



EUIPO Strategic Plan 2020

25/01/2016

1. Introduction

This document presents the leadership vision for the European Union Intellectual Property Office (EUIPO), formerly the Office for Harmonization in the Internal Market (OHIM)¹ for the years 2016-2020 and outlines the necessary steps to get there. Since the strategic goals and the vision of the previous plan remain fundamentally valid, the new plan represents an evolution of what has already been achieved, rather than a radical change of direction.

1.1 Strategic planning process

With the current Strategic Plan on track and almost all its activities either completed or very close to completion, the process for developing the new Strategic Plan 2020 got under way in 2014. This process has been wide and inclusive, involving a broad range of stakeholders being invited to provide their suggestions based on a series of guiding principles identified by the Office. It was expected to conclude with the adoption of the new Strategic Plan in November 2015. However, once it became clear that the trade mark reform package would not enter into force until sometime during the spring of 2016, it was decided to extend the Strategic Plan 2011-2015 until June 2016 so that the new Strategic Plan would commence with the new legislation in force.

A first draft of the general guiding principles was prepared in June 2014 to facilitate and serve as the basis for the consultation process. This consultation involved successively wider circles of OHIM constituencies, starting with staff, continuing with members of the Administrative Board and Budget Committee (AB/BC), other stakeholders and finally the general public, on a series of guiding principles identified by the Office:

- Team work;
- Increased transparency and accountability;
- Enhanced level of service provided to users;
- Improved awareness of the IP system in society at large;
- Building and strengthening networks for better quality and enhanced protection of IP.

First, staff members were consulted with the aim of collecting their input on the main challenges facing the Office and the most suitable actions to be taken for that purpose. More than 100 contributions were received. Subsequently, the consultation phase continued with the involvement of the AB/BC members and observers.

Following these initial consultations, revised Guiding Principles and an Outline document were presented to the AB/BC during its November 2014 meeting, thus allowing for discussion and further direction from the AB/BC.

¹ Once the trade mark reform legislation enters into force, the name of the Office will change to the European Union Intellectual Property Office (EUIPO). As a result of the application of the principle of continuity of Administration, the change of name does not entail a change in the legal nature of the Office. Since this Strategic Plan is for the period following the entry into force of the reform package, the new name is used in this document, except where it is more appropriate to use the old name OHIM.

The consultation was widened to include all stakeholders, EU IP offices, TM5 Partners², the User Associations, major IP international organisations such as the European Patent Office (EPO) and the World Intellectual Property Organization (WIPO), business associations, including representatives of Small and Medium-Sized Enterprises (SMEs), and finally the general public.

A progress report was provided to the AB/BC at its meetings in June and November 2015.

All the suggestions received were analysed and are reflected in this Strategic Plan 2020.

Following the final adoption and publication in the Official Journal of the European Union of the trade mark reform package - Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015, and Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 - this document was sent out for consultation to the external stakeholders of the Office, as required by the reform in relation to the process of establishment of the multi-annual strategic programme.

1.2 Original Mission

The Office was established in 1994 to manage the Community Trade Mark (CTM), created through Council Regulation (EC) No. 40/94, and, from 2003, the Registered 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 CTMs 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. In order to further support IP right holders, the Office engages in a wide range of cooperation and convergence activities with other IP offices.

The Office is at once an expression and a facilitator of the Internal Market. Its activities support the EU's Europe 2020 strategy, in particular the goal of developing an economy based on knowledge and innovation. The IP rights granted by the Office are, together with Geographical Indications and Plant Variety Rights, which are managed by the European Commission (DG AGRI) and the Community Plant Variety Office (CPVO) respectively, the sole unitary IP rights in the EU at this time, to be augmented by the Unitary Patent once it becomes operational.

In recent years, the Office has been entrusted with new tasks. It houses the European Observatory on Infringements of Intellectual Property Rights. It manages the Orphan Works Database designed to make Europe's cultural heritage more accessible. It acts as implementing agency for EU-funded projects in South-East Asia, China, Russia and India. The new legislative package creates certification marks— which are also to be managed by the Office.. In the future, new IP rights may be created, such as non-agricultural Geographical Indications, and the Office stands ready to assume those responsibilities, should the legislator decide to assign them to it.

² The TM5 consists of OHIM, the Japan Patent Office (JPO), the Korean Intellectual Property Office (KIPO), the State Administration for Industry and Commerce of China (SAIC) and the United States Patent and Trademark Office (USPTO).

1.3 Milestones 1996-2015

OHIM began accepting CTM applications in 1996. In the first year of operations, the agency received 43 000 filings. While this initial surge of demand was not sustained in the following two years, CTM filing volumes have grown at an average annual rate of 5 % since OHIM's inception, reaching more than 130 000 applications in 2015.

The RCD became operational in 2003, and as with CTMs, businesses have been using this IP right in increasing numbers: from 40 500 designs in the first year, the number has more than doubled to more than 97 000 in 2015.

As of the end of 2015, the Register of the Office contains more than 1.2 million CTMs and more than 945 000 RCDs. These IP rights are owned by companies from more than 170 countries, although the majority of owners (about 70 %) are based in the EU.

In 2002, the Office made a commitment to e-business by introducing electronic filing of CTMs, electronic communication and e-payment, online banking services and tools for examining and tracking the progress of registration online, with the goal of becoming a truly paperless office. Today, approximately 98 % of CTMs and 94 % of RCDs are filed electronically, and oppositions and other procedures are increasingly conducted online. Applicants who need expedited processing of their applications can take advantage of fast-track procedures for both CTM and RCD filings.

In 2004, ten new Member States (the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia) joined the EU, followed by Bulgaria and Romania in 2007. The accession of so many new Member States required significant preparatory work at OHIM, reflecting the need to accept applications in new languages and other operational adjustments. In both cases, the Office was able to absorb the impact of accession without its performance being affected in terms of quality and timeliness.

The European Union acceded to the Madrid Protocol in 2004, allowing OHIM to accept International Registrations of trade marks and to transmit International Applications from its users through WIPO. In 2008, with the EU's accession to the Geneva Act of the Hague Agreement, the same services became available for protecting designs.

In 2010, OHIM launched the Cooperation Fund, a €50 million programme running over five years, designed to provide a set of common tools to all EU IP offices. In 2011, this programme was augmented with the Convergence Programme, a set of projects to harmonise practice and procedures among EU IP offices within the existing legal framework.

In September 2011, a Seat Agreement was signed with the Spanish authorities, and in the same year the Academy was created, to serve as the knowledge and information dissemination hub of the Office.

The European Observatory on Infringements of Intellectual Property Rights was entrusted to the Office in June 2012 by Regulation (EU) No 386/2012 of the European Parliament and of the Council of 19 April 2012. The Observatory has responsibility for a wide range of tasks relating to research, communication, spreading best practice, and enforcement of all types of intellectual property rights. Later that year, Directive 2012/28/EU of the European Parliament and of the Council of 25 October

2012 gave the Office responsibility of establishing and managing a single publicly accessible online database on orphan works.

In 2013, the Office became the EU Implementing Agency for the EU-funded projects in South-East Asia (ECAP III Phase II), China (IP Key), Russia (P4M) and most recently India (IPC-EUI). Within this framework, the Office has successfully expanded tools developed under the Cooperation Fund to those regions in order to benefit business, in particular European companies doing business there.

In 2013, the Office absorbed the impact of another EU enlargement, the accession of Croatia.

During the years 2011-2013, a unified Quality Management System was implemented at the Office, leading to ISO 9001:2008 certification of all its activities in 2013. The ISO 9001:2008 project has increased efficiency of the processes across the Office via a rigorous analysis and improvement cycle.

In November 2014, in conjunction with its 20th anniversary, the Office inaugurated the new wing of its headquarters. The new facilities were occupied during the early part of 2015 and provide staff with a modern, state-of-the-art work environment.

The Cooperation Fund reached more than 370 implementations across the EU IP offices in 2015. Also in 2015, six of the seven Convergence Programme projects were endorsed by the Administrative Board.

Following entry into force of the trade mark reform legislation in 2016, the Office became the European Union Intellectual Property Office (EUIPO).

1.4 Achievements of the Strategic Plan 2011-2015

The Strategic Plan 2011-2015 was built around three strategic goals:

1. Build a strong, vibrant and creative organisation;
2. Increase quality and optimise timeliness of operations;
3. Promote convergence of practices.

The goals are connected in logical sequence. By investing in staff, by providing them with a modern, progressive workplace, and a simplified, efficient and user-friendly IT environment and other tools to help them perform their job, the Office would improve quality and timeliness. This would deliver immediate benefit to users, and at the same time, combined with the investments made in the Cooperation Fund and Convergence Programme, lead to greater convergence of practices both within the European Union and beyond.

However, it is not enough for businesses to be able to register IP rights effectively and quickly. Those rights will only deliver value to their owners if they can be adequately enforced. In recognition of this, the Office was entrusted with the Observatory in order to provide the rights owners, enforcers and policymakers with the knowledge and the tools to better protect IP rights. This became, in effect, the fourth strategic goal during 2011-2015, following on from the initial three goals.

The strategic goals have been achieved to a high degree, as discussed below.

1.4.1 Build a strong, vibrant and creative organisation

Staff policy is at the heart of the overall strategy of the Office. Every achievement to date has been possible thanks to the performance and engagement of its staff. The priority has been and continues to be to do the best for the staff while improving communication and creating channels that provide for a regular exchange of views between staff and management. In all its dealings with staff, the Office adheres to strict principles of fairness and respect. It aims to attract and retain talent by providing stability combined with opportunities for career advancement while ensuring that the Office is an attractive place to work by providing good working conditions.

The successful efforts towards developing and improving the staff policy were carried out in systematic consultation and close collaboration with the Staff Committee, as foreseen in the Regulation.

A Seat Agreement with the Spanish government was signed in 2011. This gave Office staff immediate and substantial benefits such as affordable access to the Spanish regional public health system (in the past OHIM staff could only use the private medical sector), the opportunity to purchase and register cars, and other similar benefits customarily enjoyed by the staff of international organisations.

As one of the first acts under the new staff policy, the length of temporary agent contracts was potentially doubled, moving from the previous system of 3-year contracts with a possible 2-year extension to 5-year contracts with a possible extension for another 5 years, subject to the needs of the Office and the performance of the temporary agent. This provides improved contractual stability for the staff members affected and potentially grants them access to an EU pension. The reduced turnover among temporary agents also means that the Office is able to benefit more fully from the investment it makes in training new staff members.

In order to provide a fair and transparent opportunity for staff to become officials of the EU, two EPSO competitions were successfully organised in 2013. The combined total of candidates who participated in the competitions was 1 860, and the resulting reserve lists contain 108 laureates. In 2014 and 2015, 77 individuals were recruited as Officials from this list, in line with the results of the workforce planning carried out by the Office. The EPSO competitions, which covered the IP field, were accompanied by further measures aimed at the recruitment of non-IP profiles, such as transfers from other institutions and recruitment from existing EPSO reserve lists.

More than 60 Seconded National Experts (SNEs) work at the Office, the vast majority of whom come from EU IP offices. The SNEs make a valuable contribution to the pool of human resources at the Office by contributing their knowledge and experience from their offices of origin. At the same time, their presence at the Office reinforces the cooperation and complementarity within the European Trade Mark and Design Network (ETMDN).

With a view to cultivating potential future staff members, the policy on trainees has also been revised. The Office has long run a successful traineeship programme. In 2014, together with the European Patent Office (EPO), the Office put in place a Pan-European Seal Trainees pilot

programme offering young graduates from EU Member States and from a limited number of third countries a professional traineeship programme.

Having implemented a successful policy renewal as regards recruitment and contracting of staff, the Office has also focused on improved management of the staff members once they are on board.

The Office has aimed by all available means to implement a fair staff policy by respecting the essential principles shared by the EU institutions, focusing on enhanced gender equality and diversity, high levels of morale, commitment and trust. An important aspect of a fair staff policy is to improve the gender balance in the organisation. Here, the Office attained the set objective of 30 % for female representation in management in October 2015, well ahead of schedule, and will strive to go even further and reach 40%.

The Office continued and improved the annual certification exercise which permits AST staff to access an AD career through the existing framework. Furthermore, an attestation exercise was carried out in 2012, permitting 122 Officials to progress further in their career.

A clear framework for teleworking has been defined, replacing the numerous pilot projects that were previously running in the Office. Subject to the requirements of the service, staff members can permanently telework 50 % or 100 % of the time, or telework on an occasional basis. Permanent teleworkers are expected to produce more, reflecting the time savings realised in terms of commuting and the flexibility of organising their time optimally. Measures are also in place to ensure that teleworkers retain their connection with the Office, including regular meeting attendance and a requirement to return to the Office for a period of six months every three years. The new framework has contributed significantly towards improving the work-life balance for the staff of the Office. It is a particularly important benefit for parents with small children, for whom teleworking facilitates the combination of career and parenthood. Currently some 250 staff members benefit from either permanent or occasional teleworking.

Office staff benefit from the services of the European School in Alicante. The Office has continuously supported the school. In 2012 a Memorandum of Understanding (MoU) was signed between OHIM and the school under which the services of the school have been expanded to include pre-school and after-school care. More recently, under a signed MoU between OHIM and the Directorate General – HR of the European Commission, the Office has assumed part of the financing of the school that corresponds to the children of its employees, in line with its view that it is right and proper to take on this responsibility. However, the new trade mark regulation does not foresee a provision that allows the Office to continue to compensate the European Commission for these costs. Nevertheless, the Office thinks that the principle is sound. At its November 2015 meeting, the AB/BC agreed that the Office should engage in tripartite negotiations with the Commission and the European Schools in order to conclude a participation agreement to ensure a firm legal basis for the financial contribution to the School from the budget of the Office.

It is of fundamental importance both for staff members and for the Office that the right people, properly trained, are in the right jobs, carrying out the tasks of highest priority. The foundations for strategic job alignment have been laid through implementation of job and competency mapping. The performance management system has been reviewed and objectives have been adapted to link individual and team performance to Office goals and desired results. Likewise, a strategy to promote learning and developing staff talent is being implemented. The future of the Office depends on

recognising and developing the potential and unique talent of its staff. Training activities are evolving to include in the future on-the-job training such as coaching and mentoring. E-learning is now a norm with more than 8 500 monthly visits to the OALP e-learning platform. In 2015 this platform contained more than 260 courses and 150 other aids to knowledge dissemination. OHIM staff members completed more than 2 650 courses since the launch of the OALP in May 2013. Overall more than 32 000 face-to-face courses were completed by internal training participants between 2011 and 2015, with the average OHIM staff member receiving almost 4.5 days of face-to-face training in 2015. In addition almost 13 000 external stakeholders connected to streamed events between 2012 and 2015.

The improvements in working conditions have made the Office an attractive place to work, helping to attract and retain talented employees and allowing them to better balance their professional and personal lives.

Another achievement of the Strategic Plan 2011-2015 is the full renewal of the Office's working environment. In the first phase, the main building was refurbished between 2010 and the end of 2012. In the second phase, the completion of the new building in the autumn of 2014 provides the Office with a state-of-the-art physical working environment. The new facilities include collaborative work and meeting spaces, modern and varied sports facilities and quality restaurant services. With a view to the future and the third phase of the renewal of its working environment, the Office has purchased a plot of adjacent land and has begun to construct flexible additional facilities there.

In order to perform their jobs, staff members need to have access to the right IT infrastructure, with user-friendly and effective tools, characterised by a high degree of performance and stability. One of the challenges identified in the Strategic Plan 2011-2015 was the costly and complex IT infrastructure, with many bespoke applications and with significant areas of operations still managed using manual processes. During the past five years, the Office has devoted considerable resources to modernising and simplifying its IT systems. The number of applications has been reduced, the number of areas covered by IT tools has been expanded, and the stability and resiliency of the systems has been enhanced. On the hardware side, the number of servers has been reduced from 145 to 65, saving some €340,000 annually in running costs; at the same time, removing obsolete technologies has enabled the Office to reduce the number of databases from 90 to 64. Today, most of the user-facing applications run on infrastructure offering 24x7 redundancy.

Both users and staff members benefit from this; users have access to better tools for filing, pre-clearing, oppositions and management of their trade marks and designs while staff members have tools that make examination and decision taking faster, more consistent and more efficient.

1.4.2 Increase quality and optimise timeliness of operations

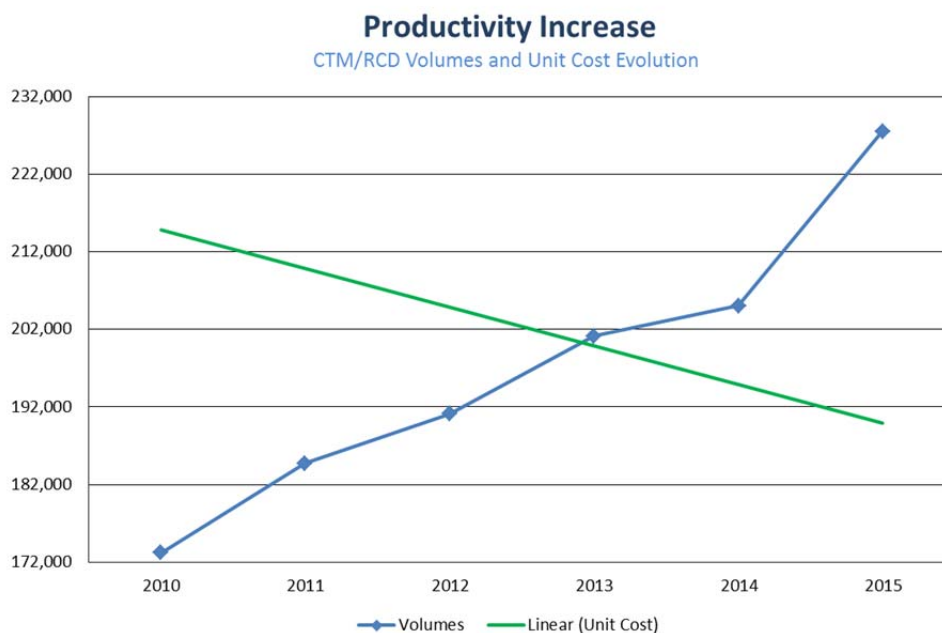
As will be seen below, during the past five years, the Office has improved quality and productivity in the core business of registering and managing the CTM and RCD, while at the same time taking on new tasks and executing them successfully. In the process, it has moved towards balancing its budget by investing approximately €200 million in modernising itself and in helping to modernise the EU IP offices through the Cooperation Fund, in taking on new competencies (such as the Observatory) and building the appropriate organisational structures and capabilities to carry them out, and in the Convergence Programme, designed to benefit the users of the IP system everywhere in Europe. The financial consequence of these investments has been to reduce the accumulated

surplus from almost €230 million in 2010 to €185 million at the end of 2015 (excluding the Reserve Fund which is equal to approximately one year's expenditure).

During the period 2011-2015, the Office has successfully faced the triple challenge of dealing with increased numbers of CTM and RCD filings, while at the same time improving quality and taking on new tasks such as the Observatory, the Orphan Works Database, and the role of Implementing Agency for several EU-funded programmes.

The changes in working culture, procedures and tools have led to improvements in productivity, so that the Office now manages 32 % more CTM applications and 29 % more RCD applications per year than in 2010 while unit costs have declined by more than 10 % in the same period. Under the Interinstitutional Agreement on Budgetary Discipline for the period 2013-2017, the Office has committed itself to absorbing volume increases of up to 5 % annually through improved productivity. In short, the Office has managed to do better, whilst improving quality and gaining in cost efficiency.

As can be seen in the following graph, the increase of volumes has been partially covered by a significant reduction of the manpower unit cost and only partially by new staff members. These productivity improvements have been a key element in absorbing new competencies, such as the Observatory, as they have made it feasible to assign staff members to carry out new activities without any negative impact on quality.



At the same time, quality has also improved. Quality at the Office encompasses several aspects: quality of products refers to consistency, predictability and quality of decisions. Quality of service refers to timeliness, usability and accessibility.

The consistency of decisions has improved following the revision cycles of the Office's practice which brings together principles derived from the jurisprudence of the European Court of Justice, the case-law of the Boards of Appeal and the decisions of the first instance. Fundamental to this effort

has been that the two existing sources of reference for practice (Manual and Guidelines) were combined to create, for the first time, a single document of reference for OHIM's practice, the OHIM Guidelines, which as from 2014 are available in all the official languages of the European Union. In addition to improving consistency, they should also improve the quality of the drafting of decisions, making the reasoning clearer for the recipients of those decisions.

During the past five years, the number of ex post quality checks has almost tripled. From five ex post checks in 2010, involving absolute grounds decisions, opposition decisions and opposition proceedings, classification and RCD publications, by the end of 2014, the Office expanded the scope of the monitoring to include all business and business support operations of the Office. More recently, ex ante quality checks are being implemented so that, for example, mistakes in decisions and proceedings increasingly are detected and corrected *before* they are delivered to users, rather than ex post. Moving forward, the focus will continue to shift towards ex ante checks and greater involvement of users, to ensure that the checks are better aligned to the user's perception.

In October 2014 the Office put in place a major reorganisation focusing on team collaboration, in order to further improve quality. Under this reorganisation, all examination tasks including registration are being progressively concentrated in the Operations Department, and a Customer Services Department has been created. The new structure has a greater emphasis on team working with horizontal responsibilities and a matrix structure to ensure an integrated approach to users. It also emphasises the need for a multi-skilled staff that can flexibly respond to the challenges the organisation faces. This, in turn makes the Office's evolution as a learning organisation in which knowledge sharing and continuous development are the norm, even more important.

As of January 2015, the Operations Department has been transformed into 16 small coherent core teams and one User, Performance, Quality and Risk Management Team of 15-20 members of staff. These teams cover the entire workflow from reception to registration.

This major reorganisation is designed to focus the attention of the teams towards quality and timeliness, as well as provide special attention to user needs, and improve the perception of the Office's service. The smaller teams and stronger cohesion between members are designed to facilitate ex ante quality control and ensure better quality results. To achieve this, a system of ex ante checks is being set up covering 57 areas of the core processes.

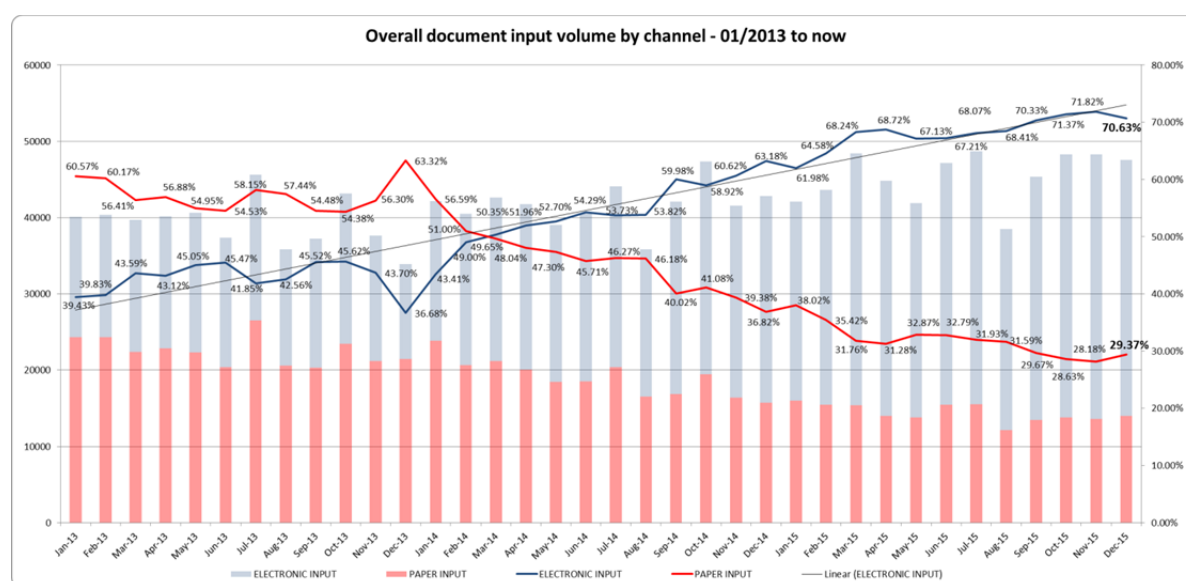
Within the matrix organisation that the Office has become, it is constantly seeking dialogue and exchange of ideas, both internally and externally, in order to improve performance and services.

