



LEGALINK

INTERNATIONAL BUT PERSONAL

Tom Davis

— Carter Ledyard & Milbourn LLP

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How long have your firm been a member of Legalink and what has changed since then?

My firm has been a member of Legalink since 1998 and my first meeting was in Panama in 1999. I was Chair of Legalink from 2007 until 2009. I think it is a wonderful organization and I am really happy I have been able to meet so many really good lawyers. I think it is important for mid-sized law firms to have access to a network of law firms. And I think a firm of my firm's size in particular has to belong to such a network. Here is why I say that: The legal landscape over the last 20 years has seen several important trends. One is that mega firms have grown and become more important and that is continuing.

Another trend is that a lot more information is available than it used to be. It is available to clients and it is available to other lawyers; it is information about lawyers, law firms and also what lawyers get paid.

Another big trend is that many important industries are consolidating. There are fewer banks than there used to be, there are fewer manufacturing companies than there used to be, and whenever an industry consolidates like that, often they reduce their legal team. They reduce the number of lawyers they deal with. So it is possible to lose a really good client because they got acquired by somebody.

On the other side, there are industries that have grown up over the last few years like technology, internet companies and communications companies so there are opportunities that did not formerly exist or did not grow.

Another trend is that there are more experts about law firm management, gurus if you will, and there are more legal publications that rank lawyers or talk about how good they are, than there used to be. And those legal experts, those gurus, and many of those publications are strongly biased in favor of big law firms. A lot of the ones coming out of London in particular favor big law firms over midsized and small ones. Which means that they are creating in the public perception and among lawyers too the idea that to survive and prosper you have to be a great big law firm. Although many Legalink members are in cities that are not so big, that mentality is growing all over the place. It has certainly changed a lot in New York where I am.

Another thing that has changed over the last twenty years was the Great Recession. I was Chair during that time period and it made life really hard for Legalink members and for clients.

And it feels even harder than it used to be successful in a mid-sized law firm because of all of these factors that point towards the growing success of mega firms. It is best to step back from that and think about the best ways to provide quality legal service to clients.

Smart general counsels of corporations understand that they are represented best if they get a great lawyer who is smart and experienced and who cares about the client and who also can be afforded, whose rates are more reasonable. In our network there are many smart experienced lawyers - no-one at my firm charges \$1000+ per hour for representation - and who are very happy that they have wonderful clients.

In this context, what do you think are the biggest disadvantages of big law firms for a client?

One is that the rates are too high. Also, there is a huge pressure on lawyers in big law firms to bill a lot of hours, which means you end up paying for things you should not have to pay for. Big law firms have conflicts when one office is representing a client so no other office can have a dispute with that client. Another problem they have is that the quality of their offices is not even and uniform. There might be a wonderful home office but they might have offices in other places that are not so good and if you are signed up with a big law firm, you are signing up to use all of your offices - so you may be represented by people who are not good in addition to people who are. But in the network, we are all free to call other network members if we have good luck with them and so we can tell our clients that they are going to get somebody who we know is really good.

In your view what is the biggest benefit of being in a network?

I think members of Legalink and members of other networks too do not always assess the value of the membership the right way. I think people always think: "It is successful if I get a lot of work from other members. And it is not successful if I do not". I think that is too narrow. People ought to assess membership based on what it costs and what they get from it. Belonging to our network gives our members the chance to say that they know people in a lot of important places where you can get work done.

There is literally no place on earth where we either don't have a member or we cannot find one that our members know.

So it lets all of our members be able to say that they are like a big firm without having the disadvantages because they can find good lawyers everywhere.

Many law firms do not look at it like that. But if they only count on the referrals that they get, they are missing a big advantage of being in a network. And our network does not cost that much. There are other networks that cost multiples of what our membership fees are. And sometimes you get to pay back for that in terms of referrals and sometimes you do not. But it just costs more. So in terms of cost and benefit I think Legalink is a real bargain.

Where do you think we should be heading as a network? What can we do better?

Since I have been Chair, we have made the network much more professional. I think having a paid staff that pays attention is really necessary and I think we are on the right track with that.

I think the Committee ought to, through the administrative staff or directly, make sure the members are happy, talking to them a lot and have member relations as an important priority. The Committee works really hard to bring in new members. I have seen a little bit how you are working and it is hard.

