



**HL INFLUENCERS:
DIGITAL TRANSFORMATION
TRANSCRIPT
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NOVARTIS**

Leo von Gerlach	Hello everybody, and welcome to another edition of <i>The Influencers</i> , our podcast conversation on digital transformation and law. I'm Leo von Gerlach and with me today is Wojciech Kreft. Wojciech is senior IP counsel at the pharmaceutical giant Novartis and responsible for their trademarks and other non-patent IP rights in this role. Wojciech is also a prominent member of the International Trademark Association and speaks frequently on the impact of artificial intelligence on intellectual property rights management, so great to have you Wojciech. Welcome to the show.
Wojciech Kreft	Thank you. Leo, it's a pleasure to speak to you.
Leo von Gerlach	Perhaps for those less familiar with trademarks and trademark management, can you tell us a little bit about your role at Novartis and what it means to be responsible for such a broad and deep set of intellectual property rights?
Wojciech Kreft	So I joined Novartis now nearly 11 years ago. And as you already mentioned, I'm a senior IP counsel currently responsible for what we call internally non patent IP. We distinguish between patent IP and non-patent IP and Novartis is certainly a patent company. However the non-patent IP stuff is also pretty important. This covers trademark rights, design rights, copyrights, domain names, and the like. At least at Novartis, we are organizing the way that the different IP counsel are responsible for certain targeted areas. They cover all the IP relevant matters on a global basis. So for me this means I have to deal with all the different requests and matters and issues that can come from all over the world. This is obviously pretty challenging because I'm a qualified German lawyer. So the question might be like, well, what do I know about IP law in China or IP law in the U.S.? But this is how we deal with this internally, and we support our products during the entire life cycle, and it starts pretty early. So depending if we have a new drug which is developed in-house or which we may be in license or acquire from a third party. This can already include that we support the negotiation and the drafting of certain provisions and license agreement or the like. And then throughout the early development of a product, we are responsible for the creation and application process of the international and non-proprietary name. Then of course you enter into the into the clinical trial phases where you need certain names for the clinical studies. This this is something that we also deal with and where we support the business, important areas are also things like disease awareness campaigns, and then of course the global and regional brand creation. A further aspect is product launch

	<p>activity, and this is really a very, very important part of our work. When the product is about to be launched, the commercial teams in the different countries, they really speed up, they really accelerate to bring the product on the market to promote it if it is possible, and this is something that we support as well. Then on a global basis we certainly have to develop and implement IP prosecution strategies, and of course we are also taking care of the enforcement of our IP, right. And then when it comes a little bit to the end of the life cycle of a product, when it loses its exclusivity from time to time, we are then also like out licensing or selling a product to a third party, which is also a pretty significant part of my daily work. It's a mix of all different type of IP works that you can imagine that we are involved in and not only for one jurisdiction, but really like on a on a global basis. It makes my job on the one hand really fascinating and this is why I love it so much because you really have to be involved into all the different areas. But on the other hand, it's also pretty challenging because the portfolios that we manage are huge and from time to time, they come up questions which, I have not seen before and then I have to work into this and provide solutions for the business.</p>
<p>Leo von Gerlach</p>	<p>Thank you. I think that provides a wonderful overview of kind of the broad array of tasks you are confronting with your IP and IP management work. And perhaps let's dive a little bit deeper into the specific managerial challenges that you are facing and perhaps focusing on the intersection you are sitting between two types of people. On the one side, you need to manage a very broad array of external lawyers, external counsel who just take responsibility for the trademarks in individual countries and then you have all your internal Novartis internal stakeholders who just opine and have an interest in certain trademark filings and enforcement. So how do you navigate that intersection and that coming together of so many different contributors?</p>
<p>Wojciech Kreft</p>	<p>Let me start a little bit in my personal development. So before I joined Novartis, I worked for six years for a big international law firm also in IP, so I know the perspective of the legal external advisor and when I joined Novartis, I really had to learn what my new role would be because it's significantly different from an external advisor. I don't consider myself to be an external advisor anymore. I'm more like a legal manager. I'm the link between the internal stakeholders at Novartis, like the commercial teams, the R&D teams, and all the other different functions that we have internally and the external legal world. So what I could do already when I joined Novartis I was fully capable of providing legal advice in this area and I knew the, let me call this like the legal language. But I had to learn and to understand the language from the internal stakeholders because the commercial teams, they use a different language than legal people do. And this is also the same for the R&D teams. So I'm like a link. I'm like a translator between the legal world and the commercial world. This requires that I have also deep understanding of the business. I need to a certain degree understand the disease areas that I am responsible for. I need to understand the products that we have on the market and the pipeline projects. This can be from time to time, a little bit challenging because I only have a law degree. I don't have a degree in biochemistry or medicine. Luckily, my wife, she has a degree in bio immunology. So when I joined Novartis, it was quite often the case that I after</p>