This concerted effort was reflected in the attainment of ISO 9001 certification for all the activities of the Office in 2013, two years ahead of plan. ISO 9001 certification, and the preparatory activities it required, has been a driver for simplifying the processes, helping to improve operational efficiency and effectiveness. In addition, this achievement has meant a cultural change, making staff aware of the benefits of continual improvement cycle and of the positive impact on the services delivered to users.

The Service Charter, setting out the Office's commitment to its users in all aspects of service, including timeliness, accessibility and quality of decisions, was reformulated in 2014 following consultations with users and recommendations arising from the ISO 9001 audit process. For each indicator, three levels have been defined: Compliance, Excellence, and Action Needed. The

timeliness objectives are expected to be achieved in 99 % of cases, leaving a margin of error of 1 %. The Office publishes the results of these indicators every quarter, and in cases of deviation, the actions being implemented to get the indicators back on track are explained.

The figure below illustrates the shift towards electronic interaction between the Office and the users since the beginning of 2013, and in particular since the new website was launched in December of that year.



Users now benefit from faster service when filing CTM and RCD applications and when conducting other proceedings before the Office. A new CTM fast track route, introduced in November 2014, in which CTMs are examined and published in less than two weeks, is already being used for more than 27 % of applications, contributing to a general reduction in pendency times. Other improvements in the timeliness of some of the important steps in operations since 2010 have been achieved. The average time to publish a CTM has gone down from 8½ to three weeks. This step of the registration of a trade mark includes formalities, classifications, absolute grounds examinations, as well as translations to all EU languages. The simplification of this process was achieved by integrating the new front office e-filing with the back office and developing the Harmonised Database of goods and services. Consequently, the time taken to register a CTM has fallen from 25 to 17 weeks. The average time to register a design has also fallen, from 12 days to 5 days and an increasing proportion is being fast-tracked; today, 99 % of RCDs are registered in less than 10 days, up from 41 % in 2010.

The timeliness improvements are illustrated in the following graphs.

Figure: CTM examination timelines

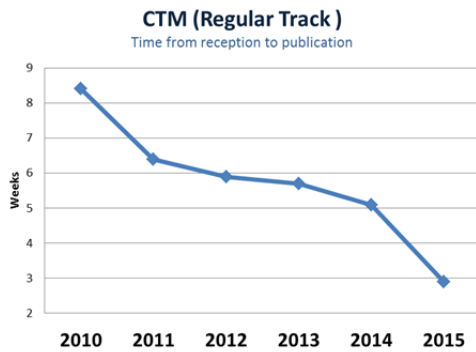
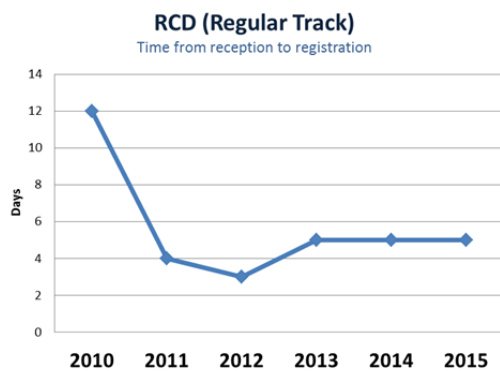
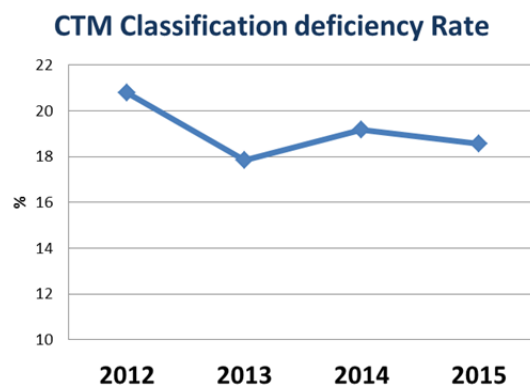
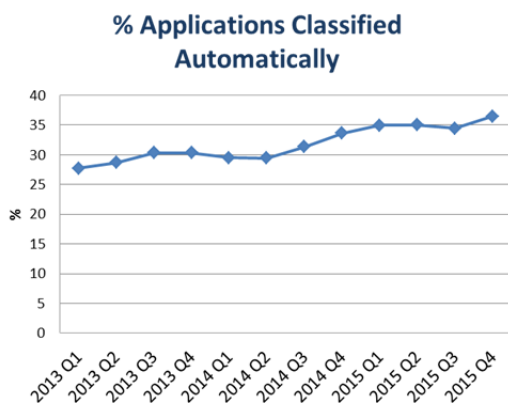


Figure: RCD registration timeliness

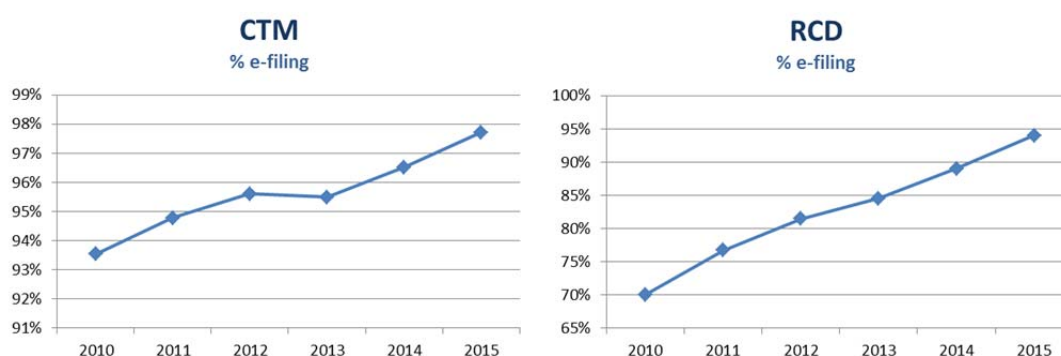


The overall level of predictability as perceived by users has improved. By providing applicants with tools and information, the Office aims to help them file applications that do not generate a deficiency. For example, some 34 % of CTM applications are classified automatically, thanks to the applicant's use of Goods and Services terms that are already in the classification database. The proportion of applications benefitting from automatic classification has increased during the past two years, as depicted below. The Office continues to work on measures to reduce further the classification deficiency rate.



Access to services for external users has improved through high availability solutions for the new website, CTM e-filing and RCD e-filing, surpassing 99 % availability. Availability of other tools remains at 99.9 %. More than 80 % of procedures can now be initiated electronically, and approximately 98 % of CTMs and 94 % of RCDs are filed electronically.

The evolution in the proportion of applications filed electronically since 2010 is shown below.



The continuous development of e-services has prompted a shift in the way the Office and its users interact. The Office has developed a solid and trustworthy e-business platform with dedicated user accounts. The new website has been built to exacting IT security standards, so that users can be confident that the solutions they are using are safe. The wide use of e-business solutions, enhanced with information for correct filing and automatic checks, has also contributed to the reduction in irregularities, both in filings and in proceedings. This wide use of digital interaction also entails a reduction in costs – less paper, less printing, fewer items of mail – with a positive environmental impact, both for the users and the Office.

1.4.3 Promote convergence of practices

One of the major achievements of the Strategic Plan 2011-2015 is the establishment of the European Trade Mark and Design Network (ETMDN). With offices and right holders facing similar challenges across the board, a key plank of the strategic plan was to build a durable, value-based structure between stakeholders to face present and future challenges in a connected, transparent manner.

Convergence is thus achieved through networks—both external and internal—as exemplified in the Knowledge Circles which bring together staff from different areas of the Office to work on specific issues.

Involving users on an equal footing with offices, and operating on a totally transparent basis with an external management board, publishing detailed project documentation and communicating widely, the Cooperation Fund worked to remove institutional barriers to communication and services among IP offices, users and public authorities. By the end of 2015, 19 tools had been built collaboratively, covering the entire trade mark and design lifecycle, and with a level of uptake across the EU that exceeded all projections, passing 370 IP office implementations in 2015, compared to the initial projection of 140 implementations when the Cooperation Fund was launched. These range from

search and classification tools to modern electronic services for users, examination and processing software, and enforcement tools deployed through the Observatory.

In all, building these advanced tools and rolling them out across the EU has involved more than 100 000 person days of effort. During the peak development phase for the tools, the work of up to 250 people, either full or part-time, was coordinated under the Cooperation Fund.

TMview is one of the flagship tools developed under the Cooperation Fund. This database contains nearly 36 million trade marks from 53 offices, including all EU IP offices and many of the most important non-EU economies. It is used as a tool of reference with more than 7 million searches per year.

DesignView, also developed under the Cooperation Fund, is the first multi-office search tool on designs ever developed by an IP office. This database contains more than 9 million designs from 47 offices and is used more than 700 000 times each year.

Finally 58 offices, including all the EU IP offices, have integrated their Goods and Services database lists in TMClass, which now attracts almost 7.5 million searches per year. Harmonised Goods and Services is now a reality at the Office with 94.9% of CTM applications using terms from the harmonised database.

The Office is committed to the principle of measuring, where possible, the benefits of tools, using transparent methodologies, so that the results of the investments made for the benefit of users can be clearly understood by all stakeholders. A cost-benefit analysis has already been carried out on a number of the tools, with particularly significant benefits coming from TMview and DesignView. The cost-benefit analysis for TMview was based on an estimated 5 million searches in 2014 (actual searches totalled 5.2 million). Under certain assumptions about user behaviour, the average cost per search with a commercial company would be slightly over EUR 10, giving a full commercial cost of EUR 56 million. The Office examined various scenarios assuming different percentages of the 5 million TMview searches that would have been paid for by users, taking 10 % as the minimum and 90 % as the maximum. At a 50 % 'conversion rate', the benefit to users from TMview in 2014 amounted to EUR 28 million.

A similar approach was taken for measuring the benefits of DesignView. Since commercial design search is currently very expensive, the full commercial cost of the estimated 620 000 DesignView searches in 2014 would have amounted to EUR 208 million. Assuming that 50 % of DesignView searches would otherwise have been paid for by users resulted in a user benefit of EUR 104 million from DesignView in 2014.

By the end of the Strategic Plan 2011-2015 a range of centrally deployed tools for information and practice sharing were based at OHIM within the newly created Customer Services Department, demonstrating the commitment of the OHIM and partners to continued maintenance and improvement via a transparent and sustainably financed maintenance and management system.

In short, the Cooperation Fund has improved user experience by helping modernise the trade mark and design system in the EU. There are numerous examples of Member States that have taken advantage of the Fund to enhance the operations of their national IP offices. Before the Cooperation Fund, only 13 EU IP offices had trade mark e-filing solutions; as a result of the Fund, all EU offices

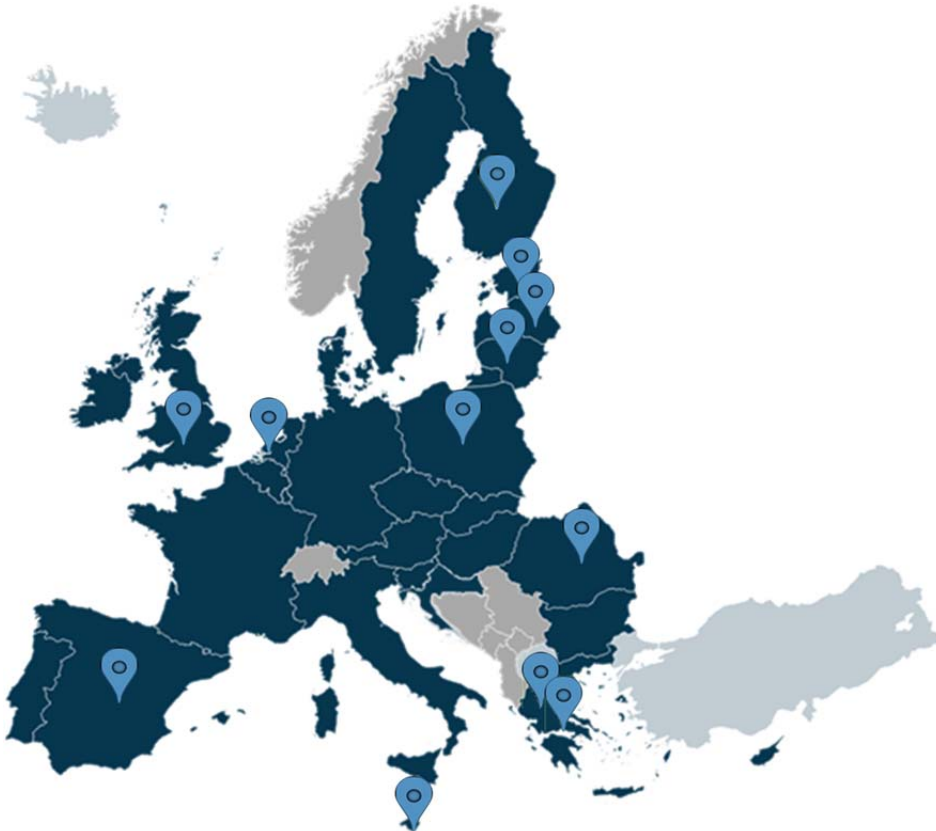
now have such solutions, 17 of which were developed under the Fund. For designs, before the Fund came into being, only nine offices offered electronic filing for design applications, while so far, all EU IP offices except three have such facilities, with 15 offices using the Cooperation Fund design e-filing solution.

All companies registering trade marks and designs anywhere in the EU—even companies that never do business with OHIM—thus benefit from the improvements generated through the Cooperation Fund. The figures below show the status of implementation of front office and back office tools in the Member States.

Figure: Member States implementing Cooperation Fund front office tools



Figure: Member States implementing Cooperation Fund back office tools



To complement the Cooperation Fund, the Convergence Programme was established in 2011. The programme consists of seven projects in the area of trade marks and designs with a Central Team, composed of staff from the Office and SNEs from EU IP offices to ensure follow up on common practices.

Working together to address major issues in IP practice, and again involving users as well as IP offices, the Convergence Programme achieved a number of specific breakthroughs in IP practice, forming closely coordinated teams of experts to try to bring together practices without forcing legislative change, in order to arrive at greater clarity and legal certainty across the EU for users doing business in IP. Topics ranging from absolute grounds examination to the scope of protection were addressed in varying levels of detail, and a permanent discussion between IP experts was firmly established based on mutual respect. A solid groundwork was thus laid for further progress, and the common desire to take this further became clear.

The results of the Convergence Programme, duly implemented in IP offices, were beginning to find their way through the judicial process and be examined by the courts in a number of Member States. Users had access to a range of online services for trade marks and designs, and IP office personnel were operating a range of new tools to provide improved services to their users.

By the end of 2015, the Network had established the first common practices in the field of designs. Together with the creation and launch of DesignView, these achievements clearly reflect the great importance attached by the Network to innovation in general and to design protection in particular, in full alignment with the idea that designs are a major driving force for IPR-intensive industries, as revealed by the Observatory's studies.

Taken together, the Cooperation Fund, the Convergence Programme and other initiatives such as the SNE programme, represent a move from competition to coexistence and beyond, towards complementarity. A progressive achievement of an interoperable and collaborative European network of trade mark and design offices creates a stronger IP environment in Europe. The European Trade Mark and Design Network is now a tangible reality: IP offices of 28 Member States that, through intensive cooperation, provide a wider range of services and a more predictable array of practices to the IP user community.

As an EU agency, the Office's primary focus is always on the IP system in Europe. However, in certain aspects of its work, the Office has looked beyond Europe, either because the European Commission has requested it to do so, or because the needs of its users require working in a more global context.

The Office has extended the approaches pioneered with the ETMDN onto the global stage by carrying out more than 130 activities as an implementing agency for EU-funded programmes in third countries and by working with its TM5 and ID5 partners to broaden the coverage of the flagship tools such as TMview and DesignView to their respective jurisdictions. In these efforts, the Office is strongly committed to the TM5 and ID5 partnerships, promoting the creation of common tools and databases and convergence of practice for the benefit of users across the globe. Major IP offices around the world now contribute to the endeavours of the Network to bring more transparency and predictability to users through their participation in tools such as TMview, DesignView and TMclass. Every TM5 and ID5 office participates in at least one of these tools by facilitating data related to trade mark and design information.

All in all, so far there have been 52 implementations of tools in non-EU offices, including the TM5 offices, the BRIC countries and international organisations in the IP field such as WIPO which plays an important role in the Convergence Programme by participating in some of its projects and serving as a mediator in the Goods and Services harmonised workflow launched in 2014.

The ETMDN strengthens the Office and the EU IP offices and prepares them to tackle future challenges. The tools developed are used by IP offices; the converged practices benefit all users, whether they register CTMs and RCDs or national rights; and the efficiency gains resulting from streamlined processes deliver benefits on both the European and national level.

The level of confidence now in place, with frank and open discussions at all levels, unprecedented levels of contact between IP offices, and a very high level of access to information, has transformed the IP landscape within the EU.

1.4.4 Protection of IP rights

To be truly valuable to their owners, IP rights must be enforced and protected against infringement. Acting through the Observatory, also working in networks, the Office has made a number of

important contributions including a better understanding of the importance of IP. Several reports, including widely cited studies on the economic importance of IP rights to jobs, GDP and trade in the EU, and on the attitudes and perceptions of citizens on IP rights, have been published and made available on the Observatory website. Furthermore, IT tools are available to help public authorities and rights owners enforce IP rights. The Enforcement Database connects IP right holders to enforcement authorities such as customs and police to help identify and seize counterfeit goods, with more than 240 companies and 31 authorities actively participating. The Anti-Counterfeiting Intelligence Support Tool integrates seizure figures from police authorities to support enforcers and policymakers.

Information and knowledge exchange is key for the ETMDN, and training, conferences and other knowledge-sharing events are now commonplace at the Office. More than 3,000 equivalent days training has been imparted to IP offices and more than 1,500 to other stakeholders such as IP right holders, enforcement personnel (including police and customs), judges, prosecutors, and other authorities. All of these activities are aimed at strengthening IP rights enforcement for the benefit of users — after all, an IP right that is not properly protected and enforced provides only limited economic benefits to its owner and to consumers.

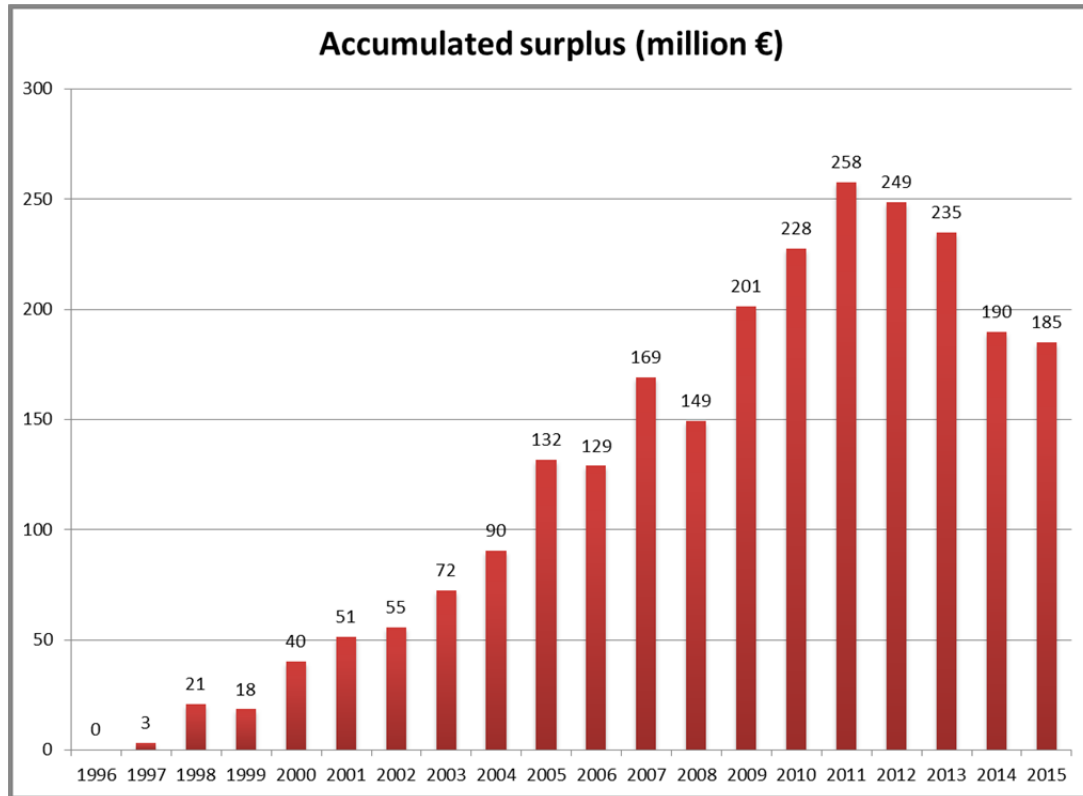
The more than 100 projects launched under the Strategic Plan 2011-2015 covered virtually every aspect of the Office's activities. By the end of 2015, around 92 had been fully completed, and once the different weightings of the projects based on the Balanced Scorecard were taken into account, the plan was just under 97 % achieved and was on schedule to complete almost all the original objectives successfully.

The creation of the ETMDN was a major undertaking. It required years of effort and implied cultural change both inside the Office and elsewhere in the network. The Cooperation Fund and the Convergence Programme have so far involved a total investment of some €63 million. Although the full impact will take time to be felt, it is not too early to say that the investment was sound. Now that the Network is in place, the remaining accumulated surplus of the Office can be invested in further deepening and enhancing it for the benefit of users during the next few years.

The total cost of the plan, including the refurbishment and expansion of the facilities, the modernisation of the IT infrastructure, the Cooperation Fund and the Convergence Programme, and the new responsibilities assumed by the Office, such as the Observatory, the Orphan Works database and the implementation of EU-funded projects in third countries, has been approximately €200 million during this period.

A significant portion of these funds, some €130 million, was generated from OHIM's operations, reflecting the improvements in efficiency that have been achieved during the past five years, with the remainder coming from the accumulated surplus of the Office.