Once you get a new member, you do not want them to be disappointed and leave. So I think it would be wise to spend as much energy as possible on making sure that members are happy and keeping them, as important as bringing new members.

I think another thing the Committee should do is be aware of what is going on in other networks, like competitive intelligence. What other networks do that works well, what are some things they do that do not work and adopt things that other networks do that seem to be successful. I am aware of another network that has advised young lawyers from the member firms to come to meetings just to see what it is like and to present something at the meeting, like the young lawyers from the various firms get together and work on a project and then present it at the general meeting. And the point of all that is to involve everybody in the law firm and not just the person who shows up at the meeting to make membership more institutional.

I think also the Committee ought to be aware of the demographics (ages) of the people who are attending meetings. In terms of retaining members it is important to understand where the active ones are in their careers and make sure there is some succession plan. Frankly, I am getting ready to be less active in my law firm and I was thinking who should be responsible for the relationship with Legalink. I plan to come to the Milan meeting and after that we will see. In terms of thinking about the future of the network, part of it is just a human part, like where people in their career are and who is going to be responsible before and after. Maybe this is what the individuals ought to be doing in their firms. I thought what Greg Person did in Buchanan Ingersoll & Rooney was right. He identified a good successor and Don Malecki did take the role over. But that does not happen every time. So it should not be just assumed that is going to work out in the right way.

I would encourage all of the members to be active. Like with everything, you get more benefit out of it if you participate more.

If people just come to meetings and that is all, they do not get the full benefit of knowing the other members. They ought to have conference calls, write articles together, be as active as they can because it would deepen the relationships they have with people and it is more likely that they would be able to work together if they know other people better.

How did the business of your firm develop in last year?

This has been a difficult year for us. Our dispute practice has been very active and our private practice is always very active on a certain level. Our corporate practice is sort of up and down. There have been a lot of huge transactions that have happened but we have not been involved in them. Let us see what is going to happen next year. It is hard to say what our clients are going to be doing. So far it does not seem like a huge economic expansion worldwide. It feels like the whole world is sort of standing still or maybe growing a little smaller.

Do you have an example of recent cross border work with another Legalink member you would like to share?

We have received a little bit of work from our new member in Tokyo, Uryu & Itoga. We are working on parts of an M&A deal, small but interesting. We had the opportunity to bid on work presented to us by Markus Bauer's firm - Rittershaus, we did not get it but I was grateful for the opportunity to make a proposal on it. Weightmans sent me a client from Manchester, they are buying technology and I am grateful for this referral too.

What are you personally generally working on?

What I work on myself is a transfer of technology and licensing. I work on licensing trademarks and trade names and computer software and these sort of things. I review a lot of contracts and it is fun just to see what people think is important and what their businesses are doing. A lot of it is cross border work. I am working now on a license of trademarks and trade names that would be used in a small country in South East Asia. It is very interesting dealing with the lawyer on the other side, in a country whose perspective is different from mine. It is a difficult negotiation but it is interesting.

What is the perspective of your firm; is it going to be growing or investing in its own resources?

In my firm I am responsible for bringing in new partners. I talk to recruiters who present people to us. So I meet with candidates and think about what they are doing and how they would fit in here. Our perspective has been agnostic. If we work in an area, I am very happy to think about adding more people in that area. Because if you have even more good people working in an area, it makes it easier because of additional clients and because people have heard about what do you.

In the past year we brought in a commercial litigator, a white collar criminal lawyer, a private clients lawyer and a corporate lawyer. And I continue to look for the people in all of the areas that we are in because if they are good lawyers and that is an important criterion for us, it adds to our reputation and makes us bigger.

It is really hard to branch out into different areas of the law from the ones you have traditionally practicing because it is hard to assess the economic benefit and it is hard to know whether the lateral person is capable or not. It is easy to assess someone if they do what you do but if you are adding someone doing something really different from what you do it is hard to figure out whether they really have the clients that they say they have.

We had some really good successes bringing in lateral of partners but a few of them were not successful. And it is hard to know at the beginning how it is going to work out. So in addition to the personal thing, you have to figure out whether the new areas of the law will be successful. Our place is not a revolving door. When someone joins us we hope she will stay for her whole career. In bigger firms they add anybody and just do not work like that.

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Thank you.