



Europäisches
Patentamt

European
Patent Office

Office européen
des brevets

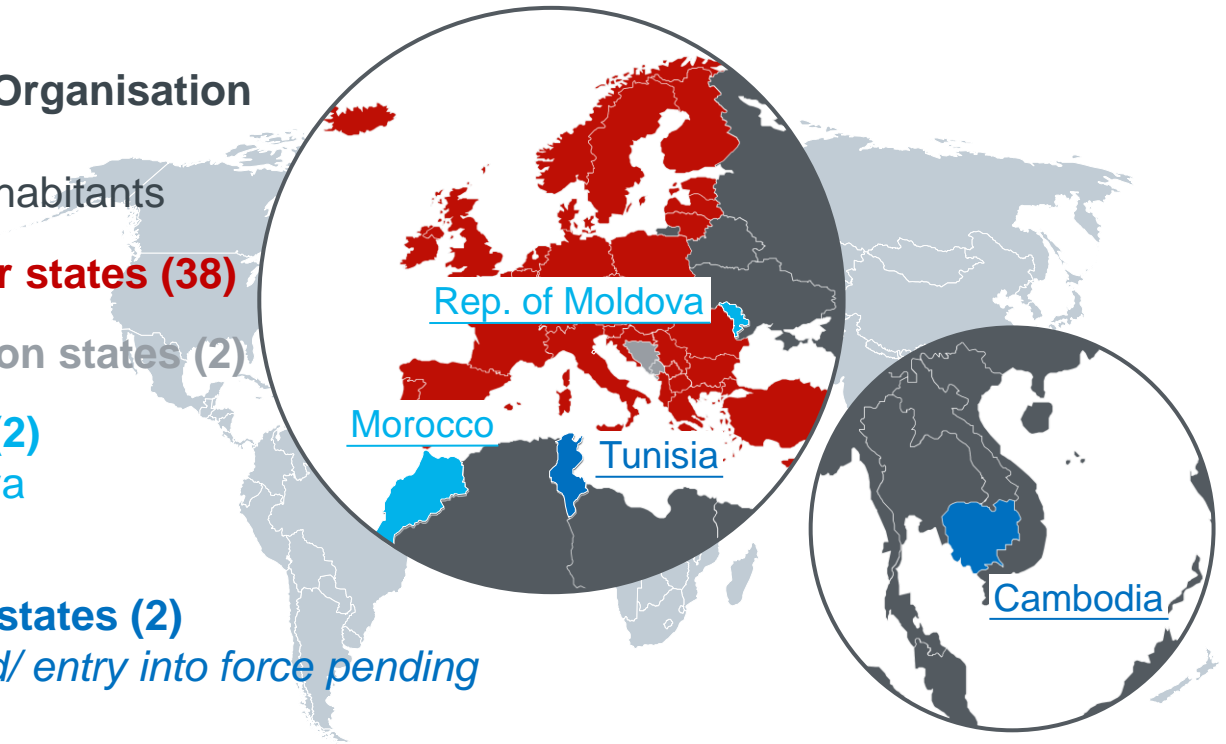
European Patent Office

Annual results press conference

Brussels, 7 March 2017

European patent system extends beyond Europe

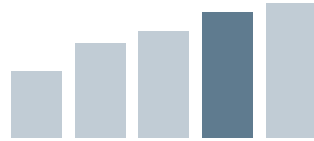
- ➔ **European Patent Organisation**
Founded in 1973
Over 650 million inhabitants
- ➔ **European member states (38)**
- ➔ **European extension states (2)**
- ➔ **Validation states (2)**
Republic of Moldova
Morocco
- ➔ **Future validation states (2)**
Agreements signed/ entry into force pending
Tunisia
Cambodia



The EPO at a glance

2nd largest

intergovernmental institution in Europe



Global player

and voice of Europe in patents



✓ Will be in charge of
**delivering and
administering the
Unitary Patent**

ISO 9001 certification:

High-quality European patents are drivers of innovation, securing the competitiveness of the European economy

