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LAW FIRMS

Nonlawyer experts help firm contain rates

Mass. firm uses 'contract specialists' to gain edge in life sciences market.

By Sheri Qualters
Staff Reporter

Boston—A boutique business law firm for life sciences companies is luring clients with a lower-rate structure that relies on nonlawyer contract experts for template contract work.

Waltham, Mass.-based Faber Daeufer & Rosenberg has attracted more than 200 clients since its October 2003 launch.

The firm began with two lawyers from Cambridge, Mass.-based drug maker Millennium Pharmaceuticals Inc., and was joined shortly by another Millennium lawyer and contract specialist and one law firm attorney. It currently has 12 lawyers, five contract specialists and two paralegals.

Faber Daeufer relied on networking and immersion in the life sciences industry to build a client base "one at a time," said founding partner Joe Faber. Life sciences involves scientific fields that study life and living organisms, including biotechnology, biochemistry and genetics.

Although life sciences is a major industry in Boston, New York and San Francisco, it's also a fairly tight-knit community, Faber said.

"Companies are regularly doing deals with each other," Faber said. "It helps you to get to know people very quickly."

Potential clients soon learned of the firm's contract specialists, who bill at \$220 to \$280 per hour compared with \$290 to \$510 for the firm's attorneys.

Billing sensibilities

The contract specialists, who each have more than a decade of industry experience, handle "day-to-day contracts," like clinical trial agreements and material transfer agreements that outline terms when one company provides drugs or biological products to another company, Faber said.

"A lot of us have managed legal budgets in-house and we have extra sensitivity for how important it is

to have a legal bill be appropriate for the value we're delivering," Faber said.

The firm does work for biotechnology and pharmaceutical companies across the nation, including Alnylam Pharmaceuticals Inc. of Cambridge; Endo Pharmaceuticals Holdings Inc. in Chadds Ford, Pa.; Martek Biosciences Corp. in Columbia, Md.; and Portola Pharmaceuticals Inc. in San Francisco.

Venture capital firms such as Atlas Venture in Waltham and Boston's Third Rock Ventures also rely on Faber Daeufer.

Legal consultant Marci Krufka, a principal with Altman Weil Inc., said she hasn't heard of firms using contract specialists, but firms are increasingly hiring nonlawyer professionals to complement their services.

Besides the typical patent agents and patent specialists, firms are expanding their professional pool with human resources and environmental consultants,

Krufka said.

"Anytime firms can implement strategies that are innovative and can save their clients money, I know general counsel really appreciate it," Krufka said.

Sarah Shoaf Cabot, who joined Faber Daeufer in October 2006 from Boston's Mintz, Levin, Cohn, Ferris, Glovsky and Popeo after years working for small biotech companies, said associates often don't like the biotech contract work, so it's easier to have contract specialists on staff.

"It's the kind of routine and piecemeal work that not many people like to be staffed on when they're trying to bill 1,900 to 2,000 hours per year," Cabot said.

The firm's use of contract specialists is particularly useful in biotechnology, which relies extensively on intraindustry transactions.

"The biotechnology and drug development model is a web of agreements between manufacturing companies who conduct clinical trials and companies who distribute [other companies'] products," Cabot said.

"It's an industry that has grown up with a tremendous amount of transactional work," she added.

With annual revenue running in the \$6 million to \$8 million range, the firm is in expansion mode.



JOE FABER: Contract specialists handle "day-to-day contracts," like clinical trial agreements, he noted.

Faber Daeufer's New York office has grown to three lawyers and two contract specialists since opening about a year and a half ago, and the firm is considering a San Francisco Bay Area outpost. **NLJ**

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