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Innovations abound with Europe in flux

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This edition of FT Innovative Lawyers, our 11th, appears at a time of upheaval across the continent. Two big conundrums for the citizens, businesses and institutions of Europe will test the foresight and ingenuity of legal professionals for years to come: the aftermath of the UK vote on June 23 to leave the EU, and the intensifying refugee and migrant crisis. In this magazine, we show how lawyers are already innovating to address both (Brexit, page 8; Social Responsibility, page 12).

The business world as seen through the lens of lawyers is changing too — new industries and alliances are eroding the traditional lines of competition and separation of sectors faster than ever, forcing lawyers to get ahead. Lawyers are responding by creating new types of firms, blurring old boundaries in search of new solutions. The individual lawyer, the nature of legal advice and the way in which that advice is delivered are undergoing deep change.

In addition, there are new centres of power and change in the legal industry: millennials refusing the partnership track; technologists introducing artificial intelligence; and general counsel acting as entrepreneurs, rather than just as lawyers.

Against this backdrop, the Financial Times and RSG Consulting, which compile this annual ranking, have also innovated in the way we organise the research and editorial. We have moved away from the categories used in previous reports, which followed strict legal practice lines, to emphasise what users of legal services want and need now. We hope that our tables will help you find answers to your questions more quickly.

The result is a suite of rankings designed to highlight lawyers' innovations in overcoming challenges that initially look intractable — until some clever and creative professionals ask: how can we do things differently?

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Editor, Financial Times

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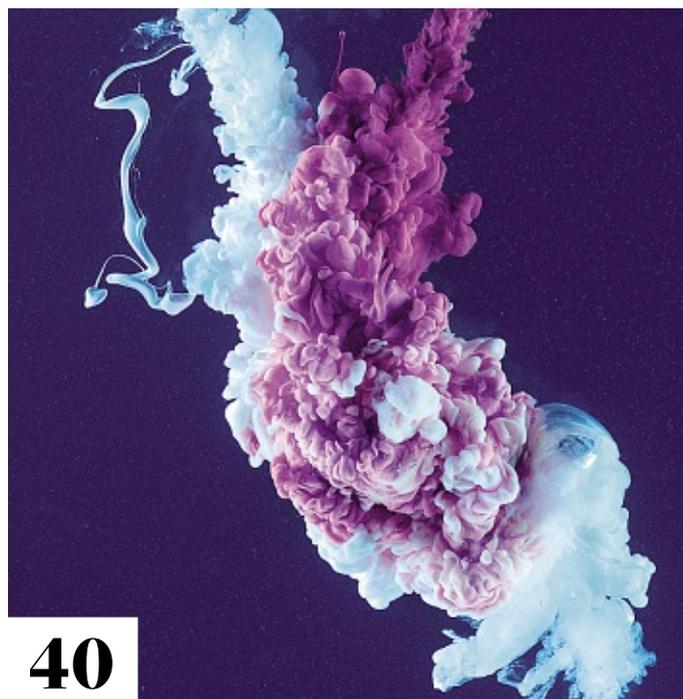
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Tipping point

Law firms are finally converts to the cause of technology, and clients are benefiting. By Reena SenGupta

This year's FT Innovative Lawyers report reveals a profession that has reached a tipping point: lawyers have embraced developing their own technology, such as artificial intelligence, and realised that becoming efficient is not commoditising their services.

Such changes have been a long time coming. When the FT launched this series in 2006, few big commercial law firms saw the need to streamline the way they delivered services. They wanted to do things the way they had always been done. Today, offering data or discovery centres, flexible resourcing or technology products to clients has become widespread. The legal innovation lies in how firms adopt these methods and adapt to them — with an emphasis on an integrated, flexible service.

Despite uncertain market conditions, law firms appear to be thriving. For the top four UK-founded Magic Circle firms by revenues, the average increase in turnover was 3.9 per cent, bringing their income to more than £1.3bn each, according to the Law Society Gazette. Lawyers ascribe at least some of this success to adoption of technology. Linklaters, top of this year's FT 50, has embedded efficiency so firmly into its business that it is changing the culture of the

organisation and the way its lawyers think about their work and clients. "The work is less about using big armies of lawyers and more about taking advantage of legal technologies and other innovations to be more efficient," says Laurence Muscat, Linklaters' head of business improvement.

Some firms can reasonably claim to be known as digital law firms. Gowling WLG, a UK-Canadian firm, second in the FT 50 this year, plans to digitise all its practices.

Law firms and in-house legal departments are experimenting with "design thinking", which encourages creative problem-solving. Until recently this would have been anathema to lawyers as it involves starting small, taking products to market that are not fully formed, making mistakes quickly and learning from them. Usually, lawyers would aim to release products that are perfect, but many believe this is no longer an option. "The days of law firm five-year plans are moribund," says Gideon Moore, managing partner at Linklaters.

One firm using design thinking to speed up the development and adoption of technology is DWF. It involved

its lawyers in the design process alongside tech experts when developing DWF Draft, a contract-writing and management product for lawyers and clients.

Business shapes are changing too. Nearly a decade on from the Legal Services Act, which allowed UK law firms to diversify into alternative business structures (ABSs), lawyer-entrepreneurs are finally exploiting the opportunities it affords. New-model businesses such as Fulcrum Chambers and Three Crowns, which combine solicitors, barristers and other professionals to service a particular legal area, are emerging. Media boutique Schillings has used its ABS licence to become a privacy and reputation consultancy. Gateley, the first law firm to list in the UK, says its first-year results were on-target for its shareholders.

A strong theme to emerge from the research is the importance of collaboration — and not just with colleagues and clients. Some of the most fruitful joint efforts can be with rivals or

other professionals who have different ways of working. Microsoft's outsourcing of its non-routine procurement contracts work to Addleshaw Goddard involves the firm working closely with a Seattle-based firm, Davis Wright Tremaine. Both firms work for a fixed fee, submit one bill and provide business analytics alongside legal advice. The firms have had to work hard to smooth out the cultural differences between UK and US law firms.

The need for lawyers to collaborate extends beyond the business of law. This year's report shows complex business challenges, requiring the services of different private practice specialists, other professional disciplines and, critically, the in-house legal team. Legal solutions are less purely legal. There are lessons for lawyers in the unusual strategic alliances, emerging in business and new sectors such as fintech, which they are already supporting. For users of legal services, the array of suppliers has probably never been more diverse or innovative. ①

"The work is less about using big armies of lawyers and more about taking advantage of technologies"

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FT 50: Most Innovative Law Firms 2016

Rank	Law Firm	Legal Expertise	Business of Law	Total Ranked Score
1	Linklaters	72	113	185
2	Gowling WLG	97	85	182
3	Allen & Overy	99	70	169
4	Pinsent Masons	45	117	162
5	Hogan Lovells	45	108	153
6	Addleshaw Goddard	47	91	138
7	Simmons & Simmons	71	65	136
8=	Eversheds	75	44	119
8=	Latham & Watkins	94	25	119
10	Dechert	68	46	114
11	VdA	45	64	109
12	Cadwalader, Wickersham & Taft	48	49	97
13	Baker & McKenzie	48	43	91
14	Bird & Bird	44	46	90
15	CMS	44	43	87
16	Ashurst	22	64	86
17	Herbert Smith Freehills	53	27	80
18	King & Wood Mallesons	51	24	75
19=	Freshfields Bruckhaus Deringer	72	0	72
19=	Shearman & Sterling	72	0	72
21=	Norton Rose Fulbright	47	24	71
21=	Slaughter and May	71	0	71
23=	NautaDutilh	24	46	70
23=	Uría Menéndez	70	0	70
25=	Berwin Leighton Paisner	21	47	68
25=	Paul Hastings	46	22	68
25=	Skadden, Arps, Slate, Meagher & Flom	48	20	68
28=	DLA Piper	0	67	67
28=	DWF	0	67	67
28=	Weil, Gotshal & Manges	46	21	67
31	Dentons	0	65	65
32	PLMJ	43	21	64
33=	Mishcon de Reya	25	23	48
33=	White & Case	48	0	48
35=	A&L Goodbody	25	22	47
35=	Cuatrecasas, Gonçalves Pereira	47	0	47
37	Wolf Theiss	23	23	46
38=	Cooley	24	21	45
38=	McCann FitzGerald	0	45	45
38=	Shoosmiths	0	45	45
41=	Axiom	0	44	44
41=	Garrigues	44	0	44
43	Arthur Cox	0	43	43
44=	Matheson	0	42	42
44=	PwC Tax & Legal Services	0	42	42
46	ClientEarth	0	29	29
47=	D2 Legal Technology	0	28	28
47=	Riverview Law	0	28	28
49	Sidley Austin	0	27	27
50=	ASB Law	0	26	26
50=	Fulcrum Chambers	0	26	26
50=	Schillings	0	26	26

All set for the great demerger

Britain's EU exit will bring a rush of business but the long-term impact is less certain. By Jane Croft



One constituency was bound to do well whichever way the Brexit vote of June 23 went: lawyers.

The profession is gearing up for a bonanza advising clients and the UK government on issues arising from leaving the EU. These will range from immigration to trade treaties, in what Andrew Ballheimer, global managing partner at Allen & Overy, has dubbed “the largest demerger in history”.

The UK profession contributed £25.7bn to the country's economy in 2015, employs 314,000 people and accounts for about 10 per cent of global legal services fee revenue.

In the short term, law firms are braced for a spike in Brexit advisory work.

The Bar Council, which represents barristers, said before the referendum that the “legal uncertainty would likely keep the profession busy for several years” but also that it would be a finite “bulge”, focused largely on specialist EU and regulatory lawyers.

For the legal profession some of the uncertainty

ahead of Brexit is linked to the economic outlook. A UK downturn could hit law firm revenues, particularly at smaller practices that are more exposed to the economy and to sectors such as property, which may be particularly affected.

Some hiring freezes and job losses at law firms have already emerged. Simmons & Simmons blamed Brexit when it made a small number of people redundant recently; BLP froze pay and bonuses for four months.

Since nobody knows the government's plans for a post-Brexit UK, it is unclear how legislation will be affected. Ben Lasserson, a partner at Pinsent Masons, points to concern about how easily an English judgment might be enforced in EU states, which could affect the appetite of clients to bring disputes in the English courts. Currently the UK's EU membership means reciprocal recognition and enforcement is a smooth process. “Clients are asking about the enforcement of a ruling and the value of that judgment,” he says.

One possibility is that

lawyers could instead use the Lugano Convention, which applies to the enforcement of judgments between EU states and Iceland, Norway and Switzerland, as a way of enforcing English court rulings. However, there are no government guidelines yet as to how this would work in practice.

There are also concerns among lawyers about the potential impact of Brexit on the City of London's financial services sector. Law firm

Firms are being proactive in areas such as competition law. They are ramping up their operations in Ireland and registering their lawyers there so they can practise EU and UK law and appear before the European Court of Justice in Luxembourg. Freshfields, Hogan Lovells, Slaughter and May, and Allen & Overy are among firms to have put forward applicants to join the roll of solicitors in Ireland.

In the longer term, though,

Firms are registering their lawyers in Ireland so they can practise EU and UK law

revenues will suffer if the sector shrinks after Brexit and there is less client work.

Similarly, some fear that US law firms that have hired aggressively in their London offices and use the city as a bridgehead into Europe will scale back or transfer more work to their EU offices. However, says one lawyer at a UK law firm, “for those who focus on litigation or regulatory work there will still be a need for them to be here”.

lawyers are optimistic about London remaining a leading global centre because of the popularity of English common law in business contracts and the high reputation of the English courts. Some 27 per cent of the world's 320 legal jurisdictions use English common law and it underpins the legal system of important economies such as India, Singapore, Australia and Hong Kong.

“You need to separate out



the short and long term,” says Chris Bryant, a competition law partner at Berwin Leighton Paisner and a member of the Lawyers - In for Britain group, which campaigned for the UK to stay in the EU. “People are relaxed about the longer term because London has lots of advantages as a legal centre, with its court system, and because English law is so well regarded.”

Many business disputes coming before the High Court involve international parties where neither is from the UK or even the EU. In 2015 nearly 1,100 claims were issued in the Commercial Court, of which more than two-thirds involved at least one non-UK party.

“London was a legal centre for hundreds of years before we joined the EU,” says Susan Bright, regional managing partner for UK and Africa at Hogan Lovells. “We are not complacent but English law and the English courts will continue to be used.”

Eduardo Leite, global chairman of Baker & McKenzie, one of the world’s biggest law firms, has said he is “not that pessimistic” about Brexit and believes

London will continue to be significant because of the expertise available.

Many of the larger law firms, including the elite “magic circle” headquartered in London, are also sanguine because so much of their revenue now comes from outside the UK.

Nor is London’s valuable position as a centre for arbitration — settling legal disputes privately and confidentially outside the public court system — likely to be hurt.

Many businesses prefer London as an arbitration centre because of the legal expertise and availability of specialist arbitrators and experts in sectors from finance to shipping. Arbitration rulings and awards are recognised in 150 countries.

The ease with which arbitration awards can be enforced will remain after Brexit. In fact, some lawyers predict arbitration will be one of the winners because more companies will opt for it in the run-up to Brexit in order to have some certainty about future enforceability of legal rulings. ❶

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Breadth of vision

These firms have shown some of the most creative thinking across Europe over the past year

Netherlands — NautaDutilh

One of the few law firms globally to embrace the engineering methodology of Lean Six Sigma, which standardises and quality-controls products and services. NautaDutilh is also a founder member of Silex, a legal technology consortium designed to ensure lawyers can submit documents digitally to the Dutch courts by January 2017.

Ireland — A&L Goodbody

At the top of the small Irish legal market are half a dozen firms that jostle for position. The best performer among them in the FT's Innovative Lawyers rankings this year, A&L Goodbody has undergone a three-pronged engagement exercise to audit and articulate its brand identity to graduate recruits, employees and clients.

Spain — Uría Menéndez

One of the top three law firms in Spain, it led its compatriots in the FT Innovative Lawyers rankings this year. Its commitment to create value for clients was demonstrated in its work to give Latin American multinationals access to US capital markets via Spain in a tax-efficient manner. It also showed its skills in speeding up the legal process for companies in dispute with Spanish customs authorities.

Portugal — VdA (top-ranked European firm outside UK)

VdA continues to innovate in Portugal and abroad. It set up the first forum for in-house lawyers and a crowdfunding platform to support projects in Lisbon. Its recent strategy update is commendable for its inclusivity and the firm has begun groundbreaking research into analysing the assumptions behind the lack of gender diversity in the law. One of its female lawyers, Magda Cocco, is a top 10 individual innovator this year for her work in developing the telecoms and aerospace industries in sub-Saharan Africa.





Sweden — Synch Advokat

In an attempt to be a customer-focused firm and an enjoyable place to work, Synch Advokat has moved away from the hourly targets and partner-based structure found in most law firms. Its key performance indicator, for all staff who can share in the firm's revenues, is customer satisfaction.

Poland — Kochanski Zieba & Partners

Under the guidance of England and Wales-qualified lawyer Adam Piwakowski, the firm decided it needed to think laterally to grow in the face of stiff competition. Its successful "fishing pond" initiative looked to hook clients in countries that were not yet large trading partners of Poland and focus on winning business from them.

Ukraine — Aequo

One of the first firms to provide legal services online in Ukraine and share knowledge in the cloud with clients, Aequo also commissioned a comprehensive survey of the legal market and shared the results with the profession. Although clients did not say innovation was a priority, competition in the Ukrainian legal market is driving Aequo to differentiate itself through formalising its client relationship management. It employed a dedicated client care manager early on.

