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CORPORATE

Quality time is key for business of outside counsel

GCs are drawn to attorneys, firms who understand their work.

By David McAfee

Daily Journal Staff Writer

When Ronald S. Vaisbort, vice president and general counsel for Sunnyvale-based Good Technology Inc., makes decisions about which outside counsel to choose for a project, he picks the attorney who best understands his business.

He has worked with Robert J. Muller of Cypress LLP for five years on a variety of intellectual property and employment issues.

Vaisbort said Los Angeles-based Muller once flew to Sunnyvale with his team to connect with Good Technology's marketing department.

"The law firm proactively said if they had some insight in terms of what the marketing plan for the company is over the next 12 months, they'd be in a better position to serve us if and when the time came," Vaisbort said. "As it played out, over time, when things would come up, Bob and company had met with the people, they knew who they were and they understood the relationships within the company and the dynamics here better than an otherwise equally qualified lawyer from a different firm would have."

In-house lawyers say finding an outside counsel who can do a one-time job is one thing — but finding a long-term partner who understands the business can be much more difficult. Some outside counsel go further than others in understanding the ins and outs of their client's company and industry — and that makes a difference.

"If it's a new client, I want to learn everything," Muller said. "On a fairly frequent basis, at my own cost, I will go out and hire a professional in that industry to help me learn the business."

Mark Friedman, general counsel of Pinkberry, said it's incumbent



Robert J. Muller of Cypress LLP

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upon the general counsel to make sure outside counsel are well versed in the company's affairs and management.

"I think it's really important for outside counsel to understand the business," Friedman said. "Explain what the business is about and what the client's concerns and drivers are. It's time well spent."

Cary K. Hyden, a partner with Latham & Watkins LLP and chair of the firm's corporate department in Orange County, has developed long-lasting strategic partnerships with many of his clients thanks to his knowledge of their businesses. He represents STAAR Surgical Co. on a number of matters and has repre-

sented Allergan Inc. for "essentially all of their corporate transactions since 2001," he said.

"If I learn the business and I understand the key business drivers, they'll use me for overall legal and business judgment and not just some narrow legal issue," Hyden said.

Hyden said he often invites a client's internal mergers and acquisitions team to lunch to learn more about the company's growth goals, and he volunteers his time to attend a client's board meetings.

"If I really want to understand the business, I'll agree to go to their board meetings for free," Hyden said. "The idea there, of course, is there's no better way to learn a busi-

ness than to have senior executives and board members talk strategy."

Samuel J. Gesten, who joined STAAR as general counsel in April, said Hyden is coming to the company's next board meeting. Gesten was previously general counsel for Allergan, where he worked with Hyden for three years.

"Previously, at Allergan, his knowledge of the ophthalmic industry, both on the pharmaceutical medical device side and his team's knowledge of the [Food and Drug Administration], has proven very helpful in convincing us as to how to make decisions on business issues, whether it's licensing issues or public company reporting issues,"

Gesten said. "That's the kind of experience and expertise that he has, that I'm hoping he will also demonstrate for STAAR."

April L. Ammeter, vice president and associate general counsel at El Segundo-based DIRECTV Inc., said knowledge of her company's business is important in transactional work, but also in litigation. She said Melissa D. Ingalls and Mike E. Baumann, partners and trial lawyers at Kirkland & Ellis LLP in Los Angeles, understand DIRECTV's business needs well.

"[They] have developed strong bonds with DIRECTV as a result of their time and attention getting to know us — not just the legal team

and legal affairs, but key players within all departments and at all levels of the company," Ammeter said. "They pay close attention to our business and the competitive landscape."

In addition to representing DIRECTV for 15 years, Ingalls is also a long-time customer. She said that has helped her in her various representations of the company.

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— Cary K. Hyden

"To deal with cases that challenge certain kinds of fees that are being charged, or challenge the model by which DIRECTV is providing its service and equipment to its customers ... I think it puts us in a really unique and good position to be able to defend them better. I know the product," Ingalls said.

In one-off cases or low-value and high-volume work, business insight might not be as pivotal, but for long-term strategic partnerships, it's critical for a lawyer to understand the business and industry, said Nat Slavin, founding partner of Wicker Park Group, a consulting firm that offers firms client feedback programs.

"The pace of the law is much slower than the pace of business," Slavin said. "If a lawyer isn't keeping an eye on the business of the client, and the business climate, then that lawyer may not be aware that the strategic direction of the client can change mid-case. What once was a bet-the-company litigation may fast become a nuisance that needs to be resolved quickly."

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