

California Powerhouse: Wilson Sonsini

By James Mills

Law360 (August 8, 2022, 2:02 PM EDT) --With 570 attorneys in California, the most of any law firm in the state, it's only natural that Wilson Sonsini Goodrich & Rosati PC has been involved in some of the biggest technology-related transactions of the past year.

The Palo Alto-based firm advised video game developer Zynga on its \$12.7 billion sale to Take-Two Interactive. It also represented food delivery service DoorDash through its \$8.1 billion acquisition of delivery platform Wolt. Likewise, it counseled cybersecurity firm Mandiant during its \$5.4 billion acquisition by Google.

"[Deals like this are] sort of ordinary course for us. We're involved in extraordinarily interesting transactions," firm managing partner Douglas J. Clark told Law360 during a recent interview. And those deals were a big reason why Wilson Sonsini made it on the list of Law360's 2022 California Powerhouses.

Perhaps one of its most interesting deals is one that may never happen. Wilson Sonsini was involved in what was likely the most widely discussed and widely publicized deal of the past year: billionaire Elon Musk's \$44 billion acquisition of Twitter. Wilson Sonsini was the main firm representing the social media app when the acquisition was on, and it is also involved in the litigation now that the deal seems to be off.

Clark can't discuss the details of the Twitter deal, but he did say that "if you look across technology and life sciences subsectors, we have over time and continue to represent the most interesting companies transforming how people interact with technology, whether it was Apple then, or Google or Twitter or DoorDash somewhat recently."

Being headquartered in Palo Alto, it is not surprising that Wilson Sonsini is known for handling technology, fintech and life sciences deals. The firm launched in 1961, just four short years after the first semiconductor company was founded in what would come to be known as Silicon Valley.

"I think John Wilson was a bit of a visionary on the peninsula of Northern California when he could have worked at any major San Francisco law firm that he wanted, but instead started his own firm in Palo Alto," said Clark, who joined in 1993 and became managing partner 10 years ago. "I think that decision paid off as the firm evolved in the later 60s and 70s as Silicon Valley did indeed become Silicon Valley."



As a result, Wilson Sonsini and Silicon Valley grew up together.

"We've grown as these industries have grown," Clark said. "Core drivers of our growth are the corporate practices that address companies throughout their growth cycle, from being a startup to becoming perhaps a multinational. Venture capital, capital markets, M&A, real building blocks."

Clark said that when companies needed startup capital, Wilson Sonsini started doing venture financing deals, to the point that it's now one of its core practices.

When companies were ready to go public, the firm handled their IPOs, thus making capital markets another of its core practices.

As they became public companies, they needed governance lawyers. And as they became bigger in competitive industries, they needed antitrust attorneys. They also faced lawsuits and needed litigation attorneys, and if they had an exit strategy, they needed mergers and acquisitions lawyers. Wilson Sonsini responded by adding each of those practices.

"As our clients' needs have grown, we've continued to add services to meet those needs," explained corporate attorney Allison Spinner, who has been with the firm almost 25 years and is now the head of its corporate department. "Our benchmark practices where we have substantial market strength and client demand are our emerging companies practice, our capital markets practice and our M&A practice. The reason for our strength in all of those areas is just our ability to work with founders and management teams and boards of directors and the investors. As they build a company, we build a relationship and serve as the advisor through the life cycle of the enterprise as it grows."

The list of companies Wilson Sonsini has represented is impressive. It helped take Apple public in 1980. It also wrote the incorporation papers for Google in 1998 and helped take it public in 2004.

It represented LinkedIn with its initial public offering in 2011 as well as when it was acquired by Microsoft in 2016. It also handled Tesla's IPO in 2010, Dropbox's IPO in 2018, Lyft's IPO in 2019 and DoorDash's IPO in 2020.

Despite all that growth in client services, Wilson Sonsini had just one office for the first 37 years of its existence in Palo Alto.

However, in 1998, it decided to expand and follow the tech. Seattle had a burgeoning entrepreneurial market thanks to companies like Microsoft and Amazon, so that's where Wilson Sonsini went.

Once the expansion started, it kept growing. An Austin, Texas, location followed in 1999 thanks to Dell being headquartered there. San Diego came a few years later thanks to its thriving life sciences environment. Wilson Sonsini is now up to 18 locations, with its newest office in Salt Lake City due its growing tech sector.

"The thesis has always been 'Grow in response to client demand, add critical expertise for the client industries we serve,'" Clark said. "Our expansion doesn't reflect a change in our strategy. It reflects an expansion of technology's footprint throughout the country and the world. So as Silicon Valley has grown and exported its entrepreneurial culture, we have gone with it and had considerable growth outside of California."

Spinner said that each new location has added to the firm's reputation. Wilson Sonsini now has more than 1,050 attorneys worldwide.

"We have a phenomenal brand and terrific clients. We have a fantastic team here serving those great clients," she said. "Our reputation and our growth has been based on working with founders and companies and investors as they build their businesses and they undertake all sorts of transactions, whether its venture financing, IPO, M&A. That's helped us to build a broad, comprehensive corporate practice. We've expanded as our clients have grown and they need increasingly sophisticated advice."

Neither Clark nor Spinner will say where Wilson Sonsini's next location will be, but Clark did suggest it will be related to fintech.

What does the next five years hold for the firm?

"We are in the right market, today focused on the sectors and areas of the economy that are going to drive growth both domestically and globally over the next five years," Spinner said. "Obviously, we're in an interesting economic environment today, globally. There are some macroeconomic headwinds that I think all businesses are facing. We are lucky to have such a strong base of clients, benefiting from the recent growth and the capital markets activity over the last several years. I expect us to continue to focus and grow across all of our practice areas and geographies over the next five years."

Likewise, Clark also expects the firm will see even more growth in the next five years.

"The law firm will be bigger, stronger and more diverse than it is today, which is the path that we are on," Clark said. "I think both of the industries that we serve — technology and life sciences — will be even more critical to the future of not just this company but the world. Our expansion over that ten-year hypothetical horizon will be deeply linked to the continued expansion and evolution of our core client industries."

--Editing by Adam LoBelia.