Romania — Tuca Zbarcea & Asociatii

Besides its fee-earning work, the firm is active in the community, securing a change in the law on domestic violence as well as supporting museums and encouraging responsible sports journalism.

Austria — Wolf Theiss

Tackling the traditional problem of lawyers working in silos in their firms, Wolf Theiss has embarked on a systematic programme to encourage its lawyers to collaborate with each other across practices, offices and generations. Partners are now remunerated for their collaboration quotients.

Italy — Nctm

The firm has taken a leaf out of the art world to help streamline and hone its visual brand. Partner Bernard O'Connor is a top 10 individual in the FT report this year for his work in defending the rights of Turkish Cypriots to produce Hellim cheese.

Helping hands in a crisis

The plight of refugees in Europe has driven creative, invaluable pro-bono work, while numerous policy changes have tested lawyers' skills. By Sarah Murray

From emotional trauma to poor living conditions, the difficulties experienced by migrants and refugees arriving in Europe are immense. On top of those comes the uncertainty over immigration status.

This is where lawyers are stepping in to help organisations that support refugees. While the firms benefit from exposure to new legal issues and giving junior staff valuable experience, the plight of Europe's refugees has proved to be a powerful driver of lawyers' pro-bono efforts.

For the International Rescue Committee (IRC), the humanitarian aid organisation, a priority has been to make sense of and stay up to date with the many legal frameworks and policies that are being rapidly introduced across Europe.

Ahead of a March 2016 meeting between EU leaders and Turkey to discuss co-operation on the refugee crisis, the IRC needed analysis of issues such as border control, asylum, resettlement and relocation to lobby effectively.

"[The IRC] are not lawyers but they are aware of the legal implications of policy decisions for the things happening on the ground," says Kerry Stares, head of legal at TrustLaw,

the Thomson Reuters Foundation's global pro-bono service, which connects lawyers and non-governmental organisations. "That seemed a good opportunity to find pro-bono lawyers to help them."

After putting the work out to tender, TrustLaw chose Latham & Watkins because of its global network of offices and the many languages and jurisdictional qualifications of its lawyers. Latham then selected more than 30 lawyers from six offices, as well as external advisers, to work on the project.

For Latham, the

"The novelty of the way in which the project worked was its real-time urgency"

engagement's timeframe — ultimately producing more than 300 pages of research on the rights of Syrian refugees in just over a week — was new. "The novelty of the way in which the project worked was its real-time urgency," says Helena Potts, a partner in the firm's London office.

Latham's work on the

research also had a further impact on refugees by increasing the IRC's ability to protect human rights without being distracted from its day-to-day aid work at Europe's borders and its advocacy efforts in Brussels.

The engagement did not end with the signing of the EU-Turkey deal. "It contained much that the IRC and others hadn't advocated for," says Ms Stares. "But rather than throw up our hands, we looked at the IRC's next priorities."

According to Ms Potts, the ongoing nature of the engagement will influence Latham's approach to pro-bono work. She says: "Pro bono is sometimes seen as a dip in and out," she says. "Managing it in this way will change the way we work with TrustLaw and the way internally we manage some of our pro-bono projects."

In Portugal, the refugee crisis gave rise to a different type of legal support in the form of a governance platform — PAR, the Refugee Support Platform — which allows aid organisations to work together without losing autonomy.

"It was a spontaneous movement but needed legal support so that it could be structured in a professional way," says Margarida Olazabal Cabral, a partner at Portuguese law firm Morais



Leitão, Galvão Teles, Soares da Silva & Associados (MLGTS). The firm is a member of PAR's executive committee and co-ordinates the law firms providing support for refugees.

The aim of PAR member organisations is to increase public understanding of the refugees, provide on-the-ground support in Greece



Migrants gathered at Greece's northern border

and work with governments to co-ordinate the placement of refugee families. “In schools we had a programme called If It Was Me, asking children what, if they were a refugee, they would pack in their bag,” says Ms Cabral. The aim was to create empathy among the children, who responded with suggestions such as “I have a

cuddly toy which is what brings me the comfort of my childhood and my home” or “I brought a blanket, a book, photographs, mobile phone, biscuits, toothpaste, toothbrush.”

Ms Cabral says law firms have an important role to play in addressing Europe’s refugee crisis: “It’s a complex problem — and lawyers are

used to dealing with complex problems.”

Another firm has taken a different approach to supporting organisations in the field of human rights and immigration. Arthur Cox, the Irish firm, seconds staff to an independent law centre on a pro-bono basis.

The Immigrant Council of Ireland provides free

assistance and legal representation to people regarding their immigration status. It also works to change Irish legislation on human rights issues.

So far, five Arthur Cox staff have been seconded to the council, each for between three and six months. One campaign that they helped the council



Social Responsibility

with was Turn off the Red Light, which worked with survivors of prostitution and sex trafficking to push for legislative changes.

While Latham & Watkins and MLGTS have taken different approaches to pro-bono work on migration, the Arthur Cox programme has something in common with each of them: it allows for a deeper engagement than one-off projects permit.

“We build up a body of knowledge within the firm, so there’s a continuity between ourselves and the Immigrant Council,” says Conor McDonnell, a partner at Arthur Cox.

Not only have the lawyers from Arthur Cox helped the council to expand its services to immigrants and

its capacity to engage in policy work, but they have gained valuable experience themselves from the programme. The staff on secondment have generally been trainees at the pre-qualification stage.

The programme is popular with these employees, says Mr McDonnell. “This is an area that graduates are interested in and they expect the firm to have a facility that allows them to contribute,” he says.

For Ms Cabral, pro-bono engagements are increasingly important as the industry vies for talent. “At a moment when legal services are very competitive, it’s important to give people experience of this other side of the legal profession,” she says. ①



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Innovation in Social Responsibility

Firm	Originality	Rationale	Impact	Total innovation score
Standout				
<p>Herbert Smith Freehills Established a long-term partnership with the government of Sierra Leone to provide critical legal support in negotiations with foreign investors as well as during the Ebola outbreak. The firm gave training, policy and legislative advice to build what it calls a "fair deal for Sierra Leone". The firm recently published an investors' guide to make Sierra Leone more attractive and tackle systemic issues. The firm's work is providing a model for lawyers to use their skills to help developing countries. <i>Commended: Gavin Davies.</i></p>	9	9	9	27
<p>Sidley Austin Small and medium-sized enterprises are critical to poverty reduction and economic empowerment, but they often face unfavourable business environments and access to finance. Realising there was both a dearth of legal support for these enterprises and a lack of opportunity for the firm's transactional lawyers to be involved in pro-bono work, the firm created a programme that now has 450 lawyers across 18 offices supporting over 100 SMEs with a social impact goal in Asia, Africa, Latin America and the Caribbean. <i>Commended: Scott Andersen.</i></p>	9	9	9	27
<p>Latham & Watkins Did research for the International Rescue Committee on the legislative landscape across Europe to provide actionable data on the legal rights of Syrian refugees. This was used to lobby the European Commission for policy change.</p>	8	9	8	25
Highly commended				
<p>Dechert Provided a suite of pro-bono legal services to the Restoration of Appearance and Function Trust for the development of new prosthetic limb technology.</p>	7	8	8	23
<p>Dechert Developed a standard, replicable mechanism to align fund managers' financial interests with the social aims of projects funded by Impact Partenaires, a French group.</p>	8	8	7	23
<p>Dentons The first law firm to join Open Law, a public-private collaboration platform, which helps to provide free online public access to case law and legislation by developing open-source tools and harmonising national legal data sets.</p>	8	7	7	22
<p>Tuca Zbarcea & Asociatii Provided pro-bono advice and prepared documentation to support a change to Romanian legislation so domestic protection orders could be issued within 72 hours.</p>	6	7	9	22
<p>Arthur Cox Working with the Immigrant Council of Ireland, the firm provides long-term pro-bono support to bring about legislative change for immigrants' rights and to disseminate information to refugees on their rights to seek asylum.</p>	6	7	8	21
<p>DLA Piper and Allen & Overy Collaborated with the Coram Children's Legal Centre to provide co-ordinated legal representation to children who were born in the UK to immigrant parents but do not have citizenship.</p>	7	7	7	21
<p>Weil, Gotshal & Manges Advised the Royal London Society for Blind People in the development, piloting and roll-out of new technology Wayfindr, which enables vision-impaired people to travel safely in London and elsewhere.</p>	7	7	7	21
Commended				
<p>Ashurst Leveraging its new legal support service, Ashurst Advance, the firm has been able to substantially increase its pro-bono work globally.</p>	6	7	7	20
<p>Hogan Lovells Working in collaboration with the Royal British Legion, the firm supports the families of soldiers killed in action who usually have no recourse to legal aid.</p>	6	7	7	20
<p>Morais Leitão, Galvão Teles, Soares da Silva & Associados The firm is the founding partner and central legal counsel of two platforms in Portugal to support refugees. The Global Platform for Syrian Students provides access to education and the Refugee Support Platform connects and fosters collaboration between aid organisations.</p>	7	6	7	20
<p>Simmons & Simmons Established a long-term partnership with South West London Law Centres and supported a full-time in-house welfare case worker to provide end-to-end support for welfare benefit appeals, with a focus on disability benefit cases.</p>	6	7	7	20
<p>Skadden, Arps, Slate, Meagher & Flom The firm partnered with the Legal Advice Centre (University House), a charity in Tower Hamlets, to improve the success rate of appeals in welfare benefit cases by 30 per cent above the UK norm.</p>	6	7	7	20



Rigid structures may no longer serve clients' best interests so flexibility is now their aim.

By Sarah Murray

Law firms look less firm

From one that considers Planet Earth its principal client to one that helps legal teams improve management of their data, law firms are experimenting with fresh business models. These new types of firm are emerging to fill gaps in the market, meet the changing demands of clients and tap

into new technologies. In many instances, such shifts in structure stem from the Legal Services Act of 2007, which relaxed the rules on the delivery of legal services in England and Wales.

For others, however, the drive to offer new services is rooted in a recognition of the law as a force for change. "It is the only tool that can

bind both government and the private sector," says Alice Garton, senior lawyer and company and financial project leader at ClientEarth, which was set up in 2007 to protect oceans, forests and other natural resources.

Taking on the planet as a client is not the only unusual aspect of the firm's business model. It is also ➤

Innovation in New Models

	Originality	Rationale	Impact	Total innovation score
Firm				
Standout				
ClientEarth Established nine years ago by US environmental lawyer James Thornton, ClientEarth is Europe's first law firm set up to defend the public interest in the environment. Formed as a charity and independently funded, it now has 100 staff, who use the law as a strategic tool to protect the environment and human health. Focusing on different areas such as biodiversity, forestry, company and financial law, the firm aims to change legislation and policies and influence how businesses report their impact on climate. An important part of the firm's work includes making sure that environmental laws are implemented in the spirit of how they were written.	10	10	9	29
D2 Legal Technology One of the first consulting firms to combine technology and the law to digitise legal documents for major financial institutions.	9	10	9	28
asb law The firm reorganised itself away from legal practice areas into sales and delivery teams where success is measured by client satisfaction rather than fees and hours.	9	9	8	26
Fulcrum Chambers A senior, multidisciplinary team of barristers, investigators and lawyers set up to work with clients on bribery and corruption issues.	9	9	8	26
Kennedy Van der Laan The Netherlands-based firm has created an online platform through which all work and communications are conducted for its network of member firms in 22 jurisdictions so that its client Nike experiences them as a single law firm.	9	8	8	25
Highly commended				
Capital Law The first UK law firm to set up its own fund, worth £50m, to support commercial litigation cases for smaller claimants.	8	9	7	24
Three Crowns Set up as an alternative to big law firms, this unique international arbitration boutique now has 40 solicitors and barristers.	8	8	7	23
Axiom The next step in the firm's flexible resourcing model enables general counsel to completely outsource their unpredictable staffing requirements.	7	8	7	22
Kindleworth A supporter of many new-model legal businesses, Kindleworth enables start-ups by removing their management costs.	7	7	8	22
Synch Advokat With no partnership structure, the firm shifts employees' focus from profits to customer service for its tech start-up clients.	8	8	6	22
Commended				
Gateley In the year since it became the first UK law firm to list on Aim it has increased revenues and profits.	8	7	6	21
Hausfeld The firm has taken the litigation finance model to Germany, to turn company in-house legal departments into profit centres.	7	8	6	21
The Legal Director For a monthly fixed fee, the company provides generalist lawyers to small and medium-sized businesses which cannot afford to hire staff lawyers.	7	7	7	21
McGuireWoods The firm set up Green Lane, a network of eight law firms in Europe, and is the first to be able to give integrated, cross-border EU customs and trade legal advice.	8	7	6	21
PwC Tax & Legal Services A multidisciplinary team that offers legal, tax, property and financial services to wealthy clients.	6	8	7	21

a non-profit organisation, relying on funding from foundations and institutions such as the UK's Department for International Development. "To act as lawyers independently but with a view towards the environment, we need philanthropic funding," says Ms Garton.

If lawyers can help protect the planet, they can also — by representing multinational companies — help tackle another global challenge: corruption. As with climate change, poor governance creates risks for companies, particularly since the introduction of the UK's Bribery Act in 2010.

After perceiving rising demand for due diligence and third-party risk

management, Fulcrum Chambers' founders set it up in 2010 as a specialist legal advisory and consultancy. With multidisciplinary teams that include corporate investigators as well as solicitors and barristers, the firm works closely with enforcement agencies.

As well as representing clients in court proceedings, the firm tries to prevent them being taken to court in the first place. "We see ourselves as more than a fire brigade when the fire is blazing," says Ivan Pearce, Fulcrum's joint managing director. "A lot of our work is in preventative areas like internal investigations and due diligence."

The firm offers fixed fees to clients, rather than billable

'Financial concerns are at the heart of improving the relationship between the lawyer and the client'

hours. "We've got to improve the relationship between the lawyer and the client, and financial concerns are at the heart of that," says Mr Pearce. "It's not just about how good you are. They're worried about how much you're going to charge them. If you can get that out of the way at the front end in a way that provides the client with certainty, the relationship is so much more positive."

For Three Crowns (3C), it was a gap in the market for specialist international arbitration advice that prompted its formation in 2014. With offices in London, Paris and Washington, the firm has built teams with a range of skills, including solicitors, barristers and other legal practitioners from more than 15 jurisdictions who speak more than 20 languages.

By combining such range with intensive mentorship and in-house training, 3C aims to prove that clients do not need to go to large firms to settle international disputes. The strategy appears to be working: in its first year of operation, 3C had more than 100 mandates from blue-chip companies.

If creating alternative models is one way to compete with large firms, some of the

new legal enterprises are providing new types of services. For Akber Datoos it was the growing volumes of negotiated financial instrument contracts at banks that prompted him to set up D2 Legal Technology (D2LT), which digitises and manages these contracts for in-house legal teams.

"Post-financial crisis we're seeing incredible complexity in terms of new regulations," he says. Complying with these rules is driving demand for D2LT's services. Mr Datoos says banks gain a better understanding of the subtleties of what has been agreed in contracts for derivatives and other financial products once they have been digitised; banks can then choose those that make most commercial sense. "Going to a paper copy to work that out isn't going to happen," he says.

