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Law firms are flocking to Carmel Valley to take advantage of centralized location

By Bruce V. Bigelow

It might seem like the set-up line for a joke about lawyers gathering near a freeway.

Still, it's a serious question: Why are so many lawyers flocking to the east side of Interstate 5 in Carmel Valley?

What was once a beachhead for a few corporate law firms near the I-5 interchange with state Route 56 has in recent years become a full-on invasion – creating a new legal power hub and center for business services.

At least two dozen law firms are now clustered along High Bluff Drive and El Camino Real, making the 92130 ZIP code a premium locale that encompasses some of the priciest office space in San Diego County.

The concentration of legal firepower in the area, including law firms in University Towne Center, may be second only to the downtown law offices around San Diego's courthouses, 19 miles to the south.

For the most part, though, Carmel Valley's lawyers don't need to work downtown, either because they rarely appear in court or because they are as likely to go to trial in Boston or Seattle as in downtown San Diego.

“It's a very important and positive trend that's been building in San Diego,” said Mark Reed, a senior managing director in San Diego for CB Richard Ellis, a commercial real estate services firm.



SEAN DuFRENE / Union-Tribune
Baker & McKenzie moved about 40 lawyers from its longtime downtown office to High Bluff Drive in Carmel Valley on Dec. 3. Firms are moving to the area in part because of its central location amid many of the county's high-tech and biotech companies.

Many of the new law offices represent satellite operations for large firms with hundreds of attorneys in offices nationwide and even overseas.

“They're not really practicing law in San Diego's courthouses,” said Bill Nason of Watanabe Nason, a San Diego legal search and recruiting firm. He called it an “interesting dynamic,” because much of their work involves patent law and major corporate lawsuits.

“Many of these firms have these almost iconic litigation attorneys who handle these bet-the-company types of cases” and who bill their clients at \$700 an hour, Nason said.

Some lawyers said they prefer Carmel Valley because it is centrally located amid San Diego's corporate business parks in Sorrento Valley, Rancho Bernardo and Sorrento Mesa. The commute also is far easier for lawyers with homes in Del Mar, Rancho Santa Fe and other nearby affluent communities.

Many lawyers consider the trip through the Interstate-5/805 interchange so onerous that a membership drive is building for a Carmel Valley section of the San Diego County Bar Association.

The group wants to begin holding lunches and networking events in Carmel Valley this year because “it's more difficult for attorneys to make the drive for downtown lunch events,” said Kimberly S. Greer of the Morrison & Foerster law firm. “It turns out being a 2-to 2 ½-hour time commitment.”

All of the big law firms moving into the area are targeting San Diego's lucrative corporate work, said Fred Muto, partner-in-charge of the Cooley Godward Kronish office in University City, which he helped open in 1992.

“The key phrase that really is guiding most of the law firm activity in San Diego is ‘intellectual property, copyright and patent law,’ ” said Reed of CB Richard Ellis.

Such legal work is focused on protecting the proprietary science and technology that underlie San Diego's proliferation of wireless, software, biotechnology and health science companies.

Nason agreed, saying: “It speaks to the maturity of the San Diego companies that do this work and have sought these patents, which are maturing to the point where they are being disputed. These cases are huge. They tend to settle before they go to trial, because it's just so bloody expensive.”

Still, such lawsuits often expand into multidistrict cases that require teams of attorneys to either defend or break a company's patents, Nason said.

Qualcomm, for example, has 11 patent disputes just with Finland's Nokia to go along with numerous cases pending against Broadcom and other competitors.

“The attorneys who are most in demand are people who also have a master's or a Ph.D. in some kind of science,” Reed said. “They'll have a master's degree in engineering and a law degree, or biochemistry and law. They're writing very complex copyright and patent materials. These are the kind of jobs that are coming to dominate our market, the jobs of the 21st century.”

One of the latest entries is Baker & McKenzie, which moved about 40 lawyers from its longtime downtown office to High Bluff Drive on Dec. 3.

Bell, Boyd & Lloyd, a law firm based in Chicago and Washington, D.C., is scheduled to move next month into new offices at the **Gateway at Torrey Hills**, an office development at 3580 Carmel Mountain Road.

The Boston law firm Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, which opened a San Diego office in 2006, also plans to relocate to the Gateway at Torrey Hills after signing a lease for almost 40,000 square feet, according to Grubb & Ellis/BRE Commercial.

At least two other law firms also have shown interest in the same office development, including Heller Ehrman, which has more than 50 lawyers in its office in University City.

“The Del Mar Heights area has become more like a Palo Alto,” said Rick Reeder, an office property specialist with Grubb & Ellis/BRE. Demand is so high that rates for office space in Carmel Valley range from \$3.50 to \$4.30 a square foot, a premium for the San Diego commercial market, Reeder said.

Reed of CB Richard Ellis agreed, saying, “That area is probably the strongest office market in the county.”

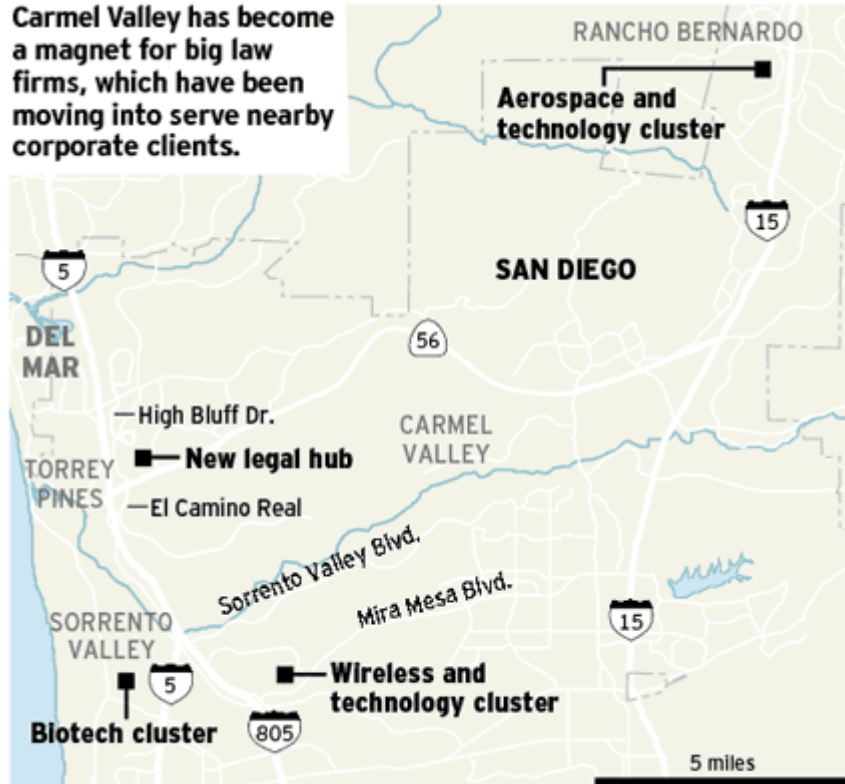
At Baker & McKenzie, managing partner Charles Dick said the firm's move was prompted by a strategic decision to expand its corporate and securities capabilities.

“We also wanted to make a move into intellectual property, particularly when it comes to protecting patents and trademarks on a global basis,” Dick said.

“There is a sense that even though the economy may seem to be a little sluggish right now, that we are moving into a whole new knowledge-based economy,” Dick said. “And San Diego is going to be one of the centers of that.”

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Carmel Valley has become a magnet for big law firms, which have been moving into serve nearby corporate clients.



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