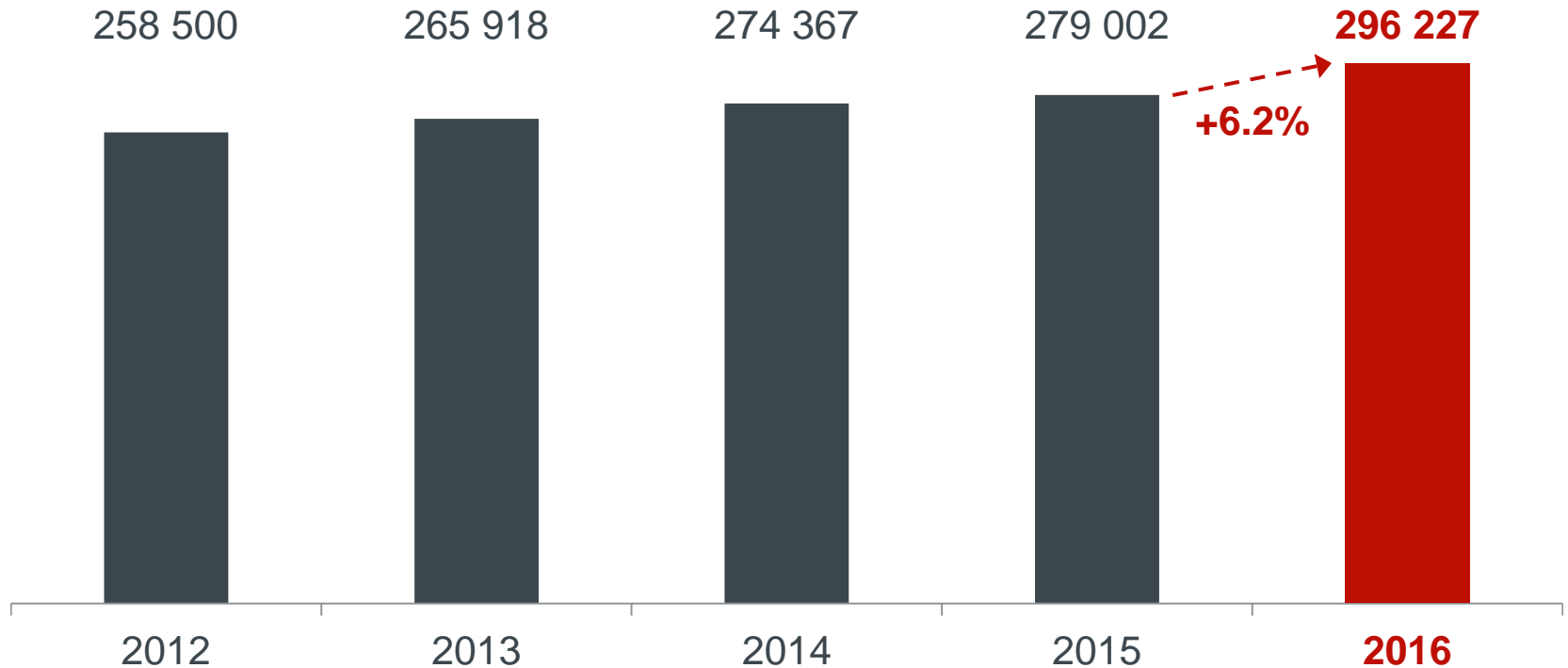


 **7 000** employees,
of which around **4 300** highly qualified examiners



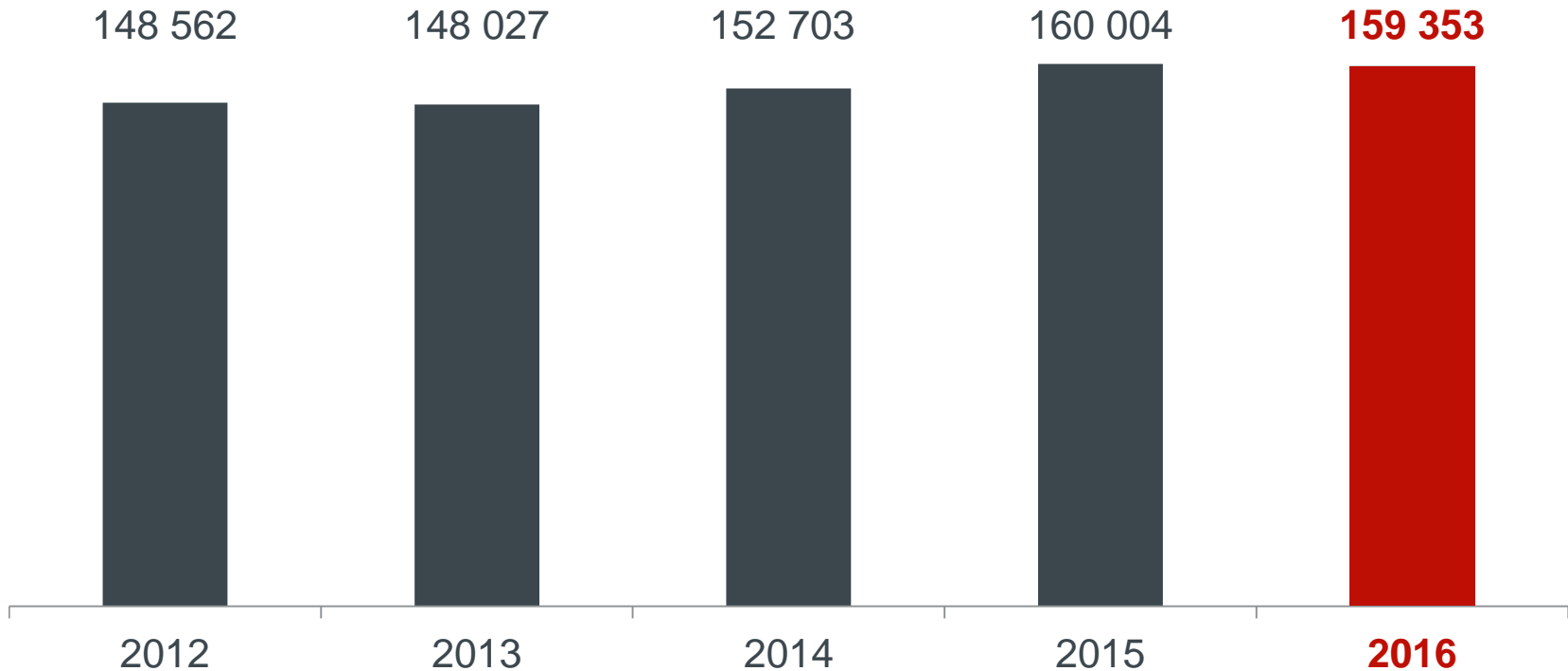
Self-financing:
budget of **EUR 2.2bn**
without any public funding

