

SPECIAL COVERAGE: RECRUITING

Firms starting to look south for IP expansion

West Los Angeles, not Silicon Valley, is the focus of new and merging firms.

by Casey Sullivan
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Law firms with well-established intellectual property practices in California are likely to come out of the gate hiring at the onset of 2012, recruiters say. And as firms scramble to corner that market to position themselves for continued expansion come January, they've increasingly focused on Los Angeles.

While Silicon Valley has traditionally been viewed as the prized spot to staff intellectual property specialists, the competition to grow business there has made it hard for firms not already established in the technology sector, forcing them to look south for IP expansion. That, combined

with a spate of technology startups in west Los Angeles, has made the southern city the new IP focus, the recruiters say.

"While [Silicon Valley] is perceived as the most fertile, Los Angeles also proved prominent nationally in terms of [IP-related] law firm mergers and new office openings in 2011," said recruiter Jason Yuen of headhunting agency Yuen Partners LLC.

Some firms with L.A. offices are offering headhunters as much as 40 percent of intellectual property specialists' first-year salaries for lateral partner placements. A headhunter is typically paid only 20 percent to 25 percent of a first-year salary for partner placements in other practice areas and geographic regions.

Recent efforts to grow intellectual property practices in Los Angeles have included mergers such as Dallas-based McKool Smith. Known for handling high-end intellectual property work, it made a strong push into the Central District when it merged with Los Angeles litigation boutique Hennigan Dorman LLP in

September.

With six offices nationwide before the merger, McKool Smith struggled to find a group of IP lawyers to join its platform in Northern California.

While lawyers at the firm say they're still looking to open an office in Northern California, McKool Smith meanwhile has set up a Los Angeles office staffed with more than 30 lawyers, according to the firm's website.

Other mergers this year that resulted in intellectual property expansions in Los Angeles include Boston-based Edwards Angell Palmer & Dodge LLP joining with Chicago-based Wildman Harrold Allen & Dixon LLP, which had a significant entertainment IP practice in Beverly Hills, and Phoenix-based Snell & Wilmer LLP picking up Los Angeles IP boutique Graves & Shaw LLP following the addition of two intellectual property partners from other firms.

The shift in recruiting efforts from Northern California to Southern Califor-

nia, where the Los Angeles-based Central District rakes in the majority of the nation's copyright and trademark cases, can also be traced to the recent boom in technology startup companies on the west side of Los Angeles County, industry observers say. Emerging companies have especially flocked to Santa Monica, which Bloomberg BusinessWeek ranked number three in its "Top 10 Cities for Startups" last year — the city was outpaced only by Boulder, Colo. and Boca Raton, Fla.

Industry observers say it's become increasingly difficult for firms to break into the California market and get IP work from big-name companies at the top of the technology industry and that they're instead looking to startups for work.

"... Many other firms have essentially watched from the sidelines as certain firms captured the bulk of the high-end patent litigation generated over the past 10 or 15 years," said recruiter Rick Kolodny, president of The Portfolio Group.

The firms that were left out have now

seen a way into the practice by focusing on Los Angeles, where lawyers are investing in companies at their inceptions by doing work for alternative fees, taking a page out of the playbook of Silicon Valley firms that got off the ground with startups and grew with them. Their hope is that one day, some of those companies will make it big or be acquired by one of the leading companies in the industry.

"It's like a talent agent," said recruiter John Jameson, president of recruiting agency The Jameson Group. "If you can hook up with the next great star, and they turn out to be the next Lady Gaga, you've got it made."

The success law firms have next year in their IP expansion efforts in California will hinge on how well they've recruited up to that point, particularly in Los Angeles.

As Cary Jones, managing partner of Snell & Wilmer's Los Angeles office, said, "You have to have it to build it."

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