designs in 2017. Fast track RCDs were registered on average in 1 working day, with 100 % being registered at most in 3 working days.

LITIGATION/LEGAL ADVICE

Litigation ensured that the Office's decisions and practice are defended to a high standard before the Courts; it also assisted the European Commission in preliminary rulings. In addition, it contributed to signalling and explaining important case-law to the Knowledge Circles and the rest of the Office.

In 2017, the number of cases lodged before the Court of Justice of the European Union was 350 (296 before the General Court and 54 before the Court of Justice), which represents a 7.6 % decrease when compared with 2016. In the same period, the Office also assisted the European Commission in five preliminary rulings. As regards internal legal advice, the volume of responses to consultations in 2017 rose to 183, from 179 in 2016. The EUIPO Litigation Office in Luxembourg became operational on 18 September 2017 in order to enhance operational efficiency.

SP2020 PROJECTS UNDER PRODUCT QUALITY PROGRAMME

Ex Ante Product Quality Audits (Trade Marks and Designs)

This project aims to enhance the quality of the Office products by performing quality checks that correct any errors detected before the decisions are issued to the users. In 2017, the ex ante audits were implemented in six areas, namely opposition, cancellation and invalidity decisions (inter partes), RCD decisions, classification and absolute grounds. Work was done to integrate these areas in the new back office system.

Furthermore, the project team also focused on the new model for product quality checks both for decisions and proceedings, the so-called "Internal Quality Check". This new methodology was built on the best of the current ex ante and the ex post checks and it is inspired from the outcome of the discussions with the user associations in the Stakeholder Quality Assurance Panels audits.

Stakeholder Quality Assurance Panels (SQAP)

This project aims to involve the EUIPO's users in the Office's quality processes, in order to bridge the gap between the users' perception of quality and the internal quality measurement results. With this objective in mind, representatives of User Associations meet at the EUIPO's premises and conduct product quality audits in accordance with the established Office quality criteria. In 2017, three pilot SQAP audits were held (April, July and October 2017) on opposition decisions, with favourable feedback from the participants about the usefulness of this exercise. Different methodological approaches were tested over the year and based on the feedback of the auditors and user associations, the methodology was consolidated. Overall, 11 user associations, represented by 22 auditors, participated to SQAP audits in 2017. In total, 154 decisions were audited during the three audits. The results were analysed and actions were taken in order to contribute to the continuous improvement of the quality management system. In November 2017 a request for expression of interest to participate in SQAP audits on opposition decisions and absolute grounds decisions was sent to user associations and 12 of them expressed their interest in participatingproduct quality framework.

New Generation Guidelines

In 2017 the project team analysed the results of the surveys and completed the selection process for a suitable supplier. The selected provider was entrusted with the project and work started mid-2017 in order to have a HTML Guidelines Pilot, consisting of a few sections of the Guidelines, including the features of multilinguality (5 official languages), track changes, basic search tool, links within the Guidelines, to Curia, eSearch plus and eSearch Case Law, with a view to go live in March 2018. In parallel, possible changes in the revision cycle and structure of the Guidelines were under study, as well as other suggestions from stakeholders, such as consultations about quality standards, derivative products directed to particular groups such as University students and SMEs.

CUSTOMER SERVICES

Regarding customer services, the Office maximised the availability of its systems and accessibility for users. At the end of 2017, the accessibility service standards set by the Office achieved 'Excellence' for all indicators, in a context of increasing volumes of interactions (+4 %). Overall in 2017, 99 % of telephone calls were answered within 14.5 seconds; 99 % of written queries received a response in a maximum of 2 days; and a level of 98.9 % of direct and callback accessibility was reached with

continuous improvements (99.4 % during Q4/2017). The timeliness of dealing with complaints was also in 'Excellence' for the 81 complaints received handled within 8 days. Moreover, 29 of those complaints were resolved via Fast Track, that is to say, within 1 day.

The Office also further enhanced customer engagement of existing e-business tools and the new ones released during 2017 (e-filing for appeal, cancellation/invalidity, international applications and the new version of e-filing for oppositions), as well as increasing straight-through files. Several initiatives were conducted in order to ensure a smooth transition for customers to the new legal framework and related practice changes: 11 workshops were organised in 9 countries in addition to direct communication, new website-dedicated content and webinars.