The evolution of the accumulated surplus of the Office (net of the reserve fund) is shown in the chart below. Since reaching a peak of €258 million in 2011, the surplus has declined steadily and reached €185 million at the end of 2015. Thus, during the period of the Strategic Plan, the Office has moved from a situation of persistent budget surpluses and has moved closer to meeting its legal requirement of a balanced budget by making investments for the benefit of users and staff, and by absorbing new competencies.



The approximately €185 million that remains available in the accumulated surplus, along with any operational surpluses that might be generated, is the source for the investment that the Office intends to make in order to realise its vision for 2020 in this Strategic Plan. As was the case with the investments made as part of the Strategic Plan 2011-2015, all new projects under this Strategic Plan will be vetted to ensure that they deliver the returns on investment in the form of enhanced services to users, cost savings or other measurable benefits.

In addition to the accumulated surplus, the Office also maintains a reserve fund covering approximately one year's expenditure. However, these funds do not constitute a source of financing of the Strategic Plan and are therefore not included in the amounts shown above.

2. Current situation

Almost uniquely among EU agencies, the Office has been self-funding during most of its existence. Indeed, as discussed in the previous section, the Office accumulated a considerable surplus, peaking at €258 million in 2011. Since then, the Office has been moving towards a balanced budget, using part of the accumulated surplus to invest in its own operations and those of its partners in the ETMDN, for the benefit of users.

As a result of this investment the Office of today is better equipped to deal with the increased volumes of CTM and RCD applications. There is a new HR policy and an improved working environment, leading to cultural renewal. The improvements were evident in the staff opinion survey carried out in 2013, which showed an increase of 26 % in staff engagement compared to the previous exercise of 2009 and overall the results compare favourably with other European and international organisations³.

While many of the challenges identified in the Strategic Plan 2011-2015 have been met by the staff of the Office, there is still work to do. Action is still needed to promote team working and to achieve the highest possible level of collaboration between all staff members across the Office. The remnants of a “silo” culture in some areas of the Office need to be transformed to a more performance and service-oriented culture, with the needs of the users at the centre of its strategy and activities.

Considerable achievements have been made in the area of quality during 2011-2015. The success of all these measures has been confirmed by the User Satisfaction Surveys carried out during this period. More than 1 900 users responded to the 2015 User Satisfaction Survey and the overall satisfaction figure was in the region of 91 %, which is about 6 percentage points higher than in 2011.

Nevertheless, users expect still more from the Office. The Office needs to undertake further action to enhance user experience and to improve the quality of its services as perceived by users. To move the quality of its products and services to a new level, fundamental changes are needed, going much further in the direction of team working and using the networks that have been created.

User engagement with the e-business solutions provided by the Office should also intensify. In this context, in a modern IP office, the term “e-business” refers not only to the initial filing of applications or oppositions, but to the entire range of communications and transactions between the Office and its users. By encouraging more e-communication, the Office will simultaneously increase the quality of the system, by reducing the amount of scanning and subsequent processing of paper files, which also benefits the environment. The ultimate goal is to move to a paperless office.

European business increasingly looks beyond the EU for its growth. The Office must stand ready to help European companies, particularly SMEs, become more competitive in the global marketplace and enforce their IP rights in third countries. The European Trade Mark and Design Network must be broadened and the convergence efforts in terms of common tools and practices must be expanded beyond the European Union boundaries.

³ A 2015 Staff Survey has been commissioned.

This section focuses on the state of the Office at the end of 2015, as a starting point for achieving the goals of this Strategic Plan.

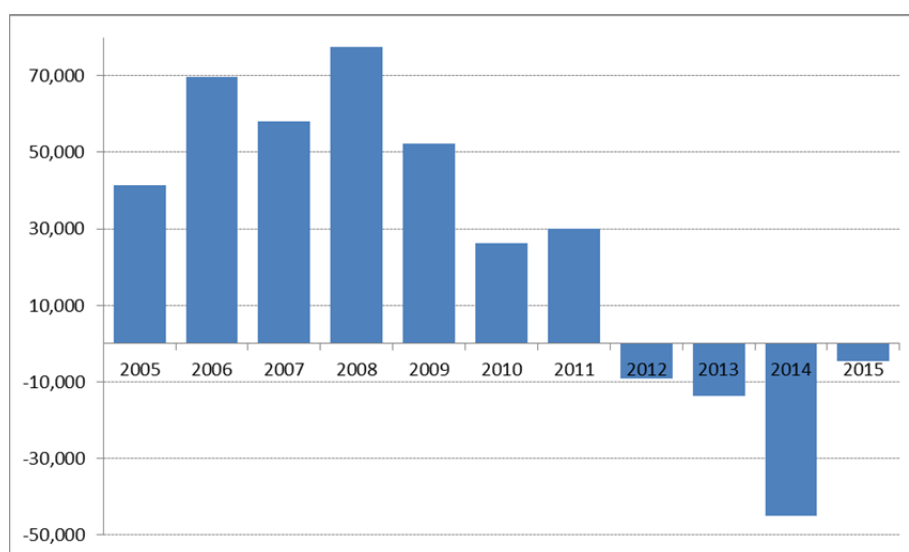
2.1 Operating Results

The following discussion of operating results and structure is intended to give deeper insight into the present situation at the Office. At this level, operating results will include the financial results during the period, the evolution of files processed, and the staffing levels and structure.

2.1.1 Financial results

The evolution of OHIM's financial results during the years 2005-2015 is shown in the figure below.

Figure 1: OHIM's operation surplus ('000 €)



Revenues followed a general upward trend until 2008, mainly due to increases in core business revenue and in financial interest generated by OHIM's cash reserves. However, in 2009 and 2010, revenues fell due to the 2009 fee reduction and the drop in interest rates. The financial crisis that began in the autumn of 2008 was reflected in a brief stagnation in the number of CTM and RCD applications in those years, but beginning in 2010, growth resumed so that the number of applications in 2015 was close to the "high" scenario for this year as presented in the Strategic Plan 2011-2015.

The financial results also followed a generally upward trend until 2008, before turning downwards in 2009 and 2010.

The second CTM fee reduction took effect as from 1 May 2009. As can be seen above, it had an effect in 2009, while the full effect of the reduction can be seen in 2010. However, the 2010 result

was influenced in an upwards direction by an unexpectedly strong growth in CTM applications of 11 % (+10,000 applications) compared with 2009, following three years with an essentially flat volume of applications.

Until 2011, OHIM's costs had been broadly stable in the €143 - 145 million range before increasing due mainly to higher infrastructure spending and the investment in the Cooperation Fund, Convergence Programme, and new activities such as the Observatory. In addition, the growth in the volume of CTM applications has led to an increase in direct costs.

At the same time, since 2010, interest income, which prior to the financial crisis had approached €20 million annually, has fallen sharply due to the extremely low interest rates following the financial crisis coupled with the need to emphasise security in choosing placements for the funds of the Office, as required by sound financial management. This reduction has contributed to the negative operating results shown above, although the principal reason behind the deficits in 2012-2015 are the investments made under the Strategic Plan 2011-2015.

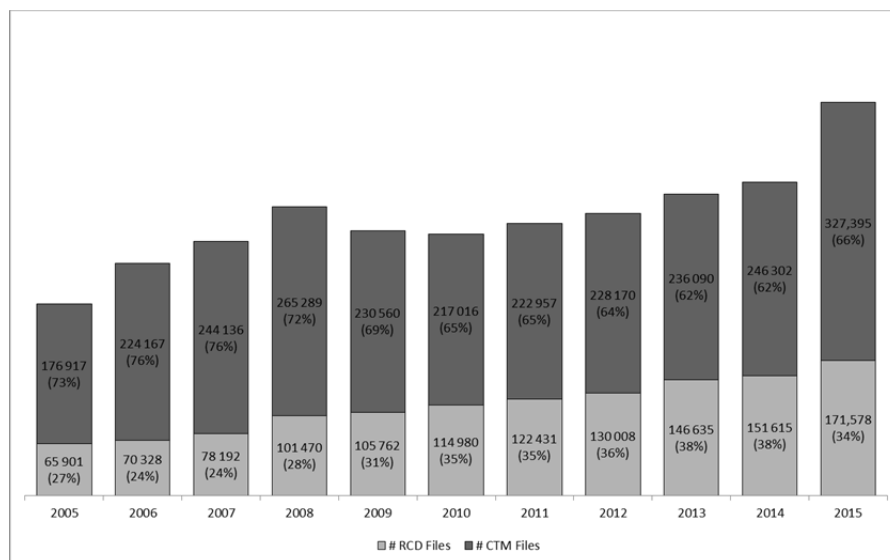
Looking ahead, the Office expects increasing volumes of CTM and RCD applications (see demand projections 2015-2025 in the following section). Based on past experience, the volumes of oppositions, cancellations, appeals and litigations are quite stable percentages of the number of applications. The renewal rate appears to be stabilising at a level close to 55 %. Taken together, these factors make it possible for the Office to achieve its goal, codified in the CTM Regulation, of a balanced budget over the medium term and to carry out the activities foreseen in this Strategic Plan. However, the reform of the CTM system that will come into force in 2016 will have an effect both on the Office's income and expenditure. This in turn, could affect the ability of the Office to carry out the activities envisaged in this Strategic Plan. The projects and activities foreseen in the plan will need to be adjusted to the resources available to carry them out.

2.1.2 Files processed

As can be seen in the chart below, the evolution of trade mark and design files over the last five years shows a strong growth in volume which the Office has successfully absorbed. Trade mark files⁴, for example, grew from 217 016 in 2010 to 327 395 in 2015, an increase of 51 %. At the same time, through increased efficiency, the Office has gradually eliminated previously accumulated backlogs in important areas such as oppositions. This analysis sets the tone for the context in which the areas of concern outlined below ought to be understood. In light of continued demand growth, the Office has kept control of its costs through steady improvement in operational effectiveness, focusing on improving the speed and lowering the cost of processing trade mark and design applications.

⁴ "Trade mark files" refers to applications, oppositions, cancellations and all other trade mark-related filings or proceedings. The main driver of the workload of the Office, trade mark applications, grew by 27% between 2010 and 2015, corresponding to an annual growth rate of 5.4%.

Figure 2: Number of files processed



2.1.3 Staffing levels

The Office's staffing policy has had to respect the austerity measures introduced following the Interinstitutional Agreement on 2 December 2013, while at the same time maintaining the quality commitments to users enshrined in its Service Charter, and taking on additional tasks.

The Establishment Plan was reduced by 2 % in 2014 by means of an amending budget, and an additional 1 % in annual reductions between 2015 and 2017 was foreseen under certain conditions.

Taking into account the current extent of the Office's mission, during 2014- 2017 all increases in volume of workload up to 5 % should be absorbed through internal productivity improvements. The Office has been able to honour this commitment through additional efforts from its staff, combined with the benefits and productivity improvements resulting from the projects under the Strategic Plan 2011-2015.

At the end of December 2015, the Office had 793 statutory staff members, 467 of whom were officials and 326 of whom were temporary agents, contract agents and special advisers, most with contracts of 5 years, potentially extendable to 10 years.

In addition to the statutory staff members, Seconded National Experts (SNEs) from other IP offices are working at the Office. The number of SNEs has grown significantly during recent years, rising from 35 in 2011 to 63 in December 2015, reflecting the increased level of cooperation with the EU IP offices.

Finally, 330 external employees, mainly temporary agency staff and consultants and employees of subcontractors, were working at the Office—roughly the same level as in 2011.

The age distribution of statutory staff is heavily concentrated, with a large number of members in their mid to late 40s, and a gap between temporary and permanent employees. This was one of the issues that the Office addressed in the Strategic Plan 2011-2015 through the change in the length of temporary agent contracts.

The majority of Office staff, about 60 %, are women. However, the gender balance is not equally reflected at all levels, and is particularly unbalanced at management levels. The Office has made significant progress in the area of gender equality during the period 2011-2015. In 2010 only around 10 % of managers were women; this percentage now stands at 30 %.

2.2 Issues to be addressed

As stated above, although the Office has been very successful in terms of operations and financial performance in recent years, there are several areas where there is still work to be done. In the next few years, the Office will face both external and internal challenges.

Among the external factors, the Office will have to contend with the revision of the legal framework and with the evolution of interinstitutional thinking with regards to decentralised agencies in general and of self-funded agencies such as the EUIPO in particular.

Although the new legal framework is now clear thanks to the publication of the new regulation at the end of 2015, the modifications linked to the fee structure for CTM applications⁵ are expected to induce a change in the behaviour of applicants with corresponding consequences for the overall income of the Office. The combined effect of the fee reduction and of the expected change in user behaviour will be a reduction of income for the Office ranging from €20 million to €40 million. This, as yet unknown but significant reduction of income will be combined with the additional expenditure for the Office (5 % of yearly income) contemplated by the mechanism of off-setting of cost incurred by Member States in carrying out tasks stemming from the implementation of the European Union trade mark system. Although this additional expenditure is triggered only in years in which the EUIPO has a positive operational result, the Office will have to take the necessary measures to ensure the achievement of a balanced budget, as a necessary condition to safeguard the Office's administrative and financial autonomy for the future.

A second source of external uncertainty lies in the ongoing reflections on the future of decentralised agencies taking place at interinstitutional level between the Parliament, the Council and the Commission. As part of the negotiations on the Multiannual Financial Framework (MFF) 2015-2020, the Institutions agreed to reduce the Establishment Plans in decentralised agencies by 5 % during 2013-2017. Thanks to the benefits derived from investments made under the Strategic Plan 2011-2015, the Office has been able to comply with this political objective while absorbing yearly increases in volume of applications of up to 5 % through internal productivity measures while improving the quality and timeliness of its services to users. A mid-term review of the MFF is under way that may impact on the level of resources for decentralised agencies for the period 2018-2020. A specific framework for fee-receiving agencies is also contemplated. Without pre-empting the

⁵ In particular, the reduction in renewal fees and the change from the current system where class fees are payable only when applying for 4 or more NICE classes to one where they are payable when 2 or more classes are included in the application.

outcome of these debates, curtailment of investment possibilities, a further tightening of resources or even a continuation of the current austerity regime in the context of continuing growth in the volume of applications combined with new activities, particularly on the side of the Observatory, may put the level of service provided by the Office to applicants and other stakeholders at risk.

As stated above, one of the guiding principles of the Office is to preserve the self-funding that has made it possible to finance its operations, including the Strategic Plan 2011-2015, and that is also the basis for the planned activities under this Strategic Plan. The legislative reform of the trade mark system contains elements that may impact the revenues and expenses of the Office, for example the fee changes. Therefore, the objectives and activities set out in this Strategic Plan may need to be revised depending on the financial impact of the reform.

The main internal challenges are related to the need to deliver quality services to users in an environment of austerity, while adhering to the principles of financial autonomy and maintaining the flexibility needed to deal with fluctuations in trade mark and design filings and other components of the workload of the Office.

Historically, the office has sought to achieve operational flexibility by maintaining a ratio of 70/30 between permanent and temporary staff. This is done by carrying out periodic EPSO competitions and using all other tools provided by the Staff Regulations, by putting in place the necessary learning activities, and by maintaining an appropriate ratio between permanent and temporary staff.

During the coming years, the modernisation of IT needs to be completed according to the IT Roadmap that the Office has developed. By 2020, all areas of operations are to be supported by appropriate tools, within the context of an inter-operable European Union Intellectual Property Network (EUIPN). Information Security has great importance for the Office. Major advances have been made in the past five years, and the Office will continue to invest to strengthen the security of its information systems.

Quality has been and continues to be a main area of focus at the Office. Quality has many aspects, including timeliness, consistency and predictability. Both in the core business and in other areas of the Office, new quality standards and tools to achieve those standards have been implemented. The challenge is now to take the next step by moving from ex post to ex ante quality checks (so that errors are corrected before the applicable decision of the Office is sent to the user) and by revamping the quality metrics so that they more accurately reflect how users experience the products and services provided to them by the Office.

The Office has taken on new tasks during the past five years, and it is possible that additional responsibilities will be entrusted to it in the coming years. In order to take on this additional work while continuing to improve quality in its core operations, the Office needs to have sufficient flexibility to augment its resources accordingly, even in the context of the Inter-Institutional Agreement referred to above.

There will of course be additional developments that the Office cannot yet foresee. Therefore it is important that the Strategic Plan 2020 moves the EUIPO to be a more resilient organisation that is better prepared for all future eventualities. The sustainability of activities is key - the Office will meet the current needs of stakeholders and improve user experience now, but must do so in a way that does not compromise what can be offered in the future. To this end a Corporate Sustainability

Strategy will be developed that reviews management systems and ensures that all activities are socially, environmentally and financially sustainable for 2020 and beyond. This means, in concrete terms, increasing efficiency and eliminating any remaining inefficiencies and unnecessary bureaucracy, thus positioning the Office to carry out new tasks if required to do so.

2.3 Capabilities

A clear definition of current capabilities and ongoing projects is critical in order to define the Lines of Action. In the broadest sense, the Office possesses three sets of capabilities centring around the ideas of 'staff and knowledge', 'adaptability and innovation', and 'networking'.

Staff and knowledge

The backbone of the EUIPO is its staff, many of whom have worked in the Office since its inception in 1996. While other staff, particularly those from the 13 Member States that acceded to the EU in 2004, 2007 and 2013, have joined more recently, as a group, the staff have deep process understanding, as well as considerable knowledge of the functioning of the Community trade mark and design systems and the legal frameworks behind them.

Adaptability and innovation

During its relatively short history, the Office has managed to absorb a number of legislative changes, political shifts at Community and national level, EU enlargement and a number of internal re-organisations. Throughout these changes, the Office has remained focused on its original mission and has managed to adapt. Much of this adaptation has been done through innovation such as the push into electronic processing.

Networking

Networking is a key attribute of the way the Office operates, both internally and externally.

Internally, it refers to the new ways of working in cross-departmental teams and in engaging staff in projects that transcend organisational boundaries and make use of their unique skills and provide development opportunities. The Office has built up internal collaborative networks among staff, such as Knowledge Circles and forums for Quality, Risk and Performance officers, HR correspondents, Communication Correspondents and Financial Officers focused on both legal and technical issues. These networks involve different departments, including the Boards of Appeal, and thus contribute to breaking down silos. Altogether, almost 200 staff members participate in one or more of the networks and or act as project managers.

Externally, the ETMDN is at the very heart of the Office's vision. The excellence that the Office aims for will only be achievable in the context of this network. Tools such as TMview were developed and are managed under the Cooperation Fund model, which involves the Office working together with EU IP offices and the user community. And of course, the Observatory is itself a network of the Office, EU IP offices and their stakeholders who work together to define the tools and studies produced by the Observatory.

2.4 Key ongoing projects

The current strategic plan is being developed in a dynamic environment and thus a proper understanding of the major initiatives currently underway has been critical in planning for the next five years and identifying the major lines of action which will be developed below. This Strategic Plan 2016-2020 builds on the achievements of the previous Strategic Plan 2011-2015 and continues, in broad terms, the strategy defined in the earlier plan.

While the present Strategic Plan 2016-2020 will be approved by the new governing bodies of the Office in 2016, there are important projects under the current strategic plan and the Observatory multi-annual plan that must be continued for operational reasons and to lay the proper foundation for the new plan. Therefore, the Strategic Plan 2011-2015 has been extended to mid-2016 so that the projects currently underway can be transitioned to the Strategic Plan 2016-2020 in a seamless manner.

The main projects in this category are:

Implementation of the legal reform: The adoption of the legislative package will have to be followed by implementation at both EU and national levels. As regards the Community Trade Mark Regulation (CTMR), most changes will come into force (and will therefore have to be implemented) 90 days after the publication of the new Regulation in the Official Journal of the European Union.

The Office's overall aim is to achieve a swift, effective and harmonised implementation of the new legislative package, with work beginning in the third and fourth quarter of 2015 to ensure that the Office is ready when the reform comes into force.

Working environment: At present, only a small reserve of workspaces remain in the existing infrastructure. Various projects are underway to make even better use of the existing buildings so as to accommodate Office staff and external staff performing work on-site. In addition, construction work needs to proceed on a further modular building accommodating 100-120 staff, which will be required by 2018.

Cooperation Fund: The Cooperation Fund, consisting of 21 projects covering the areas of harmonisation, information, software and enforcement, is designed to promote further convergence and cooperation among the EU IP offices. While the Fund was originally planned to conclude its work in 2015, it is important to ensure that the implementations in the pipeline are carried out properly, and to give offices that did not initially take full advantage of the tools developed under the Fund another opportunity to do so.

International collaboration: A number of projects are currently underway in order to sustain EU efforts for technical cooperation with external partners; among the more prominent are the EU-funded projects with China, India, ASEAN and Russia. In addition, the projects currently underway with the TM5/ID5 partners will continue as agreed.

IT roadmap: Work continues on further extending e-services so that users will be able to conduct all their business with the Office electronically. In addition, a series of projects has been launched in order to build a new back office for the management of trade marks and designs that will also be capable of incorporating new IP rights, should such rights be assigned to the Office by the legislator.

These projects, which are planned to be continued as part of this new strategic plan during the period 2016-2020, aim primarily at further simplification of the Office IT landscape by integrating several systems that today exist separately, into a single tool. This strand of work thus spans the two strategic plans, covering the periods 2011-2015 and 2016-2020.

3. IP landscape: trends in the protection of IP rights

Many of the trends that were already in evidence when the first strategic plan was being formulated in 2010 and 2011 have continued and have indeed strengthened over the past five years.

Intellectual property is increasingly becoming a factor behind economic success, both at the level of the individual company and for entire countries and regions. At the firm level this is clearly seen by the fact that for many companies, the single most valuable asset is their brand. In the global knowledge-based economy, the importance of intellectual property and innovation as a driver of competitive advantage and prosperity has increased. For advanced economies, such as the EU, North America or Japan, this means that competitiveness is no longer defined simply by costs and prices but rather by the strength of innovation and the consequent development of IP. A study carried out by the Office, acting through the Observatory, in 2013, showed that sectors that use IP rights intensively account for 39 % of the EU's economic output (GDP) and 35 % of employment, once direct and indirect effects are taken into account. A subsequent study carried out at the level of individual firms in Europe found that companies that own registered IP rights perform better economically than companies that do not. This effect was particularly pronounced in the case of SMEs.

Recognising the importance of IP, and considering the current difficulties faced by Europe as a result of the financial crisis, the EU aims to make knowledge and innovation the cornerstone of our economies and societies by 2020. The Europe 2020 Strategy has made the Innovation Union one of its flagship initiatives.

3.1 Trends in IPR filings

World-wide use of IP rights has continued to increase in the past decade, reflecting the increasing importance of IP to the economy.

According to WIPO figures, in 2013, 4.9 million trade marks, 2.6 million patents and 957 000 designs were applied for. Compared to a decade earlier, world-wide use of these three IP rights has increased by 76 %.

