

# The thing about ...

## David K Y Tang

In our inaugural Managing Partner Q&A, ASIAN-MENA COUNSEL's Patrick Dransfield tracked down the ever busy David K Y Tang, Managing Partner, Asia, of *K&L Gates* immediately following the firm's merger with Australian law firm Middletons (1st January 2013) and put to him a series of questions on behalf of the In-House Community.

**ASIAN-MENA COUNSEL:** Firstly, share with us the strategic thinking and presumed consequence for clients and potential clients of the merger between *K&L Gates* and *Middletons*. What do you consider to be the synergies and also the challenges ahead?

**David Tang:** The combined firm includes more than 2,000 lawyers in 46 offices across Asia, North and South America, Europe, the Middle East, and Australia, where *K&L Gates* maintains offices in Melbourne, Sydney, Perth, and Brisbane.

Through this combination, *K&L Gates* greatly enhances its Asia-Pacific regional coverage to more than 400 lawyers and 11 offices, including a recently announced office opening in Seoul. In addition to the common brand, from the outset, the firm will enjoy full financial, operational, and technological integration, as well as unitary global governance and a single approach to partner compensation.

This gives way to strategic advantages from the combination, for clients in various areas. These include the bolstering of the firm's presence and talent pool of lawyers in the Asia-Pacific region. The combination also affords breadth and depth of experience for matters across all sectors and time zones and offers resources on the ground to handle the most sophisticated legal requirements. Four of the five largest trading partners with Australia and major investors in Australia are China, Japan, Korea, and India.

The combination also provides a comprehensive Australian base, with 300 lawyers located in established offices in the country's leading financial and commercial centres, who have substantial experience acting for industry leaders, major corporations and capital markets participants.

The addition of the legal talent and experience in Australia also enhances the firm's capabilities in a number of global practice areas, among them, corporate, energy and resources, banking and financial services, intellectual property, labour law and industrial relations, litigation and dispute resolution, infrastructure and projects, real estate, competition, compliance and regulatory, technology, biotechnology and life sciences, as well as capital markets.

Finally, with US direct investment in Australia amounting to

David Tang is the Managing Partner, Asia for *K&L Gates* and his practice focusses on foreign investment, cross-border financings, mergers and acquisitions, and real property-related transactions. He has more than 30 years of transactional experience in the Greater China market. Tang was formerly Managing Partner of *Preston Gates & Ellis LLP* from 1995 – 1999. Known as one of the pre-eminent practitioners in the area of M&A in China and in real property, Tang is included in *Best Lawyers* and was named in 2012 and 2013 as one of the corporate "Lawyers of the Year".

Among his activities, he is on the Council of The American Law Institute, the Boards of the Blakemore Foundation and the National Bureau of Asia Research, is a member of the Council of Foreign Relations and was a former Chair of the Anglo American Real Property Institute and American Bar Foundation.

Tang served on the Board of the Federal Reserve Bank of San Francisco and as its Chair. Tang holds an AB (magna) from Harvard University; a JD from Columbia University; and a certificate from The Hague Academy of International Law.

more than US\$500 billion since 2005, the combined firm is in an ideal position to handle matters involving Australia and the US. This is especially true because we have 24 offices spread across the US, the largest coverage of any global firm.

**AMC:** What practice characteristics do you wish an in-house counsel to have 'front of mind' when she thinks about *K&L Gates* as a global law firm?

**DT:** We believe we provide better legal services to our clients through our fully integrated 'one firm' practice, and through our model of being the law firm around the corner on 'local' matters and around the world on cross-border matters. Given our integrated practice, we try to place the most appropriate lawyers on our client teams regardless of where those lawyers are located. They need not

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Photo: Patrick Dransfield

be from one office. The best legal service is provided by a team, not by an individual. We can do this because we do not have internal financial borders. In-house counsel should not have to be concerned about whether their lawyers can work efficiently and effectively with lawyers in other offices (just because the financial incentives may be different) nor should they worry about whether the full resources of the law firm can be used easily.

We offer our clients a portal from any of our offices to all of the resources in our platform. To put that in objective terms, in 2012, 467 of our 500 largest clients used lawyers in two or more of our offices, and 15 of our 20 largest clients used lawyers in 10 or more of our offices.

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We also provide value for our clients given that we provide a broader array of legal services rather than just focusing on six or seven areas, including services which are sometimes mistakenly described as local. For example, we are able to handle cross-border investment projects as well as the government, regulatory or employment related/compliance related and sometimes IP licensing issues as well. Most of our lawyers in Asia are dual qualified, with a wealth of experience in the markets where they are based, and are as comfortable working with local officials as with senior managers of multinational corporations. We are licensed to practice locally in jurisdictions which allow global firms to do so, and believe we offer competitive advantages because we practice in both cross-border and local arenas.

**AMC: On Fees and Service: how flexible are you as a firm? What are the various ways that K&L Gates engages with clients regarding compensation for services rendered? Have you seen a shift in preferred billing arrangements in recent years: in Asia; in North America; in Europe?**

**DT:** We are mindful that our clients are answerable to internal budgeting constraints. We also understand that clients not only want to control the overall cost of outside counsel, but that they also value predictability and accountability when it comes to legal fees and billing. We work with our clients to help them achieve their goals within their budgetary parameters and to avoid any surprises. As an alternative option to standard hourly rates, Alternative Fee Arrangements (AFA's) are also available. These

range from fixed fees to rates based on volume, to fees incorporating a success fee in jurisdictions where that is permitted. A significant portion of our revenue is based on AFA's. We recognise that the pricing of services can be different in different geographic markets and industry sectors.

**AMC: Richard Susskind has challenged international law firms to be on top of technological advances to best provide value service to clients. What role does technology play in the legal practice?**

**DT:** Unlike most law firms who established a presence in Asia more than 15 years ago by providing service to their financial institution clients, we opened our first office in Asia in 1996 because of our experience working with technology clients in sectors from software to semi-conductors to telecommunications. You could say that technology is part of our DNA in Asia. Technology and technology related issues pervade all industry sectors, not just the tech sector. Traditional industries are actively participating in electronic commerce and new breakthroughs in life sciences require legal protection. We understand the many complex dimensions of technology as an asset for clients as well as appreciating technology as a means for better communication and engagement with our clients.

**AMC: What keeps you awake at night?**

**DT:** I am a serial worrier, but two sets of issues are constant in Asia. The economic dynamism of Asia necessarily involves great volatility, rapid changes and external market and political risks. How we stay nimble and manage, work around and anticipate those risks and changes is critical for our success.

On more of a mirco level, our Chairman, Peter Kalis, notes that law is a mature profession, but an immature industry. We need to maintain the highest professional standards and become more sophisticated as an industry while every facet of the legal system from legal education to training of young lawyers, to the judiciary to the role of lawyers, to access to the justice system to the delivery of legal services, to the acceptance of the rule of law is being challenged. How we develop as an industry and how we deal with these challenges directly affects our clients, the relationships with our clients and the careers of lawyers.

**AMC: What is your hinterland (that is, what are your interests outside of K&L Gates)? How do you manage your time so that you can pursue them? How do you counsel your professional staff to balance work and outside interests?**

**DT:** My outside interests include sports, movies, history, reading, working with NGOs on policy issues, education reform, good food and good conversation.

All leadership roles are 24/7 commitments, especially in an organisation like our firm with global operations spanning multiple time zones. That also allows some flexibility to make time for interests, especially when hinterlands and urban cores can converge and overlap.