2016 filings: Europe more and more attractive for patents



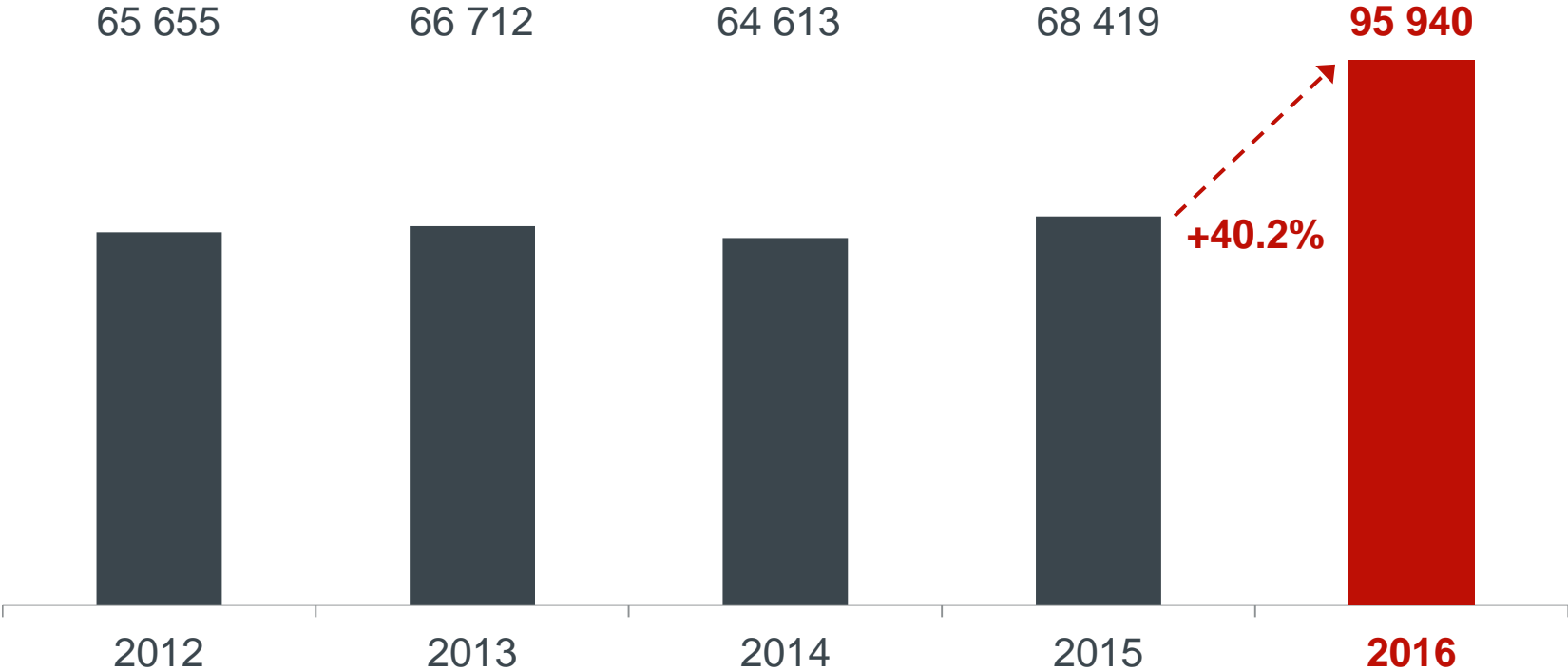
Note: filings are a preliminary patent application activity indicating the potential interest of innovating businesses from all over the world in the European technology market. Filings refer to direct European patent applications filed at the EPO under the European Patent Convention, plus international patent applications filed under the Patent Cooperation Treaty (PCT). This analysis is based on data from the EPO and WIPO (for PCT filings) as available on 27/01/2017. The PCT filings for 2016 are therefore estimates.

