

## Kobre & Kim Launches \$30M Israeli Litigation Finance Fund With Bentham

The litigation boutique says its partnership with Bentham to help early-stage companies fight cross-border disputes is the first of its kind.

By Dan Packel  
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A small team of Kobre & Kim attorneys in Tel Aviv noticed something unsettling about the Israeli clients they were serving. The companies—startups and growth-stage ventures in technology and other sectors—were targeting foreign markets and working with overseas partners, but being left in the cold when disputes emerged.

They were unable to pursue claims in courts in the U.S., England and elsewhere, simply because they didn't have the capital on hand to pursue protracted litigation against the well-heeled multinational corporations with whom they had partnered.

"These companies had very valuable and merited claims against multinational companies, from joint ventures, intellectual property, and nondisclosures that were breached, or any sort of friction that emerges when dealing with multinationals," said attorney Michael Rosen. "They were struggling."

The firm just unveiled one solution: a deal with third-party litigation financier Bentham IMF to create a dedicated \$30 million litigation fund for Israeli companies, pairing Bentham's



Photo: Diego M. Radzinski/ALM.

litigation war chest with Kobre & Kim's cross-border litigators.

Kobre & Kim's business model eschews long-standing relationships with clients, and the firm instead serves mainly as special conflicts counsel in complex international disputes. According to San Francisco-based intellectual property litigator Michael Ng, that has led the firm to embrace litigation finance.

But even with that history, the deal with Bentham is the first of its kind, Ng said, not just for Israel but in any geography.

That's in part thanks to the uniqueness of the Israeli economy, which is built on innovation companies. With only 8.5 million citizens, businesses must look beyond the country's borders to grow, primarily to the U.S., Europe and Asia. There, it makes most sense to partner with established players.

"The typical disputes that arise out of that are asymmetrical," Ng said. "They are well funded, but their capital is used on growing their business, not on litigation."

The fund is technology agnostic—open to companies in software, life sciences, medical devices and elsewhere—and also to companies in different stages of their life cycle. Rosen noted that growth-stage businesses may have plenty of cash on their balance sheets, but investors would prefer they spend capital on growing their business rather than litigation.

Ng said that the firm has worked with Bentham in the past and emphasized that the company was not just one of the first third-party litigation funders to emerge, it is also publicly traded.

"They have a history of being open and transparent in who they are," he said. "That will give clients in Israel greater comfort."

The fund also aims to give companies a more streamlined process for getting access to funds.

"One of the big challenges for companies, especially in Israel, is getting a prompt resolution for a funding request," Rosen said. "Some companies may have the ability to submit a request for funding, but those can take months or even a year to be resolved."

With the firm's expedited due-diligence process, Rosen said it can make a decision about whether to move forward within weeks. "It's in keeping with the Israeli spirit of 'Everything moves fast,'" he said.

The firm expects to deploy the \$30 million on midsize cases for two to three years. Larger cases will have the opportunity to access Bentham's larger pool of funds if necessary.

While the firm is focused on Israel with the current offering, it hasn't ruled out extending the concept elsewhere. If so, it is not limited to Bentham, as the tie-up is not exclusive.

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