

Intervention of the Central Staff Committee on CA/100/09 Roadmap on sustainable financing and fee reform

Chairman,

Ladies and gentlemen,

On many occasions the staff representation has already expressed its opinion that the Organisation's view of its finances is based on false premises. IFRS, the accounting system embraced by the Organisation, was never meant for the civil service, and even less for the international civil service. The organizations belonging to the United Nations (100.000 staff), the European Institutions (30.000 staff), and even our sister organisation, OHIM, all use another accounting system called **IPSAS**.

Yes, we know that the Swiss patent Office and the British patent office claim to use IFRS, but as far as we know both the Swiss office and the British office leave their pension systems out of the IFRS accounts. If the EPO would follow this last approach, the Office's IFRS balance sheet would already look very different.

The staff representation therefore seriously doubts whether the panic savings that we now see are necessary. Moreover, we fear that these savings - "savings at any cost" - will have a negative impact on the long-term viability of the EPO. In practice the "continuing focus on performance, efficiency and effectiveness" as preached in this document CA/100/09 translates into more pressure on staff. Unfortunately management support is limited. In fact, staff is frequently asked to make up for management errors.

Two recent examples:

1. The decision to allow 15 claims for free has led to an increase in the average number of fees per application, i.e. more work per file. It has also led to a 50 million hole in the budget. The Office reacted by asking all examiners to produce two more files this year. Two more of those files with more claims! Knowing the Office, the extra effort will not be a "one-off" but will have to be maintained next year and all following years – and to be further improved on.

2. A second example: the personnel department has been just been restructured and more changes are on its way "to make it more effective", mainly by delegating HR tasks to the core departments. Staffing levels are being cut in anticipation of these positive achievements. The result is, for now, that staff in the HR department is suffering from the chaos and from a very high workload. Sick leave levels have increased and are now amongst the highest of the Office.

In the opinion of the staff representation efficiency and efficacy in the EPO would be best served if the Office would go “back to basics”:

- invest in staff, in staff training and in social peace,
- stop the maybe fashionable but ultimately senseless changes and restructurings. By the way none of these have been justified by a thorough cost – benefit analysis.

The latter would also save **a lot of money** on consultants.

The alternative is for the Office to continue with changes that do not really help staff with their work. Nevertheless the Office demands the planned efficiency increases from staff expected from these changes. At the same time the staff working conditions deteriorate. All this will not make the EPO more efficient or more effective, on the contrary:

- it will hurt quality
- it will lead to further social unrest
- increases in sick leave, and
- ultimately it will endanger the European patent office.

This may be good those who wish to decentralise the European patent system to the benefit of the national patent offices. But we believe that it will not be good for the European economy and the citizens of Europe.

Ladies and gentlemen, this is all I have to say on the topic CA/100/09.
I thank you for your attention.