European patent applications: stability at a high level



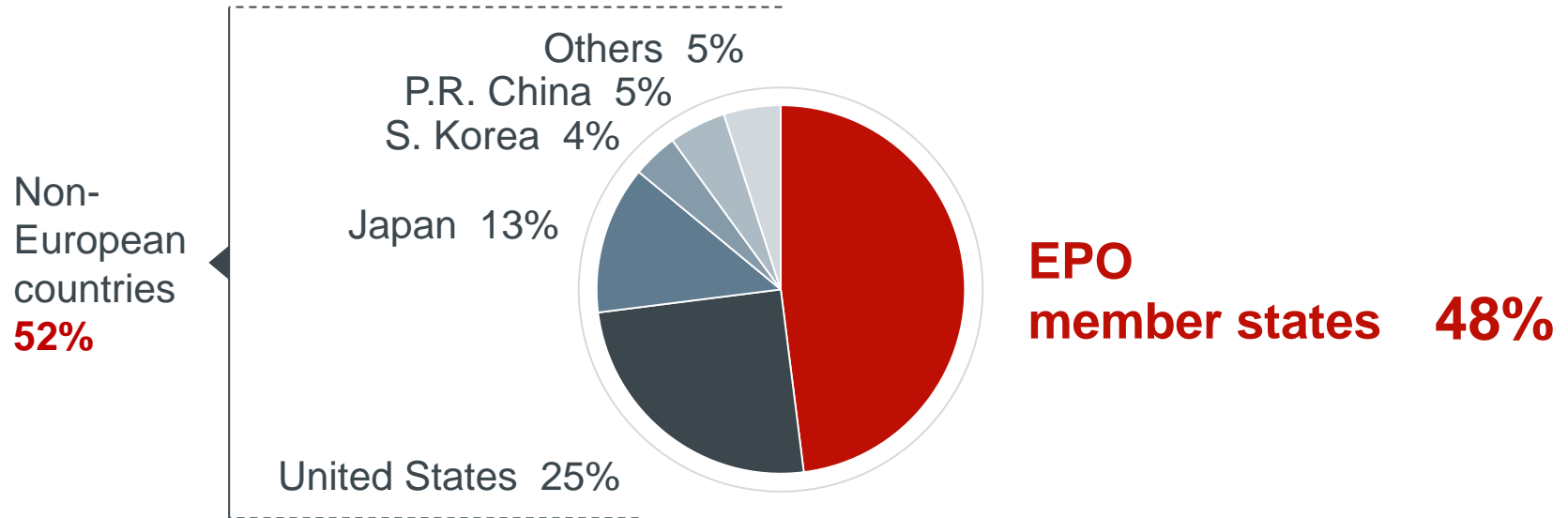
Note: applications are the files for which applicants have decided to request a European patent from the EPO. They are a direct measure of the explicit interest of innovating firms to assert their patent rights on the European technology market. Applications refer to direct European patent applications filed at the EPO under the European Patent Convention, plus international Patent Cooperation Treaty (PCT) filings which entered the European regional phase (becoming a European application) in the year under review.

Granted patents: an unprecedented surge



Note: this analysis is based on granted patents published.

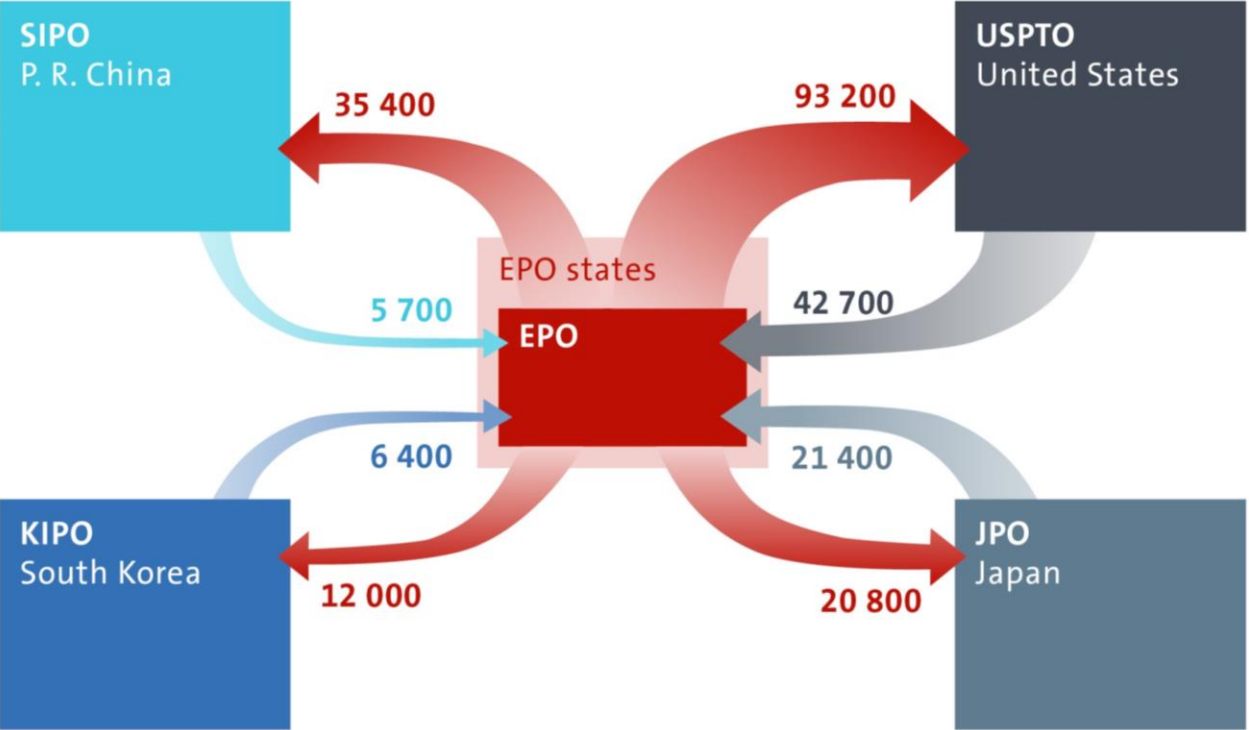
European companies represent almost half of applications



