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Sheppard takes Thelen's Valley office

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After a 10-year hunt, Sheppard, Mullin, Richter & Hampton is finally planting its flag in Silicon Valley, picking up the last two partners from Thelen Reid Brown Raysman & Steiner's tiny office there.

Along with Thelen's Marc Sockol and Riaz Karamali, Sheppard also hired Karen Canaan, a former partner at Mintz, Levin, Cohn, Ferris, Glovsky and Popeo with her own life science patent boutique. The firm will round out the initial group by moving Sheppard partner James Chadwick from San Francisco.

Sheppard came closest to opening its long-sought Valley office 10 years ago, when the firm considered a group of attorneys that ended up at Manatt, Phelps & Phillips.

"After all that time, we found a great group of people," said Sheppard Chairman Guy Halgren. "It fills in a gap for us — as one of the largest firms in California, we haven't had an office in Silicon Valley, and really should have, to take better advantage of our practices and better service clients."

Observers said they're optimistic about Sheppard's plans in the Valley, especially since it's not a no-name firm trying to edge into California. "There's every reason for them to be there," said Gary Davis, a recruiter with Patterson Davis Consulting in San Francisco.

That doesn't mean there aren't challenges ahead. Manatt Managing Partner William Quicksilver warned that Silicon Valley is a "very, very competitive market."

"There's some historical homegrown stalwarts, and a number of Wall Street firms that have entered the market recently," he said. "And there's firms like Goodwin Procter. It's very competitive."

MOVING IN

A Silicon Valley address had become a pressing need for lawyers in other Sheppard offices, so the firm intensified its search about a year ago. "In order to benefit our existing clients, we needed a presence in



RECORDER FILE (2005)

NEW IN TOWN: Sheppard, Mullin Chairman Guy Halgren said it's been a long time coming, but the firm has found just the right mix to make its Silicon Valley debut.

Silicon Valley, so we could introduce clients to more significant market and capital sources," said San Diego partner John Tishler, who led the effort.

The firm used various recruiters, but couldn't find the right candidates and combination.

The combination of a corporate partner, and two patent prosecutors — with Sockol's experience generating patent litigation matters — is a good base, he said. The firm already has Valley clients such as Electronic Arts Inc., Hewlett-Packard, Intel Corp. and Fry's Electronics Inc., which are currently served from Sheppard's San Francisco office.

The main focus will be corporate and intellectual property. Sheppard also expects its entertainment practice in Los Angeles to generate business for the new office. Tishler pointed to clients such as Yahoo and Sony Corp.

"We're concentrating on existing cli-

ent connections and practice connections," Halgren said. "We represent a lot of companies that deal with VCs in Silicon Valley, and that will allow us to be closer to those sources of capital."

While the firm isn't in the same league, size-wise, as indigenous Valley firms, it's not exactly a rookie player, either, Halgren said.

"Even though we're not as big as Cooley, Wilson or Fenwick, we'll definitely, at different times, be competing with them for a piece of work," he said.

MOVING OUT

Sockol had been at McGuire Sanders before starting a small Palo Alto office for Brown Raysman in 2005, a year before it merged with Thelen. Thelen already had a San Jose office, and Sockol said it soon became clear that Thelen wasn't interested in Palo Alto — or its pricey office costs.

"We were put on hold and remained stag-

nant for 1 1/2 years,” Sockol said. Two of the four partners left in that time, and about a month ago, Sockol and Karamali were given the choice to move to San Jose or San Francisco. Considering their client base and community ties on the peninsula, Sockol said, the two decided to switch firms instead. And while the two lawyers will have to move, they won’t have to go far — Sheppard’s new office is in the same building as the one Thelen is closing.

Sockol pointed out that he’s not the only Brown Raysman patent prosecution partner to jump ship — there have been similar departures in Los Angeles and New York.

“Thelen has a different approach than Brown Raysman,” he said. “There was a level of entrepreneurism that Brown Raysman had that made it something special.”

Thomas Hill, a member of Thelen’s executive committee, cautioned not to read too much into the departures — or the office closure.

Since the merger, the firm has tried to avoid redundancies, and having two offices in the Valley was one. It made sense to keep the San Jose office — the firm reported having 31 lawyers there at the time of the merger, and lists 25 on its Web site now — instead of a Palo Alto office that had started at four lawyers and fallen to two.

“We had this small little shop in Palo Alto that we were leasing space month-to-month with two lawyers, and we have a thriving of-

fice south in San Jose,” Hill said. “It didn’t make economic sense to continue to maintain that office.”

Hill downplayed the Brown Raysman departures, noting that it’s been patent prosecutors, not patent litigators, who’ve left, and adding that Brown Raysman’s California attorneys weren’t what drew Thelen to merge with the firm. “Certainly from the Thelen perspective, the key gain from the merger was a 170-lawyer office in New York and a vibrant transactional practice in New York,” Hill said.

MOVING FORWARD

Sheppard, meanwhile, plans to quickly build out its new outpost. Once you have an office, it suddenly gets a lot easier to recruit, Halgren said.

“Just today, as word has gotten out, I’ve been presented with two potential candidates that weren’t presented to me a week ago,” he said. “We’re there, we’re going to build, and we’re going to be successful.”

The firm is hoping to attract laterals in IP, corporate, litigation and more, Sockol said, and the downturn might make it easier.

“This might be good time to attract laterals unhappy with current firms,” he said.

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