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Staff Union

of the European Patent Office

"Vakbond van het Europees Octrooibureau" (VEOB)
Afdeling Den Haag

SUEPO – IGEPA – USOEB – VEOB

ANNUAL REPORT – 2022

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iv. Central Staff Committee members in The Hague

Full Members	Rhiannon Mitchell-Thomas Dirk Dobbelaere Fausto Ciotta Teresa Juárez	Examiner – Vice Chair Examiner Examiner Examiner
Alternate members	Florence Olsder Joël Bastié Philippe Couckuyt Tiago Pinheiro	Formalities Officer Formalities Officer Examiner Examiner

2. Announcements

Annual General Meeting

The AGM will take place on 15 November 2023

AGENDA

1. Approval of the agenda
2. Minutes AGM 2021
3. Annual Report 2022
4. Financial Report 2022
5. Auditors Report 2022
6. Acceptance of the accounts 2022
7. Number of full members of the Bureau (Art. 15.2 Statute) – proposal: no change: 7 full members and remaining candidates elected as alternates
8. Approval of 2024 membership fees
 - a. for members in active service: no change to the percentages (fees will be calculated in the same way as in 2023)
 - b. New proposals:
 - i. for pensioners: indexation of the present fee according to the SAP of the previous year, rounded up to the nearest euro – the present 50 euros fee for 2023 fee will be indexed according to the 2022 SAP to 55 euros for 2024
 - ii. for new employees: first year free during the first 3 years of employment
 - iii. for Young Professionals: same flat rate as pensioners
9. Amendments to the statutes & election rules: no amendments
10. Discharge of the Committee
11. Election of the Auditors for the 2023 accounts
12. Election of the Electoral Committee for the elections in December 2023

The SUEPO Elections

Are foreseen in December 2023

3. Chairperson's Report for the Year 2022 (November 2023)

Authors: Dirk Dobbelaere and Isabelle Brandt

Foreword

SUEPO is key to defending EPO staff's rights and interests.

Last year some major legal cases were won by SUEPO at the ILOAT: correcting the illegally introduced **strike regulations** of July 2013, restoring **freedom of association** and demanding that **freedom of communication** be reinstated.

The EPO implemented the first two judgments. The right to strike was reinstated and in July 2023, staff representation elections were organized by staff members without the interference of management, but with the cooperation of the administration for the voting logistics. The third judgment on freedom of communication has however been met by an **obstacle course**. This continues to be a hindrance to effective union work.

Regrettably, the ILO more recently gave the New Career System a thumbs up¹ but SUEPO is considering the possibility of filing an application for review of the judgments.

As a union, we can only bear influence if we present a force to reckon with to the administration. Consequently, increasing the number of members and their engagement in union matters is and should be the persistent goal of SUEPO The Hague.

In combination to a generation change linked to the age pyramid of our members as already highlighted last year, it is vital for the Union to develop further means, ideas and actions.

The SUEPO app – an initiative started by the previous committee and our administrator Marc – is coming to fruition. The initiative started in The Hague, and in 2023 Munich has joined forces to support the fine tuning and further upgrades to this app, which offers a direct communication channel to our members.

Though SUEPO continues to make efforts to be at the negotiation table with the EPO President and management, there is little willingness from the side of the administration to relevantly discuss any upcoming major reform. This trend has only

¹ Judgment 4711 – see e.g. [this CSC publication](#) for more info

become stronger with the reelection of President Campinos in June 2022, from which point on communication with the President seems to have grounded to a halt. However, interactions between the staff committees and the administration tend to be more fruitful especially when it comes to minor adjustments to the employment conditions.

In order to remain effective, SUEPO and the Staff Committees need to foster engagement of the colleagues they represent. This is why we have been making efforts to connect with colleagues, and this will be our priority and the priority of the union as a whole for the years to come.

The upcoming SUEPO Committee elections should take place in December 2023. This chairperson's report covers the activities from late 2022 until November 2023, to give SUEPO members already an outlook about the committee's ongoing activities.

Political environment

The political environment at the EPO remains bumpy.

Though there are (technical) working groups with the staff committees where some improvements are possible in relatively minor adjustments of the working conditions, the voices of SUEPO and the staff committees remain largely ignored in major reforms. Numerous meetings take place between staff representatives and the administration. They are often organized by the EPO with little time given to staff representatives for preparation and documents submitted by the administration at the last minute. The actual decision makers are usually absent from these discussions. The meetings themselves usually happen in a relaxed atmosphere, however the content of the discussions is not mirrored in the final reforms. The consultation is therefore only pro-forma.

