

California Powerhouse: Wilson Sonsini

By Erin Coe

Law360, New York (June 10, 2015, 2:58 PM ET) -- Wilson Sonsini Goodrich & Rosati PC, which laid down roots in Silicon Valley before the world's technology startup hub had earned its name, has built a reputation over the past five decades as the go-to firm for helping companies get off the ground and soar to new heights, whether it's taking cloud storage provider Box Inc. public or guiding Netflix Inc. on its \$1.5 billion senior notes offering.

Founded in 1961 in Palo Alto, California, Wilson Sonsini has grown up amid the startup culture, teaming up with Silicon Valley's technology, life sciences and growth-stage companies and working closely with the local venture capital and private equity community that supports them. Its deep understanding of the deal-making world and its ability to use litigation to further clients' corporate interests have secured Wilson Sonsini a spot on Law360's California Powerhouses list for a second time.

The firm has about 465 California attorneys in Palo Alto, San Francisco, San Diego and Los Angeles, making it the third-largest Golden State firm on the list.

"By starting when and where we did, we've had a long and thorough commitment to Silicon Valley and the technology industry, and by expanding to technology centers throughout the state, we've reinforced that commitment over time," said Douglas Clark, co-managing partner of the firm. "We are focused on scaling or growing with our clients and doing their most complex transactions and litigation work."

Wilson Sonsini advises more than 300 public and 3,000 private companies, and in the past year, it has counseled clients on more than 25 initial public offerings with an aggregate value of over \$3.5 billion. In January, a California-based Wilson Sonsini team advised Box, which priced 12.5 million shares at \$14 apiece to raise \$175 million before listing on the New York Stock Exchange. And last year, a Palo Alto team represented the underwriters in the \$427.2 million initial public offering of action camera maker GoPro Inc.

The firm also has played a role in major capital markets deals within the last year, including representing Netflix in its \$1.5 billion offering of senior notes, LinkedIn Corp. in its \$1.3 billion offering of convertible senior notes and Micron Technology Inc. in its \$1.2 billion offering of senior notes.

Mergers and acquisitions are another key driver of work for the firm. It recently has represented cancer-drug maker Pharmacyclics Inc. in its \$21 billion sale to AbbVie Inc., advised electronics company Cypress Semiconductor Corp. on its \$5 billion merger with Spansion Inc. and counseled wireless networking company Aruba Networks Inc. on its \$3 billion sale to Hewlett-Packard Co.

One constant theme over Wilson Sonsini's life cycle is its "religious devotion" to the corporate enterprise and its ability to support companies as they grow in size, according to Jeffrey Saper, the firm's vice chairman.

"In the early stages, a company might need help on issues related to formation, the founding team, equity incentives and initial financing, while as a company gets larger, it might be looking to diversify its board to have an increasingly independent profile or get people who have operational insights into sales and marketing, information technology and international expansion," he said. "There are a lot of firms with specific expertise in very early-stage companies and a lot of firms with late-stage expertise. The unique aspect about us is that we operate through all sectors of that bell curve."

While corporate work is handled by attorneys throughout the firm, its primary M&A group is based in San Francisco, according to M&A partner Michael Ringler. The office, which opened in 1999 and now has about 55 attorneys, is expected to expand to 75 attorneys over the next year, he said.

"We work with a lot of companies like Google, Salesforce.com and Twitter that buy everything from two guys in a garage for \$10 million to very large companies in multibillion-dollar transactions," he said. "We do big and small deals, and we do public and private deals."

With more startups cropping up outside of Northern California, the firm's Los Angeles office is likely to grow its corporate practice, according to intellectual property litigation partner Edward Poplawski. The office opened in 2013 with a group of patent trial lawyers led by Poplawski and has since expanded to include antitrust, renewable energy and infrastructure finance services.

"We expect to expand our corporate practice as the Southern California area increasingly becomes a draw for clients in the tech space, notably the e-commerce, social media, computer networking and security areas," he said. "I also think the addition of the renewable energy and infrastructure finance practices to our patent trial capabilities emanating out of our LA office has enhanced and complemented the extraordinary capabilities that we already have at the firm."

The firm also touts a strong intellectual property litigation practice, which includes attorneys who are dedicated to crafting a long-term IP strategy to help clients meet their business objectives.

Corporate partner Martin Waters opened the firm's San Diego office in 2004 with a group of IP attorneys from Pillsbury Winthrop Shaw Pittman LLP led by Jeffrey Guise, and together they have built a practice centered on assisting emerging life science companies, including medical device, genomics, therapeutic and diagnostic businesses, with their corporate and IP needs.

"We recognized that with small companies, the most valuable thing they can build is a competitive IP portfolio," he said. "By strategically developing families of patents over time, we can help companies add to their position so that when they are ready for an IPO or a partnering or an M&A exit, they have a strong IP portfolio that is marketable."

Waters said when he first moved to San Diego to open the office after developing his practice in the firm's Palo Alto office, he was terrified.

"I came down from the Bay Area with my wife and four-year-old twins with no family or other ties to San Diego," he said. "I left much of my practice behind, and I knew if it didn't work out, it wasn't going to be an easy path back, and I had to make it work."

What helped, he said, was the fact that Wilson Sonsini's corporate work was so highly regarded in the startup area and in life sciences.

"Many companies didn't realize we had any kind of IP capabilities because at the time our IP practice was still relatively new. But it was great to take a brand that everyone knew and introduce a new facet," he said. "Applying an IP strategy to our established company-building activities resonated with a lot of entrepreneurs."

Wilson Sonsini has notched several IP victories for clients over the past year.

It scored a win for Google in September when the U.S. International Trade Commission largely upheld an administrative law judge's finding that LG Electronics, Samsung Electronics Co. Ltd. and Toshiba Corp. did not violate several of Black Hills Media LLC's streaming media patents by importing smartphones and other electronic devices. Google had intervened in the suit because some of its software was named and told the ITC that an exclusion order would cripple the U.S. smartphone market.

The firm also secured a favorable trademark ruling for social network aggregator Flipboard Inc. in October when a Washington federal court blocked Seattle tech company Treemo Inc. from using the mark "Flowboard" for its iPad storytelling app.

Treemo had argued that its app wasn't similar to the Flipboard app because Flowboard existed in the area of "touch publishing" and "content creation," whereas Flipboard was a "news aggregator" and didn't facilitate the creation of new content. Flipboard countered that both products were intended to allow users to create and share personal, customized publications that combine text and images drawn from a variety of sources.

U.S. Magistrate Judge James P. Donahue decided after a three-day bench trial that Treemo's mark would likely cause consumer confusion with Flipboard's app and ordered the cancellation of Treemo's trademark registration.

The firm also has had success in litigation in other areas. Wilson Sonsini scored a victory for Netflix in February when the Ninth Circuit refused to revive antitrust multidistrict litigation from subscribers claiming the company plotted with Wal-Mart Stores Inc. to corner the online DVD sales and rental markets.

The firm plans to stay focused on supporting corporate enterprises and helping them grow financially, operationally and internationally, according to Saper.

"We feel we have a battle-tested game plan that works," he said. "I think there's a lot of excitement within the membership of continued issues emanating from corporate enterprises. I don't foresee radical shifts in our strategy. Frankly, we like where we are situated."

And California will continue to be a core part of the firm's growth strategy, according to Saper.

"Given the wealth of the investors, the intellectual caliber of the entrepreneurs and the strong level of financial support and deals flowing, California will always be an integral part of our practice," he said. "There is too much innovation here to think that's going to change anytime soon."

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