

## Global 20: K&L Gates

By **Gavin Broady**

*Law360, New York (August 06, 2013, 6:20 PM ET)* -- The past year has seen K&L Gates LLP make a major push into the Asia-Pacific region by establishing new footholds in Australia and South Korea while further developing its formidable stateside practice as the firm continues to climb the ranks in its third straight appearance on Law360's Global 20.

With each expansion underscored by a guiding philosophy of borderless firm integration, K&L Gates has grown a worldwide practice that now sees more than a quarter of its projected \$1.2 billion revenue generated through work undertaken at multiple offices around the globe.

"Through our market positioning and unique organizational structure, we try to locate the firm at what we call the critical crossroads of the 21st century: the intersection of globalization, regulation and innovation," global managing partner Peter Kalis said. "We have pursued with religious fervor a totally integrated law firm. We are indeed the largest integrated network of offices of any global law firm."

Major moves made by K&L Gates in the last year include the establishment of a seventh Asian office in Seoul, the launch of two new stateside branches in the energy industry center of Houston and the business formation hub of Delaware, and the firm's expansion onto a fifth continent via its combination with Australian law firm Middletons.

Those moves have boosted the firm's platform to more than 2,100 attorneys in 48 offices worldwide — including 22 offices outside the U.S. that are home to more than 700 lawyers — all united under a banner operational, technological and financial integration.

For K&L Gates, integration means attorneys with the firm are not hindered by interior firewalls and aren't forced to negotiate against internal profit borders to serve clients globally, according to Kalis.

"We have none of that nonsense," Kalis said. "Very few of our peer firms are positioned that way. A lot have taken the easy way out: to just share a brand and be member firms of an alliance, but not a single firm. That's not our way."

The integrated approach creates internal efficiencies that allow the firm to help clients seamlessly address the increasing movement of products, capital, ideas and finance across borders, all while negotiating the "continuing, ratchet-like intervention" of governments into private markets, according to Kalis.

Perhaps no move better signals the global ambition of K&L Gates than the decision to open shop in the Australian cities of Sydney, Melbourne, Perth and Brisbane via the January 2013 Middletons merger, a move that firm leaders say has given it an edge on investment flow into the country and opened up access to new business in the Asia-Pacific region.

"It's an interesting development, when you stand back and think about Australia in the 21st century," Kalis said. "In 1992, when the U.K. made the decision to orient itself toward the European Union more formally, the commonwealth kind of got ramped down in significance. In the ensuing two decades, Australia brilliantly positioned itself in the Asia-Pacific market as the southernmost anchor in that region."

Australia managing partner Nick Nichola added that the importance of having a base on the continent goes beyond access to the Asia-Pacific region, and gives the firm an inside line on the recent boom in American investment on the continent.

"There is a lot of focus on the Asian region and 'the Asian Century' over the last few years," Nichola said. "What often gets overlooked is that there has also been a phenomenal amount of inbound investment into Australia from the U.S., which far surpasses any of the investment into the country by China, our largest trading partner."

Much of that investment comes in the mining and energy project finance sector, and the firm's Australian branch is thus heavily geared toward the infrastructure and resources practice, Nichola said. He noted, however, that the Australian practice also engages in a broad range of full-service offerings within the country as well, especially in Sydney, which Nichola described as the epicenter for Australian legal work.

"The practice we have gives us national coverage, and there isn't any work we can't service in any part of the country out of those four offices," Nichola said.

The firm made additional gains this year in the Asia-Pacific theater, where it now has 11 offices housing more than 400 attorneys, with the November 2012 christening of the Seoul office.

Asia managing partner David Tang said that the office has been a key component in the firm's expansion into an increasingly vital region, adding that K&L Gates' integrated approach there is especially pronounced given that the volume of cross-office cooperation in the region accounts for around 40 percent of total work.

"I would say that our business model is a huge component in what we do and how we do it successfully," Tang said. "It means that our lawyers are as accustomed to working with other offices as they are with the lawyer down the hall, and we can call on the team with the best experience and skill set regardless of the office they happen to be in."

Tang said that K&L Gates has now established a presence in the major commercial financial centers in the Asia-Pacific region, and its focus moving forward will be on developing those offices and increasing the firm's access to the vast flow of investment emanating from the Far East.

"Asian companies are now going outbound, with Chinese companies investing in Germany and elsewhere," Tang said. "We expect investment into Europe from China and other parts of Asia to continue given that the wealth is increasingly centered in Asia, and both state and private entities are big investors in the market now."

Beyond those market advantages, Tang said he has seen firsthand how the firm's global integration has created a number of pragmatic benefits as well, from reducing client cost by limiting the need for international attorney travel to simply making sure a K&L Gates lawyer is on hand around the clock to answer the phone when a client calls.

"Sophisticated general counsel are pretty accustomed to geographic distance," Tang said. "What they're not satisfied with is having to wait eight hours for someone to get into the office if there's an issue to be addressed. Having the time zones covered and no profit borders eliminates that."

Despite the recent focus on the Asia-Pacific region, the firm has not remained stagnant on its home soil. Recent expansion efforts in the U.S. include the opening of an office in Houston in an effort to amp up the firm's energy practice, as well as the April addition of a Delaware branch focused on the establishment of alternative business entities, in what Kalis called "the sweet spot of corporate formations in the U.S."

K&L Gates also continues to grow in Europe, where the firm's presence has expanded to encompass eight European hubs, including the most recent addition of the Milan office in 2012.

Europe managing partner Martin Lane said that the firm has covered the core bases on the continent, and over the past 12 months has focused on growing existing offices through aggressive lateral recruitment.

"The firm as a whole and the partnership as a whole remains very committed to European practice," Lane said. "When you look at the jigsaw puzzle, all of the pieces continue to come together."

Martin said the ease with which work flows from one office to another has provided a tremendous boon to clients at all levels and across practice areas, citing as one example a recent transaction that was closed by the Milan office for a German client in a matter introduced by the Brussels office.

"It wasn't a blockbuster transaction, but it was big for the client," Lane said. "They were absolutely delighted that they could go to their Brussels partner and get all the input they needed to close a deal in Italy, while also getting expert input on German regulatory issues."

Lane said K&L Gates also recently helped a long-standing client from the firm's Charlotte, N.C., office do its first deal in France, adding that while the deal might not be the kind of transaction that grabs headlines, it was a critical deal for the company that allowed it to take its product into new markets.

"It's the quality of those interactions that really makes a difference," Lane said. "It's the way the offices react to each other without any of the complications we sometimes hear about with other global firms that take a less seamless approach to serving clients across the global platform. It's an utterly fundamental part of our business model."

--Editing by Katherine Rautenberg.