**Jeff True**  
*Palo Alto Networks General Counsel*  
Jeff True likes to give his subordinates big responsibilities.

---

**SANTA CLARA** - When the commercial lawyer on Jeff True's legal team at Palo Alto Networks Inc. said she wanted to try some corporate work, True granted her request - though perhaps with more than she bargained for. As True flew out to Delaware for trial against the network security company's competitor, Juniper Networks Inc., he said to Melinda Thomson: "You wanted more corporate work? Here, do this $200 million acquisition. I'm going to be gone for three or four weeks." Thomson proceeded to manage Palo Alto Networks' purchase of Israeli cyber-defense company Cyvera Ltd. from start to finish, despite never previously handling a merger or acquisition.

"I like to make sure that my people continue to grow, to be interested in being here," True said. "It keeps them all happy, and then everyone's happy."

True faced a similarly steep learning curve early on in his own career. He went in-house directly from Santa Clara University School of Law in 1997, and less than a year after his start as deputy general counsel for Informatica Corp., the software development company's general counsel left, leaving True to handle legal affairs for a newly public company by himself for nearly a year.

"I wasn't ready for the GC role," True said. "But I was thrown in the ocean with no life preserver and I didn't drown."

True said it was a great experience that showed him the breadth of issues and high level of responsibility general counsel face.

"I knew I was hooked and I wanted to continue to build my career and be a GC at a fast-growing tech company down the road," he said.

After a few years under a new general counsel at Informatica, True got his wish at home networking equipment manufacturer 2Wire Inc. He stayed with the company until its sale to England-based Pace plc in 2010, at which point he moved into his current role as Palo Alto Networks' first vice president and general counsel.

Since True's arrival, the company has grown from 250 employees to more than 1,700. It has built its patent portfolio from the single digits to more than 50 issued U.S. patents. And it has gained more than 50 percent in revenue each year. "This is the third building I've been in since we got here," True said. "We leased one headquarters right after I got here and we quickly outgrew it, so we got another one. Our growth has far outweighed my expectations."

Daily Journal staff writer Alison Frost recently sat down with True at Palo Alto Networks' headquarters in Santa Clara to discuss the company's recent litigation with Juniper, its "Cyber Threat Alliance" with competitors and its "homogrown" compliance program. Here's an edited transcript of their conversation:
DJ: How'd you hear about the job at Palo Alto Networks?

True: Strangely enough, this was simply a posted position. I think I saw it on one of the legal job boards. Most of the leads I was getting were word of mouth and referrals and colleagues, but this was an actual old-fashioned posting for a general counsel. I didn’t know anyone at the company. My only connection was one former colleague from 2Wire [who] had worked with the VP of Finance here, so I figured that out over LinkedIn and had my former colleague put a good word in, so I think that helped just get my resume at the top of the very large stack.

DJ: What made you want the job?

True: As I looked into it and saw what they had been doing over the years and [how they had been] taking market share from the incumbents, seeing how fast they were growing, it was very intriguing. Plus, I got to meet with every member of the management team at the time, and I could definitely tell that there was a very cohesive atmosphere. I didn’t sense any politics or divergent priorities or goals. Everyone seemed to be on the same page, and that proved to be true when I got here and saw how they worked together - a very well-oiled, well-seasoned team that helped grow the company [like] gangbusters over the last 3 and a half years I’ve been here. It’s been a good ride.

DJ: To what extent do competitors occupy your focus?

True: Juniper occupied my focus quite a bit. Clearly that was a huge focus for [more than] two years - glad that that’s over with now. Other than that, with Cisco [Systems Inc.] we don’t really have any issues.

From a competition standpoint we compete very well with the big players. The other big one is Check Point [Software Technologies Ltd.]. We have a product that took a different approach to the traditional firewall and I think caught some of the incumbent competitors flat-footed. And so we have a several-year head start in that type of technology. Theirs is capable of doing certain things, ours is capable of safely enabling all the applications that their traditional firewalls could just either block or allow. So that made a head-to-head huge difference and that was a huge niche to get customers' interested about.

So we compete with them all the time. We win a majority of the time when we’re in bake-offs. All’s fair in competition and I think we’re doing fine. Other than the Juniper thing I don’t really have to deal with the competitors that often, which is a good thing.

DJ: Is there anything about that litigation that you’d like to highlight as particularly tricky or interesting?

True: I don’t want to say too much. It was an overhang on our growth prospects, but once we settled the case and there were a couple positive announcements there was positive movement in the stock price.

We heard from investors and potential investors that it was very well-received when we did settle the case and it was over. From a legal standpoint, it was a fascinating experience to go through - lots of lessons learned along the way for bet-the-company type litigation. A tremendous experience - I’d never gone through anything like that before.

DJ: You’ve recently recruited some of your competitors to join a "Cyber Threat Alliance." Tell me about that.

True: All these securities companies are trying to fight the bad guys. We have a lot of valuable information that, if we were to share amongst each other, would make each other’s ability to fight the bad guys that much better. And so this came out of some thinking on our end about what’s best for a worldwide customer base, not just our customers.

Fortinet and Palo Alto Networks were the first two to come together and join forces to do information sharing, and then we were able to bring on board McAfee and Symantec. Each approaches security from a different perspective. We don’t necessarily see Fortinet head-to-head in all of our sales opportunities, nor do we see McAfee or Symantec because they’re more focused on the endpoint and we’re more focused on the firewall side.

