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# Legal Eagles

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# Legal Eagles

Not just another law firm,  
Altera Law Group makes a  
point of being different

BY JAMES R. DUKART

**F**rom the moment you drive up to Altera Law Group's southwest suburban headquarters, it is clear that this is not your typical law firm.

Altera's red brick low-rise building, set in the medical technology corridor that straddles Eden Prairie and Minnetonka, could just as easily be headquarters for an area medical device manufacturer, software company, venture capital firm or consulting firm. Inside, rather than the traditional dark, staid, stuffy and conservative furniture and décor of a law firm, one is greeted by bright, open, airy, modern surroundings.

That, says Altera founding partner Karen McDaniel, is exactly the point.

"When we founded this firm, we set out to create a new platform," McDaniel says of four-year old Altera, a firm that specializes in intellectual property (IP) law, specifically focused on the medical technology industry. "Those of us who started it were all pretty well ensconced in the traditional law firm mold of 30th floor corner offices with wain-

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— Karen McDaniel, founding partner,  
Altera Law Group

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scoted walls and a pretty cushy life. We saw legal services as becoming all about increased billing rates and declining values, and we thought that just wasn't right, it should really be more about the client."

Being more about the client, McDaniel says, meant being more like Altera's clients. A first step came in choosing a name. Rather than the traditional practice of naming a law firm for its founding partners, McDaniel and her co-founders chose the name Altera, which is the Latin root of the word "alternative" and of the verb "to alter." Along with the name came a choice of location. Rather than set up shop in downtown Minneapolis or St. Paul, Altera staked out a presence in the southwest suburbs, in close proximity to its med-tech clients.

Even more importantly, from the start Altera built a team that mixes legal expertise with significant experience and credentials in technical areas of interest to its clients. Altera founding partner Michael Lasky is an expert in branding strategies, heads the Branding and Trademark practice group, and has founded a brand name creation and consulting firm. He speaks regularly on branding strategies and topics worldwide. Founding partner Iain McIntyre has a Ph.D. in physics and heads up the firm's Medical Device and Advanced Sciences practice group. David Carroll, a Partner with 24 years of practice, heads up the Electrical and Internet practice group. McDaniel's expertise is in chemistry.

All told, the firm has about a dozen attorneys, patent agents and specialists, out of a total staff of about 20. There are at least three Ph.D.'s on staff, McDaniel says, with an average of 15 years of practice in the Attorney group."

"We tend to team an attorney with a Ph.D. person, and the client gets a nice billing rate with some excellent technical expertise," McDaniel says. "We have one person on our staff, Dr. Steve Furlong, who has spent 25 years in the medical device industry, and he helped lead five start-up companies in that industry before he joined us. You aren't going to find that at every law firm."

#### Move Toward IP

What will be found at many law firms today, though, is an increased emphasis on intellectual property law. Some

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of Minnesota's largest firms, such as Faegre & Benson and Oppenheimer Wolff & Donnelly, have made moves similar to those at Altera, if on a different scale or with a somewhat different look and feel.

McDaniel contends that Altera is different. "We left the downtown wainscoting on the walls and moved to the tech corridor of the Twin Cities," she says. "We are working on reinventing the patent and trademark law firm. You don't have to come downtown to see us. Our facilities are nice but not intimidating. When you get inside, our facilities look more like our clients' facilities."

One of those clients is Mark Summers, CEO of ThreeWire, Inc., a marketing services company that helps pharmaceutical companies and medical device manufacturers find patients for clinical and drug trials.

Altera is particularly strong, he says, in business method patents. A business method patent essentially protects the way a company does something rather than the actual product it manufactures or sells, such as Amazon.com's "one-click" on-line ordering system.

In ThreeWire's case, the company has a search and retrieval method that culls nationwide databases of physicians to find the right subjects for its customers' clinical trials. Both the method of finding these subjects and the technology that does so is proprietary, so the company needs an IP law firm that understands how to protect both.

"They are real experts in this area," Summers says of Altera. "These patents weren't even allowed a few years ago, but Altera saw this coming and has really pushed it." He also notes Altera's ability to tackle strategic issues. "Most firms will do patent searches and process your registrations. Altera really helps you strategize up front on how to position your IP and how to position your business model to take the best advantage of that."