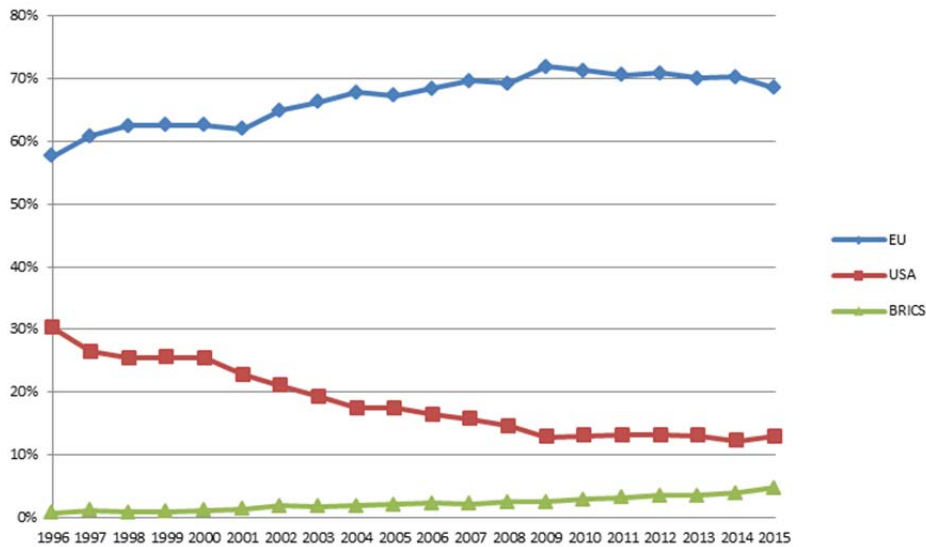
During the same period, over 560 000 trade marks, 250 000 designs, and 284 000 patents were applied for in the IP offices across the EU, for a total of about 1.1 million applications. This represents an overall increase of 4 % compared with the number applied for a decade previously.

Across the Atlantic, applications for trade marks, patents and designs in the United States and Canada totalled 1.2 million in 2013. Compared with 2004 this is a 54 % increase in applications annually. In Asia's 44 IP offices - including, of course India and China - there were 5.2 million applications for trade marks, patents and designs in 2013, more than doubling since 2004.

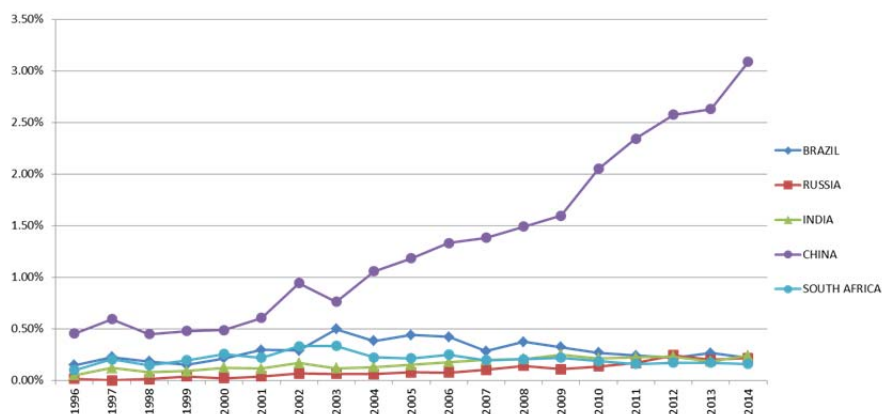
Despite the recession, the current economic volatility and the sluggish recovery in Europe, the inflow of CTM and RCD applications has also continued to grow at roughly the 5 % annual growth historically experienced by OHIM. In the case of EU IP offices, some have rebounded since the first full crisis year, 2009, (for example, Spain, France, Italy and the UK) whereas in other offices the

recovery has not yet fully taken hold. Nevertheless, as noted above, the total volume of IPR activity in Europe continues to grow.

The majority of CTM (and RCD) applications have always come from within the EU, but there have been important shifts over time, as the following chart shows.



The share of CTMs coming from within the EU showed a rising trend until 2009 and has been stable at around 70 % in the past five years. The share coming from the USA, which was 30% at the beginning of the CTM system in 1996, has decreased over time, stabilising at 12-13 % since 2009. Finally, the share from the BRICS countries has increased, but these still represent only 3-4 % of filings.



While the shares of the other major emerging markets have been stable in the past decade, the share of China has almost tripled since 2004, and China is now one of the top 10 originating countries. A similar trend holds for design filings.

This rise in Chinese filings at the Office, as well as the importance of the Chinese market to European companies, makes it even more important to integrate China's trade mark and design data in TMview and DesignView so as to facilitate the searches carried out by EU companies considering entry into that market.

3.2 Globalisation and cooperation

The growth in filings shown above, and the growing tendency for companies of all sizes to increasingly do business in multiple countries, means that the respective IP systems need to work together. In the patent field, in the early 1980s, faced with a dramatic rise in the number of patent filings, the Trilateral Offices – the European Patent Office (EPO), the Japan Patent Office (JPO), and the US Patent and Trademark Office (USPTO) – started a co-operative approach to try to solve common challenges. More recently, in 2001 a Trademark Trilateral dialogue was established between the Office, the USPTO and the JPO, to discuss projects of mutual interest that would benefit filers of trade marks worldwide. The fundamental objective is the harmonisation of working methods, procedures and practices so that applicants do not encounter divergent criteria when filing trade marks at each of the offices. In 2012 and 2013, respectively, the Korean Intellectual Property Office (KIPO) and the State Administration for Industry and Commerce (SAIC) of China joined the Trademark Trilateral, thus transforming it into TM5. On the design side, following OHIM's initiative, the USPTO, JPO and KIPO have been working together with the Office for some time, and with the addition of China's State Intellectual Property Office (SIPO) in 2014, the ID5 forum on designs has been created for the benefit of users.

Countries such as China, India and Brazil are investing heavily in research and technology in order to move their industries up the value chain and leapfrog into the top ranks of the global economy (as was done in previous decades by countries such as South Korea or Japan). This puts pressure on EU companies to remain competitive, but every threat is also an opportunity. As these countries develop, new markets will open up for many European companies which will need to count on access to registration of IP rights in those new markets, and to rely on fair and effective procedures to enforce their rights. This means that the multilateral cooperation between IP offices aimed at enhancing convergence and interoperability among the IP systems of the most important economies in the world will become even more critical.

Recognising that if the EU IP offices acted together, they would be significantly more effective and bring more benefits to their users than by acting in isolation, the Office has placed great emphasis on cooperation and convergence since 2011. The power of cooperation has been demonstrated by the collaborative work carried out in the context of the Cooperation Fund and the Convergence Programme. The Cooperation Fund programme paved the way for the creation of a European collaborative network – the European Trade Mark and Design Network - in which the Office and the EU IP offices work together, on a voluntary basis, to modernise their processes, converge tools and practices and coordinate efforts in enforcement activities, thus playing a fundamental role in the development of a stronger EU economy based on knowledge and innovation.

One of the most successful collaborations among the world's IP offices involves the provision to users of easily accessible information on existing IP rights. These tools make it easier for prospective applicants to search existing IP rights and thus avoid later conflicts with prior right holders. The Office and its cooperation partners have been in the forefront of this development with

the TMclass, TMview and DesignView databases. Other IP offices as well as international IP organisations such as the EPO or WIPO also carry out corresponding efforts. The combined effect is to make the IP system more accessible to all prospective users, and especially to SMEs for whom the resulting efficiencies represent very real savings in their costs of acquiring and maintaining IP rights. As EU companies look to the emerging markets for future growth, it is vital that the Office, while always focusing on its core competencies, facilitates the application of their intellectual property in those markets by supporting efforts to strengthen IPR protection outside the EU. The activities carried out by the Office under the umbrella of EU-funded projects and TM5/ID5 are an essential contribution to Europe's knowledge-based economy. By keeping users at the centre of these activities, the Office and its partners ensure that the projects they carry out together create value for the IP rights owners. For this reason, strong user involvement in those projects and activities is required, notably in the multi-lateral fora such as TM5 and ID5.

3.3 EU initiatives

One of the main challenges for the EU is to deal with the impact of the ongoing global shift of economic weight towards developing and emerging countries. The response, as envisioned in the Europe 2020 Strategy, lies in enhancing the EU's capacity to remain competitive. Knowledge and innovation become indispensable as building blocks of Europe's stance in a global marketplace.

Within the EU, a degree of harmonisation has been achieved for trade marks and designs through measures such as Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks and Council Regulation (EC) No 40/94 of 20 December 1993 on the Community Trade Mark. However, the speed, consistency, simplicity and accessibility of the registration procedures, as well as the level of convergence in how offices handle these procedures has been far from perfect. Delays, complexity and unnecessary differences of practice between the various trade mark and design registration systems in Europe can become obstacles to innovation and creativity and jeopardise achievement of the Europe 2020 strategy.

This risk is particularly high for SMEs, which do not have many resources to dedicate to IP protection and the enforcement of their IP rights. An OECD study⁶ has shown that regulatory costs per employee, can be five times higher for small companies than for larger firms. SMEs present great potential for economic growth in Europe. Hence, to enable European SMEs to innovate, there was an urgent need to improve framework conditions by further reducing the administrative burdens, by creating reliable, easy-to-use, electronic tools to simplify, speed up and improve accessibility to the services offered by IP offices, and by converging practice and procedures among the various offices as far as possible.

In the EU, the legislator has responded to these changes with a series of proposals designed to strengthen and modernise the European IP system. The Unitary Patent is foreseen to come into

⁶ Businesses' Views on Red Tape: Administrative and Regulatory Burdens on Small and Medium-Sized Enterprises (OECD 2001).

effect during the next few years. In 2014 the European Commission proposed a new directive to harmonise aspects of trade secret legislation among the Member States. More recently, the Commission, as stated in the Internal Market Strategy, has published proposals for a digital single market across the EU, and the creation of new IP rights, such as non-agricultural Geographical Indications, is being considered.

The reform of the CTM system was proposed by the Commission in 2013 and was agreed by the Parliament, Council and Commission in December 2015. The reform will have both an operational and a financial impact on the Office. The reform reinforces the need for the Office to operate efficiently and places increased emphasis on its cooperation with Member States, including the allocation of a percentage of its income to these activities, and further harmonisation of the trade mark system within the EU.

3.4 Protection of IPR

At the same time as the economies of the world are becoming more interconnected, new technologies are having a profound impact on the way intellectual property is developed and exploited. Many new technologies have an effect on IP, with the advancement of the internet, in particular, ushering in a wave of change. On the positive side, the rapidly increasing bandwidth, the rise of e-commerce and the development of general and specialised social networks have made it easier for SMEs and for companies located far from economic and financial centres to participate in the global economy. However, these same factors, combined with the complexity of online enforcement, have magnified the seriousness and consequences of counterfeiting and piracy.

Similarly, the advent of low-cost 3D printing, the increasing availability of which dispenses with the need to invest in equipment, means that manufacturing will become more 'democratic' as any start-up company with a novel design will be able to produce prototypes easily and to start production on a small scale to test the market. At the same time, this technology obviously also has a negative impact, as 3D printing, especially combined with 3D scanning, will make it easier to produce counterfeit goods. New marketing methods, distribution channels and payment systems will make it easier to deliver both legitimate and counterfeit goods to consumers.

Another technology with an impact on IP is peer-to-peer computer networking, which, while making it more convenient and reliable to share legitimate data, also enables widespread copyright infringement.

These and other developments make it increasingly important to develop efficient tools to help protect IP, including trade marks and designs — if an IP right cannot be adequately defended and enforced, it is unlikely to deliver economic benefits to either its owner or society at large.

Counterfeiting and piracy deprive legitimate enterprises of turnover and deprive the state of revenue, deter investment and innovation, and frequently violate employment, health and safety legislation. At a time when economies are looking for opportunities for recovery, the fight for effective enforcement of IP rights becomes even more important. An IP right is not going to deliver economic benefits to its owner or society unless it is adequately enforced and protected.

Counterfeiters are using increasingly sophisticated distribution channels that span the globe. Websites offering pirated goods, including fake medicines and other goods that may pose health and safety risks, generate billions of euros in sales every year.

The nature and scale of the problem demands a coordinated approach to enforcement measures at regional, national and international levels. It is in recognition of the threat posed by counterfeiting and piracy and of the need, based on solid evidence, for coordinated action that the Observatory was entrusted to the Office in 2012, with the three main goals, as set out in Regulation (EU) No 386/2012, of:

1. Providing facts and evidence for policymakers to use for formulating effective IP policies;
2. Creating tools and resources to intensify the fight against IP infringement;
3. Raising awareness of IP and of the negative effects of counterfeiting and piracy.

In 2014, the Observatory truly reached 'cruising speed', benefiting from the full capabilities and resources of the Office. Its work on promoting increased awareness of the IP system and providing evidence-based assistance to policymakers has been based on a set of studies that form a trilogy. The first element of this trilogy consists of studies such as the IP Contribution study, which provides an objective assessment of the importance of IP to the EU economy. The second looks at the opinions of citizens, especially young people, through the IP Perception studies and follow-up research. Finally, the third consists of studies that quantify the economic damage caused by IPR infringement. Taken together, the results of these studies will help guide subsequent efforts to make society at large, and in particular its younger members, aware of the importance of IP rights and the need to respect them.

Acting through the Observatory, the Office also produces tools for enforcers (such as the Enforcement Database) and works on deepening the knowledge of all IP actors. Target audiences therefore also include the staff of IP offices, customs, police, judges, users and academics. To carry out this mandate, the Observatory network and collaboration between the Office and its public and private stakeholders will need to be intensified even further.

3.5 Impact on the Office

The economic crisis that began in 2008 has led to widespread austerity in government finances in all EU Member States. This austerity is in turn reflected in the Multiannual Financial Framework (MFF) that was adopted by the EU institutions for 2014-2020.

Despite this constraint, the Office has successfully coped with a significant increase in filings during the period 2011-2015, while also improving quality and taking on new tasks. Compared with the projections made in 2010, when the Strategic Plan 2011-2015 was formulated, the number of CTM filings received in 2015 (130 000) exceeded the number in the higher highest scenario considered by 4 000.

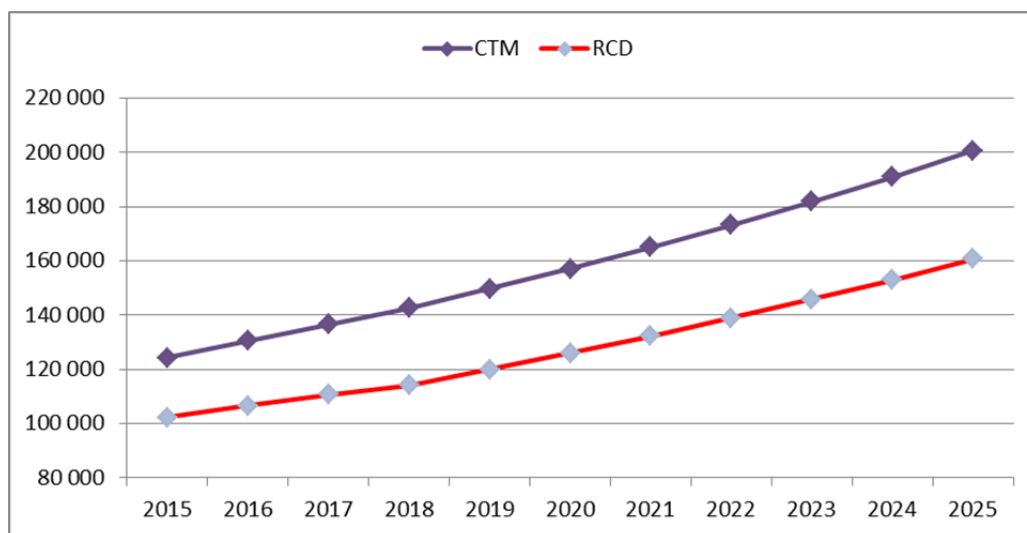
In the next few years the Office faces the challenge of having to cope with an increasing volume of applications and with the new competencies entrusted to it, in an environment characterised by resource constraints and legal reform. At the same time, the world-wide growth in IPR filings, which is also reflected in Europe, makes enhanced cooperation and modernisation of IP offices even more

of a necessity. Users also look to the Office to support the enforcement of IP rights through the work carried out through the Observatory.

In order to continue to provide users with a quality service in a timely fashion and to carry out additional tasks, productivity and efficiency must be maintained and further increased if possible. For the duration of the Interinstitutional Agreement, that is to say, until 2017, the Office has committed itself to absorb growth in filing volumes of up to 5 % per year by improving productivity rather than by increasing staff.

In its long-term budget planning, the Office assumes that the growth trends from recent years will continue, so that in 2020, more than 157 000 CTM applications and almost 126 000 RCD filings will be received, rising to more than 200 000 CTMs and 160 000 RCDs ten years from today, in 2025. This represents a continuation of OHIM's historical growth rate of 5 % per year.

Projection of CTM and RCD filings, 2015-2025



In order to deal with this increase in workload, while possibly taking on new tasks that may be assigned to it, the Office must plan for the necessary evolution in workforce and the associated requirements in terms of physical facilities and IT.

During the past five years, the Office, while always focusing on its core tasks as a trade mark and design registration office, has become one of Europe's main IP organisations and a reference within the international IP system, based on solid cooperation with IP offices in the EU and elsewhere and with other international organisations. As such, the Office plays an important role in the functioning of the Internal Market. The Office is on a sound financial footing and is committed to continual improvement in productivity and efficiency. It has the resources and the readiness to take on additional tasks in the IP field, should the legislator decide to entrust such tasks to it. Indeed, the decision to rename the agency as the European Union Intellectual Property Office suggests that additional tasks are envisaged in the future.

4. EUIPO strategy

The Strategic Plan 2020 is built around a strategic framework that begins with a proposed vision that gives rise to a set of strategic objectives. These objectives can be supported by business activities as well as by defined projects. Associated with the different levels are measurement systems designed to monitor the progress towards the vision.

4.1 Staff Assessment

During June and July 2014, Office staff were invited to give their input to the Strategic Plan. This was followed by a consultation with members of the AB/BC in September 2014. The consultations were structured around five specific questions, as follows⁷:

1. Following the Strategic Goal of building a strong, vibrant and creative organisation, supported by Pillar I of Organisational Excellence and by the activities already undertaken in the field of HR reform and cultural renewal, what actions should be undertaken to promote team working and to achieve the highest possible level of collaboration between all staff members across the Office?
2. Taking into account the current challenges faced by the Office – increasing filing volumes, new activities entrusted to OHIM by the Commission, constraints on staff, increased accountability and transparency – how could we improve our horizontal support systems: IT, communications, engagement with stakeholders, management systems (quality, performance and risk), project management, planning and reporting, to increase the efficiency and effectiveness of the Office?
3. Based on the achievements to date in providing a better service to our users, what actions should be taken to further enhance user experience, using both formal and informal approaches, to intensify users' engagement with the e-business solutions the Office is providing, and to improve their perception of the quality of our services?
4. One of the tasks with which the Office has been entrusted is to promote increased awareness of the IP system, by providing evidence based contributions to policy makers, by making society at large aware of the relevance of IP rights, by strengthening the knowledge of all IP actors – IP Office officials, customs, police, users, judges, academics, etc. In your view, what measures and actions should be undertaken in this area?
5. In order to broaden the European Trade Mark and Design Network, taking into account the expansion of the convergence efforts in terms of common tools and practices beyond the European Union boundaries, what actions should be pursued to allow the Office to provide a better service to the European IP system users and to help European businesses become more competitive in the global marketplace?

⁷ The questions reproduced here were used for the AB/BC consultation in September 2014. While the wording used for the staff consultation was slightly different, the content of the questions was the same.

In response, numerous suggestions were received from staff at all levels within the Office. While the concept of teamwork has a high degree of support, there was also recognition that this is an area where the Office still has work to do in order to dismantle the “silos” that sometimes still exist.

In order to promote teamwork, the proposals ranged from forming interdepartmental teams for specific tasks and projects, such as the successful Knowledge Circles, to temporary secondments of staff from one department to another, and indeed rotation between departments at periodic intervals. In order to promote teamwork, it was suggested to institute 360 degree feedback across the Office and to modify the appraisal system to put more emphasis on Office-wide and team objectives. It was considered important that the physical layout of the Office promote collaboration, although there were differences in how this was to be achieved. While some proposals favoured an open space environment, others put more emphasis on the creation of collaborative spaces, where small groups of staff could get together on an ad hoc basis to work together on specific projects.

Communication was also considered important for the establishment and success of a team-working culture, as was continuous learning in order to prepare staff to work across disciplines.

Finally, some staff members suggested expanding the teams to include not only colleagues from other departments within the Office but also participation from EU IP offices and user organisations and other stakeholders, depending on the nature of the issues to be worked on.

It was also felt that teamwork could make a contribution to improving quality, efficiency and effectiveness by fostering the sharing of ideas and best practices and by eliminating duplicate work.

Further suggestions to cope with increasing filing volumes while simultaneously improving quality emphasised the need to complete the modernisation and simplification of the Office’s IT landscape and to automate all areas of work. In order to ensure that the right projects were embarked on, a cost-benefit analysis should always be carried out beforehand. Other suggestions included further empowering users to perform non-value added tasks for themselves (for example change of address and other administrative changes), and providing them with tools, such as the Goods and Services database, to help them achieve ‘problem-free’ filing. To increase efficiency in this area further, it was suggested that the linguistic tools be enhanced so that a higher proportion of applications would be classified automatically and would not need to be sent for translation.

Staff also felt that improving quality and effectiveness went hand in hand with the further convergence of practices and tools across the EU, since the latter promoted consistency and predictability. In a similar vein, mention was made of the sharing of work among EU IP offices and the need for greater user involvement in evaluating quality.

Efficiency could be improved by centralising horizontal functions in specialist units, thus reducing the duplication of efforts. Examples included the organisation of events or activities related to procurement and vendor management. Finally, staff thought that processes related to financial management and HR administration should be streamlined and the related tools improved in order to promote e-business culture internally as well.

How quality was perceived by users was considered more important than how it was perceived within the Office. It was therefore crucial to develop quality standards and measurements in cooperation with users. In general, more intense interaction with users was an overriding theme in

the responses. Suggestions were made that users should be segmented, for instance according to filing volumes, and special information channels and content should be developed for specific segments, such as SMEs. New ways of communicating with users and stakeholders, such as social media, should be explored. And, of course, the e-business tools provided to users through the Office website needed to be continually improved to make them more user-friendly and provide new functionalities.

On the question of awareness of IP, staff emphasised the importance of working together with other IP offices, including international organisations such as the EPO and WIPO. Outreach to universities was considered important; this included enhancing the traineeship programme. The importance of the studies released by the Office through the Observatory was recognised, and many proposals were made for specific studies. In recognition of the limited resources available to the Office for conducting awareness campaigns among the general public, it was felt that working through 'multipliers' such as educational institutions was essential. The Academy has an important role to play as well, as it is a powerful tool for increasing awareness of IP among all stakeholders.

Finally, on the fifth question above, staff members supported the continued expansion of tools such as TMview and DesignView to include more countries. The possibility of converging practices not only within the ETMDN but also with major partners outside the EU should also be explored. In terms of the scope of Office activities, staff suggested further cooperation and synergies with other European organisations in the IP field, such as the EPO, the Community Plant Variety Office and others. There were also suggestions of opening satellite offices in major business centres or ensuring an Office presence through the secondment of staff to the respective EU representations.

4.2 Stakeholder assessment⁸

Following the staff⁹ and AB/BC consultations in 2014, a public consultation took place in early 2015, again on the guiding principles that had been developed.

