

California Powerhouse: Jones Day

By Kurt Orzeck

Law360, Los Angeles (July 15, 2014, 2:43 PM ET) -- More than 40 years after opening its first of five offices in California, Jones Day — the United States' biggest law firm — has assembled a seemingly invincible array of reputed litigation and corporate transaction attorneys who buttress a towering client roster featuring Apple Inc., Chevron Corp. and Wal-Mart Stores Inc.

Jones Day does not have the most attorneys or the highest number of offices in California, but the firm has hired roughly 115 lateral partners in the Golden State in the past seven years alone, and its ability to leverage a team of 1,700 attorneys nationwide has enabled it to dominate virtually every California legal sector, including intellectual property, mergers and acquisitions, banking, and labor and employment.

Moreover, Jones Day, whose approach to serving clients is "one firm worldwide," has endowed its California team, which comprises 317 attorneys and 24 practices, with the dexterity to represent clients in prominent out-of-state matters, such as the Detroit bankruptcy. The ubiquity of the firm's California-based attorneys in and out of state has helped Jones Day secure a spot on Law360's recently unveiled California Powerhouses list.

"Jones Day now has five offices and over 300 lawyers in California because our clients — whether based in California, elsewhere in the country or around the world — have trusted us with their most complicated and important matters," according to Chris Lovrien, partner-in-charge of the firm's office in Los Angeles.

The firm's L.A. office opened in 1973, when the firm only had two other offices in Cleveland and Washington, D.C. According to Joe Sims, the Jones Day partner responsible for coordinating the firm's activities in California, Jones Day's impetus for establishing a West Coast presence was TRW Information Services, which split into entities including Experian PLC — currently one of the firm's most significant clients in California.

"Jones Day opened the L.A. office in part because of the needs of one of its aerospace clients, but also because the idea of a truly national firm had started to take shape in the minds of our partners," Lovrien said. "With the addition of the L.A. office, Jones Day had offices located on each coast and in the Midwest to serve its corporate clients wherever they did business."

Jones Day now employs 85 attorneys in its L.A. office, which is particularly strong in bankruptcies and reorganizations, complex commercial disputes, construction, product liability, and the defense of consumer class actions, according to Lovrien.

Other prominent attorneys who work out of the office include Elwood Lui, a former associate justice of the California Court of Appeal and a former deputy attorney general for the California Department of Justice; Frederick L. McKnight, a premier California jury trial lawyer who in April 2011 obtained a complete defense verdict for Yamaha Motor Co. Ltd. amid product liability claims relating to alleged rollovers of a recreational utility vehicle; and Jeffrey A. LeVee, who in April 2012 helped win a jury verdict favoring Cottage Health System and others over allegations that they conspired to exclude orthopedic surgeons from performing emergency and trauma spine surgery.

It wasn't until 1995 that Jones Day decided to open a second California office, in Irvine. Originally, it was under the leadership of Thomas R. Malcolm, a now-retired, well-known local litigator who tried more than 100 complex business trials and practices. Richard Grabowski, a commercial litigation expert who was the Irvine office's associate when it opened, is now its partner-in-charge.

The Irvine office's ranks have swelled to include 46 attorneys, including Jonn Beeson and Kevin Espinola, two of the leading transaction lawyers related to life sciences and technology transactions in Southern California. It also boasts Bob Naeve, a labor and employment lawyer who is one of the state's foremost authorities on the Americans with Disabilities Act, and Bill Rooklidge, a patent litigator and one of the leading commentators on patent infringement damages. Rooklidge just earned a win on behalf of client Xilinx Inc. against Intellectual Ventures Management LLC — one of the world's largest patent-assertion entities — by getting the district court to strike Intellectual Ventures' damages expert.

Meanwhile, 80 attorneys work out of Jones Day's San Francisco office, which it established in 2003.

The office is headed up by labor and employment specialist Aaron L. Agenbroad, who successfully defended R.J. Reynolds Tobacco Co. in a discrimination collective action alleging that its hiring criteria had a disparate, negative impact on job seekers who are over 40 years old. Two months ago, a California federal judge entered judgment in favor of Reynolds on all counts.

The San Francisco office also includes James Dutro, who co-heads Jones Day's health care and life sciences practice; Craig Waldman, who is advising DirecTV Inc. on the antitrust aspects of its recently announced acquisition by AT&T Inc., a transaction valued at about \$67 billion; and Curt Kirschner, among the leading labor and employment lawyers in California with a particular concentration on addressing employers' rights and obligations relating to disputes arising in the health care field.

Jones Day also employs 63 attorneys in its Silicon Valley office, which has existed since 2000 and is headed by intellectual property and complex business litigation pro Greg Lanier.