	<p>work came to her and said listen, you have to explain me this or that or what are monoclonal antibodies or things like this. Now with my eleven years of experience, I can say that I'm still not a scientist, but I understand what our products are about. You also have to have an understanding of your competitors, what they are doing. You need to know the landscape. Where is the scientific development going to, in which direction which areas are super active? Where are new products in the pipeline? Could there be some issues with upcoming branding strategies from competitor products and the like. So it's a very, very complex role I have to navigate the business through the legal difficulties outside in this world and on the other hand, I'm also the translator towards our external counsel. I have to explain to them the business. Of course they can go on the Novartis website and check what we do and what we sell and also check the information on the pipeline that we have, but it's easier if I can explain to them on a specific project that we work on like, okay, what is it about what is the mode of action, what is the innovative part of the new compound that we are developing.</p>
<p>Leo von Gerlach</p>	<p>Perhaps with that legal managerial role, there are technology tools that you are using and why don't you just share with us what tools you are using, and what the impressions are so far.</p>
<p>Wojciech Kreft</p>	<p>The development in the technology within the last three years was really tremendous, and we certainly use tools that everybody knows like ChatGPT, where we have a version which is integrated into the Novartis environment. We also use [Microsoft] Copilot. Other area are translation tools which have become really very, very powerful throughout the last years. Seven or eight years ago when I received a document in Spanish or another language that I don't speak, you have to get it translated somewhere. Nowadays you can do this in a second with the translation tool. We don't develop so much internally tools for the IP function, but we certainly also use various tools that are developed by our external partners and law firms, especially like for trademark clearance searches both for wordmarks and for logos. Internally at Novartis we are very much encouraged to use the available tools that we have because we certainly want to become more productive.</p>
<p>Leo von Gerlach</p>	<p>How would you expect these tools to develop and where would you see the biggest progress to materialize?</p>
<p>Wojciech Kreft</p>	<p>Undoubtedly the biggest development we've seen so far is in large language models. ChatGPT only launched I think in in end of 2022 and It was a big bang for everybody, also for us, and I think I lost like one working day because I was so flashed by this tool and how capable it was and we soon had the opportunity to use an integrated version of this also translation tools, they have really shown a very, very strong development in the past too. Like DeepL, for example, they are near to perfect currently. So since I work in a global position and I have to deal with a lot of documents in various different languages, it makes life really very much easier. In the brand creation area, there are some tools outside which are very interesting and which are currently in the development from time to time we see better versions of them. And we are happy to test and to give</p>