Mr Datoos sees technology as increasingly important in an industry where financial products take the form of complex contractual obligations. "To manage the risk, make more money and be compliant, it's critical to understand those obligations," he says. "And today, you do that through systems and data." ①

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The illustration shows a stylized chess knight on the left, with a hand on the right holding a chess piece (a king) on a platform. The knight is reaching out towards the hand. The background is black with yellow and white geometric shapes representing a chessboard. The name 'WOLFF THEISS' is written vertically on the right side of the illustration.

asb law

When thinking about how to beat the competition, asb law did not offer new services or create another organisation. It turned the existing firm upside down so that it could design services around its clients' needs. This involved restructuring the organisation, creating sales and delivery teams and introducing a bonus system based on client satisfaction.

None of this would turn heads in a corporate setting, says Andrew Clinton, asb's managing partner. However, when looking across his own industry, Mr Clinton feels pretty revolutionary. "I'm not aware of many existing law firms that are tearing up the old model, starting afresh and thinking about structure and rewards," he says.

Innovation in Business Development and Knowledge Sharing				
Firm	Originality	Rationale	Impact	Total innovation score
Standout				
Cadwalader, Wickersham & Taft The firm devised an affordable way for smaller companies to access securitisation techniques. Structured finance products are usually the preserve of bigger businesses and incur large legal fees. However, the firm has invented the documentation for a small financing product which could scale up to attract institutional investors while keeping legal costs low. Facilitating small and medium-sized businesses' access to alternative financing means the firm can retain them as clients as they grow. As well as benefiting the firm, this approach has acted as a stimulus to the alternative finance industry. <i>Commended: Jeremiah Wagner.</i>	9	9	8	26
Pinsent Masons In 2014, UK pensioners were allowed to cash out their entire pension, rather than being obliged to take out an annuity. For some insurance companies, the end of the mandatory annuity market meant their revenues would be halved. Pinsent Masons devised, created and pitched a new insurance product to its pensions clients to help them attract and retain customers. <i>Commended: Simon Laight.</i>	9	9	8	26
DLA Piper The firm created a unique working group with legal think-tank Cercle Montesquieu to review proposed changes to the French Civil Code, which had not been reformed since 1804.	8	8	8	24
Norton Rose Fulbright The firm developed the Court Intelligence Database, which gathers data about ongoing claims to enhance the firm's legal expertise in precedent pleadings and help clients go through litigation.	8	8	8	24
Highly commended				
Bird & Bird A digital strategy to provide clients with focused content online has made the firm's website a go-to place for technology clients.	7	8	8	23
Cadwalader, Wickersham & Taft Working with the Loan Market Association, the firm is lobbying for change in the securitisation sector.	8	7	8	23
Hassans The firm is establishing the legal and regulatory framework necessary to develop an insurance-linked securities sector and practice in Gibraltar.	8	8	7	23
Wolf Theiss Introduced an initiative that appraises and financially rewards partners for collaboration and is designed to maximise the firm's cross-selling opportunities.	8	9	6	23
Commended				
Deloitte Abogados A service for insurance and banking clients dealing with cyber incidents, including legal and forensics, crisis communications and security services from Deloitte Consulting.	7	8	7	22
Gowling WLG Developed a sweeping digital strategy in which the firm's rebranded knowledge management team, now Digital Information and Legal Systematics, plays the critical role.	7	8	7	22
Obelisk Support Obelisk's mission to promote women in the law is strongly supported by The Attic, a magazine and forum for external speakers, and The 100 Years Project, which highlights women's struggle for equality.	7	8	7	22
Aequo The first firm in Ukraine to launch online legal services and share information with in-house clients, Aequo has shown leadership in commissioning surveys on the profession and sharing the results with peers.	6	8	7	21
Baker & McKenzie The firm's Reaching New Heights report is a first complete analysis of Chinese investments in the 28 EU countries, covering the period from 2000 to 2015. Considered a benchmark by banks and governments.	6	8	7	21
Eversheds Developed with Aon Hewitt, a human capital consultancy, a new fixed-fee service helps small to medium-sized pension funds transfer liabilities to insurers through a buy-in/buy-out deal.	8	7	6	21
Gowling WLG Developed a thought leadership report that helps mid-market corporates make growth decisions while also revealing the firm's Aim capabilities.	7	7	7	21
Hogan Lovells Produced the Go for Gold report, covering analysis of and solutions to the legal and practical challenges of social enterprises using "golden shares" to protect their core mission.	7	7	7	21
Kochanski Zieba & Partners In a break from the usual practice, the firm focused its growth strategy on countries that are not yet major trade partners of Poland, in regions such as Africa, Asia and the Middle East.	7	8	6	21
Mills & Reeve Highlighted key legal issues in the use of driverless cars and come up with solutions to advance their development and inform new regulation in the UK and Europe.	6	8	7	21
VdA The first law firm-led forum for in-house lawyers in Portugal that operates on the three levels of professional development, technical skills and networking. It already numbers 100 members and includes junior in-house lawyers.	7	7	7	21



Disruptive influences

Firms are recognising that unless they invest in technology such as artificial intelligence, they will struggle to compete in today's legal market.
By Jane Croft

Lts traditional aversion to risk has meant the legal profession has not been in the vanguard of new technology. But it is seen as ripe for disruption — a view that is based not least on pressure from tech-savvy corporate clients questioning the size of their legal bills and wanting to reduce risk.

As more law firms become familiar with terms such as machine learning and data mining, they are creating tech-focused jobs like “head of research and development” or hiring coders or artificial intelligence (AI) experts.

Change is being driven not only by demand from clients but also by competition from accounting firms, which have begun to offer legal services and to use technology to do

routine work. “Lawtech” start-ups, often set up by ex-lawyers and so-called because they use technology to streamline or automate routine aspects of legal work, are a threat too. Lawtech has been compared to fintech, where small, nimble tech companies are trying to disrupt the business models of established banks.

A study by Deloitte has suggested that technology is already leading to job losses in the UK legal sector, and some 114,000 jobs could be automated within 20 years.

Professor Richard Susskind, a technology consultant and co-author of *The Future of the Professions: How Technology Will Transform the Work of Human Experts*, predicts

unprecedented upheaval in a profession where the working practices of some lawyers and judges have changed little since the time of Charles Dickens. “One question lurking in all this is whether someone can come in and do to law what Amazon did to bookselling,” he says. “We won’t see anything as dramatic, but we will see incremental transformations in areas like the way documents are reviewed and the way legal risk is assessed.”

Big law firms are pouring money into AI as a way of automating tasks traditionally undertaken by junior lawyers. Many believe AI will allow lawyers to focus on complex, higher-value work. An example is Pinsent Masons, whose

TermFrame system emulates the decision-making process of a human. It was developed by Orlando Conetta, the firm's head of R&D, who has degrees in law and computer science and did an LLM in legal reasoning and AI. TermFrame guides lawyers through different types of work while connecting them to relevant templates, documents and precedents at the right moments. He says AI will not make lawyers extinct but "is just another category of technology which helps to solve the problem".

"Clients are aware of [AI] and how it will benefit them and they are asking the tough questions of us. In the past year we have gone from being in start-up mode to having the rest of the firm banging on our door asking about this," says David Halliwell, a litigation lawyer and director of knowledge and innovation delivery at Pinsent Masons.

Another AI application is Linklaters' Verifi program, which can sift through 14 UK and European regulatory registers to check client names for banks and process thousands of names overnight. A junior lawyer would take an average of 12 minutes to search each customer name.

Meanwhile, Allen & Overy, along with Big Four accountancy firm Deloitte, has created a service to help banks cope with tough post-financial crisis regulations. MarginMatrix codifies the

law in various jurisdictions and automates drafting of certain documents. The time to draft a document will fall from three hours by a lawyer to three minutes.

Other firms are using AI for discovery exercises in litigation, which can involve laborious hours of document word searches. US law firm Cooley recently used AI in a litigation dispute in which the technology identified relevant word concepts and clusters of words in 29m documents. This led to lawyers receiving a smaller subset of data where the program "machine-learned" through predictive coding according to how it was classified. Mark Deem, a partner at Cooley, says the firm is open to using AI partly because of its client base. "Some of our bigger clients are in the tech world and therefore the lawyers are willing to embrace technology, and get it."

One worry is that the "Big Law" business model, with its billable hours and partnerships, is not suited to incubating tech start-ups where experimentation is vital and potentially expensive.

Tim Pullan, founder of ThoughtRiver, a lawtech start-up, is typical of the new breed of innovator, although he says: "I guess we're somewhat older than the kids down in Shoreditch." He was a partner at London law firm Lawrence Graham until 2006

when he decided to work in Asia for Experian, the credit-checking agency. But later he set up ThoughtRiver, based at law firm Taylor Vinters in Cambridge, to address "core productivity issues" at the heart of the law.

"I thought about it for years and homed in on one particular problem we thought we could solve," he says. That area was legal contracts: some corporate clients might minimise risk by focusing on higher-value contracts and ignoring contracts under a certain value. ThoughtRiver's software uses AI to scan and interpret information from all written contracts used in commercial risk assessments and presents it in a central online dashboard that

enables clients to assess risk more easily.

Another firm, Riverview Law, is in partnership with the computer science department at the University of Liverpool. It has launched Kim, a virtual assistant designed to help legal teams make quicker and better decisions. Karl Chapman, Riverview's chief executive, says Kim's features include being able to suggest the best order in which to renegotiate a series of corporate contracts. ①

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Legal Geek

In a sign of its potential success, lawtech has its own social scene. London-based serial entrepreneur Jimmy Vestbirk has launched Legal Geek, which organises events and meet-ups for lawtech start-ups, as well as hackathons and interactive talks.

Mr Vestbirk researched legal start-ups in San Francisco before setting up F-Lex, an on-demand paralegal agency in London. He is not a trained lawyer, but confidently describes the law as ready for disruption. "Artificial intelligence is a big component of that," he says. "There is definitely a buzz now in the legal profession."

As Professor Richard Susskind puts it: "In 10 years' time if you were to look at the top 20 legal providers by revenue, half will be non-lawyers."

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Innovation in Technology and Data Analytics

	Originality	Rationale	Impact	Total innovation score
Firm				
Standout				
Riverview Law Over two years Riverview Law has transformed itself into a technology-led business. It formed a partnership with the University of Liverpool to work with its artificial intelligence experts to develop a cognitive computing application. Called Kim, the technology powers a virtual assistant that helps in-house lawyers manage legal processes and assess new instructions coming into their departments. It allows them to collect and use data to manage workflow, ensuring the right people are doing the right work.	10	9	9	28
Allen & Overy The firm's new MarginMatrix tool automates legal analysis, document drafting and compliance with new derivatives rules for big financial institutions. Its partnership with Deloitte enables it to make this technology part of a complete service. <i>Commended: David Wakeling.</i>	8	10	9	27
Pinsent Masons The firm's knowledge management system guides lawyers through the steps of a case, while connecting them to relevant documents and information. <i>Commended: Orlando Conetta.</i>	9	8	8	25
Highly commended				
Berwin Leighton Paisner Worked with RAVN Systems to develop its Applied Cognitive Engine to do repetitive document review work for real estate clients. <i>Commended: Wendy Miller.</i>	8	8	8	24
DWF Analysed 14 years of data on fraud cases to help insurance clients predict claimants' behaviour and develop strategies to counter fraud.	8	8	8	24
Simmons & Simmons An in-house ediscovery technology team has developed a range of tools and techniques using its Relativity software platform.	8	8	8	24
Taylor Vinters The firm acts as an incubator, investing in and supporting the development of legal technologies such as ThoughtRiver, which analyses contracts.	9	8	7	24
Bates Wells Braithwaite Get Legal is an online tool that makes drafting tailored legal documents affordable for charities and social enterprises.	7	8	8	23
Mishcon de Reya Launched an ediscovery facility as a separate business to do disclosure work at greater speed and eventually provide services to other law firms.	9	8	6	23
Commended				
NautaDutilh Built a coalition of Dutch law firms to develop an interface for law firms' systems to work with the Netherlands' Department of Justice's new online document portal.	7	8	7	22
Addleshaw Goddard AG In-form delivers detailed financial data to lawyers and staff so they can make informed real-time financial decisions.	6	8	8	22
Axiom Helping clients capture, structure and use their contract data to measure and manage risk and negotiate better contracts.	7	8	7	22
Baker & McKenzie Rolled out a new ediscovery platform globally, allowing the firm to provide a more consistent and round-the-clock service to its clients and lawyers.	7	7	8	22
Dentons In partnership with Seedcamp, Nextlaw Labs, whose lead investor is Dentons, has run a competition for legal technology start-ups in Europe and is funding the winners.	8	8	6	22
Linklaters Verifi automatically searches and classifies banking clients' customers to help them comply with new ring-fencing legislation.	8	8	6	22
Paul Hastings Developed a database and data model to map a non-profit client's data and automatically generate compliance contracts.	7	8	7	22
Pinsent Masons Using clients' data to provide them with previously unavailable insights into construction and infrastructure disputes.	7	8	7	22
Cooley Leveraged the firm's US expertise, resources and technology to help a UK client, IT consultancy Ciber, do fast and affordable ediscovery for a litigation case.	7	7	7	21
Gowling WLG Set up a software platform that allows lawyers to code a stamp duty land tax calculator for complex leases. <i>Commended: Chris Bond.</i>	7	7	7	21
Gowling WLG Developed a tool to sweep eBay for intellectual property infringements for a client, allowing the firm to monitor the site daily at minimal cost and to collect valuable new data.	6	8	7	21
Hogan Lovells The firm's Prism technology generates a report with a timetable, costs and action lists for early case assessments in disputes.	7	7	7	21
Kemp Little Developed legal technology solutions for its clients, including KLerical, which automatically reviews data licences and contracts.	7	7	7	21
Matheson Mapped the workflow of a litigation matter and created 350 precedents and letters to build a system to help manage healthcare client disputes.	6	8	7	21
Simmons & Simmons Developed a tool to help clients with Mifid II compliance. It can be used to project-manage the process and is accessible to non-legal colleagues.	6	7	8	21
Tools4Legal Created tools for multinational companies to manage high-volume corporate governance, real estate and data privacy work.	7	7	7	21

Innovation in Human Resources

Firm	Originality	Rationale	Impact	Total innovation score
Standout				
Hogan Lovells Developed a new leadership training model, designed to change mindsets and behaviour, in association with the Said Business School at the University of Oxford. The experiential programme includes modules on neuroscience and mindfulness, theatre and archetypes. The firm has also sought to introduce a "thinking environment" approach, developed by coach Nancy Kline, to support emerging leaders and encourage all staff. Graduates of the programme are asked to nurture new entrants. The firm says the results are already being demonstrated, with better collaboration across offices and practice areas, and ultimately a better experience for clients.	8	9	8	25
Lewis Silkin The firm's "Rockhopper" service enables experienced employment lawyers to work remotely and part-time for clients which on occasion can be at 50 per cent of the usual cost. The service mainly covers routine matters.	8	8	8	24
Linklaters Using crowdsourcing over a 72-hour period, which provided it with robust internal consultation, the firm improved its lawyers' work-life balance by devising ideas such as sabbaticals after three and six years of service.	8	8	8	24
Bird & Bird Tapped into an underused resource and trained its personal assistants to take on client relationship management. The programme is now expanding to other functions.	8	8	7	23
Highly commended				
Addleshaw Goddard Set up a practical and varied two-week placement programme to help lawyers re-enter the legal profession after having children.	7	8	7	22
Arthur Cox Introduced a shared parental leave policy, allowing fathers to take part of the 26 legislated weeks of maternity leave if mothers return to work earlier with full pay.	8	8	6	22
Ashurst In a move to remove gender and other kinds of bias in the distribution of work to associates, the firm introduced a system that provides an equal platform for career development.	7	8	7	22
CMS/The InterLaw Diversity Forum Two initiatives from CMS and the InterLaw Diversity Forum, a body of LGBT networks, are pushing the diversity agenda forward. They include a photography exhibition (supported by the FT) and best-practice diversity advice for professional service firms.	8	7	7	22
Linklaters A structured approach to work allocation with dedicated resource managers and customised software is helping the firm provide fair opportunities to associates.	7	8	7	22
Pinsent Masons The firm has improved gender diversity at partner and management level through shared parental leave policies, fixed-term management positions and insisting recruiters give gender-balanced lists.	6	8	8	22
Commended				
CMS Changed the physical space and way in which technology is used by lawyers and visiting clients in the firm's new offices in London.	7	7	7	21
DWF Initiatives to support staff in their parental leave meant DWF was the only law firm ranked in the top 10 of the 2015 Top Employers for Working Families survey.	7	7	7	21
Hogan Lovells BaSE is a training programme for entry-level lawyers to build their commercial skills through advising social entrepreneurs and small and medium-sized enterprises.	7	8	6	21
Linklaters A multifaceted programme won the firm attention as one of only 11 UK government-recognised Social Mobility Business Compact "champions".	6	8	7	21
Matheson Two highly inclusive training programmes are increasing collaboration in the firm.	7	7	7	21
VdA Developed a unique statistics-based research approach to determine whether gender is a predictor of lawyers' potential performance in the firm and concluded that it was not.	7	8	6	21



No more long hours

Working around the clock for high pay and status is not what motivates many young lawyers today. By Aime Williams

Becoming a partner at their law firm has long been the prize for young lawyers. Along with high pay, it was the enduring incentive to work gruelling hours and perform mundane tasks. But a generation of trainees want something different; the partnership track has ruptured.