The Education and the Childcare Reform affected The Hague most negatively. Despite a unanimous negative stance from the staff committees of all sites, and even from Munich which was affected very mildly, even positively for some, the reform was pushed through in the middle of the pandemic. This was a token example of the manner in which our administration acts in very dogmatic ways.

Similarly, on the topic of the internal justice system, the EPO decided against following the unanimous positive opinions of the appeals committee regarding the NPS/SSP (see "[Rejections of appeals on NPS/SSP benefits](#)", CSC). Both cases therefore need to proceed to another lengthy battle in front of ILOAT. And this is not uncommon: the EPO in its role of executive power regularly disregards the opinion of its internal justice system, i.e. the Appeals Committee.

In the 2019 Mercer & Wyman financial study², the consultants predicted lasting, gargantuan financial gaps which have already been filled. The first glimpses of the [2023 financial study](#) by the same company seem to point (see p.18) towards using the pretext of the New Ways of Working to demand increases in productivity – at the expense of the right to statutory leave? The recent “capacity rush” where managers have been looking to increase available capacity by all means seems to confirm this. The optimism of M&W in terms of **productivity gains** shows an extraordinary faith in the potential of AI and/or a disregard for the consequences on the health of staff and reduction in patent quality of further increasing work pressure. It should be noted that the real finances of the EPO published every quarter and the actual results of the RFPSS and EPOTIF point to the excellent financial health of the EPO.

ILOAT’s take on the career of international organisations

With Judgment 4711³, the ILO-AT missed the point on the arbitrariness, production-focused winner-take-all consequences we’ve seen since its introduction – but also the process leading up to this NCS. In effect, the ILO accepted the minimal “pro forma” consultation process as ‘good to go’.

In essence, this means that the EPO administration – and similarly the administration of other IO’s – now has received almost “carte blanche” for future reforms: 2 GCC meetings for such a major reform, refusing to table counter-proposals, not answering to arguments presented, late presentation of amended documents – all have passed the ILO-AT filter.

With the NCS now in place for nearly a decade, we observe year after year the demotivating effects it has on a large but mostly silent majority of staff. We can also observe the detrimental effect the career system has had on the legal certainty of granted patents, with external stakeholders being increasingly vocal about decreasing patent quality.

The staff committees and SUEPO will keep on helping individuals who have seen their career prospects eroded. We will also continue to request a reworking of the NCS by the administration in light of all its observed deficiencies. At the same time, the Central Staff Committee has asked to put patent quality back on the social agenda⁴ – silence from the side of the administration ensued.

² See e.g. this [SUEPO paper](#) with comments by Ernst & Young

³ [Triblex website](#)

⁴ See [« Patent Quality: Can it be put back on the EPO's agenda? »](#), CSC, 28/02/2023

Freedom of communication – mass emails

A short note on the access to mass email: with Judgment 4551⁵ the Tribunal ruled against the EPO's policy on effectively forbidding mass email to staff committees and SUEPO and lifted all limitations.

However, the discussion on mass e-mails has been taking an adventurous path. The data protection officer built up a tortuous reasoning linked to the data protection rules. The result is that since the Communiqué N°26 "*When enough is enough – the use of mass emails within the Office*" implemented as of June 2013, both the Staff Representation and SUEPO continues without access to mass e-mails. Applications for execution are currently pending before ILO.

Ongoing legal procedures

SUEPO continues to be very active in supporting SUEPO members in an organized and common approach with the support of external lawyers. Several actions and legal procedures were conducted in close cooperation with the SUEPO Committees from the other sites.

The legal procedures impacting most staff are the salary adjustment procedure (SAP) introduced in 2020 and the education and childcare allowance reform (ECAR) introduced in 2022.

SAP (salary adjustment procedure) – since 2020, SUEPO has legally and financially supported several SAP procedures starting at the level of Request for Review up to the procedure at the ILOAT. An internal SUEPO cross-site technical expert group has been created which works closely with the external lawyers to provide SUEPO members a solid legal procedure.

ECAR (education and childcare allowance reform) – since the implementation of the ECAR in July 2022, SUEPO has legally and financially supported several legal procedures regarding both the general decision of the ECAR as well as specific parts of the reform. The legal cases are mainly led by SUEPO TH. The cases having also a negative effect on the other three sites (General decision, adjustment of the ceilings and post-secondary), are dealt with in close cooperation at SUEPO central level.

NPS / SSP Benefits – New Pension System, Salary Savings Plan – After the EPO departed from the unanimous opinions of the appeals Committee (ApC) on the NPS/SSP benefits, SUEPO members were guided through filing complaints at the ILOAT in October 2023.