"That office opened shortly before the tech bubble burst, so the timing wasn't ideal," Sims said. "However, the burst of the bubble presented opportunities for us, because a lot of lawyers who went to a tech startup to make their fortune came back to practice law."

Among those lawyers is Daniel R. Mitz, a partner in Jones Day's Silicon Valley office who leads the firm's M&A practice in California. He represented SAP AG, a top provider of business-management assistance to the health industry, in its \$5.8 billion acquisition of Sybase Inc. in May 2010 and its \$3.4 billion acquisition of SuccessFactors Inc. in December 2011.

Mitz also advised SAP in its \$4.3 billion acquisition of Sunnyvale-based cloud computing firm Ariba Inc. in October 2012. Those deals are just the tip of the iceberg; Jones Day has advised clients in 184 mergers

and acquisitions transactions totaling nearly \$50 billion in California since 2012.

The Silicon Valley office also includes Tim Curry, who led Jones Day's team on the \$1.5 billion convertible senior notes offering for SanDisk Corp. and the initial public offering for Five9 Inc.

At Jones Day's San Diego office, which it opened in 2004, the firm employs 43 attorneys, including Anthony Insogna, the founding partner of the office and the co-head of Jones Day's intellectual property practice, and partner-in-charge Karen P. Hewitt. Hewitt, a former U.S. attorney and seasoned trial lawyer, is representing Walmart in a U.S. Department of Justice and U.S. Securities and Exchange Commission investigation over possible violations of the Foreign Corrupt Practices Act involving allegations of bribery at its Mexican subsidiary.

"We have great optimism for our future in California, because our focus is on helping our clients succeed here and we care deeply about this state," Hewitt said. "On a personal level, I am extraordinarily proud of how our culture attracts so much diversity and talent. From our depth in biotech and IP to our accomplished litigators, we are hitting [our] stride in San Diego."

A firm's success is, of course, measured by its legal achievements, of which Jones Day has had no shortage in California, especially in recent years.

In addition to the above matters, Jones Day is representing SAC in a civil suit regarding copyright infringement by acquired company Oracle Corp., for which a judge reversed a \$1.3 billion jury verdict in September 2011.

In March 2013, Jones Day secured a victory on behalf of Internet Corporation for Assigned Names and Numbers, which oversees the Internet's domain name system, when a California federal judge dismissed top-level domain name applicant name.space's monopolization claim against it. The decision marked the first time ICANN obtained such a broad, favorable ruling under Section 2 of the Sherman Act.

In another Sherman Act victory, Jones Day represented Apple in a putative class action claiming that the company's iTunes music encryption system violated antitrust laws. The Ninth Circuit dismissed the suit in September of last year, ruling that the woman bringing the case failed to allege sufficient facts to support her claims of monopolization.

In terms of corporate transactions, Jones Day represented Five9 Inc. in its initial public offering of 10 million shares of common stock — worth \$80.5 million and underwritten by J.P. Morgan Securities LLC, Barclays Capital Inc. and others — in April of this year.

While those accomplishments took place in California, L.A. office partner-in-charge Lovrien noted that "all clients of Jones Day are clients of the firm, not clients of specific lawyers or specific offices."

Case in point is the Detroit bankruptcy, in which Jones Day's multicity business restructuring and reorganization practice is representing the city. While the Chapter 9 case is unfolding in Michigan federal court, the Jones Day team is co-headed by Los Angeles-based Bruce Bennett, who was the lead lawyer for the Los Angeles Dodgers on their \$2 billion acquisition by Magic Johnson and others, and lead debtor counsel in Orange County's bankruptcy.

"The team representing Detroit includes attorneys with the needed background and experience from

many offices, including Cleveland; Washington, D.C.; and Chicago. Even with this support, I spent a lot of time in Detroit during the past 16 months," Bennett said. "More generally, the Jones Day footprint — in California and throughout the world — supports a national and international insolvency and business reorganization practice very well, and our unique governance system allows us to serve clients as one firm worldwide."

With roughly 2,500 attorneys in 41 offices, Jones Day earned the top spot in the Law360 400 ranking earlier this year. As it continues to expand its reach across the globe, Sims said he anticipates its growth won't be slowing in the Golden State.

"Assuming California doesn't disappear for some reason, we're likely to continue to get stronger here," he said. "We've avoided the problems of some firms — we don't have stability issues — and we continue to apparently satisfy clients, so they keep coming back and asking us to do more. We've been getting larger for the past decade or so and will continue to do so."

--Editing by Elizabeth Bowen and Katherine Rautenberg.