



Intellectual Capital for
Communities
In the Knowledge Economy

Intellectual Capital for Communities in the Knowledge Economy Nations, Regions, Cities and Emerging Communities



Patent Licensing and Open Innovation at L'Oréal

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VICHY
LABORATOIRES

LANCÔME
PARIS

GIORGIO ARMANI
PARIS

YVES SAINT LAURENT

BIO THERM



LA ROCHE-POSAY
LABORATOIRE DERMATOLOGIQUE

RALPH LAUREN

Kiehl's
SINCE 1851

shu uemura

L'ORÉAL
PARIS

GARNIER

innéov

HR
HERNANDEZ REYES

cacharel

DIESEL

MAYBELLINE

SOFTSHEEN-CARSON

SKINCEUTICALS

L'ORÉAL
PROFESSIONNEL


REDKEN
250 AVENUE NYC

KÉRASTASE
PARIS

MATRIX



Main characteristics of the Cosmetic Market

- **\$136 billion (sustained yearly growth : 3 to 5%)**
- **Segmentation**
 - **Hair care / Hair coloration**
 - **Skin care / Hygiene/Make-up/ Fragrance**
- **“Short” product life cycles**
- **More and more regulated**
- **L’Oréal’s Product portfolio (90 000)**
- **4000 new formulations/year**
- **High need of new products**
- **Few breakthrough technologies**
 -  **Never stop looking for innovations**

Looking for innovation

Top priority :

- More than 50% is coming from the outside
- Proudly Found Elsewhere vs Non invented here
- Almost 240 partnerships (PROs, start-up, middle or large size companies) to develop new concepts or new cosmetic applications.
- Field of collaboration must be preferably well patented by the partner

Must be checked prior to first contact.

- Patent thickets are created as much as possible during collaboration to prevent any competitor to do the same.

- Detection of “holes”
- New associations of ingredients
- Improvements
- Acquisition of IP from third parties

- 25 % of our patents are protecting marketed products

Success criteria :

 « **Sheltering** » visionary scientists

(Innovation is painful)

Challenge Definition

- Where are we really willing to go ?
- Is it really new and differentiated ?
- What will be the ROI for L'Oréal ?
- Always difficult to define specifications
 - Real goals not defined enough
 - Limited vision
 - Lack of transversality

➡ **Need of experts in « specification delivery »**

How can we do it ?

Ending with the old paradigm !

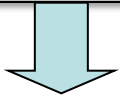
- **Massive data analysis**
 - **Scientific articles (new concepts)**
(10 M scientists/ 15000 articles/day)
 - **Patents (60 M)**
- **« Open data search »**
 - **All sectors**
 - **Public and Private entities**
 - **Worldwide**
- **Identify the best solution wherever it is**
- **Always multiple solutions !**



Need of new tools ?

Innovation space navigation tool

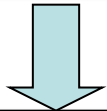
SECTOR



FIELD



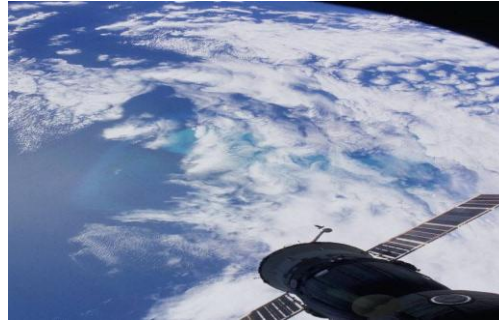
COMPANY



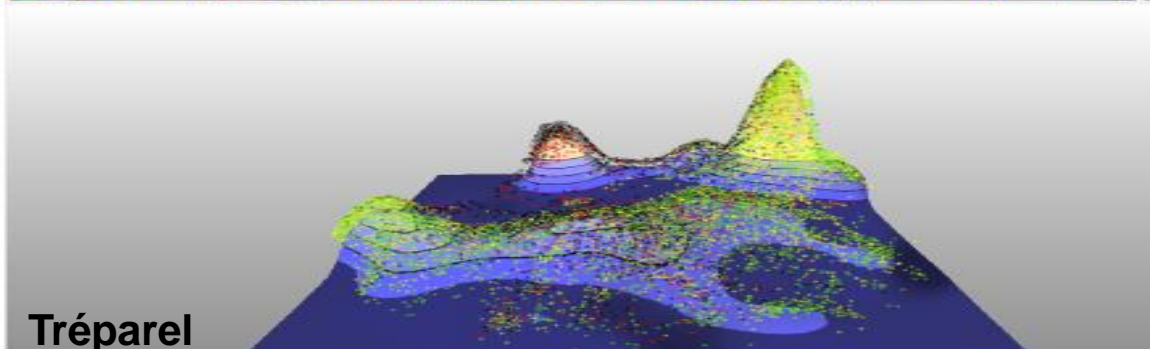
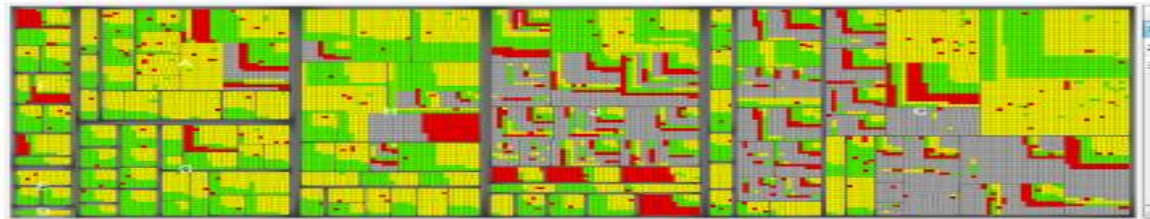
DEPARTMENT