⁵ [Triblex website](#)

Supporting colleagues

SUEPO also supports individual colleagues and the recurring topics are career, specific aspects of the education allowance reform, navigating administrative processes, harassment, health issues and discrimination.

New communication means & membership database – the SUEPO App & easyVerein©

As referred to in the introduction, the previous SUEPO TH committee initiated the development of a SUEPO TH App to modernize the communication channel to its members and EPO staff, and these efforts are now coming to fruition. SUEPO Munich have now joined the project. With the precious help of our administrator Marc, the app is continuously optimised and refined, making it an indispensable and future-proof communication channel for a growing audience. The app is connected to the new easyVerein© membership database already used by SUEPO Munich which allows members to manage their own membership details.

SUEPO headquarters

In October 2023, the SUEPO headquarters moved to De Bruyn Kopsstraat 15, 2288 EC Rijswijk, Unit 1.11. Our administrator Marc, the SUEPO committee and helping hands from the local staff committee and membership have been busy on all the associated logistics, including sorting archive material of up to 60 years of age!

Union Syndicale Fédérale (USF)

Among other benefits, the USF provides a good platform for putting the limelight on SUEPO's messages outside of the EPO. It also acts as a safety net when the union is faced with extreme situations, such as when union officials were dismissed under Batistelli. And the **USF congress** of May 2023 was a good opportunity to improve our knowledge of and personal connections in the world of unions in international organisations. It also acted as a team building event where all the SUEPO committee and Local Staff Committee members were invited to. This was made possible by the decision to maintain our USF membership.

Engagement of members

As stated above, the strength of the union is linked to the number of members and their engagement. We are therefore planning to increase our focus on face to face meetings and connection to members. Some recent events include floor meetings, the opening of the new SUEPO headquarters, our presence at the RESTOUR canteen for the EPC 50 years celebrations.

Conclusion

From the report above it is apparent that the SUEPO TH committee continues to have many tasks on its desk. One can only be thankful for the work of the active committee members, our administrator Marc, previous committees, the auditors and the election committees. We also wish to extend our thanks to the union members who helped us with software testing, legal assistance, communication and further advice

It is vital for SUEPO to stay active, to promote its services and to give support to its members. And while the members need SUEPO, SUEPO needs its members!

Please continue supporting SUEPO as you did in the past. And don't hesitate to invite your colleagues to consider joining the union. An *independent* union lives only by and for its members.

4. FINANCIAL REPORTS

4.1 SUEPO TH financial report 2022

Author: Lutz Müller-Kirsch, Treasurer SUEPO TH

I would like to begin with some general remarks. Firstly, we extend our heartfelt appreciation to the auditors for their diligent work in ensuring the financial integrity of our union.

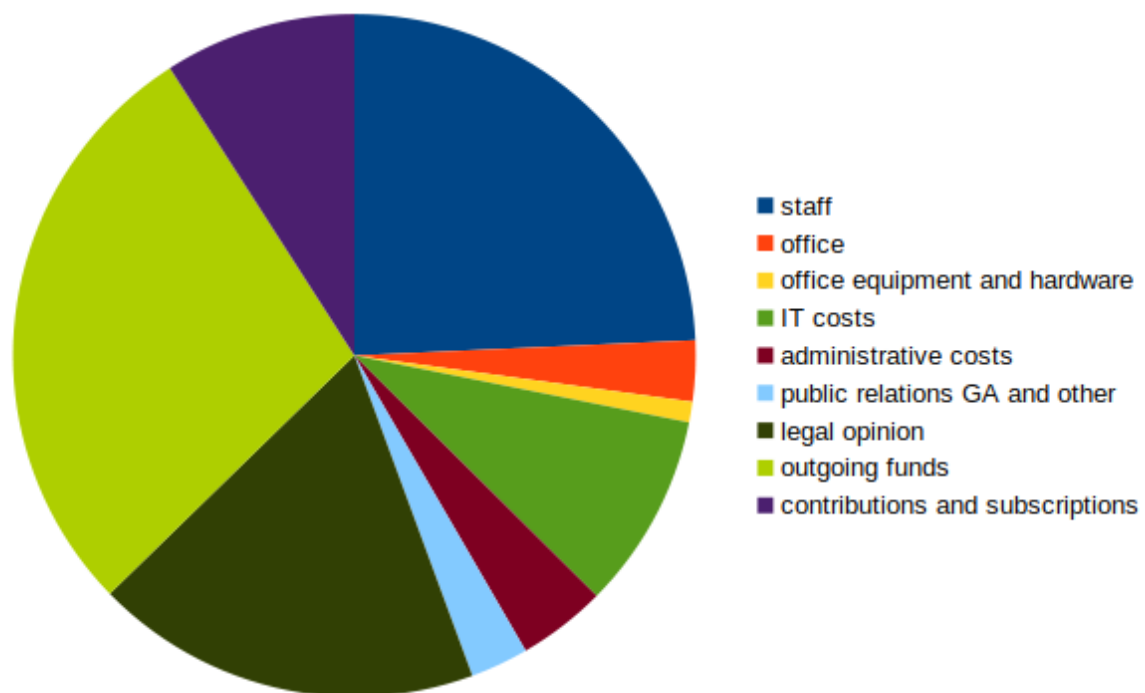
Allow me to provide you with an overview of how our committee approaches financial decisions.