Many millennial lawyers are tired of the 24/7 work culture and are inspired by the gig economy, exemplified by the likes of ride-hailing app Uber and room-rental website Airbnb. Income may be more sporadic but earning it will not involve being tied to a desk during fixed hours.

This philosophy is borne out by a report from consultancy Deloitte, which

says millennials are more interested in people than in money, prefer collaborative working structures and value being able to work irregular hours as it suits them. Millennials in the law are rebelling to demand a better work-life balance — and influencing those more senior to them too.

One millennial, who quit her job at a Magic Circle law firm to become a ski instructor, described her work as a trainee solicitor as unsatisfying and seemingly pointless — a feeling that was made worse by the long hours. “You get left alone to do mundane stuff a lot, literally in a small room on your own, surrounded by boxes of documents to sort out,” she says. “You are, of

‘Lawyers are risk-averse; in most firms you sit at your desk and you get the same salary whether you do badly or whether you do well’

course, well paid, so among junior lawyers and trainees there is the feeling that we’re well paid for a reason — ie, to be in the office whenever needed.”

The pay is indeed high. The Financial Times reported in August that newly qualified British lawyers working for US firms in London could start on £135,000. Even a typical Magic Circle starting salary is £85,000, more than three times the national average UK wage.

High pay for the sake of it

apparently leaves millennials cold, however. Nico Beedle, a young partner at boutique law firm Merali Beedle, says he disliked the lack of financial incentive at his previous employer, an international law firm.

“Lawyers are risk-averse; in most firms you sit at your desk and you get the same salary whether you do badly or whether you do well,” he says.

The firm Mr Beedle now works in employs its lawyers on a consultancy basis,



Nico Beedle prefers the flexibility of working on a consultancy basis

which allows employees to have full control over the hours they work in exchange for a fluctuating salary. The trade-off, he says, is between the safety of a fixed wage and the freedom of flexible working. “Is it more important to you to get more life in exchange for more

volatile pay, or do you want to give more of your life to a big firm and get a straight-up stable salary?” he asks.

Consultancy EY has found that millennials may be more likely to choose the former option — they prize flexible working more than any other generation — and traditional

law firms have begun to take note. Indeed, they are filtering this millennial-attractive approach throughout their business.

London-based employment law specialist Lewis Silkin has created Rockhopper, a low-cost legal advice service. It is staffed by lawyers who have opted for a better work-life balance than is usually demanded by the firm, in exchange for a cut to their pay. The firm says it has proved exceptionally popular with staff.

“It surprised us that some of our great lawyers asked to move to the Rockhopper programme,” says James Davies, joint head of the firm’s employment law practice. “We thought, ‘Hang on, you’re one of the people

who will advance very quickly in our conventional structure.”

The set-up allows some lawyers to live a life away from the hubbub of London. Senior Lewis Silkin lawyer Denise Tomlinson works remotely from the south of France. She describes “a big attitude shift” in legal circles and a newfound respect for those who are — in the millennial style — “not motivated by status or money”.

“It used to be that if you were a senior lawyer of 10 years-plus who hadn’t made partner, you were seen as a bit of a failure,” she says. “Whereas now there’s a bit more of an understanding that not everybody wants to be made partner.” ❶

Be bold.

Cooley

A new generation of original thinkers

Lawyers who have grown up with recent industries can offer fresh insights into their needs. By Reena SenGupta

The FT's list of young legal innovators is drawn from lawyers working in-house or in private practice. The candidates come from new sectors, such as digital media and financial technology, but also from an organisation, the Crown Estate, whose history stretches back nearly one millennium.

The judges chose Lise Damelet as the overall winner for her achievement in the particularly hard task of convening thinkers and starting an incubator to push for change in France's conservative legal market.

Recognising young innovators in this year's report, we pay a posthumous tribute to lawyer Mark Hornor, who championed legal innovation at Vodafone and Axiom. Mr Hornor drowned in July trying to save his young daughter Mina when they were swept away by waves on a family trip to Hawaii.

→ **Winner Lise Damelet, senior associate, Orrick Rambaud Martel**

Lise Damelet is co-founder of the Paris Bar Incubator. The group was set up in 2014 to foster innovation, support legal start-ups and connect lawyers, academics and legal directors to plan and campaign for change in the profession. Its projects include lobbying for legal partnerships in France to be opened up to non-lawyers.



Panos Giannisis, partner, Giannisis & Partners

When capital controls were imposed during the Greek financial crisis last year, Panos Giannisis helped clients to stay in business by converting some of their working capital to bitcoin, the virtual currency. He also led the development and implementation of the information systems at his firm.

Rob Booth, general counsel and company secretary, the Crown Estate

On joining the Crown Estate in 2012, Rob Booth helped to expand the energy portfolio of the British sovereign's public estate. He then started working with the chief executive, Alison Nimmo, to overhaul the 950-year-old company's governance, executive and committee structures.



↑ **Luis Roquette Geraldes, lawyer, Morais Leitão, Galvão Teles, Soares da Silva & Associados**

Luis Roquette Geraldes launched Team Genesis, which supports technology start-ups in their early stages. He leads a team of 13 lawyers with ambitions to help expand Portugal's start-up and venture capital sectors. Team Genesis clients have provided work for nearly 50 of the firm's lawyers.

Ali Ramadan, partner, Bird & Bird

Ali Ramadan is co-creator of Bird & Bird's Digital Growth Accelerator, which helps early-stage technology businesses grow faster by enabling them to access commercial and legal support and further funding. Mr Ramadan has also led on a joint venture between three entertainment companies to establish a one-stop shop for music licensing across Europe, covering more than 250,000 songwriters.

**Kerry Westland,
senior manager,
Addleshaw Goddard**

Kerry Westland broke with standard practice in 2014 when she opted to spend her training period on Addleshaw Goddard's transactional services team, rather than going through the traditional rotation. She was responsible for streamlining the firm's operations.

**Jeremiah Wagner,
partner, Cadwalader,
Wickersham & Taft**

Jeremiah Wagner has focused on the alternative finance sector since the financial crisis. He has worked in particular on developing affordable ways for smaller businesses to

access finance products designed for larger companies and on the emergence of online peer-to-peer lending platforms in Europe.

**→ Sara Blanco de
Morais, managing
associate, PLMJ**

Described by clients as entrepreneurial and tenacious, Sara Blanco de Morais put on a construction hard hat as part of her legal work for a bankrupt Portuguese client, which had met several obstacles when trying to sell a landholding. She secured a five-fold increase in the sale price of the land. ①

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A close-up photograph showing a person's hands using scissors to cut a piece of white paper. The word "Impossible" is written on the paper in a blue, cursive font. The scissors are positioned to cut through the paper between the letters "m" and "p".

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Culture

Innovation in Culture, Brand and Strategy

Firm	Originality	Rationale	Impact	Total innovation score
Standout				
Schillings It is not easy for a law firm to reinvent itself: the professional values and status of being a lawyer are deeply ingrained. However, Schillings has had to change as part of its strategy to become a multidisciplinary partnership, focusing on reputation risk. By 2017, half its staff will be non-lawyers. It has broken down its goals into small steps, which staff take after consulting a book of tenets. The firm has also moved to flexible working, where no one has a designated desk or office. The result is a new-style legal, technology and risk business.	8	9	9	26
King & Wood Mallesons Used the Hu Trust Model, a corporate framework, to enhance lawyers' understanding of the firm's brand and develop client relationships.	8	9	7	24
Berwin Leighton Paisner Systematically mapped out how the firm's practice groups work together; this has increased profitability by client and collaboration between lawyers.	8	8	7	23
McCann FitzGerald Comprehensively refreshed the firm's strategy, based on 160 interviews with clients, focusing on concrete actions rather than early press releases.	7	8	8	23
Highly commended				
A&L Goodbody Increased transparency and communication levels through an extensive feedback programme with graduates, employees and clients.	6	8	8	22
Allen & Overy Implemented a new measurement framework to test whether its adoption of certain values for which it wanted to be known – "advanced thinking" and innovation – were reflected in internal and external perceptions of the firm five years on.	6	8	8	22
DWF Got its lawyers to co-design technological solutions with experts and then quickly test them. This means that the firm, in connection with a legal start-up, has trained its lawyers and clients to be more tech-savvy.	7	8	7	22
Pinsent Masons Improved its approach to client relationship management from junior lawyer upwards; now each client has a formal business plan that cuts across all parts of the firm.	7	8	7	22
Shoosmiths Held an unusual roadshow to popularise the firm's strategy of collaboration by asking staff to work together to create brand strategies for controversial individuals such as Donald Trump and companies such as Ashley Madison, the online dating site.	8	7	7	22
VdA Implemented a strategic review that involved every member of the firm, starting with a poll of individuals' perceptions of the company and ending with clear goals for everyone.	8	8	6	22
Commended				
Dentons Created a crowdsourcing project to engage 1,700 lawyers and staff across the firm's European offices to design a new intranet.	7	8	6	21
PLMJ An employee engagement programme to enhance cross-selling and break down cultural barriers across international offices, using an unusual format that involved passports, indigenous cuisine and interactive sessions.	7	8	6	21
PwC Tax & Legal Services New joiners attend three workshops where they are taught to think creatively about solutions to business challenges and become more innovative.	7	7	7	21



Innovation in Resourcing and Efficiency

Firm	Originality	Rationale	Impact	Total innovation score
Standout				
Addleshaw Goddard and DWT The firm, in collaboration with US law firm DWT, handles 10 per cent of Microsoft's global procurement contracts. Lawyers now deal with these for a fixed fee and have managed to cut costs for the company from an average of \$302 per hour to \$237 per hour within a year. The firm also creates business analytics so the in-house team can better manage demands for legal support. Microsoft, which has used legal process outsourcers for routine work, considers this the next stage in outsourcing legal work.	9	8	8	25
Linklaters The firm saved 4,000 hours through legal document automation and used artificial intelligence and process improvements.	7	8	9	24
NautaDutilh Created the Lean Academy to train staff in Lean Six Sigma methodology, to make improvements in legal processes.	8	8	8	24
Eversheds Ignite, a new managed legal service, allows companies to outsource all their day-to-day legal work at a fixed fee.	6	8	9	23
Shoosmiths Created a four-part service to help companies with flexible resourcing and commercial contracting for a fixed price.	8	8	7	23
Highly commended				
Addleshaw Goddard Designed workflows to allow the transfer of over 15,000 properties to the National Grid network in record time.	6	8	8	22
Ashurst Combined legal analysts and project management experts with legal technology experts to deliver solutions to the firm and clients.	7	8	7	22
DLA Piper A service delivery function includes legal project management, a flexible lawyering option and an outsourcing centre in Leeds.	6	8	8	22
McCann FitzGerald Pioneers of ediscovery in Ireland, the firm has created a data investigations group which reviews documents for clients.	7	8	7	22
Commended				
Morgan, Lewis & Bockius Set up a data centre in London to leverage the firm's US edata team and manage data privacy issues.	7	7	7	21
Sekri Valentin Zerrouk The firm fields teams of up to 35 lawyers drawn from different law firms, working together off a virtual platform.	7	7	7	21

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Tech trailblazers

Many of this year's top 10 are pioneers exploiting technology to revolutionise their firms and the legal world

This year's 10-strong shortlist for most innovative individual was dominated by those using technology to change the practice of law. The judges were impressed by Karl Chapman, chief executive of Riverview Law, which has produced Kim, a "virtual assistant" that helps in-house lawyers manage new instructions and process their work. Another strong contender was David Wakeling of Allen & Overy, a pioneer of automated legal drafting, part of the trend towards freeing lawyers from repetitive tasks.

But the most impressive legal technologist, and the winner of this year's award, was Charlotte Stalin of Simmons & Simmons — not, the judges felt, one of the most innovative firms in the past, but seventh this year in the FT 50 ranking. Ms Stalin is best-known for the Navigator legal technology tool, which has been widely adopted. Her next project, inevitably, is a Brexit transition tool.

Also impressive was Keith Schilling, the defamation specialist who says one of his proudest achievements was representing model Naomi Campbell when she won her privacy claim against the Daily Mirror — the first successful such claim in England. He has transformed Schillings into a multidisciplinary partnership, incorporating cyber-security specialists and a former general, to protect reputations and privacy in a social media age.

Michael Skapinker, chair of the judging panel



↑ Winner
Charlotte Stalin,
Simmons & Simmons

Charlotte Stalin joined Simmons & Simmons in 2006 as a partner in the financial services regulation practice, after working at Clifford Chance in Sweden and London. She set about thinking of new ways to work with clients, most notably an online service providing regulatory guidance to fund managers. It was launched as Navigator: Funds, providing information to clients on a subscription basis.

Ms Stalin is the force behind many of the firm's market-leading regulatory tools. This year she launched MiFID2 Manager, which will help the firm's lawyers and clients manage the complex compliance process relating to the second iteration of the EU's Markets in Financial Instruments Directive, which comes into force in 2018.

Clients say it stands out from similar initiatives because it not only provides information but can also help guide non-legal users through the process.

↓ **Bernard O'Connor,
Nctm Studio Legale**

Describing himself as a trade lawyer with a penchant for agriculture, Bernard O'Connor has created interesting specialisms for himself. One is expertise in geographical indicators, which identify products as from a specific region, such as Champagne.

His background in more than 100 trade cases for the European Commission made him a valuable asset for Turkish Cypriot farmers in the Halloumi cheese case. The application of Greek

Cypriot cheese producers to the EC for “protected designation of origin” status did not initially include northern Cyprus producers of the same cheese, which they call Hellim. Northern Cyprus is not recognised as part of the EU, but Mr O'Connor's arguments helped the Turkish producers' claims for inclusion to be agreed by the EC in July 2015.

He says being a slow reader helps when dealing with complex legal and political challenges because he comes up with arguments and ideas others might miss.