Notes:

- Analysis based on direct European patent applications filed at the EPO under the European Patent Convention, plus international Patent Cooperation Treaty (PCT) filings which entered the European regional phase (becoming a European application) in the year under review.
- Applications are allocated to the country of residence of the first-named applicant
- EPO: the 38 member states of the European Patent Organisation, including EU28

European companies: a continuous positive patent balance



- Notes:**
- Analysis based on applications received by the five largest patent offices (IP5 offices) in 2015.
 - Source of the data: IP5 Statistics Report 2015

Top countries for European patent applications

TOP 10

	2016 Applications	2016 Shares	Change Applications
1 United States	40 076	25%	- 5.9%
2 Germany	25 086	16%	1.1%
3 Japan	21 007	13%	- 1.9%
4 France	10 486	7%	- 2.5%
5 Switzerland	7 293	5%	2.5%
6 P.R. China	7 150	5%	24.8%
7 Netherlands	6 889	4%	- 3.6%
8 S. Korea	6 825	4%	6.5%
9 United Kingdom	5 142	3%	1.8%
10 Italy	4 166	3%	4.5%

Note: applications refer to direct European patent applications filed at the EPO under the European Patent Convention, plus international Patent Cooperation Treaty (PCT) filings which entered the European regional phase (becoming a European application) in the year under review. Applications are allocated to the country of residence of the first-named applicant.

Growth rates in 2016 – increases and decreases

Growth champions in 2016

China	+ 24.8%
Belgium	+ 7.0%
South Korea	+ 6.5%

Growth from large volume European countries

Italy	+ 4.5%
Austria	+ 2.6%
Spain	+ 2.6%
Switzerland	+ 2.5%
UK	+ 1.8%
Germany	+ 1.1%

Declining numbers of applications

Finland	- 8.8%
Sweden	- 7.4%
United States	- 5.9%
Netherlands	- 3.6%
France	- 2.5%
Japan	- 1.9%

Growth from lower volume countries

India	+ 31.7%
Turkey	+ 11.6%
Luxembourg	+ 11.1%
Israel	+ 9.8%
Portugal	+ 8.5%
Ireland	+ 8.1%

Note: this analysis is based on direct European patent applications filed at the EPO under the European Patent Convention, plus international Patent Cooperation Treaty (PCT) filings which entered the European regional phase (becoming a European application) in the year under review. Applications are allocated to the country of residence of the first-named applicant.

European applications per million inhabitants: European countries ahead

TOP 20

	2016		2016		
1	Switzerland	892	11	Israel	148
2	Netherlands	405	12	Ireland	134
3	Sweden	360	12	S. Korea	134
4	Denmark	334	14	United States	124
5	Finland	331	15	Norway	99
6	Germany	311	16	United Kingdom	80
7	Austria	234	17	Singapore	75
8	Belgium	191	18	Italy	67
9	Japan	166	19	Chinese Taipei	60
10	France	157	20	Slovenia	57

← EU average 122

Note: Applications refer to direct European patent applications filed at the EPO under the European Patent Convention, plus international Patent Cooperation Treaty (PCT) filings which entered the European regional phase (becoming a European application) in the year under review. Applications are allocated to the country of residence of the first-named applicant. Source of population figures: International Date Base, U.S. Census Bureau.