#### Minnesota Focus

Another satisfied med-tech customer is Paulita LaPlante, CEO of Optical Sensors, Inc. of Eden Prairie. Optical Sensors has been working with Altera for about a year, and has gradually moved much of its patent and trademark business, formerly contracted to a law firm in California, to Altera.

"We like the proximity and the expertise," LaPlante says. "They are very responsive and have great turnaround time." She also likes the fact that Altera has zeroed in on the medical technology market, citing the firm's familiarity with FDA rules and procedures as well as case law and the major players in the industry.

McDaniel says that focus has proven to be a boon to business. Since many medical device companies work with one another or convene at the same trade shows, conventions and other business gatherings, she says word of mouth has become an effective promotional tool. "We have start-up companies show up on our doorstep," she says. "They hear about us from other companies they are working with or trying to sell to, or they come to us through venture capital firms we have worked with in the past."

That said, the firm does have clients outside the med-tech community, as well as outside the immediate Twin Cities metropolitan area. Eric Freudenheim, manager of new products for office products manufacturing firm Smead Manufacturing in Hastings, says he likes Altera's ability to help his company utilize its IP portfolio as part of an overall business and marketing strategy.

"We have patents on all kinds of things, from filing cabinets and file folder designs to software that the industry uses for record-keeping," Freudenheim notes. "With Altera, there is always this discussion on how do you tie in intellectual property as part of your

brands. They are convenient, a little smaller than the big firms, price competitive and they bring a little extra of what I would call customer service.”

McDaniel will not disclose annual billings, nor does she offer any growth targets or goals. “We do not need to be huge,” she says. “We will grow only with the specific right talent, the people who are willing to leave the ivory tower and get down to business the way we do it.” She does not foresee expansion outside of the Twin Cities, at least for now, and says this region offers Altera considerable advantages.

“The technology that Minnesota generates is stellar for the size of the community,” McDaniel says. “On average, our community has more need for the types of services we offer than other communities the same size. The medical device industry has really blossomed, in the corridor from the Mayo Clinic all the way up through the Twin Cities. It is a wonderful place to practice law. We enjoy

## Biz Briefing

**Altera Law Group** ▶ **Headquarters:** Minnetonka  
 ■ **Inception:** 1999 ■ **Revenue:** Not disclosed  
 ■ **Seed Capital:** Funded by founding partners ■  
**Patents:** Undisclosed; various partners and clients have numerous patents ■ **Employees:** 20 ■ **Description:** Intellectual property law firm  
 ■ **Web site:** www.alteralaw.com

## Leadership & Governance

**Management Team** ▶ **Michael Lasky,** Founding Partner ■ **Karen McDaniel,** Founding Partner ■ **Iain McIntyre,** Founding Partner  
**Leader Profile** ▶ **Karen McDaniel,** Founding Partner ■ **Age:** 40 ■ **Hometown:** East Lansing, Michigan ■ **Education:** JD, University of Wisconsin  
 ■ **First Job:** Associate, Briggs & Morgan, 1988 ■  
**Family:** Married, 2 sons, ages 6 and 2

such a wonderful quality of life, but the legal issues are as meaty as anywhere.”

While Altera looks like a rather successful experiment in changing the way law firms — IP law firms in particular — operate, McDaniel warns that breaking with the traditional practices of corporate law has not always been easy.

“It was a frightening experience,” she says of the firms’ early days in the summer and fall of 1999. “We wondered, if we build it, will they come? You are leaping off a cliff and you don’t know if you are correct about your theory. At the time it was merely our suspicion that clients would like this, so it really felt very challenging.”

Challenging, she says, but rewarding all the same. “Our whole thing was let’s make it successful for the client,” McDaniel concludes. “I’m confident we have done that.”

James R. Dukart is a Twin Cities based freelance writer.

**"not your typical law firm..."**  
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Altera Law Group is engaged exclusively in the practice of intellectual property law. More than simply securing patents, trademarks, and copyrights, we guide our clients, in the strategic management of intellectual assets to enhance company value from start-up phase to market leadership

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