Periodically, EUIPO carries out a satisfaction survey to identify goals and priorities for improvement, as well as to assess the satisfaction of our users with the services we provide. In January 2018, the 2017 user satisfaction survey was conducted among users of EUIPO's services. The online questionnaire could be completed in any of the five official languages of the Office during three weeks. This survey contributes to get a clear picture of how our users are satisfied with the services provided by EUIPO including online tools, EUTM and RCD registration, customer and communication services. The response rate is higher than in the previous exercise as 10.5 % of the users invited took part to the survey. This represents an increase of 2.7 percentage points compared to the previous survey. The overall satisfaction remain at a stable level compared to the previous result with 89 % of the users satisfied with the services provided by EUIPO. Overall satisfaction of the services related to EUTM and RCD remains to similar high levels at 92 %. Also the services provided by EUIPO teams are rated positively with Information Centre at 89 %, Technical Support at 88 % and Examiners at 84 %

The Maximise HDB Usage and Key Users Programme strategic projects ended in 2017 and are expected to have a continuous positive impact as well as to deliver the expected benefits.

SP2020 PROJECTS UNDER SERVICE QUALITY PROGRAMME

Maximise HDB Usage

Under this project, the Office intends to enable users to manage and reuse their lists of goods and services within the Harmonised Database (HDB). A gap analysis was made with a view to populating the HDB with added value and market-oriented terminology. The first phase of the project went live in

February 2017 with the release of the Goods and Service Builder in beta. In July, the Goods and Service Builder was launched with features requested by users, such as the proposal of HDB terms similar to Nice Class Headings, the option to save lists of goods and services in the User Area or the possibility to make proposals for new HDB entries. The project successfully provided its deliverables up to the end of 2017 and entered into its closing phase. The achievements are positive with the HDB being extensively used, reaching almost 50 % of EUTM applications fully complying with HDB terminology and above 80 % of all expressions filed.

Multilingual Communication Management

In 2017, the new collaborative linguistic environment was integrated into the linguistic revision task for administrative translations. In addition, multilingual translation memories are being created and exploited through the new linguistic environment to foster reuse, translation savings, consistency and productivity. The development of the project is highly dependent on collaboration with the Translation Centre, which had an impact on the project's schedule and outcome. In particular, the exchange of bilingual files did not take place and there were some delays in the delivery of terminology work. There are still ongoing negotiations to identify a suitable solution for both agencies.

The implementation of an automatic translation service for the Office's eSearch Case Law database developed in close collaboration with the European Commission progressed according to plan.

Sustainable Customer Services

The objective of this project is to build on customer services in a sustainable manner using value-added self-service solutions. The project, focusing on communications between the Office and its users, continued with defining actions and measuring their impact and effectiveness. The main tasks were to improve the Help Centre, revise the Frequently Asked Questions (FAQ) section and improve the User Area functionalities, by allowing the user to obtain all the required support and guidance online. In 2017, preparations continued for the release of the new services to customers: new FAQ, new alerts, schedule a call option and queries to the Office available in the website User Area.

Key User Programme

Key Users are provided with access to a package of measures, including personalised guidance via an online chat, training, a dedicated Key User area on the website with specific news and performance reports, and tailor-made engagement actions. The ultimate objective of this programme is to enhance the use of electronic communication, to increase the number of straight-through files by reducing the level of deficiencies, and to introduce a more streamlined approach for the management of payment. The Key User Programme was launched in April 2017 accompanied by promotional campaigns. Where the objective of the pilot programme was to integrate 250 key users, the project successfully reached over 500 users.

Open Data Platform

The platform went live in May 2017 and provides anonymised EUTM/RCD data files. The personal data of owners (name, address, telephone, fax number and email) are removed from the XML file in compliance with the legislation regarding the protection of personal data. That set of data is to be made available with authentication on the EUIPO website but upon agreement with a specific disclaimer.

SP2020 PROJECTS UNDER EFFICIENT EXAMINATION AND USERS' EMPOWERMENT PROGRAMME

The E3U Programme addresses the challenge of the expected increase in trade mark applications and oppositions in the coming years, while focusing on the continued improvement of quality and efficiency. In 2017, this programme progressed according to plan with the approval of three projects: AG examination support, RG examination support and the Automatic Language Check tool. For the Automatic Language Check tool, the decision was taken after a successful proof of concept of the technology and a demonstration of the capabilities of the provider with the aim of covering the five languages of the Office (ES, DE, EN, FR and IT).

