

Firms Fight for Limited Pool of China Experts

By *Geneva Whitmarsh*
Daily Journal Staff Writer

LOS ANGELES - Law firms eager to open or expand offices in burgeoning China are looking for attorneys willing to make the leap overseas.

And that's keeping recruiters like James Fant busy.

"There are not enough quality corporate attorneys who speak fluent [Mandarin] and know how to practice law there," said Fant, managing director of BCG Attorney Search in San Francisco. "So firms are fighting like cats and dogs, desperate to cash in on that."

Recruiters from the Silicon Valley to Hong Kong say a growing number of firms are approaching them for help in finding a bilingual candidate with strong corporate skills and the willingness to practice law in an evolving legal arena.

"It's a limited pool," said Silicon Valley recruiter Carl Baier, who recently handled work for candidates in China and India. "And the people who fit that description are getting a lot of calls."

In the 31/2 years since China joined the World Trade Organization, experts say it has grown rapidly into a global powerhouse.

The country attracted a record \$60.6 billion in foreign investment in 2004, while gross domestic product surged 9.5 percent, with only a slight dip predicted this year.

But there are pitfalls. In the area of acquisitions, for example, language barriers, different accounting methods and government involvement can stall deals.

"The country also suffers from a undeveloped legal system," said independent analyst Gerry Lowe. "Law itself is a very young profession in China."

Only in 1998 did the government restructure its federal patent office to create the State Intellectual Property Office, putting it under direct control of the federal cabinet. And not until March 1999 did Beijing's one-

party government define the terms of contractual agreement when it ratified the Contract Law of the People's Republic of China.

"It's the wild wild East. There are all those issues, but that can be exciting to people," Baier said.

Major Lindsey & Africa joined the small colony of Western legal recruiters with offices in Hong Kong a few years ago.

Caroline Lim, a director in the firm's Hong Kong office, said mergers and acquisitions, patent, and securities attorneys are in high demand.

"We tell them that this is the best time to be in China," Lim said. "It's a growing and exciting place, and now is the time to jump on the bandwagon."

She said that recruiters focus on junior and midlevel attorneys, who often are more mobile and less costly than their senior counterparts.

"It's a bigger investment and risk to take on a senior associate," Lim said.

Joe Bevash, managing partner of Latham & Watkins' Hong Kong office, compared a senior attorney making a move to China to "starting from scratch."

"It's a big impediment to a highly successful senior person because leaving a successful practice can be a daunting prospect," Bevash said. "But it is happening."

Such was the case with Carmen Chang, who left Wall Street firm Shearman & Sterling to spearhead Wilson Sonsini Goodrich & Rosati's official foray into China, making it the first major Silicon Valley firm to open an office outside of the United States.

Attorneys and recruiters agree the booming Chinese economy is just taking off.

Brent Caslin, a partner at Kirkland & Ellis, has worked off and on in China and manages international and technology-related commercial disputes from the firm's Los Angeles office.

His firm, though not based in China, is launching an exchange program with Chinese law firms that will enable its young attorneys to work overseas while a Chinese lawyer works from a U.S. office.

Caslin echoed Lim's opinion that corporate, securities and intellectual property attorneys are and will remain in high demand.

"But," he said, "in 30-to-40 years, you're going to have Chinese cars and brands out of China for the first time. And that means they'll need good ol' American litigators and antitrust litigators."

“And even the firms are going to have to have someone in China who can drive over, sit down with the clients and explain what’s happening in the U.S,” Caslin said.

Still, Fant said many of the associates recruited to China consider the move temporary, planning to work overseas for a year or two, then apply their knowledge in the states.

“There’s a concern that the workload is not as sophisticated and that the crème de la crème opportunities are really for the Chinese nationals who went to school here and then moved back,” he said.

But Bevash, whose firm recently opened a Shanghai office and whose Hong Kong office has been in operation for 10 years, said his firm is recruiting Chinese attorneys, as well as U.S. attorneys who are willing to commit to work overseas.

“When we were setting up the [Hong Kong] office, we were looking for anyone we could get,” he said. “But now that the practice is maturing and we’re 10 years into it, we’re no longer looking for people to split time between the U.S. [and China]. Now, we want people who are willing to commit on a permanent basis.”

Meanwhile, firms looking to cash in on the booming Chinese market are searching actively for the attorneys that will help them do that.

“[Firms] want people on the ground there,” Baier said.

“Say you’re Carmen Chang at Wilson Sonsini. You want people doing the work and making clients feel secure because you’re down the street. But you don’t want to lose your Silicon Valley connection, either.”

And, Bevash added, there is an “excitement” about practicing law in China that gives recruitment efforts an extra push.

“From the Vikings to Columbus, people have been excited about the opportunities over the horizon, and the same is true today,” he said. “People are still intrigued by the prospect of something new.”