	<p>feedback in the trademark clearance sector. There obviously have been some tools that have been developed over the past year as well, but I think personally that in this area the development was not as strong as in large language models for example. And the results that these tools can deliver right now are not as ground breaking as we see this in other areas. And finally I think so currently there is a lot of development ongoing also in the trademark offices in different countries and regions, and I'm very curious to see what the trademark offices are coming up with in the future. From a trademark perspective, this would be super interesting to see and probably also very, very much increasing the efficiency of our work.</p>
<p>Leo von Gerlach</p>	<p>So that's interesting. The generally capable tools have made a big splash, whilst the trademark specific ones have still some shortcomings. Is that related perhaps to the data and the data analytics that they form? A sort of a bottleneck? Or how would you just see the trademark specific tools and the availability of data making up a number of challenges that we still need to get our arms around.</p>
<p>Wojciech Kreft</p>	<p>This is again a very interesting question. There is enough data outside. But the question is how you process this data in terms of training your clearance tools for trademark purposes, like for word marks for logo marks. The bottleneck, in my view is more to integrate this data into the AI tools rather than to have the data available. Because since many, many years I would say and at least in the key jurisdictions, all the decisions of the IP courts and of the trademark offices in opposition proceedings in trademark infringement proceedings, they are available in digital form. So in principle it should be possible to process that. I guess that the difficulty is this type of data is not so easy to process and not so easy to integrate, so in other words, it's not so easy to train the AI tools with this data that is available. If you want to train AI to identify certain objects and images like cats, yeah, you show the AI pictures with different animals like cats and dogs and whatever, and it is either a cat or it is not a cat. So it's like yes or no. Now if it comes to trademark assessment and you say like, OK there are two word marks. Are they similar? Yes or no? If you ask 5 different trademark lawyers, you will receive 8 different answers and I think this is the difficulty with the data that we have. So in one country, the court might say, "Oh, these two trademarks are similar so this is like a case where you have where you have confusing similarity." In another country, it might be the opposite. You have to create based on the data available. Algorithms which then can predict for cases which has not been decided yet. How likely the court would be to consider 2 trademarks as confusing sooner or not? I guess that this is the bottleneck that we have to overcome. Like in image recognition, one of the first groundbreaking developments that I at least have heard about were tools that were used to identify skin cancer and they were like, precise in the high 90% area at least as precise as specialized doctors or even better. But again, there you have like you have an image and you can say, okay, this represents an image of skin cancer because you have a probe that has been tested afterwards or this is not. It's like yes or no. And I guess that we simply don't have this yes or no answers or not so many in the trademark world for word marks but even for logo marks. So we are currently using a very new tool from a partner that has been developed very</p>

	<p>recently it is better what I've seen so far, but the results that come from this tool again are so that I say we are far away from the from the ground breaking results that we can have in other areas, so this specific tools it comes up with, like a assessment of likelihood of similarity in percentage, and sometimes it's pretty accurate, but in the large number of examples that I've tested in the last weeks and months, I have to say it's still a little bit shaky. I guess that the difficulty is to program algorithms which can process the data that we have. It's not the question that we don't have enough data, but how to process it.</p>
<p>Leo von Gerlach</p>	<p>Alright, that's interesting. So in a sense, I interpret the bottleneck as a lack of harmonization and too much gray area as opposed to black and white area out there and that would kind of lead me to the next question and that relates to your external advisors. How transparent would you expect them to be about the use of any artificial system, and how much would you expect them to utilize those system in any event?</p>
<p>Wojciech Kreft</p>	<p>So first of all, we are encouraging our external advisors to use AI. We are internally being encouraged to do so and to increase productivity and quality of work product. So we expect our external advisors to do the same. Now we have to be clear that this needs to be done in a responsible manner. So it means like data security and data protection must be guaranteed, on the one hand. So if we provide confidential information to our external advisors, they can't simply take it and upload this to an externally available AI tool where we don't know what happened with this data. And then the next point is that we certainly assume and request our external advisors that if they use AI tools for the work, the work results should not be sent over to us without verifying the AI results. Let's say like if they use any type of translation tool to translate documents somebody needs to proofread this to ensure that the translation provided by the AI tool is accurate, or if they do any type of AI based clearance searches, this also needs to be verified by a qualified lawyer. One interesting point is that we communicate with our external advisors very openly about this and we are also very interested to hear from them, like what is their experience? And so we are currently preparing an internal survey that we will do within the group of external law firms that we work with on a global basis, we will roll out this survey during the upcoming annual meeting because we would like to know which tools do they use, do they use all the same tools? Do they maybe use tools that we have never heard of? [Do] they use tools that they have developed internally, and especially, what are their learnings? What is their experience with these specific tools? Do they see the same type of bottlenecks and struggle that we have? So from my point of view, we are together with our external counsel on this really fascinating journey into this absolute new area of AI driven IP support, but we all have to take this super steep learning curve and try to learn together and grow together in this area.</p>
<p>Leo von Gerlach</p>	<p>That survey you're speaking about sounds very intriguing, very much looking forward to see the result. One of the areas where you probably intend to see tangible results is efficiency gains, how fast and how material would you expect those to be?</p>