Each payment made is rooted in a committee decision, based on a carefully estimated budget for a specific project or legal support. This operational model also extends to outgoing funds that cover shared expenses with the other SUEPO sections (MU, BE, VI). Decisions regarding central payments are founded on the cumulative decisions of our local bureaus, each requiring a quorum of committee members. It is noteworthy that any local section holds the ability to withhold

payment at the central level, potentially leading to certain projects being funded separately by committees willing to contribute.

In a broader financial context, we are currently witnessing a shift towards positive interest rate increases. This development curbs financial risks for banks and assures us of the security of our cash reserves held in our bank accounts. Consequently, we anticipate a positive income stream derived from interest rates going forward, signalling the end of the era of negative interest rates.

For a more detailed breakdown of our expenses in 2022, please refer to the accompanying diagram.



We are committed to aligning costs with their respective fiscal years to present a more consistent financial picture. In the current report, for instance, administrative costs appear higher than 2021. However, this is solely due to the inclusion of expenses from the year before which were recorded in 2022. Simultaneously, expenses initially allocated to 2022 but paid in 2023 are now accurately recorded in the respective fiscal year 2022. This approach may create the impression of an inflated administration budget, but in reality, the administrative workload for bookkeeping has remained relatively constant over the years, the cost centre „administrative costs“ referring to our professional accounting service provided by MAEK. Similarly, the contribution to USF which represents the biggest part of „contributions and subscriptions“, is booked in the corresponding year so as not to artificially vary the budget category in comparison to previous years. In the future, we aim to minimize variations stemming from the timing of bill payments, enabling

us to provide a clearer and more accurate representation of our financial results over time.

We were pleased to have funded three gatherings of our members: in March 2022 during the strike day, in June 2022 for the Administrative Council (AC), and the November 2022 Annual General Meeting (AGM) (referred to as 'public relations' in the MAEK report). And there were still expenses in 2022 related to the purchase of COVID masks (referred to as publicity costs in the report of MAEK, summarized under 'other' above).

Shifting our focus to legal expenses, we made significant investments in response to recent reforms and for legal representation. Specifically, we incurred expenses for the lawyer acting as a communication liaison with the president. Due to the extended duration of legal proceedings, costs for legal procedures will be spread over the coming years, particularly for the Education Allowance (EA) reform, making them relevant in subsequent years. Importantly, it has become evident that these investments are front-loaded, with higher costs in the initial two years followed by subsequent decreases. In 2023 and 2024, we anticipate a decrease in contributions for legal costs related to SAP and an increase in costs for the EA reform.

SUEPO TH transferred 94.000 euros to SUEPO central representing a 47% share of the expenses. These amounts are represented above as "outgoing funds". These funds were used by SUEPO central for Technologia survey. IT maintenance and legal expenses. These expenses are not part of the SUEPO TH audit and are audited separately by SUEPO central.

As illustrated in the diagram above, a significant portion of our expenditures is allocated to legal costs. We remain committed to supporting individuals in their legal pursuits, taking into consideration legal expectations, general interests, or unique personal circumstances to ensure fairness for all members. Although it may not have been explicitly stated in recent times, it has always been our policy that, in order to sustain the strength and viability of our funds, members whose cases were supported by SUEPO and conclude successfully and get legal costs reimbursed are expected to reimburse the assistance they have received to SUEPO.

It is noted that all amounts mentioned heretofore are based on the figures of the accounts of SUEPO TH only.

Now, let's turn our attention to our membership:

At the end of 2022 we had a total of 1177 registered members from which were 954 active staff members and 223 retired members. In 2022, we welcomed 26 new members. About 10 members retired, compared to 12 in 2021 and 30 in 2020. Despite these changes, our membership income remained stable at around €255,000.