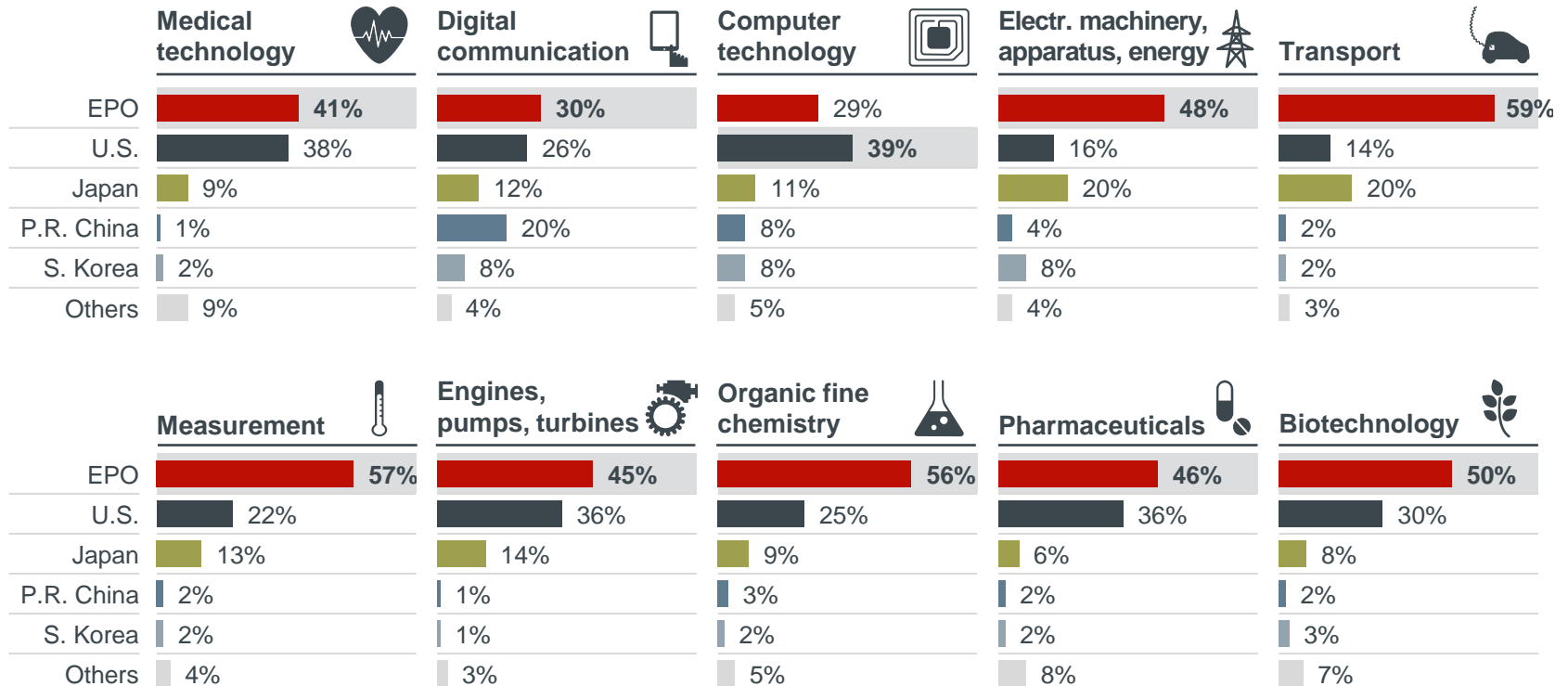
Leading fields of technology – global

TOP 10

		2016	Change	
1	Medical technology	12 263	- 2.1%	↘
2	Digital communication	10 915	- 1.2%	↘
3	Computer technology	10 657	2.9%	↗
4	Electrical machinery, apparatus, energy	10 293	5.1%	↗
5	Transport	8 402	3.6%	↗
6	Measurement	7 442	- 3.8%	↘
7	Engines, pumps, turbines	6 301	- 0.5%	↘
8	Organic fine chemistry	6 189	- 4.0%	↘
9	Pharmaceuticals	5 754	- 5.0%	↘
10	Biotechnology	5 744	0.3%	↗

Note: this analysis is based on direct European patent applications filed at the EPO under the European Patent Convention, plus international Patent Cooperation Treaty (PCT) filings which entered the European regional phase (becoming a European application) in the year under review. Statistics are based on the first-named applicant.

Europe leads in 9 of 10 biggest technology fields



Note: this analysis is based on direct European patent applications filed at the EPO under the European Patent Convention, plus international Patent Cooperation Treaty (PCT) filings which entered the European regional phase (becoming a European application) in the year under review. Statistics are based on the first-named applicant.

Top 2016 applicants: European companies stand their ground

TOP 10

		2016	Change	
1	Philips	2 568	6.9%	↗
2	Huawei	2 390	22.4%	↗
3	Samsung	2 316	-2.1%	↘
4	LG	2 313	10.6%	↗
5	United Technologies	2 067	10.6%	↗
6	Siemens	1 871	-1.2%	↘
7	Qualcomm	1 704	-0.1%	↘
8	General Electric	1 628	21.5%	↗
9	BASF	1 410	1.9%	↗
10	Robert Bosch	1 327	-11.1%	↘

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

Note: this analysis is based on direct European patent applications filed at the EPO under the European Patent Convention, plus international Patent Cooperation Treaty (PCT) filings which entered the European regional phase (becoming a European application) in the year under review. Statistics are based on the first-named applicant.