Overall, a total of 11 contributions were received from different associations and institutions: European Brands Association (AIM), International Fragrance Association (IFRA), European Communities Trade Mark Association (ECTA), Association des Praticiens du Droit des Marques et des Modèles (APRAM), Association of European Private Intellectual Property Practitioners (CNIPA), Intellectual Property Office of the United Kingdom (UK IPO), Chartered Institute of Patent Attorneys (CIPA), International Trademark Association (INTA), European Seed Association (ESA), BUSINESSEUROPE a.i.s.b.l. and European Association of Trade Mark Owners (MARQUES). Many other EU IP offices as well as the European Commission also provided contributions as part of the AB/BC consultation process.

Most of the comments suggested that the Office should focus on achieving excellence in trade mark and design registrations, establishing common rules throughout the European Union and promoting all aspects of IP system in the vision and strategic goals set by the Office for the coming years.

⁸ The European Commission and European Parliament assessments will be added following the consultations on this document.

⁹ Full details of the staff and AB/BC assessment exercise are provided in Annex 1.

Moreover, the Office should take into consideration the upcoming consequences of legislative reforms, for example Community Trade Mark System. According to stakeholders, the smooth transition to any possible new legislative requirements should be a priority.

The majority of contributions were related to Line of Action 3 – ‘Enhance user-driven quality services’ - a clear signal that the quality of services provided by the Office is a priority for users. Stakeholders want the Office to maintain the quality of decisions even if faced with resource constraints, to improve transparency and the credibility of decisions and to reinforce cooperation and convergence. Furthermore, users would like to see harmonisation between opposition and cancellation proceedings. They also emphasised the increasing importance of designs. User experience when using the tools of the Office should be further enhanced, for example through the creation of an image search tool for designs. Finally, users advocated the broadening of the ETMDN and the exploration of potential opportunities for cooperation with WIPO in sharing common tools and practices outside the EU.

There were also other contributions from stakeholders in relation to the Strategic Plan 2020 and the functioning of the Office more generally. The most common suggestion, appearing across several contributions, was connected to the vision as a “User-driven European Intellectual Property Network with global focus”. It was noted that the expression ‘global focus’ could be interpreted as meaning that the EU market is no longer a priority for the Office. In fact, the vision of the Office still continues to be the building of common tools, fostering harmonisation of practices, bolstering convergence in Europe and providing other support and benefits for European citizens and entrepreneurs. Accordingly, the wording describing the vision was adjusted.

4.3 EUIPO strategy

The Office’s strategy for the period up to 2020 represents an evolution of the vision in the Strategic Plan 2011-2015. An important aspect of the new Strategic Plan will be to ensure continuity in order to maintain and build upon the existing progress, while pushing the boundaries in terms of quality gains, efficiency, effectiveness and value for money.

The foundations of the original plan are still sound and should continue to guide the activities of the Office, as confirmed by the consultations with users and other stakeholders. Therefore, the Strategic Plan 2020 has a vision of building upon and extending the advances made in the previous plan using the principles of team working and modern management. Based upon a close analysis of the lessons learned in the previous plan, it is designed to further improve quality in the core business areas and accelerate the change towards a user-driven, engaged and adaptable organisation.

This section of the Strategic Plan will lay out the EUIPO’s vision for itself and for the broader European system in 2016 and beyond, discuss how that vision corresponds to the needs of users, and how it benefits other stakeholders. Finally it will discuss the specific positioning that the EUIPO will strive to achieve within the greater European and global networks, which are now among the main drivers of change for Intellectual Property.

4.4 Vision for 2020 and beyond

Having a clearly articulated vision is very important in order to ensure that IP users, EU institutions, Member States, companies, Office staff, and even the general public can all understand where the Office is heading and how it intends to get there.

In the following section we describe how the Office arrived at its current position, based upon analysis of the lessons learned during 2011-2015, and where it expects to go in the coming years. The challenges include further improving quality in the Office's trade marks and designs area, accelerating the change towards a user-driven, vibrant organisation, and taking on new tasks and competences as the EU's Intellectual Property Office, while continuing to improve awareness of the IP system among all stakeholders.

Present situation

The first plan was built on creating a European Trade Mark and Design Network for the benefit of users. That vision was pursued by working together with the EU IP offices and users, in the context of the Cooperation Fund, the Convergence Programme, and bilateral projects.

Now that the European network is a reality, it is important that the benefits obtained are maintained and that it is strengthened for the future. The previous plan was successful in extending the use of advanced IT tools throughout the EU, and converging practices, but gaps remain and further progress is possible.

In addition, the responsibilities of the Office have grown since the original scope of the network was determined. This is shown by the addition of the Observatory, which covers enforcement-related issues for all IP rights, and the work on global networks being carried out in partnership with the European Commission. In addition, complementary goals are being achieved through participation with the TM5 and ID5 groups of leading IP offices.

2020 vision

Registering trade marks and designs continues to be the main task of the Office¹⁰ and maintaining and improving the quality of service remains the first priority. However, the legislator has assigned additional tasks to the Office, related to convergence of tools and practices and to the Observatory and Orphans Works Directive. Therefore, it is fair to say that the responsibilities of the Office have grown since the original scope of the network was established.

The vision of the Office for 2020 can therefore be summarised as:

User-driven European Intellectual Property Network

This vision represents an evolution of the vision in the Strategic Plan 2011-2015. That plan was built on creating a European Trade Mark and Design Network for the benefit of users. Now this vision has broadened, so that while the Office's main focus remains on delivering high-quality products and services to trade mark and design users, it also includes activities such as cooperation projects,

¹⁰ In accordance with Article 123b of the revised Basic Regulation.

enforcement support activities and studies related to IP and IP infringement. To achieve this vision, the Office needs to collaborate with the stakeholders in all the networks in which it takes part, achieving interoperability and complementarity between the members of the EUIPN¹¹.

Encouraging the convergence of practice and use of interoperable user-friendly IT tools in other jurisdictions will enhance the consistency and predictability of decision-making on IP rights in global markets. This will increase the quality and likelihood of success of the applications that users make, reduce unnecessary costs, and create a business environment in which EU businesses are more likely to prosper and create jobs and growth.

4.5 Strategic positioning

As stated above, the EUIPO remains committed to working together with users, the EU 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.

Internally, staff must pursue the cultural change towards a matrix organisation by further breaking down silos. Externally, while the focus of the EUIPN remains on registration and management of trade marks and designs in a European context, it will also increasingly look at the world beyond the EU borders and at a broader spectrum of IP rights.

In order to respect both continuity with the previous plan and the need for evolution, the new Strategic Plan will be built upon the twin principles of a “Collaborative Organisation” and “International Cooperation”.

Collaborative Organisation

The Office’s internal collaborative networks, which include Knowledge Circles and forums for Quality, Performance and Risk officers, HR correspondents, Communication Correspondents and Financial Officers involve different departments, and have made a significant contribution to breaking down silos.

Empowering staff to deliver excellence, managing the Office transparently and accountably, delivering state-of-the-art and user-friendly IT systems, and enhancing cooperation and convergence within a multi-faceted IP system are all steps towards the goal of providing best-of-class service levels.

However, the Office needs to build upon the progress made and move to an even higher level of service in terms of both quality of product and service. Quality in its main business of trade mark and design registration remains the EUIPO’s number one priority.

In particular, the Office now needs to move beyond the current model of defining and measuring achievement. The new working methods, introduced under the previous plan, with an emphasis on

¹¹ Reflecting the trade mark reform package, in which OHIM is renamed the EUIPO, and the CTM becomes the EUTM, from here onwards the ETMDN is referred to as EUIPN.

team working and greater involvement of users, need to be further developed in order to make sure that the quality delivered by the Office 'measures up' to what users really need. An even more intensive use of e-business tools and especially e-communication to help users with their file management choices and further empower them to take control will be central to this vision.

Achieving this requires intensive collaboration across the whole Office, with the full involvement of users in order to maintain and build upon the significant progress in quality made in the 2011-2015 Strategic Plan. Hence engagement with staff, users, national IP offices, the local community and other public and private stakeholders is of key importance to the Office.

International Cooperation

Externally, the EUIPN is at the very heart of the EUIPO's vision. By encouraging the convergence of practice and use of interoperable user-friendly IT tools through the Cooperation Fund and the Convergence Programme the IP landscape in the EU has been transformed and the consistency and predictability of decision-making has improved. This work is also being extended to other parts of the world via OHIM's role in EU-funded IP projects in third countries.

The success of this achievement has been clearly recognised by the legislators who have codified cooperation as one of the core activities of the Office in the legal reform.

Looking forward, European companies, including many SMEs that until now have focused on their domestic markets, are increasingly looking to emerging markets for their future growth. It is, therefore, important that the work that has proved so successful within the EU continues to extend its reach.

For this reason the Office, in cooperation with the EU IP offices and in the framework of the EU-funded projects for which it is the implementing agency, needs to encourage the expansion and deepening of the EUIPN to foster global partnership.

Bringing more consistency and predictability to international IP systems will increase the quality and likelihood of success of the applications that users make, reduce unnecessary costs, and create a business environment in which EU businesses are more likely to prosper and create jobs and growth.

5. Strategic goals for 2016-2020

Building on the two principles of a Collaborative Organisation and International Cooperation, in order to achieve its vision, the EUIPO will pursue three strategic goals, each of which encompasses several Lines of Action.

The Strategic Goals are:

1. Improve operational effectiveness;
2. Enhance access to IP system and IP knowledge;
3. Build network convergence with global impact.

The first goal of improving operational effectiveness builds strongly on the strategy of operational excellence in the previous plan. The Office recognises that quality is a never-ending journey and will continue to seek improvements in every area of its operations. However, in a number of areas, such as timeliness, for example, the gains already made in the previous plan are close to the maximum that can be achieved under the current legislative framework. This means that, without letting up on the effort for continuous improvement, the focus can now shift from examining what the Office is doing to how it is doing it. In this respect the idea of operational effectiveness also implies measuring the efficiency of the Office's activities. Taken together, they mean that the Office will do the right things at the right time, in a cost-effective manner. It will develop systems/processes/approaches that make the life of our users as simple as possible, with the least environmental impact. This goal will only be achieved with a high degree of staff engagement and commitment towards user focus and higher effectiveness.

The closer involvement of users in determining quality is an important aspect of this change in focus and is also associated with the second goal of enhancing access to the IP system and IP knowledge. While IP offices have an important legal role within the IP system in carrying out impartial and consistent examination tasks this should not be a "black box". The IP system can only be enhanced when stakeholders, whether they are lawyers, examiners, users or members of the public have a shared understanding of its role, importance and functioning within society. Making the system more accessible and straightforward for users such as SMEs, will be vital if they are to avoid costly mistakes in protecting their Intellectual Property. Likewise, the members of the public, including young people, must be treated as important stakeholders if the system is to be respected and remain relevant in the 21st century.

The third goal of building network convergence with global impact is a direct consequence of the increasing globalisation of trade. While registration systems may become more efficient and effective within the EU, with better access for users and greater understanding of the importance of IP, this is no longer enough. As demonstrated by the studies on the importance of IPR-intensive industries to the EU economy, IP rights are often used in combination. At the same time, users need these rights to extend beyond the EU. European companies, including many SMEs that until now have focused on their domestic markets will, therefore, increasingly look to emerging markets for their future growth. That means that the network approach pioneered within the European Trade Mark and Design Network, and the other existing networks supported by the Office, would benefit from being applied in a global context.

These inter-locking Strategic Goals, based on the twin principles of a Collaborative Organisation and International Cooperation are the foundation upon which the Strategic Plan 2020 is built.

In what follows these Strategic Goals have been 'translated' into a set of concrete Lines of Action (LoA). All the activities and projects defined under each Line of Action are designed to achieve the three Strategic Goals.

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

5.1 Line of Action 1: Build a dynamic and knowledgeable organisation

The activities and projects comprising this Line of Action primarily support the achievement of Strategic Goals 1 and 2. To create a dynamic and knowledgeable organisation requires full engagement by all involved, sharing and retention of knowledge, and an optimised and sustainable workplace.

Since 2010, the foundation of the Office's policy for its staff has been to build a stable and attractive system for hiring and retaining talent. Excellence was a major theme of the 2011-2015 Strategic Plan and remains a key factor that will enable OHIM to deliver the quality that users expect. Excellence, in turn, requires investment in people: recruiting the right talent, providing the training and learning that is needed, creating the right organisational structures and providing an optimal work environment.

For the Strategic Plan 2020 the Office will focus on effective talent management, collaborative working and further improvements both to HR processes and to the work environment in order to support new, more effective and sustainable ways of working.

Talent management centres on recruiting, developing, motivating and retaining talented staff. This is fundamental to the sustainability of the Office and is the responsibility of everyone in the Office, especially managers.

The Office continues to believe that competitions organised by EPSO are the preferred route to offer permanent positions as Officials. In line with the Strategic Plan 2011-2015, EPSO competitions will take place ideally every five years. Indeed, following the EPSO reserve lists established in 2014, if conditions linked to the growth of the workload and to the budget constraints allow, another EPSO competition is likely to take place in early 2018.

In order to maintain the necessary flexibility to deal with fluctuations in workload and any new responsibilities, the Office will also continue to hire Temporary Agents and Contract Agents, engaged for a fixed period. To ensure this flexibility, the Office is committed to respect a certain

proportion in the workforce composition which historically corresponds to a proportion of 70 % staff with a permanent position and 30 % of staff with a fixed period contract, always bearing in mind the need to retain talent and taking advantage of all the possibilities allowed for under the Staff Regulations.

In this respect, the policy for Temporary Agents with standard 5-year contracts will be maintained with the possibility of renewal in accordance with the Staff Regulations and under a clearly defined framework. This allows Temporary Agents to acquire pension rights after 10 years' employment and to gain experience in the core business of the Office. This will improve the chances for the Temporary Agents to participate successfully in an EPSO competition in order to become officials.

In this context, the 2014 reform of the Staff Regulations introduced a new category of Temporary Agents specific for Agencies in Article 2(f) of the Conditions of Employment of Other Servants of the EU. This new provision, together with the special rules for Temporary Agents (Article 2(f)) and a model decision for the engagement and use of temporary staff prepared by the Commission in collaboration with agencies, aims at establishing a consistent and coherent set of rules for the engagement of temporary staff, ensuring EPSO standards and facilitating reasonable career prospects through mobility both within an agency and between EU Agencies.

The Office, which has already implemented internal mobility and promotion for Temporary Agents, will also make use of the opportunity given by this new legislative framework to continue to retain talent and to offer new and different perspectives to talented temporary staff.

Keeping in mind the Office's obligations and constraints as a self-funded agency that has to keep its budget under control while being agile and flexible to adapt to the incoming workload, the Office provides its Temporary Agents with various opportunities: firstly, the possibility to participate in an EPSO competition to become officials; secondly, for a limited number of Temporary Agents, the possibility of a second contract renewal for an indefinite period.

In principle, each year Temporary Agents reaching the end of their contracts are called to express their interest in a second renewal by providing information about their competencies and profile to work within the agency. Their interest and performance at the Office will be analysed against the interests of the service, the needs for the tasks performed on a predictable evolution, and the establishment plan and budget constraints.

Furthermore, by integrating the interagency mobility system, the Temporary Agents working at the Office will be given extensive opportunities for professional advancement in other agencies while maintaining continuity of their careers.

The Office is also aware of the situation of some Temporary Agents with indefinite contracts whose current level of responsibility and statutory condition are not aligned with the Job and Competency mapping, and will thus study the available options for achieving a better alignment.

Contract Agents are engaged from the lists established following the OHIM-EPSO contract agent selection (CAST) for different profiles. The CAST database will be updated on an annual basis, also offering opportunities to graduates at an early stage in their career path.

While the use of Contract Agents was initially restricted to cover needs arising from a specific project, in the context of the budget restrictions concerning workforce hiring, the Office has been obliged to envisage the possibility of making use of Contract Agents in other situations, in particular to internalise expertise in tasks identified as strategic or to relieve the burden of work in certain departments.

Facing these budget constraints and in an attempt to provide a degree of employment stability, the Office decided to change its approach and to offer a 5 year contract renewable for a further fixed period of 5 years, thus ensuring that Contract Agents may also access EU pension rights after 10 years' service.

As stipulated in the Interinstitutional Agreement, the obligation to progressively reduce the establishment plan will end in 2017. If the growth of workload and competencies of the Office warrants it, the staff policy will continue to be based mainly on the recruitment of Officials and Temporary Agents.

Training and development opportunities and an emphasis on both personal and professional growth will continue to be a priority for both permanent and temporary staff. This involves investing not only in the development of staff but also supporting their engagement through good internal communication, and giving staff members the opportunity to use their "untapped talents" for the benefit of the Office and their own development and job satisfaction. An innovative traineeship scheme, the Pan-European Seal (implemented in cooperation with the EPO), will also be further developed as part of a progressive social responsibility programme.

In terms of organisation of work, the Office will emphasise team working, by setting team-based objectives and creating more collaborative work tools and training, to embed a motivating culture in which engaged staff can flourish. This structure emphasises collaborative working methods, engagement and knowledge-sharing across departments, all of which should contribute to increased effectiveness, efficiency and quality.

Social dialogue and internal networks will be championed, allowing for the exchange and retention of knowledge and for the emergence of "untapped talents", all of which will further assist in bridging departmental boundaries.

An organisation of excellence implies not only excellence in developing and managing talent, but also an optimal physical working environment. The working environment of the Office's headquarters will be upgraded and optimised for team working, and the Office's campus will be further developed to meet the forecast business need for additional work spaces by 2020.

5.1.1 Objective 1.1: Foster engagement in the organisation

Fundamentally, engagement results if people feel that they are doing meaningful work with a clear sense of purpose, supporting the common goals of the Office. The Office is building structures in which staff can collaborate with each other across departments and hierarchies, while maintaining a good work-life balance. The Office has certain tools at its disposal, for example teleworking, and it uses those tools to the full extent consistent with the Regulations to foster engagement among its staff.

The Office will pursue a strategy that embodies all of these elements, with staff being fully informed and involved at every level, supported by good internal communication to explain the reason for important changes, the Office's overall goals, and the results.

Team working and multidirectional knowledge-sharing will be championed and supported by innovative work spaces. Feedback, ideas and collaboration will be translated into concrete actions in strategic and operational areas. In this context, peer feedback will play an important role as part of the talent management programme. It will further extend to 360 degree feedback to include feedback from a number of sources, typically peers/colleagues, direct reports, line managers and others if applicable. Communication will focus on fostering a better understanding of how individual and team efforts make a difference, and how those efforts directly contribute to OHIM's success.

The performance management system plays a key role in fostering a results-oriented performance culture. As a continuation, the performance management system will be further reviewed in order to support the identification and development of talents and potential through the appraisal process. Managers will be encouraged and supported in objective setting, appraisal writing and conducting the dialogue, to ensure that each staff member has objectives that motivate him or her to perform according to the level required and beyond, and that the appraisal at the end of the year provides meaningful feedback, tailored to each individual.

The Office has diligently aimed at implementing a fair staff policy while respecting the essential principles shared by the EU institutions, focusing on enhanced gender equity and diversity, high levels of morale, commitment and trust. Clear improvements in staff motivation and satisfaction have been made as shown by the results of the Staff Satisfaction Survey carried out in 2013¹². As regards gender balance, the Office reached the objective of 30 % for female representation in management set in the previous Strategic Plan and will strive to reach 40 % in the future.

For the forthcoming years the Office will continue to implement a fair staff policy based on clear frameworks, with the aim of increasing staff engagement and responsibility. At the same time, the Office will safeguard the application of the current staff rules, making sure they are applied in a consistent manner and that staff comply with and make correct use of the existing framework.

5.1.2 Objective 1.2: Develop, retain and share knowledge across the organisation

The Office will continue to invest in staff development to ensure that it maintains the skills and experience needed to meet the needs of today and the future. In line with the general policy of encouraging peer feedback, the Office will continue to work towards creating an open culture where feedback is encouraged and used positively for staff development.

Professional development will be supported through the launching and implementation of a learning policy which places the emphasis on knowledge-sharing and learning through others. Learning and development plans will be put in place, while a coaching framework and a formal mentoring programme will be created to enable talent development. Moreover, learning programmes will be

designed in order to fill competency gaps and to support the development of team leadership and managerial skills, taking into account considerations of diversity and gender equality.

In order to support knowledge-sharing all staff will have the possibility to make their talent profile public in the Office in order to make their experience and abilities more visible. This will serve the joint aims of opening opportunities for career development while helping the Office to access specialist knowledge and advice on specific topics.

The Office will continue to explore the possibility of exchanging staff with other organisations as a means of personal development and knowledge-sharing within the budgetary constraints.

The management of the multiannual staff planning policy in an efficient, transparent and accountable manner will be further supported by the integration of Human Resources and Finance data as outlined under Line of Action 2. Furthermore, key positions will be identified and talent pipelines will be created to plan succession and to secure continuity and accommodate growth of the Office.

In the area of career development, the Office will focus on providing career support to staff members, notably those colleagues in low grades that demonstrate high performance, potential and engagement. This will be done through recognition in the appraisal and promotion process. Career support to senior assistants and advisors will be provided through a clear definition of their career path, including responsibilities, in line with the EU framework. Internal mobility and job rotation will be further encouraged to optimise the use of staff profiles and talents. In addition, the Office will continue and further improve the certification procedure, enabling officials in the Assistant function group (AST) from grade 5 and upwards to be appointed to a job in the Administrator function group (AD), thus recognising and incentivising AST staff members with high potential.

In partnership with the EPO, the Office has put in place the Pan-European Seal Traineeship programme and will continue to offer further opportunities to young graduates, from EU Member States and from a limited number of third countries, to gain experience and further deepen their knowledge of IP.

5.1.3 Objective 1.3: Optimise a sustainable workplace

Workplace sustainability is commonly defined as covering three aspects: economic responsibility, environmental impact and social contribution. Hence, the Office will work to maximise the efficiency of its facilities and services, minimise the environmental impact of its operations, and to help staff to develop and grow at a personal level.

The interior renovation of the Office headquarters was fully completed in early 2013. The extension of its headquarters started in January 2013, and its official inauguration took place on 17 November 2014.

In order to ensure that the construction project that resulted in the new wing of the headquarters building delivers the expected return on investment, the Office will set up a cost monitoring system to make sure that the forecast financial gain is achieved.

While the Office has undertaken to absorb increases in application volumes of up to 5 % annually by internal productivity measures up until 2017 and to reduce its establishment plan in line with EU budgetary constraints, it is necessary to plan for the future.

In order to allow future expansion of the Office's campus in a district with very limited availability of urbanised land, a plot of land of 12 000 m² adjacent to the headquarters was purchased in 2014. The need for this is already evident, since only a small reserve of workspaces remains once the staff already working for the Office have been accommodated.

The Office will optimise and convert space in the existing buildings to provide extra offices and interaction areas, where feasible, but by 2018 a new modular building with an estimated additional 100-120 workspaces will be required, including associated support facilities, in order to meet the Office's projected needs up until 2020.

Security threats are evolving quickly and dramatically, and may have an impact on international organisations such as the EUIPO, that are prominent and active in the global economic stage. The physical security of the campus will be organised by means of innovative systems and equipment around a concept of five concentric rings: external perimeter, public area, offices, restricted area, and highly restricted area. In parallel, the security guards will be updated in the use of the systems through dedicated and certified training and measures will be taken to ensure that the Office, on safety and security grounds, is aware at all times of the whereabouts of everyone present in the building.

