

The networkers

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A strong network across the region forms the core of Microsoft's in-house team, finds Rosie Cresswell when profiling the Latin American legal group in Fort Lauderdale

Using the right software to keep track of colleagues, clients and work is increasingly important for lawyers across the world - so much so, in fact, that law firms are spending an average of 4.5 per cent of turnover on updating legal technology each year.

It comes as no surprise, then, that the legal team of the world's largest provider of computer software has a number of programmes to help it share up-to-the-minute information with lawyers across the world - and is keen to showcase them.

Angela Camacho and Marlon Fetzner are part of the 35-strong Latin American legal team based in Fort Lauderdale, Miami. Both are great advocates of one piece of Microsoft software, SharePoint, a server on which lawyers upload documents they are working on for others to access, amend or use. They also rely heavily on TownSquare - a virtual community centre that allows them to keep updated on news across the 91,000-employee corporation. As they zip knowledgeably between the two, demonstrating how useful they are, MSN messages from lawyers from Mexico, Colombia and Germany, complete with photos, flash up discreetly on the screen.

The value placed on community is visible in every part of the team's working culture. In the middle of the office hangs a huge, brightly coloured map of Latin America, with photos of each country's general counsel prominently placed. The importance of each part to the success of the whole is clear.

At the heart of this community spirit is Luiz Sette, associate general counsel for Microsoft and head of the Latin America and Caribbean legal and corporate affairs division.

Sette gives considerable thought to his leadership style. "A key aspect for a good leader is vision and passion for others to follow," he notes. "I look at building teams and combining individual talent. As a manager, you have to bring the talent together and link any successes to the whole group."

The external community

Microsoft's preferred law firms in the region

Brazil

Azevedo Sette

Advogados

Lippert & Cia Advogados

Pinheiro Neto Advogados

Mexico

Alejandro Martínez SC

Calderón y de la Sierra

SC

Müggenburg Gorches

Peñalosa y Sepúlveda SC

Argentina

Richards, Cardinal,

Tutzer, Zabala &

Zaefferer

Marval, O'Farrell &

Mairal

Colombia

Cárdenas & Cárdenas

Puerto Rico

Casellas Alcover &

Burgos

Hiring team players is key. "We want smart people that have strategic thinking," he says. They must also want to be part of Microsoft's corporate environment. "As with any major corporation, you have to stick to the company values, you have to abide by them and buy into them if you want to be part of it."

There are other essentials - lawyers have typically assisted Microsoft externally before joining and have already practised law for 10 years or more. Sette himself started in Microsoft as director of legal and corporate affairs in Brazil in 1998. Before that he was a partner of Azevedo Sette Advogados in Brazil and has worked as a foreign associate with Simpson Thacher & Bartlett LLP in New York.

"We want senior lawyers; we don't hire junior lawyers or graduates as permanent members of the team as we don't have the structure to train them," Sette explains. "They need expertise and good experience in a law firm. They must have dealt with different issues and a variety of clients. It also helps if they have in-house experience."

This range of experience helps the team work within a complex structure. Worldwide, Microsoft's multidisciplinary team of legal, business, and corporate affairs operates from 57 locations in 40 countries or regions. In all, Sette oversees a 35-man team across nine different countries in 18 subsidiaries. The team is divided into territory teams and, in Fort Lauderdale, specialist subject matter teams, which connect with each other when needed. The territory leaders are responsible for all that happens in their area, but should a specific issue arise, they turn to a subject matter leader who assigns a team to the case.

There are three main subject-specific teams in Fort Lauderdale. The business support team, made up of commercial lawyers, attends to licensing and services, product sales and supports business contract management. The second team specialises in IP law and is there to protect Microsoft's extensive property rights, as well as examining IP regulation and lobbying for changes to laws where necessary. Then there is the corporate affairs team that deals with industry, corporate and community affairs.

Camacho and Fetzner are both subject matter specialists. Camacho is a senior attorney for commercial licensing, and the lead of the business support team. Fetzner is an attorney in the law and corporate affairs team, where he heads the internet safety enforcement team for Latin America.

Sette himself reports to Microsoft's corporate vice president and deputy general counsel in charge of the worldwide organisation. He describes the vice president of Microsoft Latin

America as a client. "We are a vertically structured company," Sette explains. "We don't report to the business, but I sit alongside the vice president and frequently have one on ones with him and have a close interaction with all members of his staff."