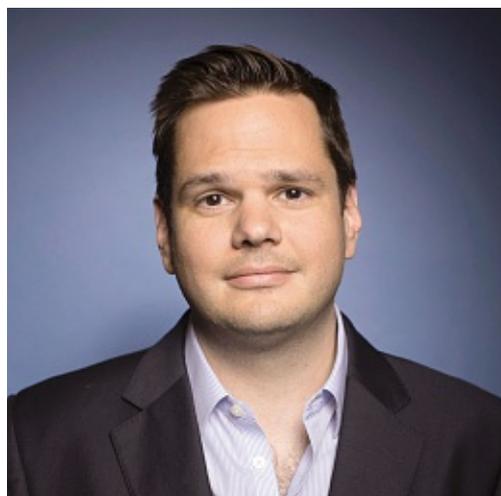
↑ **Akber Dattoo,
D2 Legal Technology**

After starting his career developing new trading platforms at UBS, Akber Dattoo retrained as a lawyer to bring his data and technology skills to the law.

Mr Dattoo was an associate with Allen & Overy between 2005 and 2010, before leaving in 2011 to set up D2 Legal Technology. Most of the business's 65 employees are senior lawyers with capital markets experience, who also understand computer systems.

D2 Legal works for investment banks and asset

managers, providing strategic consulting and technology to manage capital markets legal documentation. Mr Dattoo now works with their in-house legal teams to develop what he calls “a legal data domain” and give legal departments a similar level of control over their contracts and opinions as client and product teams have traditionally had over their own data. His services are helping in-house lawyers understand the value they can bring through not just the law but also data and systems.



→ **David Wakeling,
Allen & Overy**

Derivatives and structured finance lawyer David Wakeling used time away from his usual work last year to address a problem clients were only starting to anticipate. Contemplating new regulations for the global over-the-counter derivatives market, he realised the impact they would have on big banks. New margin rules mean banks will have to renegotiate contracts that could include up to 10,000 counterparties and require

legal advice in numerous jurisdictions.

Using off-the-shelf software, he designed a solution that allowed junior lawyers to do the coding themselves, inputting rules and regulations from around the globe to create the firm's MarginMatrix system.

Now that the majority of the legal work could be done using technology, the firm partnered with Deloitte to apply the consultancy's people and processes to the remaining drafting and negotiations work.

Innovative Individuals



↑ Jeroen Zweers, Kennedy Van der Laan

Jeroen Zweers is innovation director at Amsterdam-based Kennedy Van der Laan, which is behind the Nike Alliance, a network of law firms that collaborate to handle the sportswear brand's legal work. Mr Zweers has moved the alliance from a grouping of 33 firms in 22 jurisdictions to a virtual European law firm working on a shared online platform. At any one time, Nike can see workflows, billing and whether teams are available for work. This

“digital building” facilitates better service with a single repository of knowledge.

Dutch Legal Tech, which Mr Zweers co-founded in 2015, is a platform to connect lawyers, academics, publishers, entrepreneurs, developers and policymakers. It organises events, from meet-ups to awards, to encourage Dutch legal professionals to innovate.

This year, Mr Zweers co-founded Legal Pioneer, a network that links legal innovators in the UK, Hong Kong, Germany and India.



↓ Karl Chapman, Riverview Law

After studying law and starting out in investment management, Karl Chapman embarked on an entrepreneurial career based on recruitment, training and human resources businesses.

Only after 25 years did Mr Chapman join the law, setting up Riverview Law in 2011. He has steered its managed services business from focusing on clients among small and medium-sized businesses to serving the FTSE 100.

More recently Mr Chapman has led the firm's transformation into a technology-based business. He formed a partnership with the University of Liverpool to develop a proprietary cognitive computing program and launched it through a US-based business, Kim Technologies. The program powers Riverview's latest products — virtual assistants that help in-house lawyers to manage new instructions, workflows and the automation of some tasks.



← Magda Cocco, VdA

A pioneer in aerospace and telecommunications law in Portugal, Magda Cocco is one of the partners in charge of VdA's technology, media and telecoms (TMT) practice and the head of privacy, data protection and cyber security practice at the firm.

Ms Cocco has expanded the TMT group to African jurisdictions such as Cameroon, Comoros, Gabon, Madagascar, Namibia and Mali. She has also led multidisciplinary teams,

advising on the inception and implementation of numerous projects to develop the TMT industries in these countries.

Her industry-focused approach to international growth is one colleagues at VdA have followed to expand their own practices into new markets.

Ms Cocco has also helped develop VdA's aerospace law practice group, the first in Portugal, where her work has included drafting space policies and satellite contracts, and clarifying legal issues regarding drones.



← **Mark Nicolaides, Latham & Watkins**

Deep knowledge of capital markets, an ability to grasp the dynamics behind the rules governing them and the skill to articulate a vision that all parties to a transaction can support have helped Mark Nicolaides to achieve numerous firsts in the structured finance industry.

Over eight years, Mr Nicolaides' work has featured in the FT's Innovative Lawyers reports for innovations in pensions, helping banks to comply

with Basel II capital requirements and achieving a breakthrough in an impasse over the restructuring of Punch Taverns.

This year's report recognises his work for Mortgage Leasing Solutions to acquire and lease back 2.6m iPhones from mobile operator Sprint. The deal allows mobile phone carriers to monetise the value locked up in mobile phones currently being used by customers and in the value of their short-term leases for the first time.

↓ **Keith Schilling, Schillings**

After 35 years in media and defamation law, Keith Schilling has spent the past three years moving his firm from one that solely practised law to a multidisciplinary partnership that includes technologists, cyber experts, risk managers and intelligence personnel. He had concluded that in the digital age his clients would increasingly need an integrated service to defend their reputation

and privacy from the incursions of social media.

In doing so, he envisaged a service clients did not yet realise they needed. "Where in the past the power to dethrone the successful lay in the hands of a well-resourced few, today anyone with an iPhone and a Twitter account can start the ripple that turns an incident into an indictment," Mr Schilling says.

The new Schillings is transforming itself into an international reputation and privacy consultancy.



↑ **Pamela Thompson, Eversheds**

With extensive experience in the investment funds management sector, Pamela Thompson has been involved in numerous firsts that have influenced its infrastructure.

From the first offshore investment trust in the 1990s, to this year's authorised contractual schemes (the UK's first tax-transparent fund structure), Ms Thompson has helped to create many products and services that allow clients to

seize opportunities presented by regulatory change.

As joint head of the investment funds and asset management team at Eversheds, Ms Thompson advises the Financial Conduct Authority and HM Revenue and Customs. Her team was also the only law firm practice consulted by HM Treasury to discuss the competitiveness of UK-listed companies for asset managers, culminating in the Treasury's investment management strategy. ①



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Spirit of enterprise

In-house lawyers in new industries have shown great entrepreneurial flair. By Yasmin Lambert

Innovative businesses, new or old, require a different kind of in-house lawyer. Across the diverse range of companies represented in this year's report, general counsel are making technology central to how they work and are often more willing to take risks.

In-house lawyers in new businesses are not only adapting to the opportunities of emerging technologies and industries but are creating them. Lawyers at five-year-old fintech company Crowdcube, for example, have helped launch and

grow the crowdfunding market in Europe. Over the past two years, they have developed mini-bonds to allow the public to fund small businesses through debt and created due diligence processes to attract professional investors such as venture capital funds to co-invest alongside the public. Crowdcube general counsel Paul Massey says: "The legal team has been central to opening up that market, as many key questions big investors like venture capitalists had were legal ones." The platform has raised funds for more than 400 businesses or projects from more than 300,000 investors.

Compliance and legal staff are important to the company's growth and Mr Massey now works more closely with the business's customers, the entrepreneurs, to support them from initial fund-raising to an exit. Crowdcube had its first exits last year as car hire company E-Car Club was acquired by Europcar and Camden Town Brewery was bought by multinational brewing group AB InBev.

While lawyers have traditionally been valued for their expertise, this new generation of in-house lawyers has more in common with entrepreneurs. Mr Massey and his team look to the latest technological advances such as blockchain to spot opportunities for new products. They also have an influential public role, shaping regulation and raising market confidence.

After building legal teams at eBay and Skype, Robert Miller joined video game

developer King Digital Entertainment as general counsel in 2012 as part of a legal team of two. The creator of the mobile game Candy Crush Saga has since grown rapidly: revenues of \$160m in 2012 jumped to almost \$2bn the following year. It now has half a billion users and Mr Miller's primary task has been to build a high-performance legal team to support this expansion. When hiring, Mr Miller says: "Engagement and motivation are most important: I focus on smart lawyers, but the real key is that they have a passion for the business."

The top-ranked teams this year come from larger, more established yet innovative companies going through transformations.

Hewlett-Packard's legal department managed the separation in 2014 of the technology business into two Fortune 500 companies, using deal-management tools developed by its mergers and acquisitions team. The new Hewlett Packard Enterprise legal team now focuses on more complex work by adopting a "light touch" approach to customer contracts. This means lawyers manage the highest-priority risks in a deal only, rather than focusing on the details.

Meanwhile, computer maker Dell's legal team has developed "Smart Risk-taking", a programme to provide guidance for lawyers to take a less conservative view on legal risks, encouraging them to use data and exercise creativity. ①

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Nokia's Maria Varsellona (winner of the Innovative General Counsel award) helped lead negotiations to buy Alcatel-Lucent

In-house		Total /40
Firm		
Most innovative European in-house teams		
Hewlett Packard Enterprise Managed the European side of the biggest corporate separation in history and continues to transform the business, developing new technologies and pioneering a "light touch" approach to contracts.		36
Crowdcube Introduced a due diligence process and new financing products to open crowdfunding to venture capital investors and a broader market.		35
Nokia Drove the recent acquisition of Alcatel-Lucent and set up a job swap with law firms to further develop in-house lawyers.		35
Dong Energy (UK) Transformed the structure and culture of the legal team and developed legal frameworks to help the business become a market leader in offshore wind power.		33
Funding Circle Worked with regulators to redefine digital lending law and on new models to provide alternative funding to European small and medium-sized businesses.		33
GE Capital International Managed more than 400 transactions across 40 jurisdictions to achieve the first-ever solvent corporate reorganisation to allow GE Capital to be de-designated as a significant financial institution.		33
Teva Pharmaceutical Industries The team are seen as key strategists and revenue generators, regularly identifying new business lines, new ways to do business and quicker paths to launch products.		33
British Business Bank Built a legal team from scratch to establish the first economic development bank in the UK, developing a new governance model, corporate culture and financial products.		33
BT (PSI Team) Sitting where technology and law intersect, the team resolved knotty legal issues concerning privacy, data protection, investigatory powers, human rights and cyber-protection.		32
King Digital Entertainment Lawyers supported the creator of Candy Crush Saga through a period of growth, including multiple acquisitions and a listing on the New York Stock Exchange.		32
WPP Helping a business in 112 jurisdictions with 180,000 people through public takeovers, 50 additional deals and openings in Cuba, Myanmar and Iran.		32
eBay The legal team has led strategic partnerships with Argos and iProbono, a new global shipping programme and the resolution of data privacy issues.		31
State Street Global Advisors Transformed the legal team to give cross-business regulatory support on important issues and changes, and created a centre of excellence in Dublin to handle more routine work.		31
T-Systems Playing a key role in business development for the company, the team developed a novel partnership with five law firms to promote the T-Systems cloud, launched in February 2016.		31
Zurich Insurance Portugal The team has helped the company gain recognition as best in class in dealing with new regulation and delivers training to other industry players on compliance requirements.		31
Accenture Portugal Guided the company through the largest business process outsourcing transaction in Portugal and identified client opportunities to manage their digital transformations.		30
Farfetch A catalyst for the business, the team has led major acquisitions and helped the company control risk in its global expansion and get to market faster.		30
The Ministry of Finance of the Slovak Republic The legal team defends against claims brought by foreign investors and has won all 11 cases it has handled. One case heard before the European Court of Justice has the potential to change bilateral investment treaties between EU states.		30
Zoopla Property Group Enabled the property portal to buy uSwitch, a price comparison website, and created new models to partner with property technology start-ups.		30
In-house operational transformation		
Dell EMEA The team changed its approach to purchasing external legal support and improved risk management, the latter through "Smart Risk-taking", its own methodology to increase the consistency of legal opinions.		35
Royal Mail After the Royal Mail's initial public offering, the legal team is leading the transition from state ownership to publicly listed company.		34
The Crown Estate The legal team led the 950-year-old company through an executive team and governance overhaul and strategic joint ventures to enable it to grow.		33
Galp Energia Made a previously reactive legal team into a business partner and value creator, including making Galp a FTSE4Good Index company.		32
Knorr-Bremse Restructured the legal function to align with business service lines, the lawyers are now critical to achieving the company's substantial growth target.		31
The Navigation Company The legal team has initiated a project to draft, monitor and manage human resources agreements, which is being rolled out to other business functions.		31
Engie The team is active in the company's transformation and is critical to creating commercial relationships in new markets and driving ethical processes.		30

INNOVATIVE GENERAL COUNSEL

Winner Maria Varsellona, chief legal officer, Nokia

Receiving an outstanding review from her chief executive, Maria Varsellona helped lead negotiations to buy Alcatel-Lucent, realising value from that transaction much earlier than expected through elegant legal innovation.

Maaïke de Bie, general counsel, Royal Mail

With a progressive, tenacious and personable leadership style focused on changing the culture of the legal team at Royal Mail, Maaïke de Bie aims to ensure her team are business advisers with vision.

Thierry Buytaert, general counsel, Ageas Group Legal

Thierry Buytaert was instrumental in arranging a final settlement with creditors of Fortis, the failed bank, after an eight-year litigation, while managing 10 divestments and eight acquisitions in Europe and Asia.

Bart Gombert, European general counsel, Bain Capital

Bart Gombert is Bain's first European general counsel. He adds consistency without bureaucracy and has created a transaction road map that gives colleagues access to guidance at different steps in a deal.

Galit Gonen, senior vice-president and general counsel Europe, Teva Pharmaceutical Industries

With a strong focus on intellectual property rights disputes, Galit Gonen builds effective teams that add competitive advantage in battles with other firms.

Paul Massey, general counsel, Crowdcube

Paul Massey has helped the fintech business scale up by introducing new products and runs a legal team that can also charge for its services.

Robert Miller, chief legal officer and corporate secretary, King Digital Entertainment

Robert Miller has built another top legal team that supported the company in its \$7.2bn New York listing and more recently its \$5.9bn acquisition by Activision Blizzard.

Mollie Stoker, general counsel UK, Lucozade Ribena Suntory

Mollie Stoker's can-do style has helped build a highly visible and well-regarded legal team from scratch. She sits on the board of the new soft drinks company.

Charlotte Taggart, general counsel, Cabot Credit Management

Charlotte Taggart is described by her chief executive as high energy and creative. She has built the legal team as revenue generators and helped the company to become the first Financial Conduct Authority debt collector.

Benedikte Leroy, vice-president EMEA, legal counsel, Dell

Established an internal innovation programme that generates and celebrates new ideas. Changes to contract processes and its Smart Risk-taking scheme have helped save more than 20 per cent in costs.