One of the five targets of the Europe 2020 strategy for sustainable growth refers to climate change and energy sustainability. It includes quantified objectives from a 1990 baseline for the reduction of greenhouse gas emissions, an increase in energy share from renewable sources and decrease of energy consumption. In line with that strategy, proportional targets will be set at the Office for the period 2016-2020. In order to achieve them, three work streams will be launched to extend to all buildings the scope of the environmental management system and reduce consumption of materials and resources including paper and water; to develop energy management according to the latest standards; and to enhance monitoring of greenhouse gas emissions.

One important aspect of sustainability relates to safeguarding the health and wellbeing of staff by supporting and encouraging healthy eating and exercise, as well as measures to lower stress. Besides the intrinsic benefits for the staff member, the Office's goal of reducing absenteeism will also be supported by such measures.

The impact of the EUIPO's commitment to social contribution, under its sustainability goals, does not stop at its front door. The Office has been part of the fabric of life in the local and regional community for 21 years, and its impact has been considerable¹³. Through activities such as visits to local SMEs, school trips to the Office, involvement by Office staff in local charities and engagement with local authorities and business associations, the EUIPO promotes a positive image of the EU as a whole in the region.

¹³ According to a study carried out for the local Chamber of Commerce, in 2013 the Office's presence in Alicante was worth EUR 184 million to the regional community, a 26% increase on 2009.

5.2 Line of Action 2: Increase transparency and accountability

The activities and projects comprising this Line of Action primarily support the achievement of Strategic Goal 1 and indirectly the two other goals. Based on a dynamic and knowledgeable organisation of people, the Office will be able to deliver good governance, actively complying with data protection and audit recommendations, strengthening prevention and detection of fraud and ensuring the sustainability of the Office for the future.

As a public organisation it is essential that the Office strives to be sustainable for users of the IP system, as well as for the benefit of citizens and businesses across Europe. Sustainability relates not only to the products and services provided, but also to the people, policies and strategies that underpin them.

Transparency and accountability are an integral part of this, and the Office must explain, in greater detail than before, how it sets priorities, plans, executes, monitors implementation, and measures the results of its actions and their impact.

A Corporate Sustainability Framework will establish a set of principles that will enhance the ability of the Office to make sound decisions and analyse their impact so that it can demonstrate how its activities add value to the IP system and to European society. By finding synergies across activities the Office will clarify what is already being achieved and what more needs to be done to increase transparency and accountability, pushing the Office towards becoming truly sustainable. It is essential to meet the expectations of stakeholders now, without jeopardising what can be delivered to them in the future.

The Office has always strived to increase its effectiveness and efficiency in a transparent manner. The Service Charter, which is published on the Office website, sets out performance commitments in relation to trade marks, designs and appeals, and shows the level of compliance with these commitments and the actions taken to tackle deviations.

During the implementation of the Strategic Plan 2011-2015, the Office implemented a rigorous project management framework, based on the widely recognised Prince2 methodology. This framework allowed for constant monitoring and reporting on the implementation of the plan. More than 100 projects were executed during those five years, the vast majority successfully.

In 2012, the Office introduced Enterprise Risk Management, with a first office-wide risk assessment exercise performed in 2014. A Corporate Risk Register has been actively maintained since then, and major Office risks are acted upon within departments and services.

The vision of this Strategic Plan and the complementary principles of people management need to be supported by sustainable working structures and methodologies that evolve and adapt at the same pace as the staff members performing the work. For that reason an integrated approach to planning, reporting, innovative project methodologies, management systems, risks and applicable compliance, evaluation and controls standards will be developed.

The strategic indicators and tools will integrate two perspectives of measuring performance: the implementation of the strategic plan via a refined Balanced Scorecard and its implementation rate. The integration of all strategic and corporate indicators will allow for a constant monitoring of benefits

delivered by projects and activities, supporting top management decision-taking and facilitating reporting to internal and external stakeholders, most notably members of the governing bodies of the Office.

A new benefits management framework will be developed integrating both organisational efficiency and effectiveness benefits that are aligned with the concepts of operational, social, human, environmental and financial sustainability. The new benefits management framework will lay the foundation for a targeted and results-oriented benefits realisation approach. By providing a clear structure for benefits definition in the early stages of a project, including the specification of (preferably) quantitative benefit targets, the realisation of those benefits is significantly facilitated once the resulting project deliverables are to be implemented.

The ability to closely track benefits realisation will in turn transform the Office into a benefits driven, project management organisation with a strong benefits realisation culture. In doing so, resources will be used where they make the greatest contribution to the achievement of the mission of the Office.

In addition to reporting the level of achievement of its commitments, the Office makes itself more accountable by also being transparent about the resources used to achieve them.

The implementation of Activity-Based Management will help the Office manage its activities by showing the link between activities and deliverables and their relative costs in terms of both human and financial resources. This will improve efficiency and assist the drive to increase production and quality while keeping costs under control.

In the previous Strategic Plan, the Office's finance function and procurement procedures were streamlined and centralised to allow decision-makers to concentrate on operational issues. This work will be further strengthened by the centralisation and integration of business systems, moving towards a full Enterprise Resource Planning (ERP) system.

Internal Audit will continue to constantly review its overall methodology and look for possible measures to increase the efficiency and effectiveness of its work as part of its Quality Assurance and Improvement Programme. Some measures already identified by the Internal Audit function are the use of the corporate risk register as one of the main drivers during the annual audit planning process, particularly when deciding on audit engagements. As with all audit activities, it is important to find the right balance between operational needs, risk and control.

Credibility and trustworthiness are vital assets that the Office must protect and enhance by auditing its activities as comprehensively as possible, carrying out an overall assessment of risks to its activities and reputation, implementing an anti-fraud strategy across the entire Office, and guaranteeing high standards in data protection.

5.2.1 Objective 2.1: Strengthen the financial management of the Office

During the period 2016-2020, the Office will continue to strive towards organisational excellence with regard to financial management, aiming at ensuring accuracy and efficiency in the financial operations, thus contributing to the transparency and accountability of the Office towards its stakeholders.

As part of its e-Business-culture, the Office aims, by the end of 2020, for the interaction and transactions with external financial stakeholders to be electronic and, to the extent possible, processing will be completely paperless. To that end, easily accessible, user-friendly systems must be put in place. The full integration of the Office into the e-Prior project, developed by the European Commission, will facilitate the whole process from the launching of a call for tenders to the payment of the last invoice.

Currently, the Office provides for three different payment methods to pay fees related to EUTMs and RCDs: bank transfer, Current Account and credit/debit card. The majority of payments, about 80 %, are made using Current Account, with a further 5 % by credit card and the remaining 15 % by bank transfer. The internal management costs for bank transfers are considerably higher compared to the other payment methods. Therefore, the Office will promote increased use of Current Accounts, and of e-payment generally by including all e-services on the e-payment platform, including the provision of an e-reimbursement service.

The concentration of vendor management and the preparation of economic files in the Finance Department, provides for efficient (better services and lower prices) and effective (appropriate contractual mechanisms depending on the type of services bought) governance of the non-institutional suppliers of the Office, thereby helping to optimise overall expenditure and reduce risks in this sensitive area.

Furthermore, in view of the enhanced importance of cooperation activities following the adoption of the Office's new legal basis and the increasing volume of financial transactions with the EU IP offices, specific processes and tailor-made tools will be developed, as part of a cooperation project with those offices, to facilitate the interoperability of their financial systems with those of the Office. A network of financial representatives across the EUIPN will facilitate the smooth implementation of those processes and tools.

In order to provide increased transparency on the use of resources, the Office will implement Activity-Based Budgeting, thus enabling Activity-Based Management. To support the move to a dynamic planning process encompassing the strategic plan, annual work programmes, multiannual staff policy planning and budget planning, Activity-Based Costing will be put in place to provide reliable data about the structure of costs of the Office's services, products and projects.

The annual Office work programme, budget and multiannual staff policy plan will be aligned to establish direct and clear links between the Office goals, activities and resources needed. At the same time, clear objectives and performance indicators for all Office activities will be established, in line with the work programme, so that outputs and results can be measured against pre-defined targets.

In order to ensure that controls are aligned with risks and resources used efficiently, a risk-based approach will be implemented in the areas of vendor management, procurement, financial verification¹⁴, treasury and accounting.

¹⁴ It is important to clarify that all financial transactions will continue to be verified, as is the case today. The risk-based approach means that the scope and depth of the verification will be adjusted depending on the nature of the transaction and the associated risk level.

Finally, the annual reporting on the overall performance of the Office will be expanded to include the value added to society as a whole from OHIM's activities and projects.

5.2.2 Objective 2.2: Ensure swift alignment with all applicable regulations and implementing rules

The Office has obligations and commitments stemming from several sources, including EU regulations and applicable laws, international agreements, commitments to stakeholders and management policies and guidelines.

At present the Strategic Plan and annual work programmes, the multiannual staff planning policy and the budget are aligned to a certain extent with regard to activities and financial and human resources. This alignment needs to be strengthened.

The EC roadmap adopted by the Parliament, Council and Commission in 2012 and the new Financial Regulation adopted by the Budget Committee in November 2015 include the alignment of these three exercises as mandatory for the 2017 budget cycle. This will guarantee that the strategic objectives of the Office are aligned with the allocation of human and financial resources and consequently increase transparency and accountability.

The Office intends to put this in place as a pilot for the amended 2016 budget cycle exercise in order to be able to adapt the exercise to take into account the lessons learned and have a more mature model for the 2017 budget exercise.

The Activity-Based Management system which the Office is committed to implementing will be a key tool to support ex ante strategic decision-making.

In order to optimise its use of resources, the Office will continue its move towards more automation and outsourcing of labour-intensive tasks with low added value, such as key-in of invoices, scanning of financial documents, archiving and fees management, to the extent permitted by the legal framework.

Other projects and activities will aim at implementing the new Financial Regulation, including the establishment of new processes and procedures, new reporting and monitoring, along with a risk-based approach to the management of financial transactions; at enhancing/evolving the current ERP platform and at achieving the strategic objective of having interoperable Finance and HR information systems. Moreover, the Register of Exceptions, extended to cover all activities, will continue to be a cornerstone in the learning and improvement process for financial actors in the Office.

5.2.3 Objective 2.3: Strengthen prevention and detection of fraud

The Common Approach on EU Decentralised Agencies foresees that EU agencies should be more active concerning fraud prevention issues and that the related communication forms an essential part of its success. In order to implement this, the European Anti-Fraud Office (OLAF) recommended that each agency should adopt an anti-fraud strategy which is proportionate to its fraud risks. Rules for the prevention and management of conflicts of interests should be part of the anti-fraud strategy.

Fraud prevention will be enhanced by integrating appropriate detection and response measures into applicable processes at the Office and by reinforcing cooperation with OLAF, the European Commission and other relevant stakeholders.

Specific actions to be carried out in the area of fraud prevention include the integration of a fraud risk assessment into the Office's yearly risk assessment exercise, efforts to raise awareness among all staff, compulsory ethics and integrity training sessions and guidelines for the protection of whistleblowers.

5.2.4 Objective 2.4: Ensure sustainability of the Office for the future

Public agencies are constantly being challenged to maintain or improve the goods and services they deliver without increasing the resources they need to do so. Communicating how such challenges are met is crucial for public accountability.

Being sustainable means satisfying the needs of stakeholders in a way that improves their experience now, without compromising what can be offered to them in the future. As a public organisation it is essential that the Office demonstrates its commitment to sustainability through the delivery of its services and the implementation of its policies and strategies.

EU citizens are increasingly expecting to have access to understandable information about the impact organisations have on society, that is to say, their sustainability. The Office believes that transparency and accountability via the sharing of such information is fundamental in the journey towards corporate sustainability.

To support the European IP Network, the Office needs a stable and sustainable environment in which to collaborate with its stakeholders. Through holistic activity management coupled with the development of a culture of sustainability, the Office will work with increased effectiveness, making the IP system and related knowledge more accessible, thereby enabling the Network to have a stronger impact while increasing citizens' understanding of the Office's work.

A Corporate Sustainability Framework will provide synergies across the Office activities. It will harmonise operational, social, human, environmental and financial information for the benefit of stakeholders and citizens alike. It will establish values that ensure that both strategic and "business as usual" activities are sustainable, guaranteeing that their benefits are delivered now and in the future.

An all-inclusive customer-driven approach based on real time, direct and transparent interaction with stakeholders will be integral to this effort. The EUIPO will continually improve and integrate its management systems so as to enhance efficiency and comply with the latest versions of the international standards as they are released. The first update in this area will be the integration of the new ISO 9001:2015, which will see an even greater focus on stakeholder and risk management, alongside the push to further improve the quality of products and services.

Externally, the EU's Growth Strategy for 2020 pushes for a smart, sustainable, and inclusive economy, aligning public policy with best practice in the private sector. By clearly reflecting the relevant international standards, the Office is striving for globally recognised levels of excellence in

sustainability, for the benefit of its users, in line with the certification of its other management systems. The Corporate Sustainability Framework will embody continual improvement and proactively address any requirements relating to sustainability that may be imposed on the European public sector, making the Office even more resilient to future challenges.

5.3 Line of Action 3: Foster an effective and secure digital environment

The activities and projects comprising this Line of Action primarily support the achievement of Strategic Goals 1 and 2. A dynamic and knowledgeable organisation of people that delivers good governance needs to be supported by an effective and secure digital environment with streamlined digital operations, strong IT security, and highly available systems, all of which are delivered in a cost-effective manner.

In 2011, OHIM set out to simplify and modernise its IT systems and make them more efficient and user-friendly in order to develop a fully-fledged e-organisation. Since then, many obsolete systems have been decommissioned and standard reference architecture has been put in place, with a governance structure that controls the improvements to existing systems and development of new ones. This has given the Office flexibility and agility in delivering new systems, and has improved the timeliness and, ultimately, the quality of software development and maintenance. At the same time, the modernisation of the IT infrastructure facilitates further improvements in the area of IT security, an aspect of operations that is becoming more and more important for users and IP offices.

A new website designed to significantly improve user experience and security was launched in 2013. The website provides information and delivers services in 23 languages. It is easy to use and increasingly popular with users. The Observatory and the Academy have also been supported with the provision of IT tools to reach a wider and broader audience, such as the Enforcement Database, the Orphan Works database, a publicly available online training platform and a Knowledge Repository platform to share information throughout the Office.

Equally important for the overall performance of the Office, a series of programmes was launched in order to build a new back office for the management of trade marks and designs that will also be capable of incorporating new IP rights, should such rights be assigned to the Office by the legislator. These programmes, which are planned to continue during the period 2016-2020, aim primarily at further simplification of the Office's IT landscape by integrating several systems which today exist separately, into a single tool. This integration will improve operational efficiency, enhance user experience, and provide for more flexible evolution in the future. In financial terms, it means maintenance costs are reduced, leaving more resources available for investment in new projects and initiatives without increasing the overall IT spending.

In terms of promoting inter-operability, an opportunity exists to promote and foster standardisation. Standardisation achievements such as TM-XML and DS-XML will be extended to cover other IP rights. Formats may be harmonised with key stakeholders in order to allow for the seamless exchange of information across jurisdictions. Re-use of search algorithms and other types of data treatment will reduce uncertainty with respect to results, improving consistency of searches across the network for the benefit of users.

Looking even beyond the 2020 horizon, the Office will need to further transform its IT environment and indeed its organisation in order to ensure readiness for a digital world where all transactions

take place online, where there is zero tolerance for failure, where transparency is the norm, and innovation takes its place at the heart of the organisation. New solutions for machine translation, image search for trade marks and designs, and 3D and sound trade marks will be needed. The goal is to design and develop services provided by the Office around what users need, rather than on the Office's processes to render such services.

5.3.1 Objective 3.1: Streamline operations with advanced digital tools

In pursuit of operational efficiency, the Office has over the years created a very complex IT system. Historically, management of the application portfolio at the Office has been focused on adding applications according to business requirements. In many cases, limited attention was paid to overlapping functionalities or to the cost of integration of new applications into the existing architecture.

Migration to new technologies has not been fully implemented in all areas and, therefore, some legacy tools are still used, presenting maintenance issues. In other cases, the solutions were developed in separate modules following a legal requirement to have them in operation at a given date. Their connections with the modules at the core of IP proceedings have sometimes been complex and unreliable.

Some business areas, where volumes are lower, have IT tools that are very basic or have no IT tools at all.

Under the IP Tool programmes, the Office aims at the integration of several systems, which today exist as separate modules, into one single tool. The vision is to have a Back Office, supported by IT tools in order to be able to gain agility and flexibility and to form the backbone of a fully-fledged e-organisation. The ultimate outcome is to support all IP processes at the Office on an integrated platform.

The new way of working across the Office, with its emphasis on teamwork and networks with both internal and external participants also requires adaptations in the IT environment, as do the objectives related to increased transparency and accountability set out in LoA 2.

Those objectives can only be achieved if the management of the Office has access to the necessary data, information and analysis in a timely manner through improved business analysis and performance tools. To meet this challenge, the Office will implement a system landscape using state-of-the-art tools providing a more integrated core for HR processes, completely interoperable with Finance information systems and other external systems such as those of the PMO (Payments Management Office, the EU Office whose systems are used for payments of salaries, health insurance claims, expenses and other benefits). At the same time it will support the implementation of the HR strategy, focusing on talent management and modernisation and automation of HR administrative services, as well as user empowerment (for example employee self-service). The aim is that departmental management, team leaders and later all staff become self-sufficient and completely empowered in relation with data provisioning. A central service will concentrate on the corporate reporting of the overall performance of the Office.

Likewise, now that the online presence of the organisation has become the norm, mobile access to the Office's services is increasingly requested by users and staff members. The Office will

investigate solutions that meet this demand while guaranteeing uniformity of services, integration with existing systems, security and sustainability.

The move towards greater user engagement in every area of the Office's operations also gives rise to a requirement for more sophisticated stakeholder management tools. Groups with different interests and priorities, including SMEs, owners and representatives of EUTMs and RCDs, EU IP offices, User Associations, and a number of other constituencies, all need to be addressed. The goal is to have an integrated approach for stakeholder and events management, so that information about stakeholder activities is available in a centralised manner to avoid duplication.

5.3.2 Objective 3.2: Strengthen IT Security

IT systems are gaining increasing importance as enablers for business transformation in terms of supporting the cultural renewal and strengthening the talented, vibrant and creative organisation that the Office is aiming for in this Strategic Plan. They are also important for international cooperation, forming the basis of the many projects in the ETMDN framework that were developed under the Strategic Plan 2011-2015. These systems in turn need a strong and secure infrastructure to build upon.

Security, which is a more and more important subject for the Office and its users, requires a renewed, modern infrastructure. In the past five years, significant steps have been taken via the IT Security Framework and Backup Centre projects towards not only building secure and robust infrastructure, but also to improving the maturity of Information Security, whereby IT security awareness, monitoring and governance would ensure continued compliance with international standards such as ISO 27001¹⁵ and thereby demonstrate the trustworthiness of the Office and its products to its partners and customers.

As the digital revolution moves into its next phase, and as external threats continue to proliferate in quantity and complexity, more investment in the protection of the Office's assets is required. The increased visibility of the Office due to its new role in supporting enforcement of IP rights through the Observatory, coupled with the rapid pace of change in the IT environment means that what is a standard of excellence now will become insufficient tomorrow. IT security must be strengthened, but looking beyond traditional security breaches and unavailability, the scope must be widened to encompass the threat of data misuse and fraud, which can affect the Office's image and that of the wider IP community. The challenge is to bring the new disparate elements of IT security together in order to meet the growing number of threats in an effective and coordinated manner.

Hence the Office will take steps to increase security through better detection and defences, increased system availability through improved measures against denial-of-service attacks and a more dynamic and less centralised network.

¹⁵ All activities of the Office were certified under the ISO 27001 standard in 2015.

5.3.3 Objective 3.3: Maintain and improve service availability of systems

In 2010, many of OHIM's systems could only be recovered within days, or even weeks in the event of a major disaster. Today the majority of IT systems run in parallel with a backup system and can be recovered instantly. The availability of systems has increased to over 99 %. The new data centre that has been set up guarantees high availability with the potential to support future growth.

Many of the projects and activities designed to improve other aspects of the Office's IT environment as set out in this Line of Action also contribute to improved system availability. Unifying several disparate systems under the IP Tool programme means that the number of interfaces between systems, a frequent source of failures in any IT environment, is greatly reduced. Similarly, improving IT security will reduce the number of denial-of-service attacks and other types of intrusions that can bring down IT systems. Developing systems in a cost-effective manner, which often means using off-the-shelf components that are well-known and therefore easier to maintain than bespoke solutions, also contributes to a more stable environment with higher service availability.

5.3.4 Objective 3.4: Ensure cost effectiveness

Building on the 'software industrialisation' efforts carried out under the Strategic Plan 2011-2015, quality will be at the heart of the development work at the Office, with tools for automatically building, integrating and testing software as a vehicle to continuously improve quality and promote good practice, enhancing IT's agility to deliver more value faster and with less effort, while reducing the risk of malfunctioning. Development costs will also be reduced as a result of this initiative, leaving the Office with more means to improve quality even further.

Component-based architecture will promote the reusability of existing assets, for better and faster maintainability, decreasing development efforts and further increasing efficiency. It will support teams in a collaborative, knowledge-based environment, ultimately allowing OHIM to enhance its management of change. This effort will also have a positive impact on the cost of software development.

In order to maintain a modern technological environment, the existing IT asset management will be improved to facilitate the timely decommissioning of hardware and software, before they become a threat to the performance of the business units. The modernisation of the platform will be undertaken with a clear risk-driven view and will aim at maintaining the business value of past investments. Total Cost of Ownership of the systems will be calculated in order to provide management with sound criteria to make "buy versus build versus rent" decisions.

In 2012 the average development and deployment time for a high priority change to the systems amounted to over 60 days, whereas today this time is down to 20 days. Overall, the Office has learned to plan better and to execute better. There is still a long way to go to make full use of available instruments in the market such as alternative provisioning models for infrastructure, platforms and software which will be tackled in the coming years. This will enable the organisation to deliver faster, with better quality and more precise cost planning.

Last but not least, the cost effectiveness of our IT environment will be greatly enhanced by a gradual migration to a cloud environment. Together with the trend towards mobile access on the user side,

the trend towards cloud computing is a major force in today's IT, and the Office intends to take advantage of the opportunities it offers.

5.4 Line of Action 4: Intensify network engagement¹⁶

The activities and projects comprising this Line of Action primarily support the achievement of Strategic Goal 3 but are also important to the other goals since networking is one of the keys to a 'knowledge' organisation and helps increase effectiveness. In the modern world, strong IT systems are closely associated with effective networking and good governance, and also open the way for closer cooperation and convergence. In addition to supporting cooperative networks this Line of Action will extend the reach of existing tools and databases, add new functionalities to such tools, and create new ones based on the needs of stakeholders.

Networking is a core value of the Office, both in the internal organisation of work, with its emphasis on cross-departmental collaboration and knowledge circles, and in the external dimension, with cooperation with EU IP offices, the European Parliament, the European Commission and other EU institutions and bodies, international organisations, and with public and private stakeholders. Networking is also vitally important to the work of the Observatory.

