

Pennsylvania Powerhouse: Morgan Lewis & Bockius

By **Martin Bricketto**

Law360, New York (June 26, 2014, 2:44 PM ET) -- Morgan Lewis & Bockius LLP's more than 140-year history starts in Pennsylvania, and while the firm today has 25 offices from London to Tokyo, it's still the go-to counsel for clients in both the Keystone State's traditional industries and its emerging fields like renewable energy and e-commerce.

Energy company acquisitions and financings, multimillion-dollar investments for the consumer Internet businesses of Conshohocken-based Kynetic LLC and litigation wins for clients such as the University of Pittsburgh are some of the accomplishments that have earned Morgan Lewis a spot on Law360's list of Pennsylvania Powerhouses.

Pennsylvania clients of Morgan Lewis — which has about 319 attorneys in the state and offices in Philadelphia, Pittsburgh and Harrisburg — get the benefit of the firm's local and global experience, as well as attorneys versed in matters that straddle those increasingly interconnected worlds, according to class action defense attorney J. Gordon Cooney Jr., who is based out of Morgan Lewis' Center City Philadelphia office at 1701 Market St. and leads the firm's litigation practice.

“In my view, we combine a lot of unique attributes,” Cooney said. “We both serve legacy clients that have long been a part of our communities in Pennsylvania, as well as companies whose industries literally have been created in the last few years. We also serve clients both here in Pennsylvania as well as those who compete on a global stage.”

The firm's history dates back to 1873, a year in which Ulysses S. Grant began his second term as president, Levi Strauss & Co. began manufacturing its famous jeans, and Charles Eldridge Morgan Jr. and Francis Draper Lewis founded the firm in Philadelphia.

Fellow namesake Morris Rex Bockius joined in 1883, one year after it began handling work for what would become the largest electric and gas utility in the U.S., United Gas Improvement Co.

In a direct link to that history, the company, now UGI Corp., remains a client. Earlier this year, the firm represented Malvern-based subsidiary UGI Energy Services in its acquisition of a retail natural gas marketing business from EQT Energy LLC. As part of the deal, UGI scored natural gas supply contracts for about 1,100 industrial and commercial customers.

Morgan Lewis' energy work in Pennsylvania goes beyond UGI. For example, the firm last year guided petroleum distributor Buckeye Partners LP, which has offices in Houston and Breinigsville, Pennsylvania, in its

acquisition of 20 liquid petroleum product terminals from Hess Corp. for \$850 million. Most of the terminals are located in major metropolitan areas along the East Coast.

Overall, energy is an increasingly busy area for the firm, according to Marlee S. Myers, managing partner of Morgan Lewis' Pittsburgh office.

"If you look at the nationwide economy, the U.S. has made enormous strides in being energy self-sufficient and is even becoming a major exporter of energy," Myers said. "This dramatic change is because of shale gas development, and Western Pennsylvania is the epicenter for the Marcellus Shale. I think our energy practice, which includes shale gas development, coal, oil, nuclear, wind, solar and emerging clean tech, really spans every aspect of energy work."

The diversity of the practice shows in Morgan Lewis' handling of renewable energy deals, including a \$55 million financing last year for Pittsburgh-based Aquion Energy Inc., which specializes in sustainable battery systems. Bill Gates is among the company's investors. Morgan Lewis has also handled acquisition work for wind-energy developer EverPower Wind Holdings Inc., which recently moved its headquarters to Pittsburgh.

Those renewable energy matters highlight the dynamic economy surrounding Pittsburgh in the western end of the state, and Morgan Lewis has seized on that potential legal work with an office that opened in 1996 and now has 32 attorneys.

"Pittsburgh has a vibrant economy spanning information technology, life sciences, financial services, advanced manufacturing, educational institutions, health care and energy," Myers said. "Morgan Lewis is at the center of all of that, and we work with both emerging new industries and traditional industries in the region."

Myers, a partner in the firm's business and finance practice, typifies that connectedness to Pittsburgh. A graduate of the University of Pittsburgh and its School of Law, Myers serves on the school's board of trustees and the board of directors of the University of Pittsburgh Medical Center. She also serves on the Pittsburgh Technology Council's board of directors and co-founded the Pittsburgh Parks Conservancy.