But [cyberattacks are] a huge problem that’s not going away, so we try to stay one step ahead of the bad guys and, again, we think sharing information will be tremendously helpful. These things happen so quickly that a matter of minutes can make a huge difference.

DJ: How is your legal team structured?

A federal judge Wednesday said she would likely fall somewhere between two of her colleagues’ conflicting opinions on how far Internet companies can legally go to obtain personal information from users and use it for profit.

Maple syrup industry agrees to lower lead levels in its product
The maple syrup industry will take steps to remove lead from its syrup in a settlement with an environmental group finalized Wednesday in Humboldt County Superior Court.

Intellectual Property
Unhappy together: The Turtles, Sirius XM
On Sept. 22, U.S. District Judge Philip Gutierrez ruled that California’s copyright statute includes the exclusive right to “publicly perform” them. By Lawrence Y. Iser

Transportation
Guidance lacking for on-street disabled parking
The 9th Circuit recently ruled that the Americans with Disabilities Act requires cities to provide on-street parking that is accessible to people with disabilities. But it’s not clear what that means. By Michael Maurer

Intellectual Property
The Supreme Court’s cross-intellectual property precedents
Under Chief Justice John Roberts, the U.S. Supreme Court increasingly has crafted narrow decisions tailored to resolve particular disputes but leave open broader questions of policy. By David S. Bloch

Contracts
Forum selection bylaws are all the rage
The forum selection bylaw is an elegantly simple solution to a vexing problem. By Leif King, Trevor Katende and Cliff Gardner

Corporate Counsel
Jeff True
Vice President, General Counsel and Corporate Secretary of Palo Alto Networks Inc. Santa Clara

Judicial Profile
Turnover opens door for Liu’s influence
On California’s highest court, Goodwin Liu may shape state law in a way that liberals seek and conservatives fear.
True: We have a department of 11, six lawyers and five non-lawyers, but I have three direct reports. One is the head of IP strategy, one is the head of employment and compliance and the other is commercial and everything else. The commercial attorney manages a team that handles our day-to-day contracts, and we also have a part-time lawyer that works on contracts. Also, just this year we hired our first international lawyer, so we have one in Amsterdam who works in our international headquarters.

DJ: What are you doing for compliance?

True: We try to focus on things like our code of conduct, anti-corruption training, insider trading policies and other [business] ethics. So we spend time at every new hire sales session presenting those types of issues.

We’ve been training and testing our employees with online modules the last three years, and this last year we actually moved over from a third party-provided solution to our own homegrown solution. Our employee and compliance attorney prepared an online presentation followed by a test that every employee had to take and pass, and that’s been very well-received in the last few months, so that was a big accomplishment.

But we continue to improve on that and are also looking to train our channel partners. Ninety-nine percent of our business is through the distribution channels, so we have a set of distributors who sell to resellers, and so one of the things that keeps me up at night is a reseller in some foreign country who’s selling our product will do something that violates some anti-corruption law or does something else bad and our name is in the news. When you have that many partners and resellers out there that are allegedly representing you, it can happen, so in the last year we’ve also taken efforts to take our employee compliance training and modify it to fit the partner context, and we’ve been rolling that out recently and it’s been well-received so far, too.

There are challenges with different languages and cultures, and using certain scenarios or hypotheticals that don’t always translate, so you have to be careful about using colloquial terms and things like that. What we’re also finding, though, is that - at least with respect to our larger, global distributors - they’re interested in doing the same thing, and one of them has approached us and said, ‘Hey, I heard you guys are doing this. How did you go at it and can you help us?’ So that’s encouraging. We’re just getting started with it, but it’s something in the works that we continue to build upon.

DJ: What work have you moved in-house and who do you use for outside counsel?

True: The biggest thing we brought in-house was all the commercial stuff, so contracts, templates, press releases, marketing collateral, marketing promotions.

Patent prosecution has always been outside, so even though we have an IP attorney, his primary focus is not writing patent applications. We still use Van Pelt, Yi & James in Cupertino, who we’ve been using for a while and knows the engineers and products well.

Corporate-wise, we were with Fenwick & West. I moved us over to Wilson Sonsini in the fall of 2011. Nothing against Fenwick - they both have tremendous IPO practices - but there was a comfort level I had with Wilson Sonsini. One of the lawyers in particular that I worked with at Informatica, Jon Avina, is someone that I wanted to work with again. The board was very supportive of the transition and [Wilson has] done an excellent job for us on the IPO, the secondary, two acquisitions that we've done and this recent debt offering. They can anticipate what our business needs are and they're a great partner.

For litigation we'll obviously use outside counsel. We don't have the in-house resources for litigation. We're litigation-free right now, but we did have two cases going on for a while. We used Durie Tangri in San Francisco for a couple cases but we also used MoFo [Morrison & Foerster LLP].

For international, we still rely on Baker & McKenzie. We rely on their expertise for setting up entities and then we try to maintain [the entities] on our own afterwards. Having about 40 entities internationally, you do need some expertise. Any time you say I need to know what the employment rules are in Brazil, they have a resource for that, so that's helpful.

DJ: Any more acquisitions on the horizon?

True: It would be odd for us to say that we're going to acquire something in a completely different space and get ourselves into a new market. Typically, most of our companies we would look at would help accelerate technology we have in the pipeline or roadmap or enhance existing features, or for talent. Any other major stuff would be outside of what's on our mind at this point in time.

alison_frost@dailyjournal.com