Within the RG examination support project, a first iteration of the tool that will assist examiners in the comparison of goods and services (the 'G&S comparer') was developed and went live in November 2017. In parallel, work was carried out to develop a dashboard for the examiners to see the complete file with one click and to define the strategy of the case more efficiently. The definition of a third tool consisting on a new drafting tool started in September 2017 in cooperation with AG examination support project.

The AG examination support project advanced on the analysis phase of workstream 1: AG repository. Workstream 2: AG Examination Support tool began in parallel with the gathering of requirements and identification of synergies with other projects in the Programme.

BOARDS OF APPEAL

2017 was an important year for the BoA, as it marked the twentieth anniversary of the Boards of Appeal's decision taking. In this context, the BoA invited all former presidents, chairpersons and members who served at the Boards since its establishment in 1997 to the EUIPO to take part in the celebration of this important landmark, together with the currently serving president, chairpersons and members.

The liber amicorum, 20 years of the Boards of Appeal at EUIPO: celebrating the past, looking forward to the future was published, in order to celebrate that milestone. This book benefited from the contribution of writers from many different walks of IP life drawn from academia, the judiciary, national and EU institutions and agencies, private practice and user associations.

As regards the coherence and consistency of the decisions rendered by the BoA, a quality of product initiative was launched in order to identify case-law trends and create synergies with other Office initiatives, such as the Knowledge Circles, Liaison Meetings and the National Offices' BoA Network.

LINE OF ACTION 6 — STRENGTHEN THE INTELLECTUAL PROPERTY SYSTEM

62% executed

LEGISLATIVE REFORM

The programme dealt with providing technical support to the Commission in preparing secondary legislation, and implementing Office-wide the changes brought about by this secondary legislation that came into force in October 2017.

SP2020 PROJECTS UNDER THE LEGISLATIVE REFORM PROGRAMME

Office implementation

The project focused on ensuring compliance with the new legal framework stemming from the EUTMR and the set of secondary legislation (Implementing and Delegated Acts) that entered into force on 1 October 2017. Furthermore, as the EUTMR was amended several times, it was re-codified (Regulation (EU) 2017/1001 on the European Union trade mark). This created a series of tasks. Unfortunately, a delay in the codified EUTMR meant that the secondary legislation currently makes reference to the old EUTMR. This will be addressed by replacing the two pieces of secondary legislation in 2018.
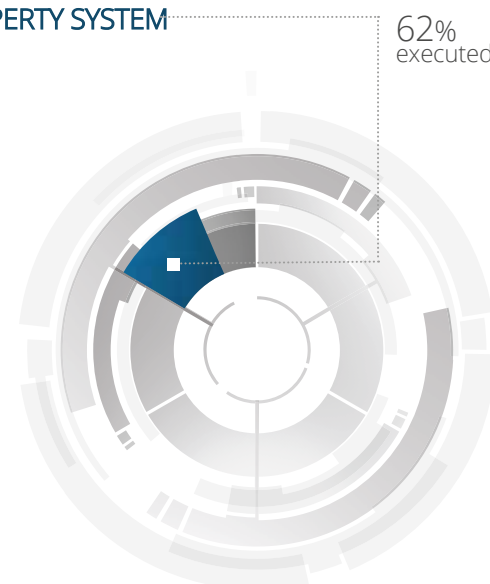
Over 300 material changes to the current laws were identified which were converted into over 500 tasks in 4 working areas (Examination, Recordals, Oppositions/Cancellations and Boards of Appeal) Software Requirement Specifications documents, 29 Practice Notes and 5 new Executive Director Decisions were prepared to capture the changes.

All the required changes were successfully implemented and rolled out on time. The system went live as planned on 1 October. On the first day, in parallel with some testing, almost 60 EUTMs were filed without any incidents, including EU certification marks and multimedia marks.

Phase III of the Legislative Reform began on 1 October 2017 and will continue until the end of 2018. It is related to issues that either did not need to be, or could not be, put in place on that date. Management approved the tasks for Phase III including: revamping of Executive Director Decisions, benefits realisation, publication of legislation and tools in various formats.