The trade mark and design registration framework in the EU is a two-tier system, consisting of the EU IP offices and the EUIPO. The choice between national and EU registration is made by companies based on their business objectives, and this choice should not be influenced by unnecessary differences among the different offices in the system.

The Strategic Plan 2011-2015 laid solid foundations for a functioning practical network between EU IP offices, based on convergence of tools, practices, and standards, in the interests of all users of the IP system. The fundamental premise of that plan remains valid, and the Office will continue to work in this direction through the European Cooperation Programme with the EU IP offices, and through other programmes with selected non-EU countries.

Indeed, the cooperation activities undertaken in the framework of the Strategic Plan 2011-2015 have now been codified as one of the core activities of the Office in the legal reform legislation agreed by the European Parliament and the Council in 2015.

The Convergence Programme is a joint undertaking that focuses on non-legislative change in practice, and is supported by experts from IP offices in the EU, the EUIPO, User Associations and WIPO. The programme achieves its aim by detailed examination of specific differences in practice among participating offices, where agreement is sought. Each project leads to consultation with end users, resulting in Common Communications that are translated and published.

During the coming years, the EUIPO, in cooperation with the EU IP offices and in the framework of the EU-funded projects for which it is the implementing agency, intends to build on those achievements to expand and deepen the EUIPN and to foster global cooperation between EU

¹⁶ For the purpose of Articles 124 (1) (b) and 128 (4) (e) EUTMR, Line of Action 4 includes the Office's strategy for international cooperation.

partners, third countries and multilateral organisations in order to maximise the contribution of trade mark and design registration systems to economic growth and to enhance the value of IP in general.

Through voluntary participation, the new cooperation model that the trade mark legal reform enshrines, and which puts users at the centre (as they were in the Cooperation Fund Management Board), will require growing open networks with User Associations to ensure that users' needs are at the heart of the projects. Based on both user requirements and the needs of IP offices, the Office and its partners will continue to improve the convergence of existing tools and practices ensuring interoperability and the maximisation of their effectiveness and benefits to users. The results of this work will contribute to the consolidation of the landscape of IT solutions left by the successful Cooperation Fund with the next generation of tools.

Regarding practices, the Office will continue to bring together experts from all EU IP offices and users of the IP system represented by User Associations, to engage in joint efforts to establish common examination practices on specific matters across the EU. The direct benefit of this activity to end users will be a significant reduction in indirect costs through enhanced legal certainty and increased transparency. The end result will be the establishment of standards that will enable EU IP offices to share the way they deliver their practices and services to end users.

The principle behind the various programmes and projects is always the same: user requirements are the starting point. Based on those requirements, the Office and its partners will first work to improve existing tools; if needed, new tools will be created; and finally the different tools will be linked to maximise their effectiveness and benefits to the users and to create a system that provides greater legal certainty and is user-friendly, transparent, effective, efficient, and interconnected.

Meeting this challenge globally involves cooperation with third countries and multilateral organisations, building on the European Commission's mandate for the Office to implement EU funded projects. The Office will put at the centre of this cooperation the tools already developed with the Member States for the benefit of users, in accordance with the EU's main policy priorities.

Expanding the reach of tools and programmes beyond the EU is always done in the interests of users, whether as part of an EU funded project or through bilateral agreements.

Programmes within this framework will support the Commission's drive to consolidate the Internal Market with a strengthened industrial base. In the past, close cooperation via technical work, inter-organisational staff exchange and focused teamwork on specific projects has shown that governments and IP authorities across the world can work together to support open and fair markets, which should promote IP protection and transparency for all users, wherever they are. Making the IP system more consistent, coherent and transparent is vital if it is to become more accessible to EU companies, and in particular SMEs, which can find unnecessary differences in processes and practices a significant deterrent when they seek to expand. An OECD study has found that compliance costs per employee are five times as high for small companies as they are for larger ones. Given that the vast majority of EU companies are SMEs, reducing the administrative burden on them in all areas, including IP protection, is of great importance.

In keeping with the ongoing evolution from co-existence to complementarity within the EU IP system, the Office will examine the possibility of developing work sharing schemes across the network in operational areas, such as language checks.

5.4.1 Objective 4.1 Support and strengthen cooperative networks for greater convergence

The new legislative framework provides a stronger legal basis for further development of the cooperative work taking place between the Office and the EU IP offices. Networking is now a core business activity of the Office, and this is also complemented by the growth in the Observatory networks covering prosecutors, EU delegations and enforcers.

Under this objective the EUIPN will be further strengthened and made more transparent and accessible through the development of a cooperation platform supporting the administration and financial management of the whole lifecycle of Cooperation Agreements. A network of those responsible for administrative and financial matters in EU IP Offices' will also be created, so as to accompany the harmonisation and streamlining of the administration and financial management of the lifecycle of Cooperation Agreements. The solution will also assist in better defining how members of the Network can contribute to the dissemination of information on the Network's IP systems (for example raising awareness, sharing of information, etc.). It will also facilitate the collection of relevant statistical information related to IP procedures. A mapping exercise will be carried out to determine, through a Convergence Practice Index, the extent to which processes and practices have come together, and specific convergence programme projects will be launched based on the results of this analysis. A European Knowledge Circle will be created to help drive further convergence.

A collaborative technical network will be established to promote the sharing of information on IP rights and procedures, as well as the establishment of common standards and practices to ensure interoperability. The EUIPO in collaboration and cooperation with the EU IP offices will share the work in certain processes via participation for instance in pre-checks, while always retaining its decision-taking authority.

The deployment of project managers in IP offices has been an important component in the success of cooperation efforts. It has maximised the number of successful implementations of the different Cooperation Fund tools, and contributed decisively to the modernisation of the IP system in Europe. The scheme will be further developed as a method of supporting EU IP offices. They will also be supported in the development of in-house project management expertise, and in the achievement of ISO 9001 quality certification.

5.4.2 Objective 4.2: Extend reach of existing tools and databases

The tools and databases created as a result of the cooperation between the EUIPO, the EU IP offices and the user organisations have turned out to be even more popular than expected. By 2015 more than 360 implementations had already taken place all over the EU.

The broad uptake and use across the portfolio of projects has provided a strong impetus for cooperation, modernisation of the EU IP system and a shared services environment. However, more work needs to be done to ensure that the benefits from these important projects are shared as widely as possible.

Projects have grown in popularity as their potential was proven in the various pilot offices and this resulted in a decision at a late stage by other offices to participate. In addition, procurement

procedures and overlapping projects in IP offices have left some unable to complete the projects to which they have committed within the timeframe of the Cooperation Fund.

To this end, the Office will offer support for those offices that have not already received backing to implement particular project results. Examples include front office software for e-filing and renewals, the modernised back office, and remaining central tools such as DesignView or Similarity.

In another sense, the strategic picture has changed: the Office has successfully worked with a number of third countries to implement several projects. As a direct result of this work the offices are much closer to each other, opening the way to further cooperative work in the future. Looking at the external dimension, the EUIPO also needs to reach out to the broader community by cooperating with other countries to create a more integrated IP system.

5.4.3 Objective 4.3: Enhance common tools and databases with new functionalities

The existing common tools and databases were built against the backdrop of an environment that was changing rapidly, both as regards the Office, the EU IP offices, and the world as a whole. These tools are operational now, and subject to a collaborative, open working system for maintenance and minor modifications.

Moving beyond the efforts under the previous Objective to encourage offices to “catch up” and enjoy the benefits of what has already been created, further work will be undertaken to improve and update the tools. Now that they are in use in a critical mass of offices, a number of improvement suggestions have been made.

While the operational and maintenance side continues to work uninterrupted as the normal business of the network, managed by the European IP Network Operations Centre, a number of these proposed changes to the Front Office and Back Office systems and quality suite, go beyond the normal scope of the maintenance and change process.

For example, with the experience gained through the deployment of the SP Back Office at the national offices, several improvements have been identified within the current core areas of the system, including goods and services validation, analysis of dossiers, the handling of international designations and usability in general.

In addition a number of new features have been highlighted by stakeholders to enhance the productivity of users, such as the inclusion of a dossier storing grounds for rejection, new administrative and reporting functionalities, and certain new recordals.

Looking beyond the tools for the efficient and effective administration of IP rights, there is also a need to broaden the existing enforcement tools (such as the EDB, ACIST, ACRIS), and improve the way in which they work together, including seeking greater integration in order to obtain consolidated enforcement information.

Among the improvements foreseen are single sign on to enable, for example, customs and police officers to register infringement and transfer data without needing to switch between platforms; interconnection with other agencies such as the EU-Lisa network, to enable all EU police forces to access the tool (respecting the safeguards and user-choice features already in place). We will also

seek to enable right holders to protect their products in third countries by creating the possibility to transfer data between the EDB and the World Customs Organization's IPM anti-counterfeiting tool.

The objective of this project is the development of one enforcement platform intended to help right holders, legal representatives and enforcers to step up the fight against counterfeiting and piracy.

5.4.4 Objective 4.4: Create new IP tools and databases

The tools already created in cooperation between IP offices and user organisations have achieved very broad uptake and use, and are making the EU trade mark and design system more transparent, interoperable, efficient and user-friendly.

Innovation is an essential component of business activity and is a never-ending process so there is never a point where we can stop and say "it is done": there is always room for new ideas, for radical innovations to ensure long-term competitiveness.

This activity area includes the development and implementation of new common or connected tools and or standards for consultation and searching, with a view to ensuring interoperability between procedures and systems in those EU countries, as well as in those EU candidate, associated and neighbouring countries that want them.

One of the projects under this objective will make use of the existing Academy Learning Portal to provide a smart learning environment where the online content (eLearning modules, tutorials and webinars included in the online Academy activities) have the highest level of quality, and are universally available in multiple languages, to the broader community of stakeholders, providing a learning process personalised to users' needs.

Other new projects will include Search Image for Trade Marks and Search Image for Designs in order to make searches in these areas more transparent, accessible, efficient and effective; measures to solve the duplication of IP User data in databases; tools to improve the templates tailored to different groups of cases in various procedures, thereby supporting the quality of decision-making; improved access to case-law information contributing to legal certainty across the EU and eventually beyond; and the development or improvement of tools to allow users to carry out enhanced pre-clearance. This will take the tools to the next level through implementation of new functions and integration to enable automatic and simple searches using multiple databases.

5.4.5 Objective 4.5: Strengthen networks of EU agencies

Cooperation between the agencies of the EU has become more important under the Common Approach on Decentralised Agencies and in particular considering the Inter-institutional Agreement.

Over recent years, a debate has taken place on the need for the EU Decentralised Agencies to move from a merely reactive approach to a more proactive one, by the engagement of a more strategic and forward-looking manner on issues of common concern and making the network's work more effective and capable of enhancing the recognition of the beneficial role of the agencies and the activities carried out by them.

The EUIPO will chair the EU Agencies' Network in 2016, with the aim of making progress on four interlinked medium-term strategic priorities, adopted by the Heads of Agencies in October 2015. These priorities focus on: (i) shared services and capabilities; (ii) mutual value creation with EU Institutions; (iii) outward communication and finally, (iv) internal governance.

The Office also participates in the network of EU agencies in Spain, and in the European Fee-Receiving Agencies Network which held its inaugural meeting in 2015.

5.5 Line of Action 5: Enhance customer-driven quality services

The activities and projects comprising this Line of Action primarily support the achievement of Strategic Goals 1 and 2. True quality within a complex and interlinked IP system cannot be delivered without an engaged and knowledgeable staff working to the highest standards of public service and supported by modern systems and tools within a networking environment. This Line of Action will enhance quality services by further integrating the user perspective in delivery of products and services; increasing the proportion of straight-through files processed by improving predictability; and by optimising the work of the Office's user-focused teams.

Quality has always been a major priority for the Office. It expresses the continuous commitment of the Office to improve and to provide better services to users. That commitment was materialised in the Strategic Plan 2011-2015 by two major transformational endeavours: the implementation of a certified ISO 9001:2008 quality management system and the development of a performance oriented culture.

The Office was ISO 9001:2008 certified for all its activities in October 2013. This certification and the process leading to it has brought several improvements, most notably the simplification of processes but also raised awareness within the Office about the benefits of continual improvement and knowledge-sharing. All Office staff members were trained on ISO 9001, and the plan-do-check-act cycle of continuous improvement became part of their daily lives.

In order to improve the quality of its decisions, the Office has expanded the reach of its ex post quality checks framework to all areas of trade mark and design examination and proceedings during the past five years. This strong framework of quality control has contributed to the improvement in the consistency of decisions as well as supporting the identification of training needs of the examiners.

Highly visible performance tools were put in place for the benefit of users and the Office alike, namely the revamped Service Charter with the performance ranges of excellence, compliance and action needed – introduced in the 2014 Work Programme – and the Balanced Scorecard, measuring the improvements delivered by the implementation of the Strategic Plan 2011-2015. Both tools have had a significant impact on improving the Office's services to the users by establishing a clear cycle to assess performance and to act upon the results.

In the coming years, the Office will continue to strive to be best in class in delivering IP rights. The efforts to improve quality will be streamlined by acting on quality of products and quality of services.

Much has been achieved in terms of consistency and predictability, but the Office is aware that some issues remain, regarding the quality of its decisions, as perceived by users. The Office will develop a holistic approach to quality of products by redesigning the quality cycle so as to react more quickly when issues arise, and to analyse the root causes when product quality problems persist. New ex ante checks on decisions and proceedings will be developed, complemented by ex post checks performed in collaboration with users, so that the gap between their perception of quality and the metrics used by the Office to measure quality is eliminated. The same quality criteria, as set out in the Office guidelines in collaboration with users, will be used by ex ante and ex post checks, thus aligning both perspectives of quality under the same standard. This will bring about clear benefits in terms of predictability and consistency of Office decisions.

To improve the quality of service, the Office will maximise the availability of its systems and user accessibility to its services. The Office will enhance the usability of its e-business tools, focusing on delivering to the user the best possible experience when interacting with the Office. By introducing new pre-clearance capabilities in e-filing, predictability will also be improved.

Both dimensions of quality – quality of product and quality of service - will be used to continuously measure user satisfaction, including immediate user feedback on specific services.

During the past two years, the Office has re-defined its service standards so that they are expected to be met in 99 % of all cases. The next step is to move to a target of compliance with standards in 100 % of cases to the extent that this is feasible and economically justified. The Office intends to reach this level of performance in selected areas beginning in 2017.

5.5.1 Objective 5.1: Further integrate user perspective in delivery of products and services

In the coming years, the Office will implement a proactive, all-inclusive customer-driven approach based on real time, direct and transparent interaction with users.

As a fully certified ISO 9001 office, the EUIPO will continue to strive to improve all aspects of its products and services. Looking forward, a new version of the quality standard, ISO 9001:2015, will necessitate a revision of the Office's quality management system. At the same time, the activities required to implement the legal reform give the Office an opportunity to further optimise the system.

The Office Guidelines will be promoted as the centre and point of reference of IP knowledge of the Office and the Network, at the heart of the Office's quality system. The first objective in this regard is to take the 'New Generation Guidelines' to the next level, by making them more open, agile and versatile, as well as better suited to responding to stakeholders' needs. The format, contents and consultation process will be enhanced by taking full advantage of current web-based technology to facilitate increased access by a wider audience.

The emphasis will continue to be on the outputs of the Office's activities, including the application of the quality standards derived from the guidelines and performance standards for timeliness, consistency and predictability. The quality system will increasingly incorporate stakeholder requirements through tools such as customer feedback, surveys, and inputs to Office practice. The channels to gauge customer feedback will be made more immediate by moving to modern "real time" approaches.

Increased stakeholder engagement and transparency will also be promoted by involving them in the Guidelines review and in the assessment of products, procedures and quality criteria applied, as well as in the performance of joint quality audits. Such third party quality assessment will also result in increased credibility of the quality indicators. In parallel, the quality assurance of the products will become increasingly focused on ex ante controls, to ensure that any errors are corrected before a decision is sent to the user.

The Office will build on customer services in a sustainable manner using value-added self-service solutions, allowing the user to obtain all the needed support and guidance online, and a customer-driven services approach in which communications between the Office and its users is proactive rather than reactive. Modern forms of communications could be added, according to user needs, such as online chats or platforms allowing the community of users to provide support and guidance to one another.

In addition to the self-service initiatives, a specific customer service approach will be defined and executed for the different user groups according to their inherent needs, similarities and profile. As part of the new approach, increasing use of customer information and new technologies will be developed to support users in conducting business with the Office in an efficient manner. Such solutions and tools will further guarantee compliance with Office practice by communicating to the users in a clear, intelligible and personalised manner the requirements derived from the Office's guidelines, thus making it easier for occasional filers or SME's to use the system in an efficient and error-free manner to serve their business needs.

5.5.2 Objective 5.2: Increase the proportion of straight-through files processed by improving predictability

While the speed of decision-making is important to users, they also put a high priority on consistency and predictability. In order to increase predictability, the Office must provide the applicants with state-of-the-art technologies and personal services that ensure that when an application is filed with the Office, it is of the highest quality possible so that the risk of the filing being deficient and therefore likely to face an objection is reduced.

Reducing deficiencies is a win-win situation. Fewer objection letters issued by the Office implies less work both for the Office and for its users, and a higher quality both of the applications and eventually of the register.

The Office will seek to lower deficiency rates through improvement of the Guidelines. Having clear and up-to-date Guidelines that are free from unnecessary formalities helps both examiners and users. It leads to decisions being more predictable, and helps users avoid objections on absolute grounds or classification.

The Office will develop tools that will guide users towards compliance by integrating appropriate functionalities into the e-filing tools. Furthermore, an examination support tool, identical to the tool used by examiners in their decision-making process, will be made available to users. The tool will allow the user to assess up-front the probability that their application will fulfil the examination criteria once filed.

Large parts of the interaction between the Office and the users already take place online. For the vast majority of EUTM and RCD filings and renewals, and for increasing proportions of opposition filings and other interactions, electronic interaction is now the norm. In the coming years, the Office will continue to move towards a fully-fledged e-business system, where the full potential of the existing databases and tools in terms of content, functionality and interoperability is exploited and customers are provided with the highest quality, most advanced technical solutions for guidance and support depending on the needs of the users, whether they are large users or SMEs.

Such state-of-the-art technical solutions also serve to maximise predictability, and the use of common tools and databases serves as a means to further grow and deepen the cooperation within the EUIPN.

One of the most important tools in this context is the Harmonised Database of Goods and Services, containing commonly agreed terms, accepted by all EU IP offices as well as increasingly by IP offices outside the EU. Usage of this database in a trade mark application reduces the risk of classification deficiencies to the benefit of the user and the IP office in question. Therefore, the Office will continue its efforts to ensure that the terminology is properly maintained. Management of the terminology is crucial for the validity and legitimacy of the database and encourages use of the standard terms in trade mark applications. Expansion of content to terms used globally and the translation of these terms will decrease the time and resource-consuming activity of classification for end users and IP offices alike, and contribute to a reduction of the Office's significant translation costs.

To provide further support, a policy of telephone call intervention, already piloted under the previous Strategic Plan, will aim at clearing deficiencies in areas such as formalities, classification and recordals, thus avoiding a lengthy deficiency workflow. The goal is to address the deficiency, recommend a remedy and then apply a correction either by the Office or by the user.

5.5.3 Objective 5.3: Optimise team working for high-quality delivery

The Office is dealing with a gradual increase in trade mark and design applications and the consequential increase in the sequential steps in all Office proceedings. Furthermore, the Office has set itself ambitious performance goals in quality, timeliness, accessibility, predictability and user focus. The highest possible level of performance is therefore required from the Office staff. Such challenges are best met by well-functioning teams.

During the past five years, the Office has been on a path that has taken it from a traditional, vertical organisation characterised by "silos" to one where transversal activities are increasingly the norm, culminating in a work environment where the primary unit is a team, often crossing department boundaries. In January 2015, the core operations of the Office were re-organised around a number of teams. In the next few years, this concept will be developed further to transform these teams into high-performance units. By putting the entire process from reception to registration in the hands of the teams and giving them effective performance reports on their processing of a file from entry to exit, purpose is added to each processing step, which would otherwise be an isolated step in an abstract process.

In such high-performing teams, the members trust each other, learn each other's skills and feel responsible for the entire process. The working methods are defined by the teams themselves, and

the resulting rules are understood and respected by all team members. Accountability is both individual and collective and communication, including critical feedback needed to improve team performance, is open, respectful and effective.

In order to support the team structure and the new working methods, simple administrative tasks will be eliminated through e-administration, empowering the users to make use of online services. Where this is not possible, outsourcing will be considered so as to allow Office staff to focus on providing value-added support and guidance to users.

The widening and deepening of the expertise of the examiners will allow not only for better quality, but will also enhance the agility of the organisation in responding to shifting workflow needs. Particularly in areas that are subject to large fluctuations, such as International Registrations, cancellation proceedings, design examination, register and invalidity proceedings, it can be difficult to consistently provide a high level service to users. The expansion of expertise in these areas thus improves the Office's agility significantly.

Therefore, the main objective is to expand knowledge and skills gradually through all areas of work so that all the core business teams will have examiners able to deal with all tasks related to EUTM and RCD files. The principle is that a single team will take charge of the entire progress of an individual file, calling where necessary on support from other teams, in order to ensure continuity.

To support this change the Office will further develop the tools to establish and then monitor the key factors that determine the efficiency and effectiveness of the staff deployment policy so as to optimise the staff allocation to those areas that bring greatest value to the team as a whole and finally to users.

At the same time, these more efficient working methods will be supported by a reduction in the complexity of rules and procedures. The Office will harmonise and simplify processes to the full extent provided for in the applicable legislation.

As an agency operating in a multilingual environment, we place great importance on the linguistic quality of communications. Translations of trade mark applications and administrative translations are carried out by the EU Translation Centre in Luxembourg and represent one of the largest items of expenditure in the Office's budget. During the past years, the main activities in this area were aimed at reducing the delivery times for linguistic services, and thereby contributing to optimising timeliness of operations, and on measuring and improving the quality of translations through a system of ex post quality checks. In the next few years, the Office will strive for further efficiency gains and enhanced consistency and quality, making use of state-of-the-art technologies and applying best practices in the linguistic field.

With regard to administrative translation requests, financial savings will be sought through the use of 'translation memories' using off-the-shelf products. The resulting multilingual repositories will constitute the basis on which to improve automatic translation services.

It is important to offer users, and in particular SMEs in the EU, access to relevant and understandable IP information in their own language or an Office language they can understand. To do so, the potential of machine translation will be explored to allow online instant translations.

With the expansion of the competencies of the Office and the necessity to communicate with users, other stakeholders and the general public in their own languages, there is an increasing need to produce Office communications in all EU official languages and beyond. In order to meet this need, the Office will maintain linguistic expertise in-house to cover the five Office languages for proofreading and revision tasks, ensuring both flexibility in meeting urgent deadlines and the maintenance of a high level of quality. At the same time, linguistic tasks in other languages will be covered through outsourced services, with in-house staff as the 'guardian' of overall multilingual quality.

5.6 Line of Action 6: Strengthen the Intellectual Property system

The activities and projects comprising this Line of Action primarily support the achievement of Strategic Goal 3. A strong IP system must be capable of delivering high quality rights that can be protected in an international environment. Staff excellence, good governance, IT systems, and networking, based on a solid user focus, are pre-requisites for creating such a system. This Line of Action sets out to further strengthen the system by the harmonised implementation of the legislative reform; delivering evidence-based research on key areas of IP; and promoting cooperation and knowledge sharing with and among enforcement authorities. It also sets out to help EU business, in particular SMEs, protect their IP rights and to raise awareness among citizens and decision-makers.

