

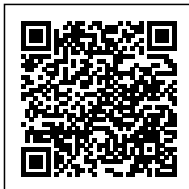
# 'FIRMS WITH OFFICES ACROSS SPAIN HAVE AN ADVANTAGE'

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**Orange faces a consistent flow of litigation and therefore favours external firms with branch offices across Spain, says legal commercial general counsel Antonio García Martínez**

French mobile and internet service operator Orange completed its 100 per cent takeover of Spain's Jazztel in August of last year, in a transaction totalling €3.4 billion. Orange was advised by Jones Day

on the deal. "The transaction will allow Orange España and Jazztel to jointly build the most dynamic carrier in the Spanish market," the Paris-based company said at the time. Orange expects to save around €1.8 million as a result of the synergy of the two companies in the Spanish market. The Spanish arm of the French carrier now has more than 19 million customers, including one million customers on fibre networks and more than six million on 4G.

#### Litigation is common

The fact that Orange has such a large customer base means that litigation is a frequent occurrence, according to the company's legal commercial general counsel in Spain, Antonio García Martínez. He claims that Orange is "engaged in a constant process of improvement of its services with the aim of bettering the quality of services and therefore reducing the number of claims brought against it by its customers". However, despite these efforts, the company is still on the receiving end of hundreds of law suits from disgruntled customers each year. "To have between 400-500 cases a year for such a large firm is a relatively small number, although we are not happy with this and we are always striving to reduce it," he claims.

Though hundreds of customers take legal action against Orange, García Martínez claims that the "customer is our priority". He adds that the company's focus on customers means that "even one small claim is a big problem for Orange". Meanwhile, other types of litigation involving Orange include the company bringing legal action against its suppliers in contract disputes. However, García Martínez says that this is something that is quite unusual, because the company's legal department aims to "put all the legal filters in place to avoid that".

#### Too many cases to handle

The company outsources part of its legal work because its customers are widely dispersed across Spain, which means the business can be simultaneously engaged in cases around the country. García Martínez says it would be impossible for the company's in-house legal team to handle such a large number of disputes as its personnel would be overstretched. So what types of law firms does Orange use? "We use large law firms that have branch offices across the country – we open a tender in which the law firms present their technical and economic proposals, and we choose the best based on each criterion," García Martínez explains. This means, in theory, that the company can use a different law firm each time, but obviously the experience of law firms in working with Orange in the past is taken into consideration when the bids are analysed.

#### Invited to tender

How does Orange choose which law firms to use? "The selection process is carried out by the procurement department, and what they look for is the best proposal in all senses," says García Martínez. He adds that Orange takes steps to ensure that the law firms that participate in the tender are of a particular standard. "The high quality of the proposals and the participating law firms is guaranteed by the fact that bidders are invited to participate, rather than it being a publicly announced tender," he explains. In the case of Orange, a factor that may put one law firm at an advantage over others is a presence in a larger number of regions of Spain, given the carrier's wide coverage.

#### Spanish firms' advantage

As a result of the company's need to hire law firms with a strong regional presence, the likelihood of a Spanish law firm being the successful bidder is high, according to García Martínez. That said, foreign law firms are also invited to participate in the tender process, given their expertise and experience in the relevant areas. The type of case is also a factor in the selection of an external law firm, says García Martínez. He cites Ejaso, Cremades & Calvo Sotelo and ABG Abogados as among the law firms that Orange has used in Spain. García Martínez says the firms have "served the company well in a variety of cases and regions".

**Antonio García Martínez is Orange's legal commercial general counsel in Spain.**