
Q&A With Sills Cummis' Lori Waldron

Lori M. Waldron is a member of Sills Cummis & Gross P.C. in the firm's Newark, N.J., office. Her practice focuses on representation of both emerging growth and well-established public and private companies in sophisticated business transactions, with a particular focus on the life sciences and biotech industries. Her practice includes counseling her clients in connection with start-up matters (including formation issues, corporate debt and equity structure, shareholder arrangements and officer/director/employee compensation issues), angel and venture capital financings, private equity and debt investments, joint ventures and other strategic and collaborative alliances, and manufacturing and supply arrangements.

Q: What is the most challenging case you have worked on and what made it challenging?

A: I have worked on numerous multifaceted transactions over the course of my career, representing early-stage biotechnology companies, worldwide pharmaceutical companies and everything in between. Often, because of the nature of a life sciences legal practice, the subject matter or technology at issue is, in and of itself, complex. I have learned, though, that whether or not a deal is "challenging" is often, in large part, dependent on the expectations of the various parties and whether or not those expectations are aligned. When there are more than two parties involved in the transaction, the "challenge" increases exponentially.



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I recently represented a medium-sized biotech company in a challenging transaction. My client had developed some of its core intellectual property itself and needed to in-license other essential technology from multiple sources — including from several universities and an inventor located in Europe. In total, there were seven distinct parties involved in the transaction — each with very different timelines, bargaining power and demands and, in the case of the universities — somewhat different (more academic as opposed to commercial) end goals. In order to consummate the deal, we spent countless hours negotiating over multiple time zones, sometimes in large groups and other times in one-off meetings. I am happy to report that at the end of the day (OK, months) we were able to successfully close the transaction.

Q: What aspects of your practice area are in need of reform and why?

A: The patent approval process at the U.S. Patent and Trademark Office is a very extended and grueling process. It often takes four to five years to obtain approval of a patent application. The long lag time is a major problem for many companies — particularly smaller companies with the success of much of their product line reliant upon the issuance of one or two key patents. Although the USPTO has increased its staff recently and approval timelines are shortening a bit, much reform is still needed in this area.

Q: What is an important issue or case relevant to your practice area and why?

A: The drastic drop-off in large venture capital funding that is available for younger biotechnology companies is a very important issue for the future of drug development. Years ago, innovative newer companies with novel technology were sought-after targets for VC firms with big bank accounts. These days, however, it is quite difficult for early-stage companies without a proven track record and some clinical trials under their belt to obtain significant financing.

More and more of these companies are relying on smaller seed funding and government grant money. Also, in exchange for giving a large pharmaceutical company certain options or other rights, start-up biotechs are sometimes able to obtain modest research funding payments. Although the market has improved a bit in recent times for early-stage companies, we are still far off from the “biotech IPO” days of the past.

Q: Outside your own firm, name an attorney in your field who has impressed you and explain why.

A: Min Wang of Kirkland & Ellis LLP. Min is a terrific lawyer with a sharp legal mind and great business acumen. She is able to work very effectively with clients and other lawyers and knows how to close a deal.

Q: What is a mistake you made early in your career and what did you learn from it?

A: Like many junior associates, at the start of my career I did not appreciate the proper hierarchy of contract provisions. I would negotiate the “Notice” clause at the end of the agreement with the same vigor that I would apply to the critical economic terms. As I gained experience and confidence as a transactional attorney, I realized that, at the end of the day, the client wants to close the deal and that it is important for me and my client to pick our battles properly.