Update of the Guidelines

All drafts of the Guidelines were aligned with the new legal provisions — as a result of the changes stemming from Regulation (EU) 2017/1001, as well as the corresponding secondary legislation, and included the Decisions of the EUIPO's Executive Director and the new codification of the legal texts. On 15 May, the drafts were published on the EUIPO's website for comments from the National Offices and

user associations (317 comments were received). All comments were processed and assigned to the relevant Knowledge Circles, who implemented the modifications. The Guidelines were then translated into the five official languages of the Office and the drafts were sent to the Management Board for approval on 6 September 2017. After approval, they were adopted by the Executive Director on 22 September 2017 and these were published on the EUIPO's website, entering into force on 1 October 2017.

Implementing and Delegated Acts

The objective of the project was to provide technical support to the European Commission in preparing the secondary legislation that followed the new basic Regulation. The project was closed successfully as a very high percentage of the Office's proposals had been incorporated in the legislation. The end report of the project was approved by the Legislative Reform Programme Board. Remaining work on finalising secondary legislation was subsumed by the Office Implementation project mentioned above.

Change of Name — Corporate Identity

A campaign to raise awareness of fraudulent payments and the corporate identity management framework was implemented and extended until the end of 2017. A corporate identity policy was set up together with cross-departmental corporate identity coordination groups. In addition, a review of the Office templates, which went beyond legal compliance, took place in 2017.

Mediation Centre at the EUIPO: impact analysis

The possibility of establishing a Mediation Centre at the EUIPO is under evaluation. Four studies have been completed: Legal analysis; Stakeholder analysis; Landscape of Alternative Dispute Resolution (ADR) services, with a focus on mediation and IP matters; and a study into the needs of the EUIPO's stakeholders in terms of ADR, with a focus on mediation services, with a comprehensive online survey and two focus groups with owners of IP rights and representatives. The conclusions of the abovementioned studies are now being used to elaborate the Business Case and in particular, the recommendations about whether establishing a Mediation Centre at the Office is appropriate.

Supporting the Transposition of the Directive

This project aims to establish a framework for cooperation with the National Offices and to provide them with technical support, while fully respecting the different competences and responsibilities of the European Commission and Member States in the context of the transposition of the Directive into national law. The project has two workstreams, dealing with 'pre-legislative' and 'post-legislative' convergence, respectively. As regards pre-legislative convergence, the objective was to achieve a common understanding on definitions and means of representation for new types of trade marks, as well as on the acceptable electronic file formats for non-traditional trade marks. Furthermore, this workstream envisaged the preparation of sets of reference texts, which could be used by the National Offices, and whose second edition was circulated in 2017. Most National Offices were willing to follow the definitions, types and means of representation of marks of the EUTMIR. Furthermore, the majority of the Offices were in favour of post-legislative convergence, in the context of ECP4, regarding examination of formalities and grounds for refusal of the new types of trade marks. On the basis of this understanding, the Office prepared a draft 'Common Communication on the representation of new types of trade marks' (CC), which was circulated among the National Offices. The draft text was discussed at an ad hoc meeting that took in place in June and its final version was presented at the Liaison Meeting on Trade Marks in October. The CC was adopted by the Management Board in November and it was published in December.

SUPPORT INTELLECTUAL PROPERTY SYSTEM

OBSERVATORY

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

IP in the digital world

In September 2016, the Office launched a European portal in order to better inform consumers about the availability of legal offers of music, sport, films/TV, video games and books. Agorateka — the European online content portal — provides a single access point to national portals that lead consumers to legal offers. Since then, the number of Member States connected to the tool has risen to 13, with another five countries that have made a commitment to join.

Following the 2016 study on infringing business models, the second phase of this research, carried out in 2017, focused on a specific business model identified in phase one. It analysed how previously used domain names in several Member States are utilised to misdirect Internet traffic to e-shops suspected of offering IPR-infringing goods and services. The report was published in October 2017.

Copyright laws are complex and vary among Member States, so that even consumers who might not wish to infringe copyright sometimes do so because of lack of knowledge. Therefore, the Observatory, together with its civil society stakeholders and public sector representatives, developed a set of Frequently Asked Questions, to provide country-specific answers. The outcome is a digital guide for each EU Member State, in its own language and in English.

Public awareness

As part of the Ideas Powered initiative targeting youth, a second edition of the youth workshop took place in June 2017 to engage young influencers to improve understanding of IP among their peers. The Office also published the 2017 call for proposals to support awareness initiatives deployed at national level, doubling its total contribution to EUR 1 million, based on the principle of cofinancing. Nineteen proposals have been selected for support.

