

## Litigator a Master at Picking Teams

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Eager to give her commercial litigation practice a boost, Jessica Grant interviewed with a number of big firms earlier this year. Only begrudgingly did she head down to the Ferry Building at the urging of a recruiter for an interview at the low-profile, one-partner Taylor & Co.

"Within five minutes, I was convinced that this was the place for me," the 38-year-old former Furth firm name partner said. Founder Stephen Taylor offered immediate exposure to high-end work for stellar clients, Grant said, including Google Inc. and Intel Corp., plus a salary that met her expectations.

"At a big firm it takes forever for you to work with the clients directly," she said. "I didn't want to be lawyer No. 202."

Colleagues, recruiters and clients concur that it is unusual to find a litigation practice of Taylor's caliber in such a small package. With three other full-time lawyers who are the equivalents of associates, two part-time of counsel and a smattering of legal and administrative staff, Taylor charges \$650 per hour on IP matters that few small-firm lawyers are called on to do. Taylor & Co. works for technology companies, handles professional liability for the region's large law firms, and general litigation matters for venture capital firms. Even opposing counsel who work with large corporations refer work to him that they are conflicted out of.



Attorney Stephen Taylor of Taylor & Company in San Francisco.

Image: Christine Jegan/The Recorder

Disinclined to turn new work away, Taylor says that in addition to Grant, he plans to add up to four more full-time attorneys before the year is over.

It would be an ambitious expansion on his business model, which often involves assembling teams made up of partners and associates on a case-by-case basis from the best shops in town. In 2005, for example, he brought Keker & Van Nest partner Ragesh Tangri into a case involving the rights to seven Intel patents. Taylor also routinely calls on Reed Smith intellectual and business litigator Scott Baker, as well as Farella Braun & Martel litigator Douglas Young.

"Sometimes, we need additional lawyers," Taylor said. "If I miscalculate and I don't hire enough, I can get really squeezed, but I'm pretty careful about not taking on too much."

Unusual as the model is, in one area Taylor & Co. is not the exception: hiring and retention, which appear to be as challenging for the litigation boutique as it is for other small firms. "It's tough to recruit in a small office," said Keker partner Tangri.

"He wants associates that we would get, and a lot of these people will look and see that it's one partner and a couple of associates," he said. "They ask, 'Is it real? Is it stable?'"

### KEEPING THE TALENT

Initially shy, Taylor keeps his eyes glued to the table as he describes his work. Over the course of conversation in the Embarcadero's trendy Boulettes Larder cafe, however, the 58-year-old grows more animated as he describes how he came to represent some of Silicon Valley's biggest names.

It started with a 1990 PeopleSoft Inc. copyright and trade secret dispute, in which Taylor successfully represented the company, its founder Dave Duffield and a number of executives. At the time, Taylor was a partner at the now-defunct Kindel & Anderson. He brought Douglas Derwin, then a partner at Skjerven Morrill (also since disbanded) in as co-counsel. The case ended in a confidential settlement and was the start of a relationship with Duffield, who encouraged Taylor to strike out on his own.

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— **S. ELAINE McCHESNEY**  
**Bingham McCutchen**

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"That was a big moment for me," Taylor said. "That case convinced me that you could really practice this way and the clients actually appreciated it because they ended up having the best team on the field."

Founded in 1992, the firm is built around Taylor, legal assistant Catherine Dunbar, who has worked by his side for 29 years, and attorney Jan Klohonatz, who has been with the duo for 20 years. The three practiced together previously at Kindel & Anderson, running the Los Angeles-based firm's San Francisco operation, and before that for 13 years at Graham & James.

Taylor also has a long-standing working relationship with Boalt Hall law professor Stephen Bundy, who has advised on an as-

needed basis. Taylor made Bundy a salaried part-time of counsel in March. Derwin has been co-counsel and consultant to the firm on and off for 17 years. He was bestowed the of counsel title last year.

New hires like Grant notwithstanding, the litigation boutique has had some trouble making people stick. During the first four years at the Ferry Building, where Taylor moved in 2003, three lawyers he brought on as associates left to pursue unrelated areas of law.

Taylor said one lawyer left to travel and consider public interest law and another went on to do public interest work in New Orleans. A third, Tyler Newby, said it wasn't the salary (Taylor matched the previous \$145,000 benchmark being paid for first-years) or the work that caused him to say goodbye to Taylor & Co. in February, but a dream opportunity to work as a prosecutor with the Department of Justice in Washington, D.C.

### A HANDS-ON LITIGATOR

Taylor said work has been on an upswing since moving to the city from Alameda, where he practiced out of a small office with his sail boat docked in the harbor outside.

Take new client Hands-On Mobile Inc. When William McGrath, the San Francisco company's general counsel, sensed trouble brewing over the hire of seven former Yahoo Inc. engineers, he hired Taylor, thanks to a recommendation from John Kecker, who declined to handle the matter at first due to a conflict.

Yahoo sued Hands-On Mobile in February 2006. "We were up against a big firm," McGrath said. "It was extremely aggressive litigation like I'd never seen before."

Taylor has a "great instinct for telling when he needs help," McGrath said, and "will happily and quickly" engage lawyers from firms outside his own. Taylor later was able to retain the Kecker firm, after it resolved its conflict, and San Jose-based Berliner Cohen as co-counsel for the year-long dispute with Yahoo, which did much to mitigate the risk of having one small firm handle the case, McGrath said.

Never making it to trial, the case culminated in mediation with JAMS and settled for an undisclosed amount earlier this year. "Steve was consistently giving me feedback that I realized in retrospect was thinking down the

road — not about tomorrow — in case we got sued," McGrath said. "It taught me a lot about how we should be behaving."

He has since recommended Taylor on numerous occasions. "Not enough people know about him," McGrath said.

Even opposing counsel rave. Bingham McCutchen partner S. Elaine McChesney calls Taylor a "Renaissance litigator," one who is not afraid to try a case, but who at the same time knows how and when to negotiate toward settlement. McChesney, a commercial litigator based in Boston, said it is only seldom that she works with boutiques the size of Taylor & Co. because of the nature of her cases, which involve large companies on each side.

McChesney first met Taylor four years ago in a case that involved a compensation dispute between several high-ranking executives and their company. Taylor sent McChesney a draft complaint to open negotiations. Worth millions of dollars, the matter resulted in a confidential settlement, she said. By contrast, McChesney said another attorney in a similar type of case went to *The Wall Street Journal* to publicize his complaint without approaching the company in advance. That matter is still ongoing. She said Taylor did not hyper-inflate damages.

"He did away with the hyperbole of who's right and who's wrong," she said. "He presented us with a very thoughtful analysis of the potential range of damages. It was not what you get from a typical plaintiffs lawyer, it was well thought out, backed up by documents and accurate calculations, not a lot of fluff that you tend to get, and it made their approach very credible."

Impressed, McChesney said she has referred her clients to Taylor when she can't represent them on the West Coast because of conflicts.

If he is to expand his staff, Taylor might have to contend with what Keker's Tangri calls an "information deficit" in the general legal community about Taylor's firm. But if some of the young lawyers knew what partners who have worked with Taylor know, Tangri added, the hiring would probably be easier.

"If I wasn't working here, that would be the first place I would think about working."