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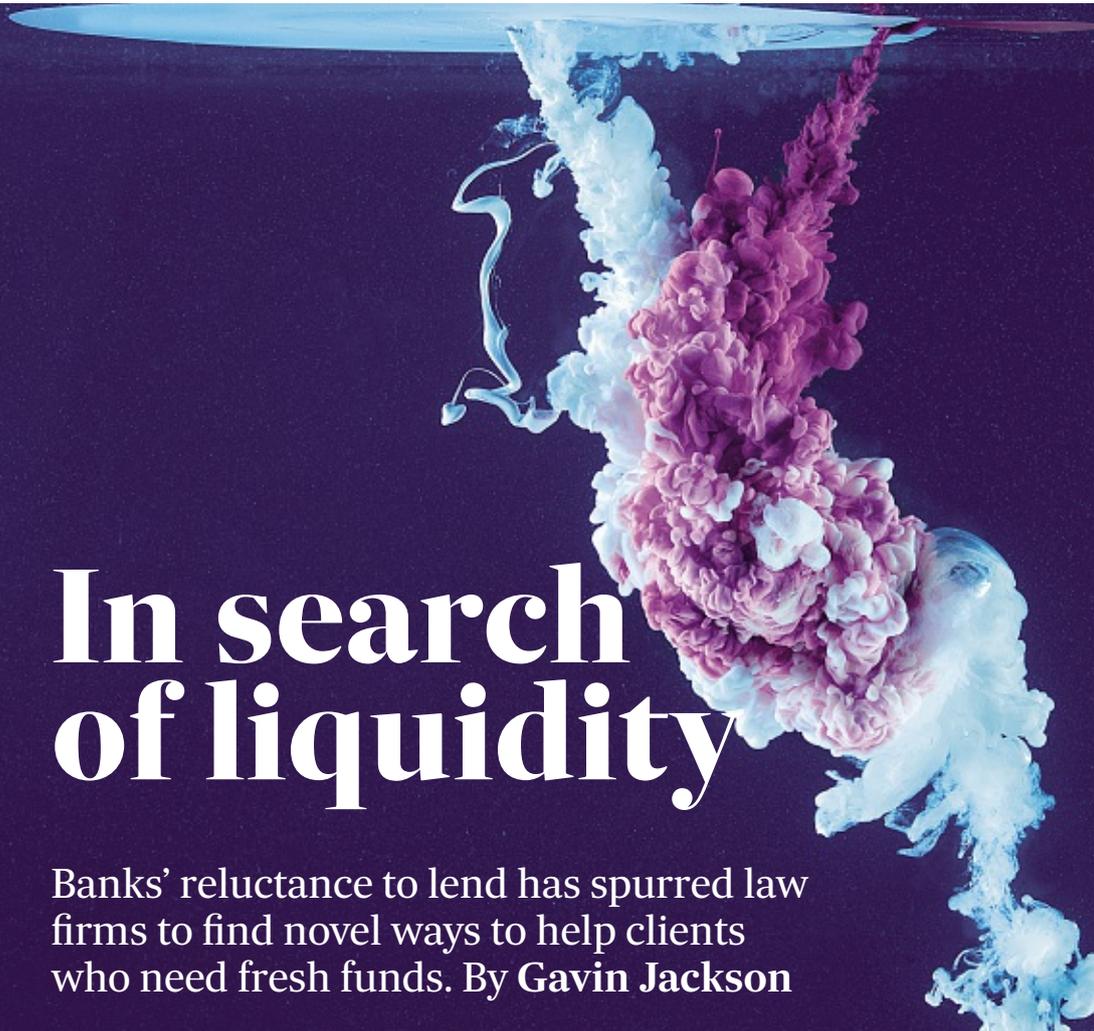
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In search of liquidity

Banks' reluctance to lend has spurred law firms to find novel ways to help clients who need fresh funds. By Gavin Jackson

During the depths of the financial crisis, many European companies found they could no longer rely on banks for lines of credit. With balance sheets under stress, banks were unwilling or unable to lend to companies. Many businesses decided, therefore, to bypass the banks and go to the capital markets. In 2009, €305m was raised in the European corporate bond market, twice the amount in either of the previous two years, according to data provider Dealogic.

Even though the crisis is over, banks have spent the past few years building up their own capital, leading to this reduction in lending becoming entrenched. Bank

lending in the eurozone returned to growth only in March 2015 after three years of decline, according to the European Central Bank. But for lawyers, this shift represents an opportunity.

Innovation in the structure of securities allows lawyers' corporate clients to tap new sources of funding for credit-constrained businesses. At the same time, new forms of lending, often online, create legal challenges to be solved. Businesses now have many funding options beyond bank debt and maybe a little equity, says Lucy Tarleton, director of capital markets at consultancy PwC.

Virgin Atlantic, the airline, prompted one innovation. In the US, using take-off

and landing slots as debt collateral has long been a staple of airlines' bond sales but had never been successfully employed in Europe. International Airlines Group, the parent company of British Airways, attempted to launch such a bond in 2012 but withdrew it because of its complexity. In 2015, Virgin aimed to become the first European airline to borrow against its slots at London's Heathrow airport.

Borrowing in this way is tricky, says Herbert Smith Freehills, which acted for Virgin. An airline does not own and can lose its take-off and landing slots if it does not use them or if it fails to comply with the many regulations that govern their

use. "How do you provide security for investors at the same time as allowing the huge complexity of the Virgin Atlantic scheduling process to go on unhindered?" asks Michael Poulton, head of Herbert Smith Freehills' structured finance and debt capital markets practices.

The solution was to create a special purpose vehicle — an entirely new airline, Virgin Atlantic International, that only ran flights between London and the Caribbean — which held the slots in trust and could issue bonds. In the event that Virgin Atlantic went bankrupt, the new airline would be able to take over the Heathrow slots and sell them to repay investors.

This innovation allowed Virgin Atlantic to borrow from bond investors, including from infrastructure funds that might not otherwise consider an airline, Mr Poulton says. "It is a structure that is specifically designed for the capital markets." The borrowings that the company secured raised £220m for the purchase of new aircraft.

Such a scheme would not be suitable for a small company, since selling debt can carry high fixed costs. Moreover, many investors might be unwilling to buy small debt offerings because of the difficulty of selling on these bonds. Avoiding such problems required ingenuity.

PrimeRevenue is a US-based supply-chain finance platform that allows suppliers to trade their sales invoices for advance payment. The company wanted a way for the invoices to be securitised and thus be tradeable in the capital markets.

Securitisation is a means of packaging together small loans into a bigger, standardised, bond-like security; the loans are then sold on to investors. The practice was common before the financial crisis as a

means for banks to fund their lending, but has declined in recent years because of regulation aiming to prevent a repeat of the 2008 crisis.

The challenge for lawyers at Baker & McKenzie was to adapt PrimeRevenue's US business for Europe to accept a more diverse range of invoicing arrangements and attract a wider range of investors. The law firm's answer was to create a Luxembourg-based special purpose vehicle with multiple compartments to give investors a choice of debt securities to buy.

Technology is opening up other avenues for law firms. Giannisis & Partners, based in Greece, came up with the idea of using bitcoin, the electronic currency, to

circumvent capital controls imposed by the Greek government in the summer of 2015. The scheme involved the currency as collateral to allow the client to buy products from overseas while the restrictions on capital movement were in place. Once these had been lifted, the client could convert the bitcoin back at a predefined rate. This allowed Greek companies to continue trading as before despite the capital controls.

A more common method of using digital technology to raise finance is peer-to-peer (P2P) lending through online platforms that connect investors and borrowers. The latter can range from those looking for a consumer loan to businesses that want

New forms of lending, often online, create legal challenges to be solved

to expand. The sector has grown dramatically over the past few years as these sites step into the space vacated by banks; in the UK alone the value of loans and investments made on P2P and crowdfunding sites grew 84 per cent in 2015 to £3.2bn, according to the innovation charity Nesta and the University of Cambridge.

For start-up CrossLend — which aims to match savers in low-interest-rate countries with borrowers in high-interest-rate countries — law firm Latham & Watkins came up with a new type

of bond that allowed for high-volume issuance with total principals of just €5,000 per bond.

Europe's banks are gradually coming out of their decade-long funk following the financial crisis, but the world has changed. The long-term impact of the financial crisis has been to remake the landscape for raising finance. Banks will have to compete with, and learn from, the innovations that have sprung up in their absence. For lawyers, that promises even more new and interesting work. ❶

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Innovation in Securitisation				
Firm	Originality	Rationale	Impact	Total innovation score
Standout				
Herbert Smith Freehills and Virgin Atlantic Airport landing slots have been securitised in the US, but never successfully before in Europe. It has been difficult to monetise the slots as a non-airline cannot own them and they are governed by strict usage requirements. Lawyers overcame these hurdles for Virgin Atlantic by creating a special purpose vehicle airline within the group to hold the landing rights and a trust structure above the SPV to create a liquid asset. The model helped Virgin Atlantic raise £220m of long-term debt and established a new financing technique for the broader airline industry. <i>Commended: John Nestel and Michael Poulton.</i>	10	10	7	27
Baker & McKenzie Created a new European insurance-backed structure for PrimeRevenue to allow investors to fund small companies by investing in their suppliers' payment obligations (invoices).	9	9	7	25
Highly commended				
Cadwalader, Wickersham & Taft Worked on the securitisation of £130m of loans originated on peer-to-peer lending marketplace Funding Circle, helping small and medium-sized businesses. <i>Commended: Jeremiah Wagner.</i>	8	8	8	24
Paul Hastings Adapted a mortgage-backed security structure for property bridging loans, providing liquidity to the growing short-term finance market.	7	8	8	23
Latham & Watkins Helped Mobile Leasing Solutions acquire and lease back 2.6m iPhones in a deal that monetises the mobile phones' residual value and customer leases for the first time. <i>Commended: Mark Nicolaidis.</i>	7	7	8	22

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(1) As stated by existing Bird & Bird clients in an independent client satisfaction survey conducted by Nisus Consulting in summer 2016.
(2) Based on Forbes list of 'The World's 100 Most Innovative Companies' 2015.

Innovation in Strategic Collaborations for Clients				
Firm	Originality	Rationale	Impact	Total innovation score
Standout				
King & Wood Mallesons In a highly unusual project, the firm was asked to create the legal framework for a disruptive economic innovation based on a new virtual currency. The ECO Capacity Exchange enables companies to trade their excess capacity, in the form of available but unused goods and services. Transactions rely on the Enterprise-backed Credit Obligation (ECO), a unit of exchange supported by investment-grade multinational companies and based on traditional currencies. The aim is to circumvent volatile money created by governments and stimulate new sources of capacity-backed demand. The lawyers had to create a mechanism for facilitating barter-like transactions using a new concept of money. <i>Commended: Tim Bednall.</i>	10	9	8	27
Herbert Smith Freehills and Boeing Defence UK Structured a strategic IT partnership agreement between Boeing and Staffordshire Police to facilitate a force-wide IT transformation programme. <i>Commended: Nick Pantlin.</i>	9	9	8	26
Highly commended				
Cooley Represented a consortium of university tech transfer offices to develop the legal framework for Apollo Therapeutics, a joint venture and investment fund established by three UK universities and three pharmaceutical companies to fund university research into life sciences. <i>Commended: Nicola Maguire.</i>	8	8	8	24
NautaDutilh Represented the World Wide Fund for Nature, the National Parks Foundation of Bonaire and Sea Turtle Conservation Bonaire in a challenge to halt the construction of a pier and establish public law principles to preserve the marine park while balancing development goals. <i>Commended: Berend Haagen.</i>	7	9	8	24
Addleshaw Goddard Created a unique employee stock ownership plan to provide the client with the flexibility to widen the staff ownership structure to achieve further engagement and incentives. <i>Commended: Jonathan Cheney.</i>	8	8	7	23
Gowling WLG Developed an alliance agreement between Lambeth council, an NHS trust and volunteer organisations to provide better patient care in mental health. <i>Commended: Robert Breedon.</i>	8	7	8	23
Pérez-Llorca Established a joint venture between a media group and a start-up accelerator with the aim of facilitating an "ads-for-equity" model, whereby start-up companies in the joint venture can access the advertising clout of the parent media company in exchange for a portion of equity.	7	8	8	23
Simmons & Simmons Advised on a collaboration between six global pharmaceutical companies, the charity Alzheimer's Research UK and the UK Department of Health to develop and launch the Dementia Discovery Fund, the world's first investment fund focusing on dementia. <i>Commended: Charles Mayo and Matthew Pitman.</i>	8	7	8	23
VdA Co-founded the city of Lisbon's BoaBoa crowdfunding platform, aimed at improving investment in social projects and providing small companies with seed capital. <i>Commended: Fernando Resina da Silva.</i>	8	8	7	23
Commended				
Rousaud Costas Duran Advised on the creation of a start-up accelerator in Barcelona for Mobile World Capital Barcelona, which was structured as a public-private joint venture between the city and a French incubator. It will assist 30 start-up projects with seed capital and advice.	7	7	8	22
Simmons & Simmons Advised GlaxoSmithKline, one of three pharmaceutical companies collaborating to establish Apollo Therapeutics, with the purpose of funding life-science research.	7	7	8	22
PLMJ Advised GlaxoSmithKline, one of three pharmaceutical companies collaborating to establish Apollo Therapeutics, with the purpose of funding life-science research.	7	8	6	21



The need for speed

Lawyers have cut months — or even years — off their clients' cases with some lateral thinking. By David Robinson

Greek tragedy averted

In summer 2015, Piraeus Bank, Greece's largest lender by assets, needed to raise €4.9bn. In common with other large lenders in the country, it had failed the European authorities' stress tests. It had to meet tough new capital requirement targets or face being wound up.

Piraeus's wish was to launch a debt-for-equity swap. However, EU rules dictated that since many of the bonds were held by retail investors, the bank needed to put together an approved prospectus — which can take months to prepare. It was a luxury Piraeus could not afford. Indeed, since its largest competitors wanted to launch similar swaps and Piraeus needed to raise more capital than they did, it had to move fast.

"Had we come to market late, investor appetite for Greek bank shares might

have been exhausted," says Mei Lian, a partner at Shearman & Sterling, which acted for Piraeus Bank.

Lawyers at Shearman and Allen & Overy, which acted for the investment banks appointed by Piraeus, including Deutsche Bank, UBS and Credit Suisse, examined the EU Prospectus Directive, which dictated the content and process for getting a prospectus approved. They identified that the requirement only applied to an offer of "transferable" securities.

"We looked at the situation with fresh eyes," says Tom Grant, a partner at Allen & Overy. "We found an innovative way of buying time so that the commercial objectives of the client to go to market immediately and compliance with the legal regime could both be achieved."

Allen & Overy came up with the idea for a holding instrument — a non-transferable receipt — which

circumnavigated the legal obstacles that were delaying the swap, allowing the offer to proceed without delay.

"The novel structure enabled Piraeus to give investors the option to participate in the equity capital-raising at a future date without the requirement for a prospectus to be published at launch. This allowed the bank to launch the exchange offers well in advance of the actual equity capital-raising

exercise," Mr Grant says.

The offer was made to bondholders in October 2015 and settled in December. It allowed the bank to raise €600m in capital by converting existing liabilities into new equity. Moreover, it meant €2.7bn of state aid could be granted to Piraeus Bank. As a result, Piraeus avoided resolution (a process of managed failure) and with it the risk of contagion across the Greek economy. ①



Greek bank customers queue up during the crisis in July 2015

Taxing times

In spring last year, the authorities in India decided to levy a tax on international funds holding Indian securities, which would have made investors liable for \$6bn across the industry. Three years previously, the country's high court had suggested this "minimum alternative tax" could apply to foreign portfolio investors, when the tax had been intended to be domestic only.

"It came as a surprise to many people," says Nick Skerrett, head of contentious tax at law firm Simmons & Simmons. Moreover, the tax authorities wanted to apply it retrospectively for up to seven years. There was little hope of a swift judicial resolution. "Tax litigation in India is notorious for being slow and unreliable," Mr Skerrett says. It can take up to 20 years.

