

Interview with David B. Hoppe, founder and principal of Access International Law Group

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An American lawyer's mission: "Helping growing companies access international markets"

By Antonio KAMIYA

Once upon a time, but not so long ago, only big businesses with deep pockets would have the luxury of setting up overseas subsidiaries as they expanded their global business. This is no longer true, says David B. Hoppe, founder and principal of Access International Law Group, a San Francisco-based law firm that focuses on helping emerging companies tackle global markets. In particular, Hoppe helps small and medium-sized Japanese companies, especially those in the high-tech and media/content businesses, establish a presence in the United States, notably in the Silicon Valley area. Hoppe studied and worked in Japan and speaks fluent Japanese. He visits Japan regularly, every three months or so in the past and more often starting in 2008 as his business expands in Japan. During one of his recent stops in Tokyo, Hoppe spoke to Naoyuki Haraoka, the editor-in-chief of *Japan SPOTLIGHT*.



David B. Hoppe

Focusing on Japanese Entrepreneurs

Would you give us a brief account of your operation in Japan? And what is the motivation for you to provide legal service to Japanese venture businesses who want to operate in the United States?

Hoppe: I have been coming to Japan for over 20 years, and lived in Japan a total of four years. Upon becoming a lawyer, I joined a large international law firm and was sent to work in the firm's in Tokyo office, and later worked in Scandinavia as well as New York. I also spent a couple years as in-house international counsel at a Silicon Valley Internet company, where I worked a lot of the company's Japan business. Five years ago, when I decided to start my own law firm, it was only natural that I would focus on international work, especially on Japan. I am based in San Francisco and Silicon Valley, where our headquarters is. A substantial part of our practice has been assisting Japanese companies, both those entering the US market and larger companies with existing operations in the United States. Many of the small companies are entrepreneurs who have had some success in Japan, usually in the technology or media businesses. In addition to being able to access the US market directly, many of them feel that having a US presence will help them with their own domestic business, because customers, suppliers and potential employees may be impressed by the fact this company has an international presence, especially in the United States.

So, we help many companies of, say, fewer than 20 employees. We help them with the basics of setting up their business in the United States, hiring employees and contractors and helping them with licensing issues, IP (intellectual property) protection, and finding and leasing office space. We also have an experienced Japanese consultant on our staff who can assist with non-legal issues necessary to help them launch their US business successfully, such as market research, localization, and US sales strategies.

For me personally, having been in Japan for more than 20 years, I have developed a personal affection for the people, especially the many people that I have known here, the culture, and the society. I think Japan is a fascinating place to be, such a dynamic and interesting place.

Advantages & Challenges

What are the advantages you have and what are the difficulties you face in dealing with Japanese entrepreneurs? In the case of legal advice, I think there is a value difference between Japan and America concerning the legal aspects of issues, and there are issues that are difficult to compromise.

Hoppe: There is something that I think makes our firm unique. That is, although we are small, we have a significant and very deep pool of international experience and expertise. When I launched this law firm, more and more small and medium-sized companies were seeking an international presence at an early stage of their development. In order to help these companies most effectively, it was necessary to be able to communicate with them in their own language and to have an understanding of the local culture, and so forth. Of course, large law firms can provide these services. But often it is very, very challenging because of the fee structure at large law firms. It simply costs so much money just to open a file and start working for a new client. But these small companies do need legal support to help enter the US market and they need support from lawyers who understand their expectations and preferably understand their language and culture.

On the other hand, as you rightly noted, we face challenges resulting from differences in the way Japanese and Americans perceive the role of law and legal issues. Among Japanese clients entering the US market, there is often a feeling that perhaps documentation isn't that important, perhaps the terms of the written agreement aren't that important, and they are used to

relying on personal relationships. Obviously, relationships are always critical, but the expectation in America is that the terms of that relationship must be very clearly set forth in a legal document and all the contingencies provided for. Sometimes, it can be a long process to make sure that these contracts are properly prepared and completed. Some Japanese clients understand that and they are not surprised by such a process, but others would lose patience and aren't willing to invest as much time.