The same arrangement filters down. Take Brazil: a senior attorney leads with seven professionals reporting to him. He reports to Sette, working closely alongside the general manager of Brazil and sitting on board meetings in the same way Sette does for the region.

The business side of the role is sufficiently important for Sette to spend half his day on it, with 30 per cent of his time lawyering, and 20 per cent on managing. He ensures he and his Fort Lauderdale team are close to the business team. "I participate in business discussions and advise or participate in a series of leadership teams in the region."

Talk to any Microsoft attorney and there are teams, committees and communities everywhere you look - communication is everything.

Like Sette, Angela Camacho also sits on global communities, such as the worldwide commercial licence community. "There is one member from each region. We share practices and emerging issues and trends; this is a permanent practice."



In essence Camacho, as a senior attorney, is a systems integrator between corporate and the field on commercial licensing. This communication is aimed at solving problems. "My role is to facilitate," she says. "I translate between production and the region. I endeavour to make it easy for people to do business with Microsoft. It's important to be proactive and anticipate changing needs of partners and customers. We must understand what's going on so we can provide perspective by being aware of legal issues in the context of all risks the company faces and keep it in proportion."

In Fort Lauderdale she has one attorney alongside her, Sette's business administrator and two legal interns. Each year Microsoft recruits two Latin American interns who have just finished their LL.M.s, usually in Miami. "They work with us for a year, which allows them to combine expertise and country experience with an LL.M. and international exposure," she explains.

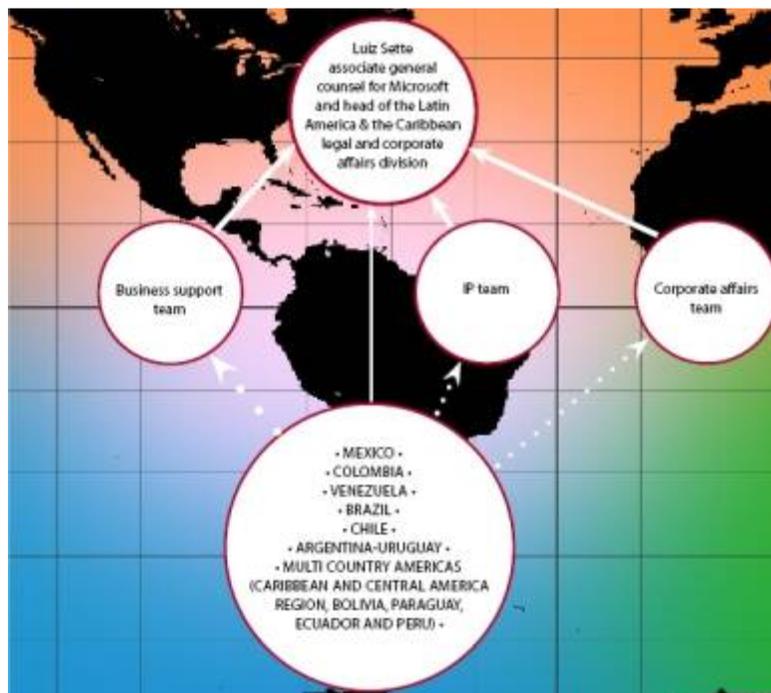
Camacho is from Colombia, where she did her JD before working in the oil sector for eight years, for Shell and BP. After that she was legal vice president for AT&T Colombia for five years. She joined Microsoft on the team for the Andean region and moved to the commercial licensing team in Miami a year later.

Camacho also has a network of subject-specific attorneys in the region. In all there are five attorneys in the field running commercial contracts, covering licences going to market, agreements and negotiations. They report to their senior attorneys locally, but also have a dotted reporting line to Camacho. She is the lead for all licensing questions, but those on the ground enact these policies.

This network means that orchestration is a big part of the work of Camacho and her team. "We are dealing with a huge geographical region, but we have to work as a team. We have to maintain a sense of community to ensure a level of consistency and economy in the way legal issues are handled across the business," she says. "We are a global company, but we operate locally."

Microsoft agreements are built according to Washington state law. Each year, Camacho's team updates the agreements for customers and partners to catch any outside trends and make them applicable to local law.