Simmons hired a London-based Indian barrister and together they initiated judicial

review proceedings in the Castleton case, the source of the "rogue" ruling, as Simmons calls it. Mr Skerrett then put together a group of supporters, including industry associations, asset managers and banks, to fund the action and share the costs. The original verdict was eventually overturned.

In September 2015, the government issued a circular against the tax authority directing that the minimum alternative tax should not be

applied to foreign portfolio investors. Simmons then secured a supreme court order binding the government to its stated position.

"Our approach reduced the litigation timetable from 20 years to less than 12 months," Mr Skerrett says.

"Moreover, by reducing the litigation stages to one hearing and sharing the costs among multiple parties we were able to reduce everyone's individual budgets." ①

Innovation in Speed and Process

Firm	Originality	Rationale	Impact	Total innovation score
Standout				
Simmons & Simmons The Indian tax authorities' minimum alternative taxation (MAT) on foreign investors has been an ongoing political controversy. The usual process for appeal could take decades, with a low prospect of success. Simmons & Simmons instructed leading Indian lawyer Harish Salve so that litigation could be run from London, then intervened in an appeal to create a test case to resolve the point, bringing judicial review proceedings directly before the Mumbai High Court. Overall, the strategy reduced the litigation timetable from 20 years to less than one, and the controversy has been resolved with foreign investors no longer obliged to pay the tax. <i>Commended: Nick Skerrett.</i>	9	9	8	26
Allen & Overy Created co-operation agreements between receivers and liquidators during the insolvency of marine-fuel company OW Bunker, allowing debts to be recovered without substantial litigation. <i>Commended: James Partridge and Peter Watson.</i>	8	9	8	25
Mishcon de Reya and Sainsbury's A strategy and process to streamline and expedite Sainsbury's case against MasterCard helped it win the largest anti-competition award in European and UK history.	8	8	9	25
Highly commended				
Pinsent Masons Developed a voluntary redress scheme for potential litigants to settle out of court, offering a new way for companies to resolve mass consumer claims.	8	8	7	23
Commended				
Mayer Brown International Achieved an important clarification about the scope of a "governmental intervention credit event" (a clause to help resolve failing financial institutions) in the credit derivatives market in the first use of a three-week external review process.	8	7	7	22
Uria Menéndez Compelled Spanish customs authorities to disclose internal communications in a taxation dispute, winning the case and setting a precedent. <i>Commended: Miguel Cremades Schulz.</i>	7	8	7	22
Weil, Gotshal & Manges Took a new procedural approach to a case involving millions of documents to defend Ingenious from tax avoidance allegations.	7	8	7	22
Berwin Leighton Paisner Streamlined the planning permission process for the Thames Tideway Tunnel, involving 14 local authorities and 20,000 land interests. <i>Commended: James Good.</i>	6	7	8	21

Innovation in Driving Value for Clients

Firm	Originality	Rationale	Impact	Total innovation score
Standout				
Gowling WLG Technology company Dyson discovered counterfeit copies of its bladeless fans were being made in China within six months of the product's launch. The copies were being distributed to over 50 countries, presenting a threat to Dyson's product and its investment. To address this, lawyers developed a centralised and efficient approach to defending Dyson's intellectual property (IP) rights globally. Using internet monitoring and a strategy to coordinate a network of local counsel from the UK, the Gowling team has substantially reduced IP infringement by finding the fake manufacturers and interrupting their global sales. <i>Commended: Kate Swaine and Gordon Harris.</i>	8	9	9	26
A&L Goodbody Overturned an Irish high court decision on a test case on the impact of the Euribor and Libor benchmarking scandals, enabling client ACC Loan Management and other financial institutions to recover money from defaulting borrowers. <i>Commended: Enda Hurley.</i>	8	8	9	25
Highly commended				
20 Essex Street In a case relating to claims brought by 16 retailers alleging Visa had artificially inflated fees, a QC at the chambers convinced the court that claims dating from 1977 to 2007 should be time-barred.	8	8	8	24
Freshfields Bruckhaus Deringer Represented CVI, a fund managed by CarVal Investors, in the "Lehman Waterfall" litigation after the collapse of Lehman Brothers, setting a precedent for how creditors are paid in the event of a solvent administration or liquidation. <i>Commended: Ken Baird and Christopher Robinson.</i>	8	8	8	24
Commended				
Hogan Lovells Received judgments to recover \$1bn allegedly embezzled by Russian banker Sergei Pugachev, ensuring assets held in offshore trusts must be disclosed.	8	8	7	23
Dechert Achieved a partial annulment of an arbitration tribunal's decision, reducing damages the republic of Ecuador had to pay Occidental Petroleum by \$700m.	7	8	7	22
Hogan Lovells Structured the disposal and leaseback of part of the BBC Media Village, saving the BBC £33m per year.	8	8	6	22
PLMJ Devised a strategy for a bankrupt client who was also a member of the Espirito Santo banking family to convert arid land in Portugal into 50 parcels of irrigated land that could be sold at significantly higher value.	7	9	6	22

Innovation in Restructuring and Re-organisation

Firm	Originality	Rationale	Impact	Total innovation score
Standout				
Allen & Overy Represented the deal managers in the restructuring of Piraeus Bank during the 2015 Greek banking crisis. Faced with the challenge of persuading bondholders to swap their debt for equity in a difficult market, they had to move fast. Because some bonds were held by public investors, any new offer had to be accompanied by an approved prospectus that would take weeks to prepare. Lawyers created a new holding instrument to allow bonds to be traded for the right to receive cash or equity once the prospectus had been prepared, leading to a successful recapitalisation. <i>Commended: Stephen Miller and Tom Grant.</i>	9	9	9	27
Eversheds Saved an iconic Midlands business, MIRA, through a strategy and deal that resolved its liabilities to two pension funds without letting them fall into the Pension Protection Fund.	9	9	8	26
Shearman & Sterling Navigated regulatory and state aid issues to guide Piraeus Bank through the largest and most complex recapitalisation undertaken in Greece. <i>Commended: Apostolos Gkoutzinis and Mei Lian.</i>	8	9	9	26
Highly commended				
Akin Gump Strauss Hauer & Feld From 2008 to 2015, negotiated on behalf of creditors holding \$32bn in bonds to restructure three failed Icelandic banks. <i>Commended: Barry Russell.</i>	7	9	9	25
Gowling WLG Implemented an unusual strategy for MIRA Retirement Benefits Scheme to avoid insolvency and retain higher benefits for members than if it fell into the PPF.	9	8	8	25
Allen & Overy Drove the transformation of the Co-operative Group's corporate governance, winning support from an initially resistant membership. <i>Commended: Richard Slynn and Willoughby Knight.</i>	7	9	8	24
Cuatrecasas, Gonçalves Pereira Helped stabilise Portuguese financial markets with a structure and process to sell the retail business of Banif bank over a single weekend. <i>Commended: Maria Ricou and Manuel Ferreira.</i>	7	8	9	24
King & Wood Mallesons Structured a three-part transaction for Palamon Capital Partners which provides a new model for the private equity secondaries market in Europe.	8	8	8	24
White & Case Represented the Icelandic bank Kaupthing on its restructuring, dealing with 15,000 creditors in over 100 countries and complex political negotiations. <i>Commended: Christian Pilkington.</i>	8	8	8	24
Commended				
Avellum Structured a deal to equalise the value of MHP's and Agrokultura's assets in Russia and Ukraine to allow a swap without additional payments that would contravene EU sanctions.	8	8	7	23
Baker & McKenzie Led and managed the restructuring of a multinational IT corporation to create a new operating model and reduce its workforce by 50 per cent in Europe.	8	8	7	23
BonelliErede Invented and won court approval for a number of new techniques to restructure Ferrol, creating new options for failing companies in Italy. <i>Commended: Paolo Oliviero.</i>	8	7	8	23
Pinsent Masons Represented BESTrustees pension scheme, connected to the failed Kaupthing bank, in the first sale of pensions debt on the distressed market.	7	8	7	22
Garrigues The firm restructured Jofel Industries during insolvency proceedings and in the face of dissenting creditors, combining restructuring tools meant for different scenarios and new to Spain.	6	7	8	21
Sayenko Kharenko Restructured Ukreximbank's debt to ensure Ukraine met International Monetary Fund conditions to obtain financial support.	7	7	7	21

Innovation in Mergers and Acquisitions

Firm	Originality	Rationale	Impact	Total innovation score
Standout				
Slaughter and May South African company Mediclinic International wanted to acquire the UK-listed, Abu Dhabi-based hospital operator Al Noor, but could not get regulatory approval. Lawyers solved the problem through a reverse acquisition whereby Al Noor acquired Mediclinic. Lawyers arranged complex bridge financing and a unique tender offer to allow Al Noor to buy a company eight times its size. Mediclinic is now a FTSE 100 company and the largest healthcare provider in the Middle East. <i>Commended: Robert Innes.</i>	9	9	7	25
Freshfields Bruckhaus Deringer Managed competing shareholder interests and competition issues in 20 jurisdictions to allow client AB InBev's \$107bn acquisition of SABMiller.	8	9	7	24
Latham & Watkins Developed a unique settlement structure for Sorin's merger with Cyberonics to form LivaNova. The deal involved a rare dual listing and initial public offering.	8	9	7	24
White & Case Created a new joint venture governance structure and diligence process for Industrial and Commercial Bank of China's acquisition of Standard Bank.	7	9	8	24
Highly commended				
Cuatrecasas, Gonçalves Pereira When the sale of Hera Group was blocked by its creditors, lawyers used a bankruptcy pre-filing and new deal structure to ensure it went ahead.	7	9	7	23
Gowling WLG Combined public procurement and private auction techniques to privatise a city council's asset while protecting the asset's future. <i>Commended: David Vaughan.</i>	7	8	8	23
Linklaters Advising SABMiller during its takeover by AB InBev, achieving six offer-price increases and ensuring that the board remained cohesive.	7	9	7	23
Skadden, Arps, Slate, Meagher & Flom Reconciled corporate governance laws to merge Ares Life Sciences' French-listed businesses into a new UK public company, Stallergenes Greer. <i>Commended: Olivier Diaz and Danny Tricot.</i>	8	8	7	23
Wolf Theiss Created a structure for Obi to take over BauMax through 69 separate deals and long-term leases, protecting BauMax from insolvency. <i>Commended: Horst Ehardt.</i>	8	8	7	23
Commended				
CMS Found a way for AMP to exercise its pre-emption rights as a minority shareholder to acquire a majority stake in Angel Trains. <i>Commended: Charles Currier.</i>	7	7	8	22
Latham & Watkins Created a structure to finance ChemChina's acquisition of Pirelli, covering a range of possible outcomes, from 30 per cent to 100 per cent ownership. <i>Commended: Christopher Kandel.</i>	8	8	6	22
Uriá Menéndez When private equity company Eolia wanted to auction its business, the firm devised a process to internalise its external management structure. <i>Commended: David García-Ochoa Mayor.</i>	8	8	6	22
Shearman & Sterling Ran four simultaneous offers for Liberty Global's acquisition of Cable & Wireless Communications, navigating US and English merger and accounting rules. <i>Commended: Jeremy Kutner.</i>	7	7	7	21

Expert manoeuvres

Competition lawyers have shown their skills navigating some high-profile but bitterly contested mergers and acquisitions. By **Lindsay Fortado**

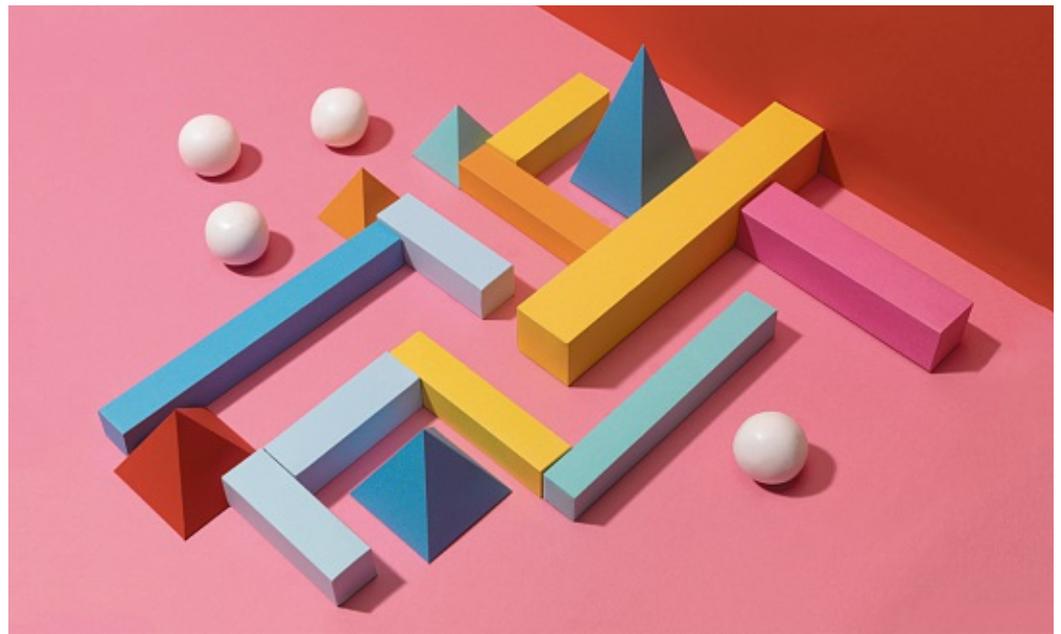
Antitrust lawyers rarely get to claim bragging rights for working on the hardest-fought part of a headline-grabbing merger. That generally falls to the bankers, then the deal lawyers. Competition lawyers are the poor relations, overseeing the legal manoeuvres to get the deals rubber-stamped by antitrust regulators.

But as the deal market grows more competitive, with activist investors lobbying to drive up bid prices and company rivals looking for ways to meddle, the role of antitrust lawyers has become more influential.

In two recent high-profile transactions, it was the competition lawyers who were left to grapple with how to get a merger completed when rivals were seeking to disrupt the process. Their experiences show that while competition regulation is not a particularly dynamic area, the complexities of getting deals approved is increasing as third parties prove intent on disruption.

For the Freshfields Bruckhaus Deringer team advising BT Group in its £12.5bn takeover of EE, to create the UK's largest telecoms provider, it seemed every competitor in the market weighed in. The Competition & Markets Authority, the national antitrust regulator, heard submissions from Vodafone, TalkTalk, Three, O₂ and about a dozen others.

In an effort to make the process go faster, and lessen the time BT's rivals would have to lobby against the



‘All the other operators were lining up to fire bullets at the transaction’

merger, the Freshfields lawyers asked the CMA to fast-track the case from an initial review to “Phase 2”, an in-depth investigation of whether a deal could hinder competition in its sector.

It was the first time in the CMA's brief history that strategy had been deployed, says Rod Carlton, the Freshfields partner who led the team advising BT. “All the other mobile network operators as well as Sky, Virgin, TalkTalk and others were lining up to fire bullets at the transaction and to make trouble,” he says. “We took a long time strategising on how best to deal with that. We had some 15 parties fighting us in front of the CMA pretty much every step of the way.”

The CMA came up with 10 “theories of harm” on how the deal could affect competition in the market.

Rivals can weigh in during a Phase 2 investigation — and plenty did. The CMA received some 50 submissions — many more than usual — from third parties expressing a view on the proposed deal. One even challenged BT's request to fast-track the approval to a fully fledged investigation.