Most European patents granted to Robert Bosch

TOP 10

		2016	Change	
1	Robert Bosch	1 482	29.8%	↗
2	LG	1 173	67.3%	↗
3	Samsung	1 047	48.9%	↗
4	Siemens	1 046	48.6%	↗
5	Ericsson	971	35.4%	↗
6	General Electric	930	39.4%	↗
7	Huawei	924	85.5%	↗
8	Philips	872	43.4%	↗
9	Qualcomm	853	78.1%	↗
10	Nokia	716	207.3%	↗

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

Note: this analysis is based on granted patents published and on the first-named patentee.

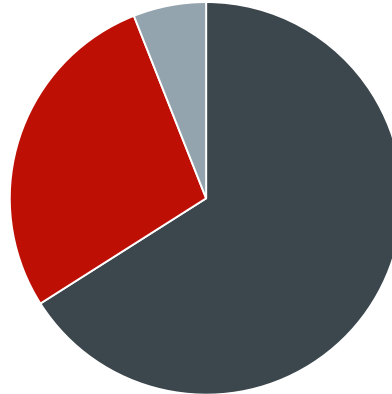
SMEs are significant players in European innovation

Universities and public research institutes

6%

SMEs, individual inventors 28%

- Share increased by **2 pt.** vs. 2015
- **67%** of the applications filed by this category come from **EPO member states**



Large enterprises
66%

Note: this analysis is based on a representative sample of patent applications treated by the EPO in 2016 and on the definition of SMEs from the European Commission.

Challenges for the EPO

Consistent growth in demand for patents

Competitive international environment

Technically complex applications

Users' expectations in terms of **costs and timeliness**

Our strategic priorities

- + Increase quality
- + Increase efficiency
- + Increase timeliness
- + Control costs



**THE RESULTS
IN 2016**

Better performance to tackle our challenges

+8.5%

PRODUCTION

Search, examination, opposition



Production increase



60% due to productivity gains



40% due to capacity increase

2016 = 396 000 products

+40%

GRANTED PATENTS

Published patents



2016 = 96 000 patents

-25%

REDUCING OUR STOCK

Search, examination, opposition



**Stock reduction in months of work
over 2 years**

-20%

REDUCING OUR COSTS

Unit cost

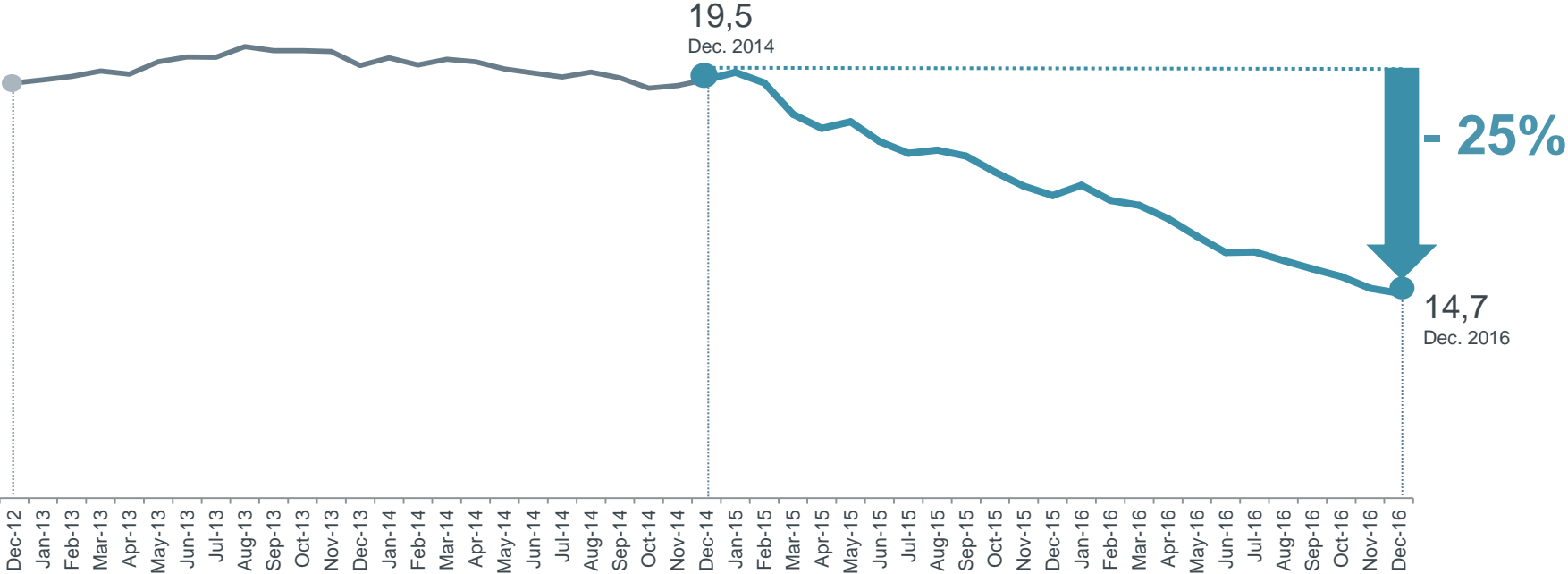


3rd consecutive year of falling unit cost

2016 = 80% of the unit cost of 2006

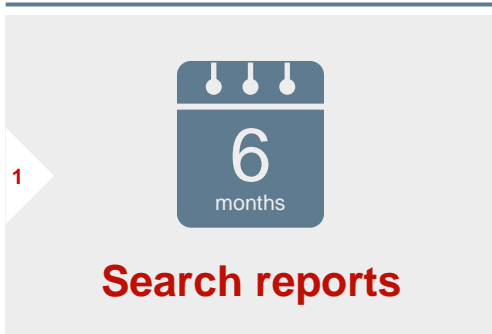
Stock has been reduced by 25% over the last two years