Creativity and innovation are today, more than ever, crucial for securing future jobs and economic growth in Europe.

Underpinning these aims are the inspiration and ideas of creators, designers and inventors, which are protected as intellectual property rights. These rights help to ensure that creativity is properly compensated, and as a result they have become indispensable assets that help drive future development, research and economic progress.

An important contribution to an improved IPR system in Europe consists of the trade mark legal reform package agreed in 2015. The aim of the legal reform is to enhance the accessibility, transparency and efficiency of the system by increasingly harmonising procedural and substantive rules. In order to achieve this goal, the legislative package has proposed modernising targeted provisions, and has provided a clear legal basis for the existing instruments of cooperation between the Office and the EU IP offices, allowing for closer approximation of practices. After adoption, it will have to be implemented at both EU and national level.

As intellectual property rights have continued to rise in value, they have become increasingly attractive to infringers, who recognise that substantial profits can be made quickly and at relatively low cost and risk by misappropriating the work of others.

IPR infringement potentially reduces investment in innovation and dilutes brand reputations and consumer confidence. In this way, it hampers economic growth throughout the EU, cutting vital revenue for national economies and crucial resources for legitimate businesses, and ultimately threatens the employment and even the health and safety of citizens. At a time when economies are desperately pursuing all opportunities for recovery, the effective enforcement of IP rights becomes even more important.

While the Office itself has no operational responsibilities in the area of enforcement, Regulation (EU) 386/2012 entrusted it in 2012 with the European Observatory on Infringement of Intellectual Property Rights. The main tasks of the Observatory, as set out in the Regulation, consist of providing facts and evidence for policymakers to use for formulating IP policies; training enforcers; creating tools and resources to support the fight against IPR infringement; and raising awareness of IP and of the negative effects of counterfeiting and piracy.

By creating a truly inclusive network of public authorities, national and international institutions, business organisations, consumers and other areas of civil society, the Office has been able to bring together a diverse range of knowledge, interests and experiences from a broad range of stakeholders. Consequently, it is in a position to bring about greater understanding, which will allow more informed decisions to be taken on practical and workable strategies.

In addition to fulfilling the mandate of the Observatory, the Office aims to make the IP system in Europe more accessible to companies, in particular SMEs. This requires understanding what barriers, whether real or perceived, companies face when trying to protect their IP, and taking appropriate action to reduce those barriers. Many of the activities and projects under the other Lines of Action in this Strategic Plan also support this objective. For example, by improving predictability and thereby increasing the proportion of problem-free applications, the Office and its partners in the EUIPN will make the system more accessible, particularly to smaller companies, which have fewer resources to deal with deficiencies.

5.6.1 Objective 6.1: Contribute to harmonised implementation of the legislative reform

Once the legislative package has been adopted, it will have to be implemented at both EU and national level. Most changes introduced by the Regulation will come into force (and will therefore have to be implemented) 90 days after publication of the new Regulation in the Official Journal of the European Union. The remaining changes, together with secondary legislation that will have to be drafted to replace the current Implementing Regulation, will come into force 21 months after publication of the basic act. Member States will have to adapt their national laws to the new Trade Mark Directive in most respects within a period of 36 months following the date of publication.

The Office's overall aim is swift, effective and harmonised implementation of the new legislative package, beginning in the fourth quarter of 2015 (publication of the reform) and being completed by the end of 2018 (transposition of the Directive at national level).

The first task will be Office-wide implementation of the changes in the Regulation that will come into force 90 days after publication in order to be in full legal compliance on the date of entry into force. All Office departments affected by the new legislative package will actively participate in implementation, which will include specific action on the change of name and corporate identity during a transitional period of 12-18 months. The same cross-departmental implementation model could be adopted in the event of future legislative reforms (e.g. in the area of RCDs).

Next, the Office Guidelines will need to be amended in line with the new legal provisions at two different points in time — first as a result of the changes that come into force 90 days after publication and then following the changes that come into force 21 months after publication and the corresponding secondary legislation.

As many of the provisions to be discussed in the new parts of the Guidelines are the same in the Directive, it is important to maximise the involvement in the revision process of both the EU IP offices (which will be faced with the same task when transposing these provisions) and the users. This will ensure the broadest possible acceptance of the approach to determining relevant examination standards, which in turn will help reduce disparities between practices across the EU. To this end, the Office will launch an open and inclusive consultation process during the *vacatio legis* period, thus ensuring that the views of all stakeholders are taken into consideration during the revision.

The third task concerns the preparation of the secondary legislation that is required to implement the new basic Regulation no later than 21 months after publication. This process offers an opportunity not only to modernise the Office's procedural framework, but also to conduct a preliminary exchange of views with EU IP offices, which eventually will also have to issue similar rules to give effect to their new national laws, so as to streamline processes as well as procedures. The Office is ready to offer technical support by identifying opportunities for improvement and supplying all available technical data to the EU institutions involved in the implementing or delegated acts, should they so request. The timing will be decided by the EU institutions, and in particular by the Commission, but can be estimated to cover the period between the beginning of the first quarter of 2016 and the end of the second quarter of 2017.

Finally, the Office will endeavour to share best practices and provide technical support to the Member States insofar as requested during the transposition phase of the Directive and the preparation of the corresponding implementing rules, following the model provided by the current Convergence Programme and exploring possibilities for supporting the relevant processes with common standards and tools. The Directive will be transposed within three years of its publication. This period will provide an excellent opportunity to increase harmonisation between the EU and the national levels in all aspects touched upon by the reform.

Implementation of the reform will also allow for the creation of a Mediation Centre. The Office will evaluate the feasibility of creating such a centre to promote alternative dispute resolution for all parties involved in disputes pending before any of its decision-making instances.

By carrying out this programme, the Office will ensure adherence to the legislative package mandates while maintaining service quality and ensuring full transparency and increased harmonisation across the EUIPN. Widespread knowledge and understanding of the changes and their implications for the Office's stakeholders, staff and general public will be achieved through targeted awareness campaigns.

5.6.2 Objective 6.2: Deliver evidence-based research on key areas of IP

IP is continually being challenged by many who feel that the rationale for intellectual property has reached its limits and no longer meets the changing needs of society. In some respects a drive for stronger laws, international treaties and additional enforcement measures have contributed to this argument and led to a negative public reaction. Consequently, IP needs a new narrative that describes and illustrates it, not as an end in itself, but as an instrument that rewards innovation and creativity and acts as a means of consumer protection in terms of quality and other attributes, thereby ensuring wider benefits for society.

Other studies published include those on business models used in the online infringement of IPR, voluntary cooperation practices in combating infringement, IP in education, and a situation report on counterfeiting in the EU, which was published jointly with Europol in 2015.

Taken together, these studies form a ‘trilogy’ of broad themes. The first theme is the positive contribution of IP rights to the economy and society; the second looks at the knowledge and perception of IP and IPR among citizens; and the third examines the extent and impact of IPR infringement.

In the next few years, the Office, acting through the Observatory, will continue to build on its research within the framework of this trilogy. The IP Contribution study on IPR-intensive industries will be repeated every three years in order to gauge the evolution of the role of IP in the EU economy, and the firm-level study will be repeated and expanded in 2018 or 2019. Similarly, the IP Perception study will also be repeated at periodic intervals to detect trends in the evolution of attitudes towards IP rights among the population, and to examine more closely the attitudes of young people and children. A Youth Scoreboard survey will be carried out on the 15-24 age group, while research will also target younger children to assess their positioning vis-à-vis IP.

One of the findings from the IP Contribution study is that the majority of SMEs own no IP rights even though those that do perform better in economic terms. A follow-up study, the SME Scoreboard (which will also be repeated periodically), will examine the reasons behind the low level of usage of IP rights among SMEs, with a particular focus on any barriers they may encounter when trying to protect their IP.

The third leg of the trilogy of studies, dealing with infringement, will also see significant efforts in the next few years. IP infringements are carried out through a number of substantially different and constantly developing business models. Studies will focus on the involvement of a number of intermediaries, facilitators and enablers in both the physical and the online world. The Observatory is also currently undertaking mapping of different industry sectors to identify the legal and the illegal supply chains of products and services, including where the legal supply chain is breached by the illegal supply chain. These studies will demonstrate the ‘how’ as regards infringement, by exposing the methods used to bring the infringing products and services to the consumer. The goal is to develop a complete map and understanding of the business models used, the different supply chains and the roles of intermediaries, facilitators and enablers.

A second set of infringement-related studies will continue to examine the economic impact of infringement, taking into account its costs to both the private and public sectors. A major study carried out jointly with the OECD, to be published in 2016, will quantify the volume of trade in

counterfeit goods in the EU and globally. In parallel, the Office will continue to carry out sectorial studies on counterfeiting and will also endeavour to extend the methodology to piracy of digital content. A study of infringement of Geographical Indications began in 2015 that will also be completed in 2016. In cooperation with the European Commission's Joint Research Centre, the extent of infringement and its impact on digital content industries, such as the music, film or e-book industry, will be quantified. Taken together, these studies will provide as full a picture as possible of the economic cost of IPR infringement to the EU economy and society.

Further studies on the functioning of the IP system and the role of IP rights will examine the role played by public domain works serving as a basis for further creations, and studies on the importance of trade secrets for European companies. Finally, the Office will conduct a feasibility study to examine the possibility of integrating IPR infringement estimates into national accounts' measurements, using Satellite Accounts as the vehicle.

5.6.3 Objective 6.3: Strengthen cooperation and knowledge-sharing with and among enforcement authorities

IP rights are only effective if they can be effectively enforced. There is, therefore, the need to enhance the expertise of the persons involved in IP enforcement activities, including customs, police, regulatory services, prosecutors and judges.

Increasing knowledge of best practice strategies, approaches and techniques is vital for enforcement stakeholders and other key players. The Office, through the Observatory, will foster the identification and adoption of best practices by engaging experts to identify good enforcement practices and produce reports to be peer-reviewed by experts within Observatory working groups, relevant enforcement authorities and representatives from Member States in the Observatory. As a result, reports and results produced in cooperation with partners will be distributed to Member States and EU authorities and institutions, as well as to the Observatory stakeholders in order to exchange information about relevant cases and experiences; encouraging training opportunities and sharing of IP enforcement know-how, expertise and good practice; fostering dialogue with public and private enforcement experts; and exploring successful approaches or systems across EU Member States, aiming to encourage adoption of the most effective measures across the EU.

In order to follow up on the main conclusions of the best practices' reports already undertaken, work will be carried out in collaboration with the relevant stakeholders to assist in the creation of interagency cooperation schemes in IP enforcement in those Member States where such schemes have still not been established and strengthen the cooperation and coordination between the Observatory and the existing national interagency networks.

The Office will continue working with Europol and other bodies such as Eurojust to develop and deliver knowledge-building events in specific sectors. These events are attended by police and customs officers, and potentially also by prosecutors and judges. At the same time, the regionally-based model of holding workshops throughout the EU targeting local judges, prosecutors, customs and police will continue. The workshops involve private sector stakeholders and address the knowledge requirements for each specific region. DG Taxation and Customs Union, CEPOL and Eurojust are involved in this initiative to liaise with customs, police and judiciary authorities in the relevant region. Specialised courses and user-friendly e-learning tools are being developed in collaboration with CEPOL and Europol (for police authorities), and DG Taxation and Customs Union

(for customs), addressing specific topics such as investigative techniques in IPR infringement cases (for police officers), small consignments (for customs) and use of existing databases that can help in IPR enforcement (for both police and customs).

In order to ensure that efforts in this area capitalise on existing work through coordination and collaboration, and to avoid duplication, a Coordination Group was created in 2014 to discuss priorities, trends and joint initiatives. This group is formed by agencies/organisations such as: DG Taxation and Customs Union, OLAF, Europol, CEPOL, Eurojust, WIPO, Interpol and WCO. It meets once a year to discuss, develop and coordinate ongoing activities in the area of knowledge building in IPR enforcement. In the future, the group could also form a think-tank to spot new training needs and set up joint programmes to meet those needs.

In order to help step up the fight against IPR infringements, the Office has fostered close cooperation with the two law enforcement authorities of the EU, Europol and Eurojust. Europol and the Office have signed a collaboration agreement and a grant agreement that will enable the Office to contribute EUR 500 000 to Europol activities. A prosecutors' network is being set up in collaboration with Eurojust. It is foreseen that by 2020, thanks to their cooperation with the Office, Europol and Eurojust will have increased the number of actions they coordinate to tackle large-scale IPR infringements that focus on tackling infringement. The Office has agreed to collaborate with CEPOL to create a virtual IP training centre for enforcement authorities and to invite Europol, Eurojust and the European Judicial Training Network to join this project in due course.

The Anti-Counterfeiting Intelligence Support Tool (ACIST) database is becoming an increasingly important knowledge-sharing tool for enforcers. This tool is a central repository to collect statistics on seizures carried out at EU borders and within the EU Internal Market. The aim is to help the Observatory and Member State authorities to analyse and identify infringement trends. The tool is fed with data provided by DG Taxation and Customs Union (border-related information) and by police authorities from EU Member States. Work will be initiated to analyse methodologies used in different Member States for collecting, evaluating and exchanging data on counterfeiting and piracy and to assess whether opportunities for convergence can be identified.

In order to promote convergence of practices among Member States in the area of collection and analysis of enforcement-related jurisprudence, a repository of key judgments related to enforcement of IP rights rendered at national level in EU Member States has been created. An analysis of selected judgments that are considered of particular interest and importance will be prepared, and the scope of the repository (currently running as a pilot scheme with eight Member States) will be expanded to the entire EU. The information collected will be made available to the public in the Office case-law database.

In June 2014 the Office co-organised the International IP Enforcement Summit with the UK Intellectual Property Office and the European Commission. The summit was attended by over 300 senior delegates representing governments, policymakers, enforcement agencies and multinational businesses from within the EU and abroad. The feedback received was very positive and the Office decided to establish the summit as a periodical event to be organised in European capitals in collaboration with the European Commission and the relevant EU IP offices. The overriding objective is to foster increased engagement between national and EU partners in combating counterfeiting and piracy.

5.6.4 Objective 6.4: Support EU businesses, in particular SMEs, in protecting their IP rights

SMEs are the backbone of the EU economy, and the results of the IP Contribution study demonstrate that IP rights are an economic asset for them. However, the study also demonstrates that more needs to be done to promote the advantages of IP rights among SMEs. The aim should be to help SMEs to explore the full potential of their IP. The results of the SME Scoreboard will help the Office to understand what awareness initiatives can be more effective to reach SMEs and also help policymakers to identify where legislative interventions could be required to enable SMEs to gain full advantage from their IP assets.

Another way in which the Office gives support to both business and enforcement authorities is through the deployment of tools designed to make it easier for companies to communicate with customs and other authorities. Due to the complex enforcement structures and networks that exist across the EU and the rest of the world, there is a growing need for more sophisticated, accessible and interlinked tools to allow authorities and rights holder's to identify suspect infringing goods quickly and to have speedy and direct contact.

The Office, through the Observatory, is currently engaged in developing tools to help improve online exchanges of information related to the enforcement of intellectual property rights, and to provide a central access point for many searchable databases of IP-related material, including tools such as TMview and DesignView. One such tool is the EDB, which is linked to TMview and DesignView, allowing data and information, including information provided by right holders, to be made available to enforcement authorities.

The Office, the European Commission (DG Taxation and Customs Union) and Europol work closely together to ensure that this tool complements and is interoperable with systems already developed, thus creating an effective infrastructure to help law enforcement authorities within the EU to fight against counterfeiting. These include the COPIS system developed by DG Taxation and Customs Union, which enables electronic exchanges of information between EU customs authorities. The Office also collaborates with the World Customs Organization (WCO) to make the Enforcement Database interoperable with the WCO-IPM system, thus avoiding duplication of work and making it easier for right holders to reach customs authorities outside the EU.

In the next few years, the EDB will be enhanced, by improving interoperability with the European Commission and WCO systems and by becoming available on mobile platforms, in order to enable police and customs authorities to use the tool in operational contexts.

European companies face many challenges when protecting their IP outside the EU. In order to help them in this effort, the Office has launched several initiatives including providing country guides describing the situation in key non-EU countries in respect of IPR protection and working with the Commission in its programmes (such as IPR SME helpdesks) to support companies doing business in China, ASEAN and Mercosur.

An important element in the effort to help companies enforce their IP rights outside the EU is the development of the ACRIS database, a web-based tool that will allow EU companies to report concrete cases of violations in non-EU countries and the respective follow-up by national authorities. This information will be enhanced by regular surveys on the status of IPR protection and enforcement in non-EU countries.

The vision for the three enforcement-related tools, the EDB, ACIST and ACRIS, is to merge them to create one enforcement platform intended to help right holders (and/or their legal representatives) and enforcers to step up the fight against counterfeiting and piracy. The platform will also ease the administrative work of right holders/legal representatives when requesting enforcers for actions, thus reducing the relevant costs. The new merged tool should be able to handle all necessary communications between right holders and enforcers.

The Office will also evaluate the feasibility of establishing, on an EU level, a digital platform enabling authors, inventors and other creators to upload their works to a central repository in a secure and confidential manner, in order to keep evidence of the date of creation or invention, similar to the *enveloppe Soleau* system.

5.6.5 Objective 6.5: Raise awareness among citizens and decision-makers of the impact and value of IP rights

Raising awareness of IP rights among citizens builds on the results of the various studies carried out, which enable the Observatory network to build a fresh narrative around IP and to raise awareness of the importance of protecting IP among policymakers and citizens.

Awareness campaigns designed by the Office and deployed nationally by IP offices and other relevant national authorities will target and challenge specific perceptions identified through studies such as the IP Perception study with tailored messages relying on evidence-based information or elements (studies, other projects etc.), presented in a way best suited to the specific audiences. The approach based on pan-European design and national implementation will ensure that messages can be adapted to national contexts and be more cost-effective for the Office. In concrete terms, the Office will cooperate with EU IP offices and other national authorities to set up targeted campaigns designed on the basis of the national results of Observatory studies and market research. In addition, an Annual Fund for awareness campaigns carried out by private sector organisations has been set up in order to further support initiatives in the Member States in this area.

In order to provide a showcase for the increasing importance of designs, in 2016 the Office will launch an annual award programme aiming to recognise companies for design excellence and to promote the Registered Community Design (RCD). The scheme will pay special attention to successful design management and introduction to the market, making use of the RCD. Awards will be available for three categories: industry, small enterprises/startups, and lifetime achievement. It is planned to hold the award ceremony in the final quarter of 2016 and to run the event every two years.

The IP Perception study revealed that there is a particular need to address the youth segment with awareness-raising efforts. This has resulted in further studies focused on children and young people, including the study on IP in education and the Youth Scoreboard. Another strand in this work stream includes social media and online activities designed to build the community and leverage support among youngsters for the development and deployment of future campaigns. The vision for 2020 is to have made raised awareness of IP and the related issues of counterfeiting and piracy among youngsters and children via integration of some IP elements in school curricula and as part of extra-curricular activities with stakeholder cooperation. The aim is to create a personal link between IP and the young people and develop an emotional perception of IP. For children, the objective is to start to

offer some education on IP and its components as well as to generate respect for IP. As is the case with general awareness-raising campaigns, the 'raw material' for the campaigns targeted at youngsters comes from the studies carried out by the Observatory. However, the message must be appropriately tailored to the relevant age group.

Following the IP in Education study published in 2015, the Observatory will create and coordinate a specialised IP Education Network made up of representatives of the Ministries of Education and specialised stakeholders with the aim of jointly developing appropriate resources and tools featuring IP for teachers and pupils.

The IP Perception study also showed that sometimes consumers are misled into buying counterfeit products or into downloading digital content from illicit sources, or that they have difficulty determining whether a particular product/service or sales channel is legitimate. Therefore, it is one of the tasks of the Observatory to assist consumers in differentiating legitimate from infringing sites better, both for physical goods and digital products. The first projects in this work stream have been launched, consisting in creating an online European aggregator of legal offers and setting up a list of Frequently Asked Questions intended to help citizens to put copyright in the context of their daily activities. Moreover, work has started in collaboration with the European Commission Joint Research Centre to produce a situation report on the status of technology that can empower right holders, enforcers and citizens in the fight against counterfeiting.

The Orphan Works database was set up by the Office in 2014, in line with the requirements of Directive 2012/28/EU. The main purpose of the database is to provide a single harmonised point of access to information about orphan works and to facilitate the exchange of such information between the beneficiary organisations (public libraries, educational establishments, museums, archives, film or audio heritage institutions and public-service broadcasting organisations), competent national authorities and the general public. The vision for 2020 is to make the database a successful European repository of information related to orphan works, in collaboration with the competent national authorities and the beneficiary organisations in the EU Member States and EEA countries.

Future activities include launching a grant scheme/open tender/competition for market competitors to develop online solutions (search engines, web browsers plug-ins, etc.) to help consumers identify sites that sell counterfeit goods and/or offer unauthorised digital contents.

Glossary of acronyms

AB/BC	Administration Board and Budget Committee of the Office (now Management Board and Budget Committee)
ACIST	Anti-Counterfeiting Intelligence Support Tool
ACRIS	A web-based database tool that will allow EU companies to report concrete cases of violations in non-EU countries
AD	Administrator function group
ASEAN	Association of South East Asian Nations
AST	Assistant function group
CEPOL	European Police College
CPVO	Community Plant Variety Office
CTM	Community Trade Mark (now EU Trade Mark)
EDB	Enforcement Database
EJTN	European Judicial Training Network
EPO	European Patent Office
EPSO	European Personnel Selection Office
ERP	Enterprise Resource Planning
ETMDN	European Trade Mark and Design Network (now the European Intellectual Property Network)
EUIPN	European Union Intellectual Property Network (formerly European Trade Mark and Design Network)
EUIPO	European Union Intellectual Property Office (formerly OHIM)
EUTM	EU Trade Mark (formerly Community Trade Mark)
GDP	Gross Domestic Product
GI	Geographical Indication
HR	Human Resources
IP	Intellectual Property
IPR	Intellectual Property Right
JPO	Japan Patent Office
JRC	Joint Research Centre
KIPO	Korean Intellectual Property Office
MBBC	Management Board and Budget Committee of the Office (formerly Administrative Board and Budget Committee)
MFF	Multiannual Financial Framework
OALP	OHIM Academy Learning Platform
Observatory	European Observatory on Infringements of Intellectual Property Rights
OECD	Organization for Economic Cooperation and Development
OHIM	Office for Harmonization in the Internal Market
OLAF	The European Anti-Fraud Office
RCD	Registered Community Design
SAIC	State Administration for Industry and Commerce of China
SIPO	China's State Intellectual Property Office

SME	Small and Medium-Sized Enterprises
SNE	Seconded National Expert
TM5/ID5	The world's five leading trade mark and design offices (OHIM, the Japan Patent Office, the Korean Intellectual Property Office, the State Administration for Industry and Commerce of China and the United States Patent and Trademark Office)
USPTO	US Patent and Trademark Office
WCO	World Customs Organization