Labor Policies: California & Japan

I have one specific question. My personal experience is that California's labor law is much different from Japanese labor law. Labor law is very important in dealing with employees and employee interests. Do you have any personal experience working on labor issues?

Hoppe: Yes, I do. I represent a number of Japanese companies with respect to US policies for employees, for example. From the Japanese perspective, the United States seems to be quite free and easy as far as employment issues go. Yes, in theory, you can hire and fire people without giving any reason; in reality, there is a risk of lawsuit if the hiring and termination are not done properly. Perhaps that risk is much lower in Japan. So, on the one hand, in the United States there is much less regulation about the process of hiring, promoting or demoting, and terminating employees. On the other hand, there is a risk of being sued, if proper procedures are not followed.

Silicon Valley is considered the capital of entrepreneurs for people all over the world. In light of that, how do you assess Japanese entrepreneurs' interest in Silicon Valley? Is Japanese interest rising there?

Hoppe: The outlook is perhaps difficult to predict, but it seems to me there are factors that should make America a very attractive destination for Japanese small and medium-size companies. One positive factor is a continued increase in interest on the part of a bigger and bigger part of the American population in Japanese popular culture and the really unique offering that comes out of Japan in the form of *manga*, as well as games, cinema and other content.

Information is very important for an entrepreneur and human networking is very important for a start-up entrepreneur. How do you get information to build a human network? As Japanese entrepreneurs do not stay in America for a long time, I have heard that having a "mentor" is very important. A mentor could connect Japanese entrepreneurs to the local people and help build a human network. How do you evaluate the role of mentor? And, can lawyers be good mentors for Japanese entrepreneurs?

Hoppe: No doubt, having the right kind of mentor is a critical component as an entrepreneur. As far as lawyers acting that role, there are some lawyers who have the experience and the kind of understanding that they can really offer valuable insight and valuable information to entrepreneurs because they have seen what has worked over the years and what has not worked. Many of them have the benefit of being quite closely involved with all different kinds of companies. Ultimately to be successful in helping a company start at a place like Silicon Valley, a lawyer needs to have a strong business foundation and understanding of what the client's objectives are.



David Hoppe (right) talks with interviewer Naoyuki Haraoka.

Young Japanese Becoming More Insular?

Today, it is said that some Japanese tend to be inward-looking. Many people say they don't like studying abroad, they don't like going abroad, and many young people are not interested in working overseas.

Hoppe: If what you are saying is true, that would be unfortunate. Studying or working abroad is a source of valuable experience, and also can result in important personal connections. Personally, I continue to see a lot of energetic and creative Japanese young people coming to Silicon Valley to try to build businesses in various areas. It would be disappointing if what you are saying is a societal trend.

At the same time, there is an enduring interest in Japan in many segments of American society. There seems to be a continued increase in interest on the part of Americans in Japanese pop culture. One interesting phenomenon is that in the 1980s, there were a lot of Americans, perhaps in business schools, who would study Japanese because they wanted to be successful in business. Today, you see a lot of young Americans who are very interested in Japanese pop culture are studying Japanese to have early access to cutting-edge Japanese games that have yet to reach the United States, as well as being able to experience Japanese content like *manga* and *anime* in the original language. Actually, I recently met an individual who learned Japanese and developed a high level of skills in Japanese. He told me that he had started studying Japanese for the sole reason of getting more deeply involved in the gaming culture. So, I think that is one very positive thing for Japan: Its popular culture continues to be very appealing, very attractive, and very unique.

The recent trend in high technology, information technology in particular, is that technology is becoming more and more service-oriented and more and more customized. You mentioned the game business, which seems to be one of the potential industries to be customized.

Hoppe: For sure. I think there is a certain amount of ingenuity that we see in Japanese consumer businesses, and I would include in that category games and so on. I have no doubt that Japanese content developers will continue to amaze us with their creativity and with their ability to create something that is really interesting for consumers not just in Japan but in the United States as well. **JS**

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