On the basis of the results of the SME Scoreboard, specific follow-up actions or tools are being explored, notably to address information needs and support for SMEs, in order to contribute to the European Commission's action plan . This includes the creation of a one-stop-shop information platform for SMEs; the setting up a network of experts to perform IP pre-diagnostic services; the mapping of existing schemes that provide legal support on IP to SMEs free of charge and the monitoring and measurement of SME use of IP rights.

Following the IP in Education study, the Observatory created a specialised IP in Education Network, constituted by representatives from the ministries of education and specialised stakeholders, with the aim of jointly developing appropriate resources and tools to facilitate IP education and awareness. The network is of a voluntary and informal nature, and a third meeting was held in April 2017 in Alicante. A dedicated project was created to develop good practices that could serve as examples for ministries of education that wish to embed IP in different learning areas. The first deliverable of the project was a contribution by the Network to the consultation the European Commission has launched in the context of the review of the 2006 Recommendation on Key Competences for lifelong learning.

The second edition of the IP Perception study (first published in late 2013) was published in March 2017. While the results showed improvements in some areas, the basic conclusions from the 2013 study remained unchanged, thus reinforcing the need for continuing public awareness efforts.

Legal and international

One of the main tasks entrusted to the Office is to improve knowledge on IP rights infringements in Member States. As a continuation of the work already carried out, the Office has collected relevant jurisprudence related to enforcement of IP rights rendered at national level in the EU Member States. At present, around 900 national key IPR enforcement judgments can be searched for in the case-law database. Whenever possible, the activity is being implemented in collaboration with the national and regional IP offices.

The Observatory supports a broad range of cooperation activities carried out in the framework of the EUIPO's status as the implementing agency for EU-funded programmes in third countries. A network of IP experts in EU Delegations was created in 2014. In 2017, the Office continued to cooperate with the Commission (DG Trade) in consolidating the network, mainly by providing technical support to

improve IP knowledge and foster exchange of information. The network met in December 2017, with participants from 20 countries.

The Anti-Counterfeiting Rapid Intelligence System (ACRIS), available since June 2016, was designed to provide an EU-level information repository containing information about IPR infringements suffered by EU companies in third countries, and on the response of the authorities in those countries. During 2017, the tool was fully implemented, helping rights holders enforce their rights outside the EU. Users of the Enforcement Database (EDB) have access to ACRIS as well.

Enforcement

Work has begun to enable rights holders to renew their Applications for Action through the Enforcement Database (EDB) and to better support the work of enforcement authorities by improving alerts. In 2017, the volume of companies with an EDB account rose to 509 companies, and more than 1 700 products were created in the tool. The use of the tool by enforcement authorities increased substantially during 2017 to more than 2 000 connections. All EU customs authorities have access to the tool, as do 14 police authorities, Europol and OLAF. Efforts will continue to increase the number of police forces using the tool.

The Anti-Counterfeiting Intelligence Support Tool (ACIST) gathers statistics on detentions of articles that are suspected of infringing IP rights at the EU's external borders and in the internal market. Data on seizures carried out by customs authorities in all Member States are currently available for consultation in ACIST. Moreover, data on seizures carried out by national police authorities in 18 Member States are also available.

The Office continues to finance the activities of the Europol IP Crime Coordination Centre, with an initial transfer of EUR 500 000 being made to increase information gathering and monitor trends in the field of online IP crime and related areas. During 2017 it was decided to almost double the funding for IPC3 to EUR 950 000. On 22 June, the Office and Europol published the second Situation Report on Counterfeiting and Piracy in the EU, which served to update the previous report and to describe new threats and trends.

The European Commission requested the Office's collaboration in analysing implementation at Member State level of the controls envisaged by the GI regulations. The resulting study was published in Q3 2017.

Economics and statistics

In May, a study on the use of public domain content as the basis for films was released. This is a research area that was proposed to the Observatory by civil society and was subsequently included in the Work Programme. A second major study resulting from the EUIPO-OECD cooperation was released at the International IP Enforcement Summit in Berlin in June. This study, Mapping the real routes of trade in fake goods, examines in detail the routes from the manufacturing countries through various transit points to the final consumers for ten of the most counterfeit-prone product categories. In July, a study on the use of trade secrets by EU firms was published, a follow-up to the pilot study of German firms published in 2016. This study sheds light on the subject based on representative firm-level data from the Community Innovation Survey (CIS), covering almost 200 000 firms operating across manufacturing and service industries in Europe.