Stock in months of work



Speeding up our work processes

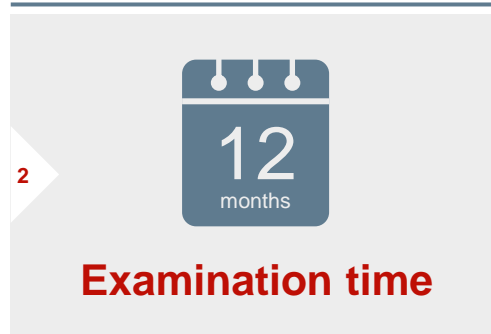
Know what's ahead



We deliver search reports within 6 months of receipt.

Actual Search timeliness
5.1 months

Reliable rights on time



We are reducing examination times to just 12 months on average by 2020.

Actual Examination timeliness
23.3 months

Challenges resolved faster



We aim to conclude oppositions to newly granted patents in just 15 months on average.

Actual duration of oppositions
24.8 months

Continuously improving quality – Our first priority

- **World's largest database** for patent searches (1 bn records);
- Access to 50 million original patent **documents from Asia**;
- **Consulting with users** around the globe;
- **ISO 9001 certification** to safeguard the quality of our processes;
- High level of **customer satisfaction** (EPO User Satisfaction Survey);



Global benchmark for quality
EPO ranked best patent office in IAM survey in June 2016

3 studies to review and assess our achievements

- **Social study (PWC)**

Assessing our working conditions and staff satisfaction

- **Financial study (Deloitte)**

Examining the EPO's financial health and sustainability

- **Occupational Health & Safety Risks (IIRSM)**

Mitigating the risks inherent in our workplace

- The EPO's working conditions are excellent and internal legal rules **compare favourably with best international legal standards and practices.**
- **Social dialogue** needs to be improved: MoU with one trade union already concluded.
- The EPO is stronger **financially** than in 2011
- Coverage of financial liabilities, incl. **staff pensions secured**

The EPO's priorities for 2017

Core tasks:

- Continue successful implementation of the Quality and Efficiency Policy;
- Move towards a fully end-to-end digitalised “EPO 4.0”

Internal situation:

- Move forward from a culture of litigation to a ‘we’ culture of trust;
- Enhance the dialogue with our social partners, in particular trade unions.

2017 will also be a special year for the Unitary Patent

Objectives of the Unitary Patent

A **simplified** and **cost-effective** patent system for Europe

- Facilitates access to patent protection for **SMEs, universities** and **public research centres**
- **Makes Europe more attractive** for innovation and investors
- Boosts Europe's **competitiveness**

Basic principles of the Unitary Patent

- Based on a **European patent**, granted by the EPO under the EPC
- **Unitary effect** extends to the 26 EU member states currently participating, at the inventor's request
- Registered by the EPO **in one single administrative step**
- An **additional option for inventors**, alongside the existing European and national patent systems
- Can be **combined with the European patent** to cover up to 42 countries¹
- **Uniform litigation system** (the Unified Patent Court)

1. The 38 member states of the European Patent Organisation, plus two extension states (Bosnia-Herzegovina, Montenegro) and two validation states (Morocco, Republic of Moldova).

Status on progress as of March 2017

Member states preparations – Ongoing

- Ratification of the UPC Agreement ongoing.
12 states have ratified so far:

<u>Austria</u>	<u>Finland</u>	<u>Malta</u>
<u>Belgium</u>	<u>France</u>	<u>Netherlands</u>
<u>Bulgaria</u>	<u>Italy</u>	<u>Portugal</u>
<u>Denmark</u>	<u>Luxembourg</u>	<u>Sweden</u>

- Brexit:
 - in November 2016 the UK reaffirmed its intention to ratify during 1st semester 2017

Preparations – Completed

- The EPO is ready to deliver the Unitary Patent.
- The member states will start operating the Unified Patent Court on 1 Dec. 2017

Conclusion: the EPO in 2016

- ✓ 2016 was a **positive year** for the EPO
- ✓ **Reforms** are proving to have been **successful**
- ✓ **Increasing quality, production and productivity**
- ✓ **International influence** has grown
- ✓ The European patent system **continues to expand**
- ✓ Despite the BREXIT discussion, the **Unitary Patent is ready for launch**



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Thank you for your attention

press@epo.org
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