Wojciech Kreft	<p>It depends on the specific area where AI is used. So there are certainly areas where the efficiency gain is pretty big, or one area where I'm not super heavily involved, is legal due diligence, where I think AI tools have a large footprint already. It's much easier and much quicker to let AI tools review and put together documents, other areas, the gain of efficacy might be, at least currently, not that big. Like for example in the area of trademark clearance search. When I look into the last 11 years and try to compare workload for clearance searches like 10 years ago, five years ago and right now. And we do a lot of clearances because we have a large trademark portfolio and this type of clearance search is always like a global clearances. What I've seen so far is that the number of citations it has not really decreased. So my impression is that the search results that I received, the number of trademarks from third parties, is more or less the same, and I would love to see AI tools becoming more efficient in this area because what I'm interested in is to open the clearance search results and we see the significant one. Which really can make the difference. And currently there is still quite a lot of white noise, but again we have to say so. The development which started clearly before ChatGPT was launched. But let's take this date like in 2024 as a little bit as a starting point. So we are only now like two to three years in this development. If you compare this like to let's take the Wright brothers, when they did the first attempt to flight in 1903 or 4, whatever it was, and then like 20 years later, Lindbergh flew over the Atlantic and nobody could imagine this would happen. So I think we are at the beginning of the journey. So the gain of efficacy will be big, I'm pretty sure, but we cannot expect this gain of efficacy today. This is why we want to learn with our external providers. We are also super happy to collaborate with external partners who develop tools. We are super happy to test them to give feedback and then we can achieve over time a significant gain of efficacy in the area of IP.</p>
Leo von Gerlach	<p>Very interesting. And if you just think this further down the line, where does this take us. Where does this take you? Where does this take your external advisor? How would the longer journey look like to the best I think of your expectations right now.</p>
Wojciech Kreft	<p>Will this make us all redundant in the future somehow? I am pretty optimistic that this will not be the case when I look into my daily work right now, I have to communicate so much with other stakeholders, internally and external partners, and I don't think that AI can already take this part and make me redundant, and I also don't think that AI can replace on the long term our external lawyers that we collaborate with in the different countries. They might need less people to do certain work, so there might be the scenario that we don't need, let's say 10 people to run a legal clearance, but maybe only 5. But I think that this repetitive work that we can then maybe transfer over to AI, this will free up time for us. I'm not that pessimistic that we will all lose our job. It will change our jobs. It will also change my job description. I think that we will use AI tools much more naturally in the future. It will help us to get rid of the work that we maybe don't like that much because it is repetitive. Like reviewing results from clearance searches is not the part of the job that I like the most. So if somebody comes up with a tool where I get results which are much better and I don't have to invest like 20 hours</p>

	to review all the results, but only like 3 hours, I would be very happy and then I can use the remaining time to communicate with my commercial teams with the R&D teams, help them develop better strategies and the like.
Leo von Gerlach	Wojciech that has been just fantastic. Very, very insightful. Thank you so much. And thank you everybody for tuning in and hope to see you soon for the next edition of the Influencers. Until then, take care. Goodbye.
Wojciech Kreft	Thank you very much, Leo.