"Localising agreements is a continual process. We need to see if they are applicable and enforceable in the region. This means there is a need to understand constraints and laws." They also translate them into Spanish and Portuguese, for which they rely heavily on lawyers in the field. "We get a lot of local input for language, terms and commercial organisation of the agreements so they are easy to understand locally."



New products require particularly fine balancing of the local and global needs. Part of the decision-making is made at a local level - lawyers who are seasoned in specific transactions, local law and crises. "They look at how business is done in that country and how that fits with what others have got going on worldwide," explains Camacho. "Sometimes they need to tell me what the best alternative is and we work out how that won't hinder the way we do business." But while agreements are adapted for local needs, they must stick to Microsoft policy.

Getting the global equation right requires watching what is happening in Europe and the US too. "Some trends and products are born in Europe and adopted in Latin America, so we need to understand what's happening to be able to make the decisions here. Sometimes things are done the same, sometimes differently," she notes.

Which is where Microsoft's software comes in handy. Lawyers may be separated by many kilometres physically, but they can respond in a second, thanks to MSN messenger and SharePoint. "An Argentine lawyer asks a question and I ask one in Mexico for the answer," says Camacho. "Listening to what is going on in the region is the best way to influence what's going on in the corporation. You need to understand both their needs and interests to become a trusted adviser."

A lesson in fighting cyber crime

According to federal police in Brazil, 80 per cent of the world's hackers are based in Brazil, although Fetzner says the Chinese and Russians are best at it.

Hackers are just one group of cyber criminals that he and his internet safety enforcement team target. Child pornographers and phishing scammers – who pose as companies such as banks to try to get personal details or cash – are two more.

"It's amazing to have a company like Microsoft that targets this kind of crime," says Fetzner.

Fetzner's team works with the police and policymakers to put cyber crime and privacy legislation in place across Latin America. They also provide law enforcers and governments with training on aspects of cyber crime. As Fetzner points out, legislation is ineffective if authorities are not trained on it.

For four years Fetzner has been working with the International Centre for Missing & Exploited Children (ICMEC) to target child pornography by training law enforcers in Argentina, Brazil, Colombia, Costa Rica, Panama and Peru. "We also work with Interpol and we have relationships with organisations such as the Council of Europe, also open to non-

European members, and we are presently working with the Dominican Republic, Brazil and other parts of Latin America.”

Microsoft works to raise awareness, including education for families and children when navigating the internet – but prosecuting is a key aim, particularly in phishing scams, which can see Microsoft’s identity stolen.

The Microsoft Lottery is a well-known example, in which Microsoft customers were promised they had won an illusory lottery supposedly run by the software company and could collect their prize for an advance fee.

“The legal department has investigators looking for the culprits and we prosecute them,” says Fetzner. “In Brazil we have had four actions against phishers.” But Brazil hasn’t actually passed a law covering this type of crime yet, so Microsoft prosecutes through trademark infringement for the misuse of its logo or via fraud law. They also recently took a website down in Chile for using the Hotmail logo using trademark law and public interest matters.

“We want our consumers to be safe and we don’t want our brand associated with these things,” says Fetzner. “You need the legal department to take action.”

People are better trained in cyber crime now and companies have more secure systems. Three years ago Fetzner says few countries had institutions looking into this. Now all the countries he works with have one, and they are starting to pass laws. The Dominican Republic criminalised phishing last year, Argentina approved a law to do so two months ago. There are bills being read in Brazil and Colombia.

Far from becoming complacent, Fetzner’s team is keen to achieve many more.

It's not just computer-based communication. Each department has plenty of fixed telephone conferences and face-to-face meetings. Sette has a one-on-one meeting every month with the heads of each field. He talks weekly with the heads of key countries - Brazil, Mexico, Argentina - and with the smaller ones less often. "We talk about major issues facing them, careers, problems, people they are managing." He has a staff meeting in a monthly call, every quarter he meets the whole team over the phone, and once a year there is a three-day retreat for everyone.

Camacho also has monthly calls with her teams to discuss trends. "We look for solutions that will fit in other places. We share experiences." She has global calls with her counterparts.

In Fort Lauderdale, doors are always open for impromptu chats. "We talk a lot about issues," says Marlon Fetzner. "That's what's good about being here. Interaction is very relaxed; I walk from

office to office. We are very open - we are always in contact through messenger and we always pick up the phone."

