

The Attorneys on the Inside: Functions and Goals of In-House Legal Counsel

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Why hire an attorney? The answer is quite simple: attorneys are hired to help resolve legal issues. Why hire an in-house attorney? The answer to this question is often not quite so simple. Many factors can influence an organization's decision of whether to hire an in-house legal counsel or create an in-house legal group. Here, I offer a glimpse into some of the functions of in-house counsel that can drive this decision-making process.

Cost-Saving Functions

More often than not, finances are a key driving force behind an organization's decisions. Therefore, among the most common reasons to bring an in-house counsel onboard is to help control the organization's expenses, and in particular, its legal expenses.

Depending on the organization, this in-house legal counsel can have a general or specialized legal background. For example, a university technology transfer office focused on commercializing the university faculties' research work may feel that hiring an in-house attorney specialized in intellectual property law is a sound hire. Likely frequently dealing with a multitude of business transactions, this same office may also consider hiring an attorney seasoned in transactional matters. As with most decisions, the cost-benefit analysis is a key determining factor as to exactly which type of and how many in-house counsels an organization can afford to add. Simply put, the value added by having the in-house counsel must at the very least outweigh his/her costs to the organization. Those costs can come in the form of salary and benefits paid to the in-house counsel, any additional costs that may accompany legal work (e.g., costs of legal research), and value of the legal work performed.

Managing Outside Counsel

While an in-house counsel has been brought onboard to perform legal functions within an organization, the hiring of an internal attorney does not always mean the role of legal experts outside the organization is diminished. Sometimes the role of the in-house lawyer comprises managing the work being performed by other attorneys. Such a managerial function can present important benefits to the organization. For example, in-house counsel can enhance the quality and value of outside counsel's work product. The in-house counsel is in a unique position to appreciate both the organization's legal issues and its overarching mission. Therefore, the goals of a particular legal assignment can be more concisely and accurately translated to the outside legal counsel. Likewise, the outside counsel's work product can be reviewed by another legal mind, to ensure that legal issues are appropriately addressed.

Performing Legal Work In-House

In addition to managing legal matters being performed by attorneys in outside law firms, the in-house counsel may also function as an "outside attorney on the inside." The in-house counsel is in a position to recognize legal issues at their outset, if not even before they occur. Such a function can prove invaluable to an organization. For instance, an organization generating and protecting technical knowledge may benefit from having an intellectual-property attorney, likely a patent attorney, on-hand to draft and file patent applications. The decisions for which patent applications the in-house counsel is to draft versus which the office will engage outside legal counsel to handle can themselves be based on a vast array of factors, including cost, efficiency within the organization, and complexity of the matter at hand.

The In-House Counsel Can Be an Asset as an Attorney on the Inside

Organizations can greatly benefit from having at least one attorney onboard within its walls. In addition to performing a consultant-type role as a full-time attorney, the in-house counsel may also be a valuable asset in managing the legal work being performed by attorneys outside the organization. The in-house counsel must therefore become well-versed in the organization and its goals in order to effectively facilitate the organization's legal and business

objectives, and thus add value to justify being brought onboard. When utilized appropriately, all parties involved can stand to benefit from the efforts of the in-house counsel, the attorneys on the inside.

Reference:

Taleyarkhan, Pervin R. The Attorney's on the Inside: Functions and Goals of In-House Legal Counsel. American Bar Association. Retrieved 3/14/16 from <http://www.americanbar.org/publications/tyl/topics/in-house-counsel/attorneys-inside-functions-goals-in-house-legal-counsel.html>.