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Talking Brexit: Where next for London as a disputes centre?

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Trial lawyers must be better listeners

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AND JAMES MARIANI OUTER TEMPLE CHAMBERS' REBECCA PRIESTLEY
COOKE YOUNG & KEIDAN's ROBERT COFFEY and SINEAD O'CALLAGHAN plus many more**



Evolve or get swallowed up

Robert Coffey, managing partner, and Sinead O'Callaghan, partner, of Cooke Young & Keidan consider what is next for litigation boutiques

The financial crash inevitably influenced the legal market and we saw, in the UK and the US particularly, a rise in law firms adapting to serve this changing landscape and increasing levels of banking litigation. Conflicts were one the biggest drivers behind the emergence of the boutiques – Magic Circle firms were not best placed to take on the big-ticket cases against the financial institutions. Similarly, many top-flight lawyers felt ready for a change having identified the gap in the market for quality representation in matters against institutions against which traditionally many of the big City firms had been unwilling to act.

Cooke, Young & Keidan LLP (CYK) was established in 2009 in the wake of the financial crisis as a boutique City firm specialising in complex, high-value disputes, usually with an international aspect. The founding partners, and indeed all subsequent CYK lawyers, are specialist dispute resolution lawyers. Given the year we established and our conflict-free

COOKE, YOUNG & KEIDAN

COMMERCIAL DISPUTES LAWYERS

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model, it was perhaps inevitable that some of our first instructions should be large and often business-critical disputes with financial institutions. Early successes against household-name financial services defendants, and their similarly well-known legal advisors, led to CYK becoming known as one of the ‘go-to’ conflict-free firms for disputes of that type. Shortly after CYK was established, London saw a surge in home grown litigation boutiques to service this market. The ‘billion-dollar boutique’ Quinn Emanuel Urquhart & Sullivan from across the pond had of course launched in the UK just prior to CYK in 2008 and no doubt its success had an impact in terms of inspiring others into action.

However, inevitably, this banking litigation boom was not going to last forever. It was predictable that the flood of the most complex and ground-breaking post-crash financial litigation would subside. So, what next for the firms which set up with this specialism at their very core? Luckily, at CYK it was always our intention to offer expertise in a range

of carefully chosen practice areas – not just banking litigation. We saw the drop-off of banking work as an opportunity rather than a threat – it gave us the space to develop the range of practice areas which we had always intended and within which our lawyers had always previously operated at their former firms – financial services litigation now accounts for less than a quarter of our case-load.

However, that transition was not necessarily easy and firms set-up to service the slew of banking litigation may have experienced difficulty adapting to changes in the market. Shifting perceptions takes a long time. Hiring big name lawyers from elsewhere can help give a new practice area a jump-start. Similarly, maintaining close referral relationships always helps – the conflict-free model is still needed in the legal marketplace, whether the case is against a bank or another multinational.

Another development helps boutiques stay competitive - artificial

intelligence (AI). Technological changes mean a firm no longer needs volume on the ground when it comes to dealing with a complex piece of litigation which requires thousands of documents to be sifted through by a huge team – now it’s about the right technology to help with this and AI can do a job in just a few hours which used to take a large team days to complete.

Evolve or die, as the saying goes. In the boutique litigation world, it might be more of a case of evolve or get swallowed up – in the US particularly we’ve seen a number of litigation boutiques acquired by larger firms.

But what’s in store for the future of disputes? Our busiest practice areas point to the future – civil fraud, international arbitration, financial services regulatory, fintech, and company and partnership disputes. Again, looking to how the technology revolution is changing the legal market we certainly expect to see more cases which encompass an element of this. For example, we recently represented the Chinese claimant in *CMOC v Persons Unknown* – a high-profile commercial cyber-fraud case which is

likely to assist future victims of fraud in seeking to recover stolen assets.

Still looking to the future, the appetite from lawyers keen to work for boutiques hasn’t abated which is not surprising given that there is an ever-increasing acceptance of the business model by the industry and clients. Boutiques often offer a different experience in terms of culture and personal development while still providing the opportunity to work on big-name cases and maintaining a good work-life balance. This has meant CYK has attracted excellent associates who are passionate about the business model and are as invested in the firm and its development and success as the founding partners.

Banking litigation may be dying but the boutique model is not. For firms like ours, which prefer to remain independent and have always planned for the evolving market and the number of banking-related disputes drying up, there is certainly space to grow and thrive. ●