As head of the internet safety enforcement team, Fetzner too spends time infusing the global into the local, and vice versa. Fetzner's team works with regional subsidiaries on local projects: "For example, in Chile right now we have a policy seminar with the government. Then, say, in Brazil it's on child awareness." He also meets with corporate affairs in headquarters then disseminates

Microsoft's position on specialist subjects, "so that we have unity across the world on what our stance is".

Fetzner's clients in the company include Latin America's security and privacy department and the chief security adviser, who works with the public sector. "If I'm going to a meeting and think they should be there, I tell them about it. We are a socially responsible company, we need to work together to be in synch. I meet with them monthly," he says.

His team works closely with product development too. "I meet with them two times a year and they tell us about new products."

Take Microsoft's recent new Windows operating system, Vista. Fetzner and his team knew that technical changes to the products would create challenges for computer forensics on criminal investigations. "We gave a preview to law enforcers on technological solutions, potential issues and showed how it would all work. We are not compromising privacy, just sharing information to help them with their work."

Fetzner graduated from law school in Brazil 10 years ago, and has worked for Microsoft in-house for almost seven years. He began while at Lippert & Cia - Advogados in Porto Alegre doing IP work. Then he went to Trench Rossi e Watanabe Advogados, also in Porto Alegre, to do telecoms litigation. He moved on to Microsoft's in-house team in 2002 and moved in 2004 to do IP on a regional basis. Then in 2005 the internet safety enforcement department for Latin America was created and he took the lead.

The department he heads covers online security for consumers, and safety and privacy issues. That Fetzner enjoys what he does is clear. "It's great to be challenged by new technology and think about legal consequences. You have a great product, but what about protection?" A knack for making complicated technology issues intelligible is key. "I have to talk to judges and prosecutors with very little technical background. It's like talking to consumers with legal jargon thrown in," he says.

Fetzner has dedicated law firms for this work - in Brazil, for example, he uses Opice Blum Advogados Associados, specialists in electronic law. "If it's a country I am going to for the first time, I talk to the regional head for advice. It [may be] a brand new part of law. Some firms don't have experts in phishing matters, for example."

Fetzner's budget comes from Sette. To help manage the complicated budgetary demands, Sette would love a one-stop shop law firm for the whole of Latin America, but accepts this is not plausible.

"That's a challenge, but I accept it. I do business in 36 countries in Latin America and the Caribbean and there is no one regional firm. Added to that, in smaller countries often there is no full-service firm, so you need one for labour, for litigation, IP. Then, in Brazil we have offices in 12 different cities - that requires local advice for the local tax systems."

While this is complex in itself, looking for the right lawyers also demands more of Sette's time than he would like. "I would like to decrease the list. We want to work with preferred law firms. I want to be important to the firm and I want them to be important to me."

Sette tends to use law firms only for tax, labour, litigation, and for legal opinions on special projects. For example, for Microsoft to launch the Xbox in Colombia, Sette would use outside counsel to do the work before launching - tax assessment, import/export clearance, and so on. Once the product is on the market, the in-house team takes on the ongoing work from there - advertising, distribution, licensing contracts.

Sette aims to visit at least one law firm every time he goes to a country. "My team knows everybody, you have to know people, go to the firms, go to lunch with them. Understanding is critical."

He likes to be billed fairly, according to what is reasonable in the country, and uses three types of billing - contingency, fixed, and hourly rates. "There is no one size fits all. I don't believe in billing by the hour for litigation - it should be fixed. Business support can be billed by the hour."

He thinks Latin American firms are getting very expensive, but he manages. "I have a fixed budget every year and I can't overspend - unless there is a major disaster. I have never overspent. I have very tight control. I do budget assessments every month and speak to the team and this has worked for the last five years."

The strict budget must cope with rising fees, as well as with rising demand. Sette says there is more need for legal work in Latin America than ever. "It's always a challenge to get clearance for new staff in support functions. Whenever we get new staff we really, really need them by then. Latin America is growing very fast for us."

Getting the right staff is helped by offering a good long-term package, complete with stock options and the opportunity to work all over the world. "One thing Microsoft is good at is positioning people from all over the world across our offices," says Sette. "I emphasise mobility. We have Colombian lawyers in Mexico and there are plenty of Latin Americans in Seattle."

The conversations in Spanish and Portuguese which flourish continuously in the corridors of the Fort Lauderdale office are equally international at other Microsoft bases.

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