Two more sectorial studies were released in 2017, on counterfeit pesticides, and on counterfeit smartphones (in collaboration with the International Telecommunications Union).

As from 2017, the Observatory has been assisting the European Commission in measuring the key performance indicators related to the Memorandum of Understanding (MoU) on the sale of counterfeit goods over the internet signed in June 2016. The first set of measurements was carried out by rights holders and platforms from 15 November to 15 December 2016 and results were analysed and aggregated by the Observatory in January 2017. The exercise was repeated from May to June 2017 and from November to December 2017. The role of the Observatory is to be a trusted party that receives the raw data from the signatories of the MoU, analyses the data and sends the results of this analysis to the Commission.

Major events including statutory meetings

The Observatory continues to organise events to ensure that policymakers, enforcers and other relevant stakeholders are fully aware of relevant issues surrounding IP. In 2017, the following events took place: a regional seminar for enforcement authorities in Cyprus (4 6 April); working group meetings in Alicante

(3 5 May); a workshop for enforcers in Italy (10-11 May); a judges' seminars on IPR criminal issues in Alicante (11-12 May), regional seminar for enforcement authorities in Denmark (29 May-1 June); and an IPR and enforcement training on the Teaching Kit For Enforcement Officers in Alicante (13 14 June). Furthermore, the second edition of the International IP Enforcement Summit co-organised with the German Federal Ministry of Justice and Consumer Protection and the European Commission took place in Berlin on 22 and 23 June. The Summit brought together 280 key European and international decision makers, enforcement agencies, multinational companies, consumer representatives and businesses. This edition looked in particular at new trends and technologies, as well as alternative enforcement techniques relevant to the online environment.

EUIPO ACADEMY ANNUAL STAKEHOLDER TRAINING PLAN

The IP activities carried out in 2017 were fully in line with the training plan. The Tuesday Webinars continued and were well received by the public, with a total of 7 628 connections for 90 webinars. The Office actively sought external speakers, especially from IPOs and from the academic community, in order to foster synergies with stakeholders.

PAN-EUROPEAN SEAL PROFESSIONAL TRAINEESHIP PROGRAMME

The Pan-European Seal (PES) continued to offer learning opportunities to young graduates in partnership with the EUIPO and the European Patent Office (EPO), together with 38 university members from all over Europe in IP Law and non-IP fields. Overall, 77 trainees from member universities started their traineeship in the EUIPO including 8 PES Exchange trainees from the EPO.

An on-line tool, 'Talent Bank', is under development to give former PES trainees from the EUIPO and the EPO access to the traineeship and job offers published by the associated partners. The CPVO, as an associated partner of the Talent Bank, selected a PES trainee from the EUIPO for internship in Angers, France.

JOINT DOCTORATE IN IP: EIPIN-INNOVATION SOCIETY

The Office is a partner organisation in the Joint Doctorate in Intellectual Property programme set up by the EIPIN network (University of Maastricht, University of Alicante, Queen Mary University of London, University of Strasbourg, and University of Augsburg), which received a grant from the Research Executive Agency of the EU Commission under the Horizon 2020 Marie Skłodowska-Curie Action ITN-EJD. 15 PhD researchers were selected for the EIPIN Joint Doctorate, two of whom were former PES trainees at the EUIPO.

SP2020 PROJECTS UNDER SUPPORT INTELLECTUAL PROPERTY SYSTEM PROGRAMME

e-Learning Portal — Next Generation

The project envisaged a dynamic and robust tool that will provide a learning environment with online content of the highest quality. Six basic IP courses were translated inside the project scope; one of them was the IP Teaching Kit basic level, which was translated into the five EUIPO languages in cooperation with the EPO. A study into e-learning quality standards available in the market was performed, leading to process improvements in content creation in the e-Learning Portal. A benchmarking exercise about the usability and search engine optimisation (SEO) of the Portal was carried out, obtaining recommendations and best practices to be considered in the requirement phase of the project. Finally, the requirements specifications of the project were defined, including the new functionalities and improvements described in the project brief as well as the conclusions of the benchmarking exercise related to usability and SEO.