Considering the impending wave of retirements among our members in the coming years, as highlighted in the treasurer's report for 2021, it is imperative that we collectively work towards securing the future of our union. We urge each of you to engage with younger colleagues, impressing upon them the vital role of a robust union. In an era characterized by remote work and decentralization, a central

organization dedicated to safeguarding their rights is paramount. Expanding our membership is not solely the committee's responsibility but rather a collective effort of all members. Moreover, we put forth the proposal to align the annual indexation in membership fees for retired staff with the adjustment mechanism applied to active staff, as delineated in the fee proposal. This is based on the fact that we continue to offer legal support to our pensioners. This proposed measure, if adopted, would help to bolster our financial base and align our revenues with increasing expenses due to inflation.

We also propose to make SUEPO attractive to younger members by:

- Making the first year of membership free if it is contracted in the first 3 years of employment, and
- Having the same flat as for pensioners for Young Professionals.

In conclusion, the financial result for 2022 is a deficit of €72,814. However, the annual legal costs associated with SAP and EA are anticipated to decrease over time, and the IT investments represent one-time expenditures. We are committed to achieving balanced budgeting in the coming years to maintain the financial strength of our union.

Thank you for your continued support.

Lutz Müller-Kirsch Treasurer SUEPO TH

4.2. Auditor's Report 2022

Auditor's Report on the SUEPO-TH Accounts 2022

(Audit period: 1st January 2022 to 31st December 2022 inclusive)

The financial administration was examined by the auditors from June to October 2023.

In the opinion of the auditors, the financial statements provided by SUEPO-TH are a fair representation of the financial affairs of SUEPO-TH for the calendar year 2022.

A summary of additional observations can be found in the list below.

Rijswijk, 25 October 2023



Damien Lefol



Dominic Afriat

- The audit committee have only seen a draft version of the Treasurer's Report for 2022 at this time
- SUEPO-TH contributes financially to SUEPO-Central activities. At the date of writing, the audited accounts of SUEPO-Central were not available to the auditing team of SUEPO-TH for this or any of the previous years

4.3. Accounts

Datum: 08-09-23
Tijd: 13:45:39

MAEK Advies B.V. RIJSWIJK
Vakbond Europees Octrooibur. (VEOB) 2022 - EUR
Gecombineerde balans Periode 0 tot en met 12

Bladzijde: 1

Rekening	Omschrijving	Balans		Verlies & winst	
		Debet	Credit	Debet	Credit
0220	Automation	10.695,47			
0225	Depreciation automation		6.035,80		
0430	Other reserves		1.041.196,65		
1010	NL44 ABNA 0517 1233 55	29.951,70			
1011	NL58 ABNA 0431 2221 34	165.000,00			
1013	NL19 RABO 0144 6989 78	223.832,46			
1014	NL78 RABO 1267 4564 26	548.444,46			
1016	PayPal	252,33			
1200	Prepaid amounts	707,23			
1283	Loan	51.733,05			
1314	Holiday allowance		3.055,08		
1339	VAT to pay / receive		5.280,58		
1410	Amounts to be paid		47.862,99		
4000	Gross salaries			69.415,87	
4001	Movement holiday allowance res.			193,55	
4010	Social security premiums			5.851,20	
4015	Health insurance premiums			4.030,20	
4090	Other personnel costs			1.420,00	
4220	Depreciation automation			2.839,82	
4300	Rent			7.827,06	
4315	Cleaning costs			1.784,12	
4410	Small assets			50,00	
4500	Office equipment			361,15	
4510	Automation costs			30.256,84	
4516	Internet costs			689,88	
4520	Costs of postage			484,93	
4530	Contributions and subscriptions			26.711,00	
4535	Outgoing funds SUEPO			94.000,00	
4700	Publicity costs			6.097,03	
4705	Public relations			3.065,50	
4800	Administrative costs			9.618,59	
4805	Legal opinion			88.014,41	
4810	Business insurance			1.804,58	
4815	Bank costs			639,97	
8000	Contributions Acceptgiro				38.589,79
8010	Contributions Machtiging				216.494,98
8020	Refunds SUEPO				26.985,79
8090	Other operating income				610,00
9040	Other interest received				1.060,42
9060	Interest paid to bank			1.436,82	
9210	Rounding differences				37,14
		1.030.616,70	1.103.431,10	356.592,52	283.778,12
	Saldo verlies:	72.814,40			72.814,40
		1.103.431,10	1.103.431,10	356.592,52	356.592,52