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Managing Today's Fast-paced IP Department

Intellectual Property

Technology, Privacy, and eCommerce



We have seen much discussion about the law firm of the future, but fewer thoughts about how in-house legal departments must change. As intellectual property (IP) lawyers — one of us in-house for The Estée Lauder Companies Inc. and the other for its outside law firm, Marshall, Gerstein & Borun LLP — we recently shared thoughts on how managing IP in-house is changing. Dynamics of in-house IP practice are rapidly evolving. The demands on IP departments have never been greater, but so are the opportunities.

Recognizing and anticipating those opportunities are, and will continue to be, critical in establishing and maintaining a healthy IP portfolio.

In a broad sense, IP departments are focused on curating and identifying protectable assets and taking the necessary steps to protect the same. In our practice, this typically translates to discussing ideas with technical experts, recognizing potential value in certain technologies, preparing and prosecuting patent applications, and, upon successfully obtaining patent protection, undertaking enforcement proceedings, including licensing and/or infringement.

However, these responsibilities merely scratch the surface of our overall job function. Increasingly, we also are called upon to contribute to strategic decisions calculated to increase revenue and set goals for the development of IP that will serve both existing and developing markets over a given time frame (e.g., five to 10 years). As the role expands, we think it is helpful to take a step back and review some of the things we've learned as patent lawyers in our respective roles in a global company and an IP boutique.

Assess the IP portfolio

Estée Lauder has a global patent portfolio of more than 4,000 patents, with about a 60-40 split of

utility to design patents. We are a global company and, over time, have become much more strategic about what assets we need in different jurisdictions of the world, not just today but in the years ahead as we expand our marketing footprint and overall product reach.

Given the several years' worth of time it takes to get key patents in place, it is important to anticipate market opportunities, then place our bets. This means investment in R&D or acquisition of patents that may not necessarily pay off in the short term but could provide value in the later stages of the duration of the patent.

One such example is the Chinese marketplace. It has taken time for the Chinese patent system to mature, which has historically created uncertainty for foreign patent owners. But patentees are gaining greater confidence as more corporations invest in this region and successfully assert their rights. Today, we view China as our second home market, and this global perspective drives our IP strategy.

Data analytics are essential

Not so long ago, we operated as much on intuition as data. Data analytics are exponentially more sophisticated now, and IP teams work closely with the data and analytics teams, marketing groups, and other stakeholders. We must connect the dots between what we see and how it fits in the IP strategy. Data is the tool that allows us to objectively see the value in every patent in a portfolio.

Until recently, portfolio management was very labor-intensive. Oftentimes, responsible parties had to carry a database in their heads to identify the value in a portfolio, or more realistically, depend on troves of Excel sheets and tracking by staff assigned to families of patents. This was challenging, to say the least, and can lead to significant lapses in knowledge if and when people leave the organization.

Data analytics change that dynamic. Now we can see what patents are being cited by third parties or causing blocks in prosecution by competitors. For example, quick access to data may show that a family of cases has blocked certain applications from a startup in another product sector.

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Those patents may not cover current products, but we see they have intrinsic value and may present licensing opportunities and other ways of driving value. Just a few years ago, this knowledge required a drawn out paper chase. Now it is keystrokes away. We can make much more informed decisions in real-time.

We also use technology to optimize workflows, whether it's automating tasks, standardizing processes, or creating alerts for certain events to ensure key stakeholders are notified.

There are third-party software systems now that handle everything from docketing to patent practice tasks. This creates consistency, removes user error in the system, and frees up attorney time for more thought-driven activities.

All lawyers, in whatever area they practice, must embrace technology as a core competency. For example, a major computing company has adopted the mindset of moving from "knowing it all" as an organization to "learning it all." We have to be the same way. Every organization is becoming a software-driven enterprise in some way, shape, or form.

The pandemic accelerated this trend, as software became increasingly critical to continued organizational success. As such, we need to advance our ability to learn, and to apply what we learn to our daily practice. For example, transactions lawyers should consider developing a knowledge of smart contracts and blockchain technologies that are shaping the direction of technology today. No practice area is immune to the rapid pace of technological change we're seeing.

Lawyers are often challenged in making this transition because we tend to think of ourselves as storehouses of knowledge. Not very far into the future, many of the legal questions we answer could be answered by a machine, and much more quickly and perhaps more accurately.

If a lawyer has handled a hundred cases in a discipline, people consider that to be senior levels of experience. But that pales in comparison to an AI-driven data model that has access to every case in the public record. Intellectual curiosity and judgment will continue to be the key pillars of what we as attorneys bring to the table — lawyers will always ask better questions than machines, and these insightful questions will continue to create value for our clients and stakeholders.

Engage innovation teams

Inventors are driven by a passion to improve on the current state of a technological space, and this passion can be contagious at times. We enjoy speaking with inventors and project managers, not necessarily with the intent of participating in brainstorming over technology, but instead to guide the discussion on how to protect innovations.

Like many IP lawyers, we have degrees in science or engineering, which help align our thinking with our innovation groups, and we are mindful they don't have the same training in law. Engineers and chemists are trained to think differently and don't necessarily have a mindset or first objective of protecting IP.

There are times in the early stages of R&D when we can see inventors might be going down a path that may not be patentable. It is one of our responsibilities to help them understand what they need to do to make innovations patentable while continuing to encourage the mindset of an innovator.

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At the same time, we have improved our training of marketers and other consumer-facing functions on fundamental IP best practices. COVID taught us to be much more efficient in how we reach stakeholders, using specific collaborative platforms, such as Microsoft Teams, webinars, blogs, and other communal spaces. We even use data to assess the demand for training.

If we see a lot of digital activity around, say, trade secrets, we know this is an area where we should focus more attention. With digital innovation, we can be much more targeted in communications to our network. In this way, data can address needs before it may even be collectively known by the organization.

Leverage the use of outside counsel

Outside counsel can wear any number of hats: They can be order takers for the work that can't be done in-house, they can be strategic partners in your business, or in some circumstances, they may be both. In our case, it has been both, and we're continuing to bring more definition to the relationship as we move along.

Estée Lauder has smart lawyers inside its department, but outside counsel has the advantage of seeing what processes and approaches work at other firms and/or clients, and they talk to more colleagues in a week than the typical in-house lawyer does in a year. If the relationship is working, they bring valuable perspectives. Still, it is important to have a strong understanding of needs while being specific about the value proposition.

In today's in-house world, it's all about leveraging resources and working with stakeholders across the business. That means taking advantage of the expected knowledge and perspective that outside counsel brings to the table, being on the cutting edge in the use of analytics and technology to monitor your portfolio and gain departmental efficiencies, and actively collaborating with innovation, marketing, and other internal corporate teams.

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Vice President of the Patent Group

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Idris McKelvey is vice president of the patent group at The Estée Lauder Companies Inc. in New York City. He is responsible for the Estée Lauder Companies' global patent strategy, including patent procurement, freedom to operate, litigation, agreements, client counseling, and education. He leads a team of patent practitioners, and patent support staff, who work diligently to mitigate risk and maximize competitive advantage through strong IP support. McKelvey earned his law degree at Howard University School of Law.

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