Orphan Works Deployment

Use of the Orphan Works Database was promoted and its functionalities improved through additional releases, including provision for bulk uploads by beneficiary organisations. One IT release of the database took place in February and another one in December. In addition, the Orphan Works Database network meeting was held in December 2017. Furthermore, the preparation of an Orphan Works Database survey was carried out and the report on measures provided. At the end of 2017, the database contained more than 16 000 orphan works.

DesignEuropa Awards

Following the inaugural edition of the DesignEuropa Awards, which took place in Milan in November 2016, a 'lessons-learnt' exercise was conducted and preparations began for the next edition in Warsaw in 2018. The Awards scheme, which is planned to run every two years, aims to raise awareness of the registered Community design system, while simultaneously recognising the innovation, creativity and IP management excellence of the system's users.

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EUIPO Virtual Training Centre

The Office, together with CEPOL (the European Law Enforcement Training Agency), successfully launched the Virtual Training Centre on Intellectual Property Rights on 11 September. Based on the CEPOL e-Net platform, the Virtual Training Centre will soon become a one-stop-shop for the training of law enforcement authorities in the area of IP protection and enforcement.

European Trade Mark and Design Education Centre

The EUIPO intends to set up and deliver IP training for IP Professionals through this project. The programme targets legal practitioners qualified in one of the Member States of the European Economic Area or professional representatives admitted and entered on the lists maintained by the EUIPO, in accordance with Article 120(1)(b) EUTMR and Article 78(1)(b) CDR. The successful participants will be awarded a certificate; however, it will not entitle any participant to obtain the status of a professional representative through the exception set out in Article 120(4)(a) EUTMR. During 2017, along with other preparatory work, the implementing rules, the governance rules and the curriculum were prepared.

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CHALLENGES FOR 2018

The continued very strong growth of EUTM applications and the volatile nature of demand will present significant challenges for the management of the Office during 2018.

This is combined with increasing workload in the other core areas of the Office's business, including cooperation and the Observatory. There are also prospects that the Office will be asked to extend its competences to other areas of IP, and to cooperate more closely with institutions and agencies on other IP rights, and enforcement matters.

Talent management, digital transformation, and deeper cooperation within the EU and globally, continue to be important priorities to deliver on the Office's commitment to become a more user-centred organisation.

In terms of people management, the Office will focus on talent acquisition, development and retention, supported by improving internal communication with staff and facilitating even higher levels of training activity. Given the growth in workload, there will be a need to draw upon the reserve lists from the EPSO competitions during 2018 in line with the Office's Multi Annual Staff Policy Plan.

With regard to the quality of the services provided, the Office needs to capitalise on the already significant results from the reorganisation of its IP Operations. The lessons learned from the ICE projects, which started in the area of Absolute Grounds, are now being applied in many other areas, including Relative Grounds from January 2018.

The physical environment of the Office and the campus will continue its development, with the commissioning phase of the new building. This will house the Observatory and the Academy, and is expected to be completed over the Easter weekend.

New IT tools and a number of additional initiatives are planned to improve the quality and timeliness of the examination processes, in order to maintain and build on the good results achieved during 2017. In particular, a significant expansion of the IP Tool back office is expected to play an important role.

In general, digital transformation remains one of the biggest challenges ahead for the EUIPO. In line with the fast pace of growth in IP rights being driven by the new 'Fourth Industrial Revolution' technologies, the Office needs to continue improving the way in which it works and relates to its stakeholders.

Forces such as big data, automation, machine learning, artificial intelligence and the cloud are key drivers of change. The Office must continue to be actively engaged in looking at how to use them in order to improve efficiency, effectiveness, quality, and the service provided to users.

To meet all the demands ahead, including achieving and exceeding the quality standards to which the Office has committed itself, in 2018 the EUIPO needs to continue the drive towards more agile, and smart ways of working, with the interests of users always at the centre of activities.

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APPENDICES

APPENDIX 1 — MANAGEMENT OF RESOURCES AND ASSURANCE

APPENDIX 2 — OBSERVATORY ANNUAL ACTIVITY REPORT

APPENDIX 2 — OBSERVATORY ANNUAL ACTIVITY REPORT (EXTENDED)

APPENDIX 3 — PERFORMANCE DATA

APPENDIX 4 — CORPORATE RISK REGISTER

APPENDIX 5 — ORGANISATIONAL CHART

APPENDIX 6 — CORPORATE SUSTAINABILITY REPORT

APPENDIX 7 — MIDTERM SP2020 BENEFITS REPORT

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