RESEARCHER

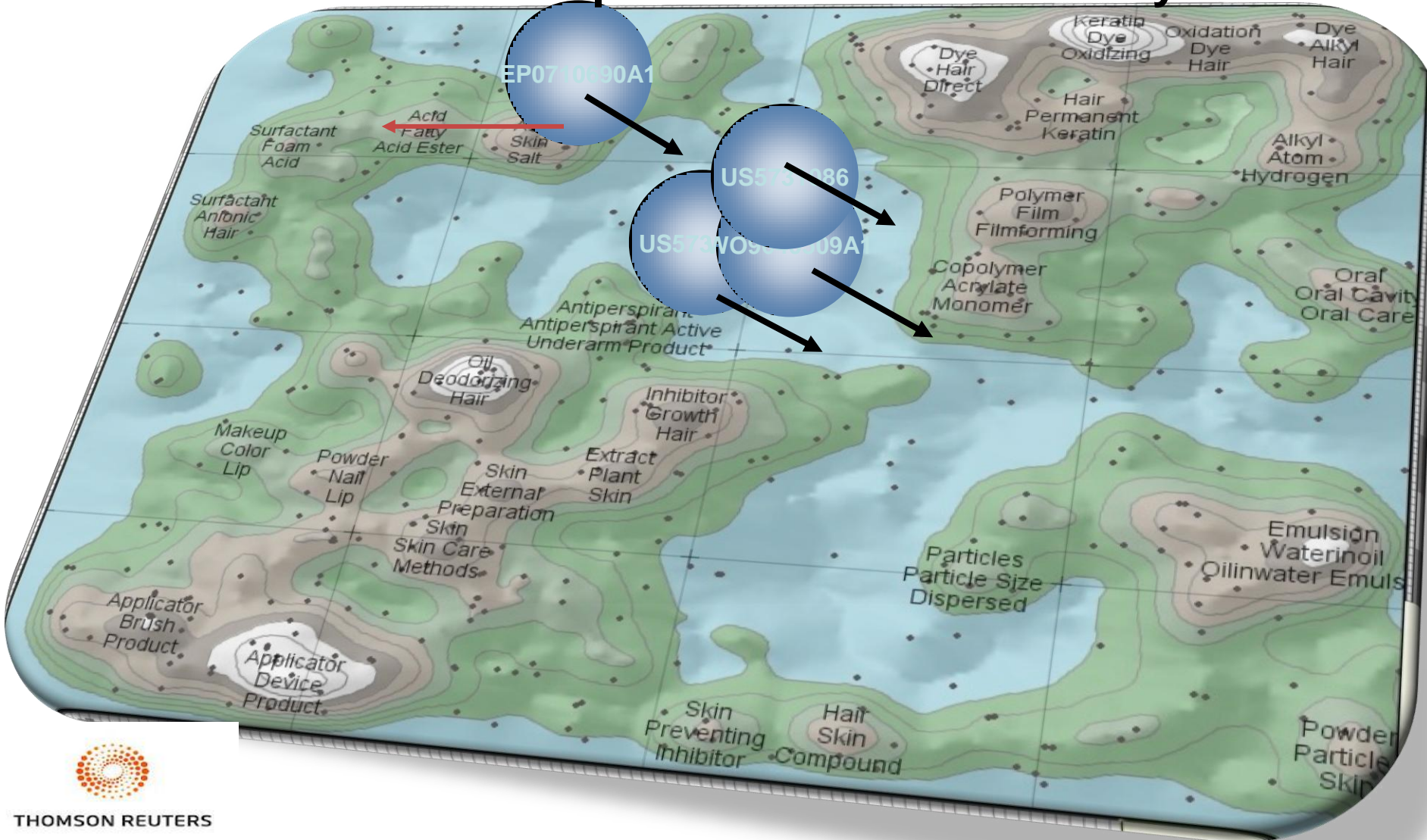


- Google Earth
60 M patents

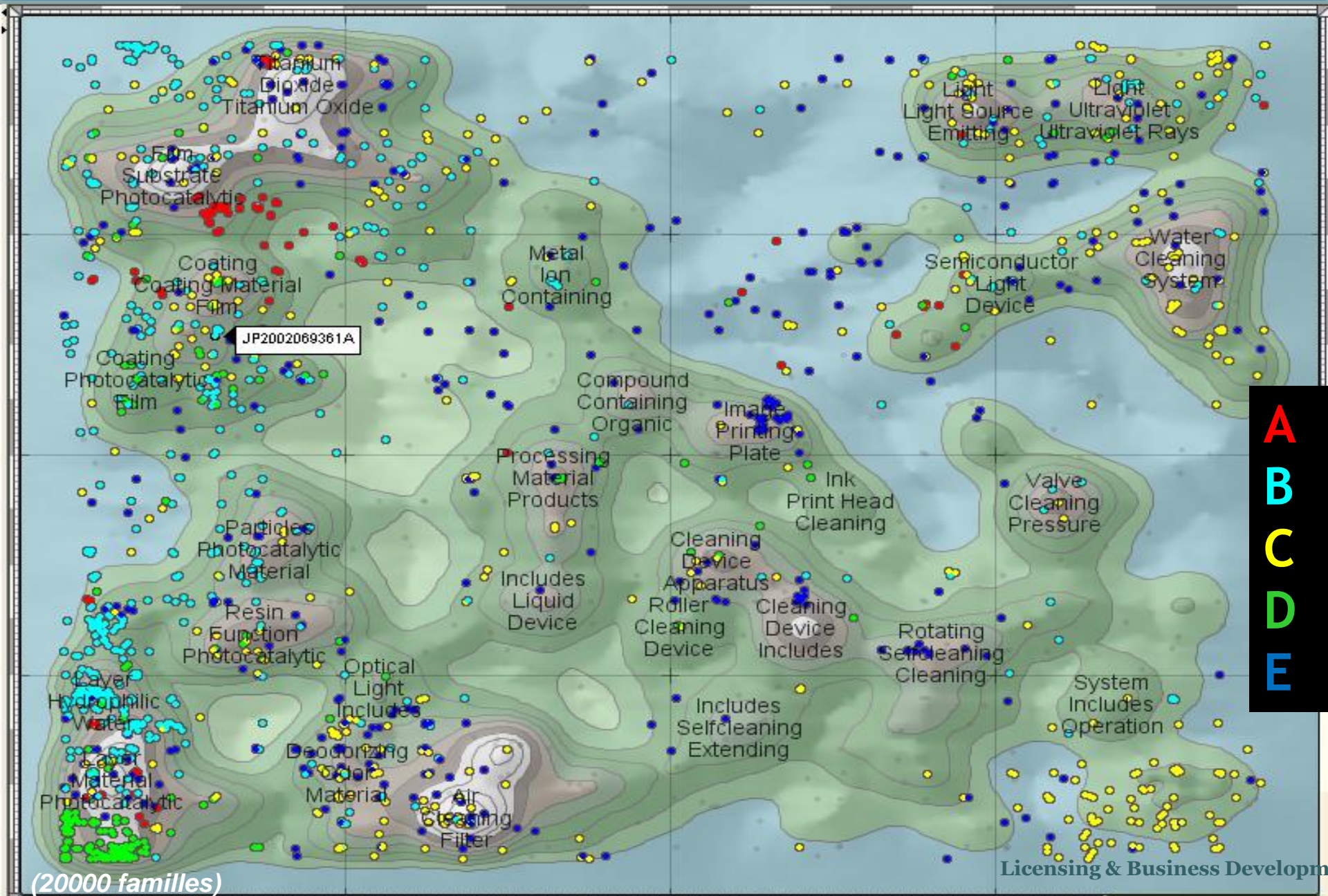


Worldwide environment

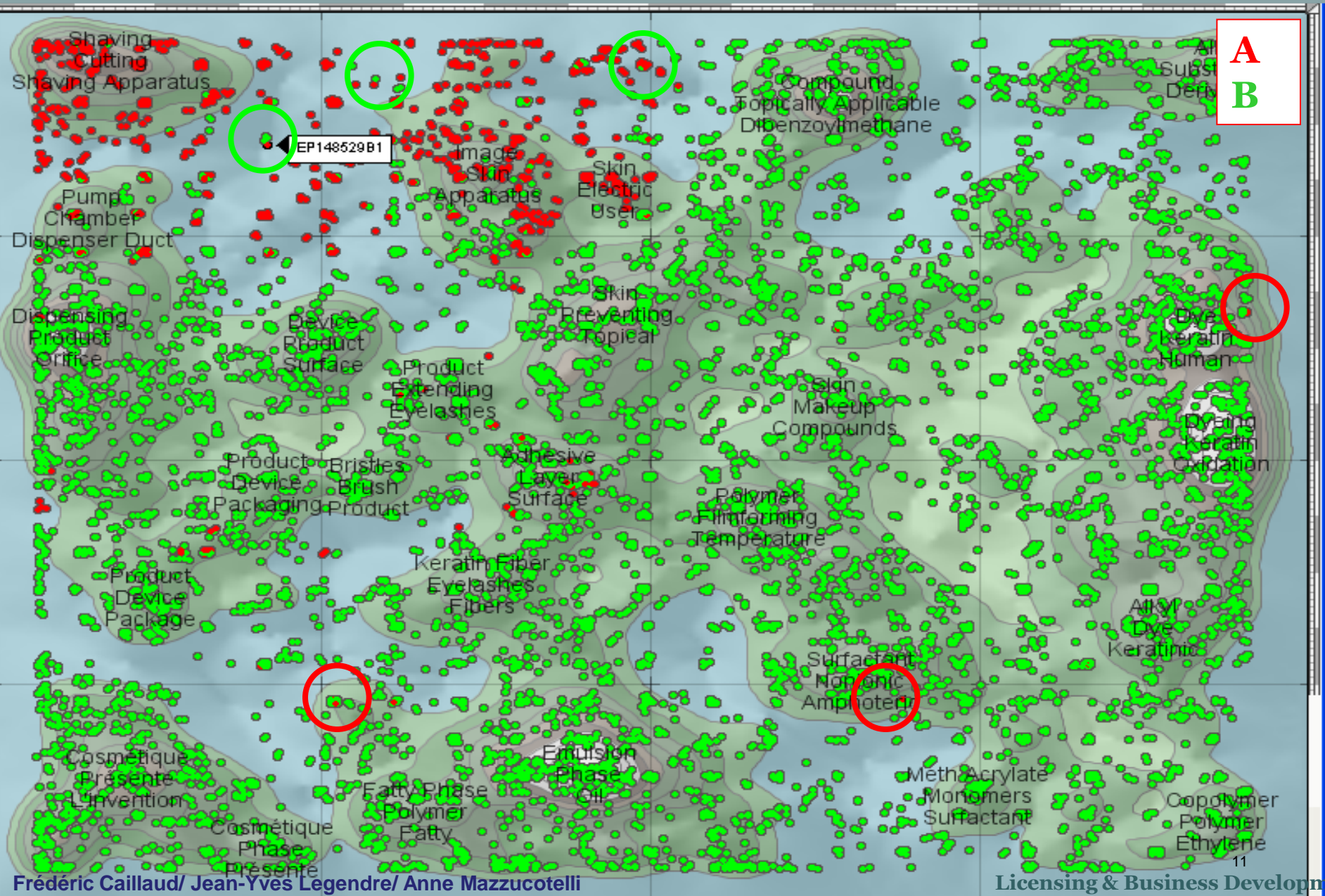
Up to 50 000 families today.



Strategic analysis of the environment



Patent Licensing



Innovation space navigation tool

➤ Strategic mapping

- Global definition of the international IP environment
- Identifying the key players and their innovation strategies prior to any launch. Trend detection due to R&D inertie.
- Saving R&D expenditures
- Internal vs external arbitration
- Taking the best wherever it is
- Identifying breakthrough innovation whatever the field
- More objective selection of the best partner
- Potential licencees or counterfeiting companies detection



Better return on investment and improved productivity

Open Innovation platform

- Massive data analysis is leading to the development of new services allowing to solve issues as never done before. It is fast and cost efficient (Questel, Innocentive, Decrypt, Presans, Biomodelling systems, Technometrix, IPR systems, Hypios,...)**
- When dealing with real life, their expertise must be combined.**
- Need for national platforms of experts able to :**
 - Help SMEs or PROs to better define their challenge**
 - Prescribe a list of tools to solve the challenge**



First movers will get a striking competitive advantage

Conclusion

- **Open Innovation is more easily performed and successfull when using massive data analysis**
- **Patent landscaping must be a routine**
- **Training and Open Innovation platforms must be created asap.**
- **New users will be able to :**
 - **More easily identify suitable innovative solutions**
 - **More objectively select really adequate partner**
 - **Do not « reinvent the world »**
 - **File more efficient patents**



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Thank you for your attention

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