The Freshfields team “responded forensically” to each submission, giving a sometimes line-by-line deconstruction of the arguments to minimise possible areas of dispute.

Some of the third parties “also overcooked their arguments, raising objections

that were less to do with this particular merger than with broader regulatory battles the third parties were simultaneously waging against BT with Ofcom and on other fronts”, Mr Carlton adds.

Timing mattered on a separate front, too. Another proposed deal — Hutchison 3G's attempt to acquire O₂ — was working its way through the European Commission's antitrust approval process in Brussels. The team realised that if it was approved before the BT and EE deal, it could lead to further industry consolidation that might hurt BT's arguments that its deal with EE would not reduce competition in the UK market.

“What made it particularly nail-biting was [the question] against what kind of backdrop should each be analysed?” Mr Carlton says. “Should the BT deal be

analysed on the assumption that the other deal had already gone through?”

BT's acquisition completed in early 2016.

Another recent deal shows the long-term view involved in a case that is heavily affected by regulation. Aer Lingus faced a more challenging opponent than BT's competitors: it took nine years to get rival airline Ryanair off its share register.

When the Irish government listed Aer Lingus in 2006, Ryanair built up a stake, hoping to merge the two airlines. Over three years, Ryanair launched several attempts to buy its rival but was thwarted on antitrust grounds. When in 2007 Aer Lingus first tried to force Ryanair to sell its

stake before the European Commission, it failed.

The Cadwalader, Wickersham & Taft team advising Aer Lingus spent the next eight years, in forums spanning London, Brussels and Washington, launching and defending legal challenges that ultimately forced Ryanair to sell its stake last year. That paved the way for a €1.4bn takeover of Aer Lingus by International Airlines Group, the owner of British Airways and Iberia, which bought the stake from Ryanair.

“The IAG part is only the happy ending — IAG came into the story in the last chapter,” says Alec Burnside, the Cadwalader partner in Brussels who advised on the deal. “For eight years the story

was the dogfight between Ryanair and Aer Lingus.”

He adds: “Aer Lingus had [Ryanair chief executive Michael] O’Leary’s tanks, or aeroplanes, parked on their lawn within days of the IPO. Rather than the beginning of a bright tomorrow, it was the start of a long headache.”

At times, Ryanair’s fight appeared tactical, to thwart its rival, but it also became a personal crusade by Mr O’Leary, says Mr Burnside. “Some of the arguments they made on points of law could barely be made with a straight face,” Mr Burnside says. “And the delay is a prize in itself.”

It all came to a head during a 29-hour period in July last year, when judgments and clearances began tumbling in Aer Lingus’s favour. The

European Commission, the Competition Appeal Tribunal, the CMA, the UK Supreme Court and the US Department of Justice weighed in. “All the seeds we had sown started to sprout one after the other, so fast we didn’t even have time to read all the judgments,” Mr Burnside says.

An associate who worked with Mr Burnside for Aer Lingus, Marjolein De Backer, has spent her whole career so far on this project. When it was all over, the Cadwalader and Aer Lingus teams dined in Dublin, toasting the victory with Irish whiskey.

“I’ve had clients who have been with me for longer, but I’ve never had a client whose problem took a decade to solve,” Mr Burnside says. ①



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Innovation in Navigating Regulation

Firm	Originality	Rationale	Impact	Total innovation score
Standout				
Eversheds Played a critical role in creating a new UK tax-transparent fund known as an authorised contractual scheme (ACS) to compete with Luxembourg and Dublin. Thanks to this competition, ACSs can now protect the investment management sector, an integral part of the UK economy, estimated to contribute £12bn every year. The firm established a novel basis for ACSs with a co-ownership structure, which means all the fund's investors have contractual relationships, a direct interest in the scheme's assets and limited liability. <i>Commended: Pamela Thompson and Camilla Spielman.</i>	9	9	8	26
Shearman & Sterling Designed the legislative framework from the ground up to establish Abu Dhabi as a new financial centre, based on English common law.	8	9	8	25
Skadden, Arps, Slate, Meagher & Flom A novel use of a <i>stichting</i> , an ownerless, trust-like Dutch legal foundation, to enable client Letter One Energy to overcome UK government opposition to a potential deal. <i>Commended: Scott Simpson and Lorenzo Corte.</i>	9	9	7	25
Highly commended				
Addleshaw Goddard Drafted legislation for the UK government to deal with the failure of social housing organisations with multiple creditors. Lawyers balanced conflicting interests between creditors and government policy. <i>Commended: Daniel Redstone.</i>	8	8	8	24
Bredin Prat Used the "freedom of enterprise" enshrined in the French constitution to defeat a regulation that prevented certain aspects of ride-hailing app Uber's model from working in France. <i>Commended: Hugues Calvet.</i>	8	8	8	24
Cadwalader, Wickersham & Taft Led a nine-year campaign to remove Ryanair as a minority shareholder in Irish airline Aer Lingus while setting new standards for European Commission powers regarding minority interests. <i>Commended: Alec Burnside.</i>	7	9	8	24
Freshfields Bruckhaus Deringer Created an effective strategy to enable telecoms company BT's £12.5bn merger with peer EE, which involved fast-tracking the competition process and presenting extensive counterfactual arguments to the UK Competition and Markets Authority.	9	8	7	24
The Forum for US Securities Lawyers in London Project-managed the London Stock Exchange's roll-out of electronic settlements for certain US trades, overcoming EU regulations that restricted paper settlements.	7	10	7	24
Commended				
Eversheds Advised on the establishment of a not-for-profit reinsurance company to address market failure concerning the provision of flood damage insurance in the UK.	8	8	7	23
Garrigues Devised and drafted the Andorran personal income tax system and related management processes so that it could be agreed at an international level but was also suitable to local requirements.	8	8	7	23
VdA Designed Angola's national space policy, balancing it with the country's other strategic goals for the sustainable development of its economy.	7	9	6	22
Bird & Bird Ensured an EU-funded project, designed to help European companies reap the benefits of big data analytics, is legally compliant from the outset and through its three-year lifespan.	7	8	7	22
Noerr Concluded in a report for the BDI (Federation of German Industry) whether legal frameworks should digitise as industry does.	7	7	8	22
Norton Rose Fulbright Instrumental in changing regulations to enable third-party activity in the water sector through its advice to regulator Ofwat, which helped facilitate the £4.2bn Thames Tideway project.	7	7	8	22



Pinsent Masons



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Innovation in General Legal Expertise

	Originality	Rationale	Impact	Total innovation score
Firm				
Standout				
Uriá Menéndez A Uruguayan infrastructure company wanted to raise money in the US capital markets using a common special purpose vehicle set up in Luxembourg, but found it would have higher than expected tax obligations. When Uriá Menéndez lawyers were brought in to advise on a small Spanish aspect of the transaction, they suggested an alternative structure, which solved the tax issue.	9	9	8	26
Linklaters Designed a unique procurement model to present the Thames Tideway Tunnel project as a ready-made package to potential bidders, instead of bidders having to present their own proposals.	8	8	9	25
William Fry Convinced the Irish government to intervene when a US court ordered Microsoft to disclose to US authorities data held on a server in Dublin. <i>Commended: David Cullen.</i>	8	8	9	25
Highly commended				
Orrick Rambaud Martel Represented perfume producer Marionnaud in the first mass securities litigation in France, setting standards for time limitations and compensation awards. <i>Commended: Marine Lallemand.</i>	8	8	8	24
Slaughter and May Created a transaction structure for the UK government's auction of Northern Rock bank's Granite Securities, where its mortgages had been securitised, which opened it up to a large pool of bidders.	8	8	8	24
Giannissis & Partners Came up with a solution to use bitcoin as collateral so that Greek companies could trade with overseas suppliers when capital controls were imposed. <i>Commended: Panos Giannissis.</i>	9	8	6	23
Nctm Studio Legale Ensured that Turkish-Cypriot producers of Hellim/Halloumi cheese are recognised under the application for the EU's protected designation of origin status. <i>Commended: Bernard O'Connor.</i>	7	8	8	23
Commended				
Ashurst Created a framework for the Thames Tideway Government Support Package, which reduces risk for private sector investors and lowers financing costs.	8	7	7	22
Bird & Bird Drew on niche technology expertise to incorporate professional esports team Astralis Esport and secure outside investment.	8	8	6	22
CMS Won a \$24m reinsurance recovery for Allianz and created a precedent for the enforceability of Russian civil legal judgments in Switzerland.	8	7	7	22
Slaughter and May Represented Banco Santander Totta in a case that upheld that interest-rate swaps governed by English law were sufficiently international and could not be invalidated in Portugal. <i>Commended: Jonathan Clark and Richard Jeens.</i>	7	7	8	22

Research methodology

FT Innovative Lawyers 2016 is a rankings report and awards for Europe-based lawyers. Shortlists for the awards comprise the top-scored submissions in each ranking. The FT and its research partner RSG Consulting have devised a unique methodology to rank lawyers on innovation. Law firms, in-house legal teams and other legal service organisations are invited to submit their innovations. This year, we removed specific category areas and invited law firms to submit work in two broad areas: legal expertise and the business of law. We looked at lawyers' work from the perspective of the business challenges they were trying to solve rather than their own legal practice areas. Each submission is researched through a multi-stage process. The first stage, a thorough read of each submission,

revealed the key business challenges firms had been asked to solve. Telephone interviews and online feedback from clients and independent referees are required to assess each submission. Each entry is scored out of 10 points for originality, rationale and impact, for a maximum score of 30. Entries are then benchmarked against each other to arrive at the final rankings. The in-house lawyers rankings are drawn from nominations as well as submissions, but all entries require third-party validation and commendation, usually from senior colleagues working outside the legal function.

FT 50: Most Innovative Law Firms 2016

The FT 50 ranking is an aggregate of each law firm's performance across the private

practice categories of the report. The scores comprise the following: Legal Expertise — total score for entries ranked in the following nine categories: accessing new markets and capital; creating advantage for clients through speed and process; creating new collaborations; driving value for clients; general legal expertise; mergers and acquisitions; monetising assets; navigating and influencing regulation; restructurings and reorganisations. Business of Law — total score for entries ranked in the following seven categories: business development and knowledge management; culture, brand and strategy; new model legal businesses; people; resourcing and efficiency; social responsibility; technology and data analytics.

Total score: total score for entries ranked in all 16 categories listed above. For the FT Innovative Lawyers 2016 report, 643 submissions and nominations were received from 139 law firms and legal service providers. An additional 115 company in-house teams were researched to create the in-house legal rankings. RSG Consulting interviewed and received feedback from 605 clients, lawyers and experts to arrive at the final rankings. The research was conducted by a team of six RSG researchers between May and September 2016.

Judges

A panel of judges decides the winner for the Innovative Individual of the Year and Young Legal Innovator of the Year awards, from shortlists of 10 and eight respectively. The judges for Legal Innovator

of the Year were:

- Harriet Arnold, editor, Innovative Lawyers, FT
- Catherine Belton, legal correspondent, FT
- Laura Empson, professor of professional services management, Cass Business School
- Bob Gogel, chief executive, Integreon
- Reena SenGupta, chief executive, RSG Consulting
- Michael Skapinker, associate editor, FT
- Josh Spero, deputy editor, Special Reports, FT

The judges for Young Legal Innovator of the Year were:

- Harriet Arnold, editor, Innovative Lawyers, FT
- Rosemary Martin, group general counsel and company secretary, Vodafone
- Reena SenGupta, chief executive, RSG Consulting
- Michael Skapinker, associate editor, FT

Innovation in New Markets and Capital

Firm	Originality	Rationale	Impact	Total innovation score
Standout				
Latham & Watkins Fintech start-up company CrossLend wanted to launch an online lending platform to connect borrowers in high-interest-rate countries with investors in low-interest-rate countries across Europe. Combining retail and investment banking expertise, knowledge of structured finance products and experience in the fintech industry, Latham & Watkins created an architecture for the new platform. <i>Commended: Axel Schiemann and Frank Bierwirth.</i>	9	9	8	26
Norton Rose Fulbright To ensure transparency to investors, lawyers created a project bond-type structure for the Republic of Angola's first sovereign bond. <i>Commended: Madhavi Gosavi and Peter Young.</i>	8	9	8	25
Highly commended				
Linklaters Saw an opportunity to use a new Irish investment structure to create a fast and flexible investment club product for Deutsche Bank customers. <i>Commended: Matthew Keogh.</i>	8	9	7	24
Weil, Gotshal & Manges Set a precedent for large-cap bank financing deals with a deal that harmonised US and European structures for private equity company Hellman & Friedman's largest acquisition in 30 years.	8	8	8	24
Allen & Overy Realised Worldpay could use contingent value rights to ensure shareholders would benefit from a future divestment during its initial public offering.	8	8	7	23
Dechert Facilitated a sovereign bond issuance for Egypt while it was operating without an acting parliament to approve the transaction.	7	8	8	23
Dechert Helped change France's accounting rules on equity booking to allow US-based venture capital firm Accel Partners to fund cloud-based human resources software provider PeopleDoc in France.	8	7	8	23
Paul Hastings Brought Chapter 11-exempt repurchase, or "repo", financing from the US to Europe, helping to strengthen the real estate finance market.	7	8	8	23
Sullivan & Cromwell Structured engineering company Schaeffler's initial public offering as a private placement solely for institutional investors, the first in Germany.	8	8	7	23

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Friend of the earth

James Thornton's mission is to act for the world itself. By Reena SenGupta



James Thornton was astonished by the lack of public interest law firms in the UK when he moved from the US in 2001. An experienced environmental lawyer, he was even more surprised to find there were no specialist lawyers practising at an EU-wide level on

behalf of environmental organisations. The gap in the market was glaring, he says. "When Volkswagen wants something, for example, it comes with 300 carefully worded legal amendments. If someone is not doing the same thing to front the public interest, there is no balance."

Having previously founded the Los Angeles office of the Natural Resources Defense Council, a non-profit group of environmental lawyers, in 2007 Mr Thornton set up ClientEarth in London to act for the environment and the global population. Today it employs 100 people, including more than 60 lawyers.

Officially a charity, it is independently funded and uses the law as a strategic tool to further the environmental agenda. Mr Thornton says a complete perspective of what his organisation does can be summed up as following science, helping to formulate policy, passing laws and then implementing them. "When a law is in place, most environmental groups move on to the next thing. They do not focus on implementation. But when the law is passed, then the work begins," he says.

One of ClientEarth's first successes was to enable citizens to bring environmental claims in Germany, the UK and at EU level — three regions where the costs for individuals of going to court were prohibitive.

Mr Thornton used the Aarhus Convention, an EU-wide treaty to ensure access to justice on environmental matters is affordable. Importantly, the treaty has a compliance committee that acts as a court and can make decisions against a claim and country. This powerful

'When a new law is passed, then the work begins'

mechanism has improved the ability of citizens to bring environmental cases.

Mr Thornton has since looked beyond the EU to become active in five African countries and China. In 2014, he was invited to give seminars to China's supreme court, which was writing regulations that would define practice under a new environmental protection law. Many of his suggestions were adopted and he has trained 300 judges for the new Chinese environmental courts. One of his key recommendations was not to force losing non-governmental organisations to pay their own legal costs.

One of the latest service lines from ClientEarth is its company and financial team, set up to ensure companies comply with reporting requirements on climate risk. Working with investors, pension fund managers and companies, it is helping business become compliant with climate laws. Over the past two years, it has persuaded shareholders with nearly £8tn of investment in multinationals such as BP, Shell, Rio Tinto, Anglo American and Glencore to commit to rigorous climate change reporting. ①

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