That kind of community interaction spans the firm's Pennsylvania offices. For example, Morgan Lewis' partners in Philadelphia serve on the boards of more than 65 nonprofits in the region, according to Cooney.

"I think in both Pittsburgh and Philadelphia, we have a lot of lawyers who are very focused on Philadelphia and Pittsburgh as their communities, and they are very proud of their communities," said Timothy W. Levin, managing partner of the Philadelphia office. "From a professional perspective, however, we also recognize that many of the lawyers here are practicing as part of Morgan Lewis' more globally facing practices."

The University of Pittsburgh turned to Morgan Lewis in a high-profile suit accusing Varian Medical Systems Inc. of infringing a patent for a cancer-treatment device. The firm in 2012 helped the university win a \$37 million jury award, which U.S. District Judge Arthur Schwab raised to \$101.4 million, including enhanced damages because of willfulness, prejudgment interest and postjudgment sales.

While the Federal Circuit in April upheld most of the infringement findings against Varian, it concluded that Judge Schwab incorrectly held that the company's infringement was willful and remanded the case for a recalculation of the damages. However, the parties ultimately reached a settlement in which Varian agreed to pay the university about \$35 million.

Entities like the University of Pittsburgh, one of more than 260 degree-granting institutions in Pennsylvania, are more than just significant employers. They help advance the commercialization of ideas and drive new business opportunities in the state, attorneys said.

“One benefit of these education and research resources is that Philadelphia and Pittsburgh have very vibrant startup and emerging business communities, along with related venture capital and private equity communities, and that many of our business and finance lawyers focus their practices on serving the unique needs of these clients,” Levin said.

The intellectual property litigation that Morgan Lewis handles for clients has increased, but its courtroom work in the state extends far beyond patent disputes, Cooney noted.

Recently, that work has included defeating the certification bid of PNC Bank NA assistant branch managers who have claimed they were wrongly denied overtime pay and securing a ruling for one-time majority owners of Interstate General Media LLC, the parent company of the Philadelphia Inquirer and the Philadelphia Daily News, that a Pennsylvania judge could not oversee the dissolution of that corporation because it was based in Delaware. IGM's minority owners eventually won an auction to take control of the company.

“There is outstanding breadth and diversity to our litigation practice, which has produced remarkable outcomes for our clients in a broad variety of industries, including financial services, life sciences, energy, health care, technology, retail, manufacturing and others,” Cooney said.

Morgan Lewis' transactional work in the state seems equally varied.

On top of its deals in the energy world, the firm's ties to traditional and emerging elements of the state's pharmaceutical industry are apparent in matters such as its representation of Chesterbrook-based AmerisourceBergen Corp. in the 2013 sale of its contract pharmaceutical-packing subsidiary AndersonBrecon to a Frazier Healthcare-led investor group for \$308 million.

In the technology arena, Morgan Lewis last year advised Kynetic, one of the country's largest privately held technology companies, as part of a \$170 million investment in its online sports merchandise retailer Fanatics by Temasek Holdings Pte. Ltd. and Alibaba Group Holding Ltd. The firm also represented Kynetic in a \$206 million investment in members-only shopping website ShopRunner by Alibaba and American Express.

Real estate has been another active area for Morgan Lewis, including its representation last year of Malvern-based Liberty Property Trust in its purchase of a \$1.48 billion portfolio from Cabot Properties Inc. covering 23 million square feet of industrial properties across the U.S. and in Europe.

“I think what distinguishes us is our breadth throughout the corporate transactional space,” Myers said. “In both our Pittsburgh and Philadelphia offices, we do private and public financings, debt and restructuring transactions, venture capital, mergers, acquisitions, international transactions, and joint ventures in a wide variety of industries, ranging from small startup investments to multibillion-dollar public transactions.”

--Additional reporting by Igor Kossov, Jeff Sistrunk, Dan Packel and Matt Fair. Editing by Jeremy Barker and Philip Shea.