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Legal News From Around the World

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It feels strange to see stories about the likes of DLA Piper and Dentons losing teams, rather than hiring them.

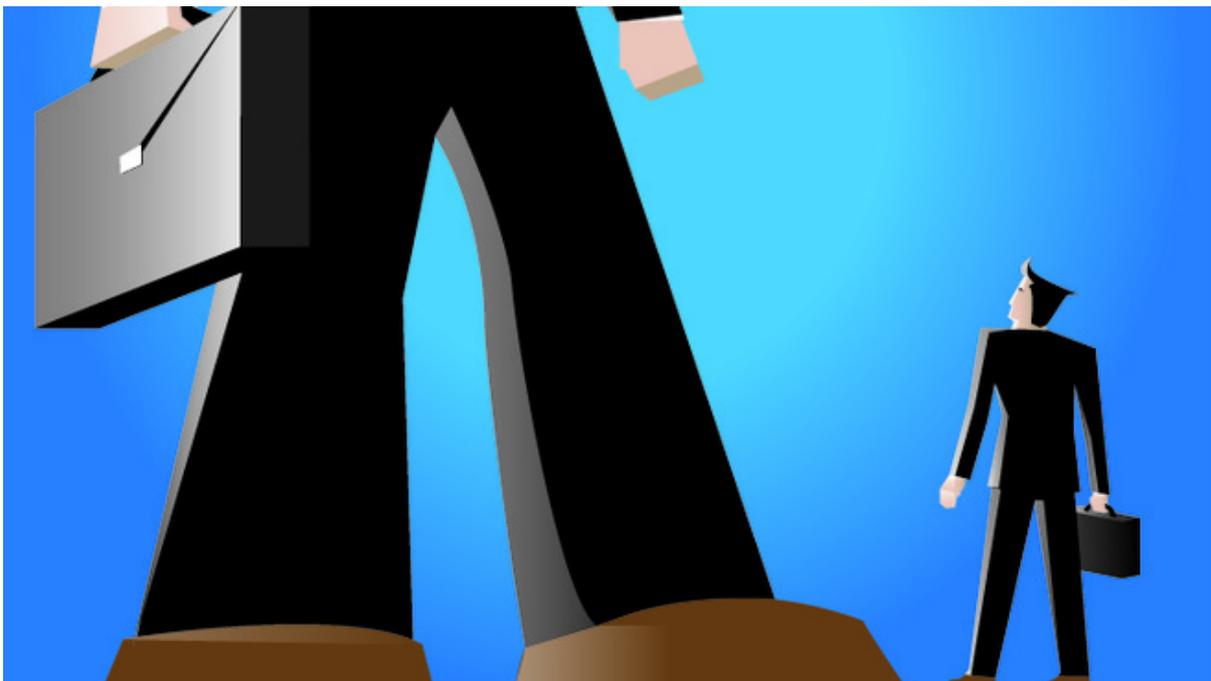
It also feels odd to hear of flexi-lawyer firms shrinking rather than growing.

And perhaps nothing sounds as controversial as the claim that U.S.-based law firms have a better culture than their U.K. rivals.

But this isn't summer madness, it's what's really happening in your industry, right now.

Read on to find out how in this week's edition of **The Global Lawyer**.

I'm **Paul Hodkinson**, editor-in-chief at Law.com International, one of a team of editors along with **Krishnan Nair** and **Lisa Shuchman** bringing you a weekly summary of the important news and trends affecting the global legal industry.



DLA Piper and Dentons Meet Their Match in Australia

For years **DLA Piper** blazed a trail in the global legal industry with rapid expansion that made it one of the world's biggest firms. Then **Dentons** took on the same approach and has in recent years been the world's most acquisitive law firm.

This aggressive expansion included Australia where Dentons took over local firm **Gadens'** Sydney and Perth offices in 2016 and **acquired** 130-year-old local firm **DibbsBarker** in 2018. Just last year DLA Piper hired a five-partner M&A team in Melbourne from **Norton Rose Fulbright**.

But both these international legal giants have recently met their match in the country. Domestic firm **Thomson Geer** – which has 116 partners across offices in Adelaide, Sydney, Melbourne, Brisbane and Perth – **has hired an 11-strong, three-partner-led team from DLA Piper in Perth**, our local correspondent **Christopher Niesche** reported.

This is significant because it is the same local firm that **hired a team of 20 lawyers** and support staff, including four partners, from the Brisbane and Melbourne offices of Dentons in July. This was a couple of months after Dentons **cut Australia staff pay by 20% and partner pay by half** in response to the COVID-19 crisis.

Thomson Geer has also added an eight-strong media law team in Melbourne from **Macpherson Kelley**, a mid-market domestic firm.

Australian firms are **on track for a fairly strong year financially**. The country has been somewhat insulated from the global economic slump as it has not been as badly affected by COVID-19 as other parts of the world.

Meanwhile, the rapid growth of DLA Piper and Dentons could not continue unassailed forever. Both firms have been hiring plenty of people in Australia so might not feel too worried about the recent exits.

But it is a clear reminder that aggressive hiring works both ways and that even the global juggernauts can struggle against smaller, local rivals.



Flexi-Lawyer Firms Hit Problems in Germany

A lot has changed in the last six months. And not only due to the pandemic.

Only six months ago flexi-lawyering firm **Lawyers On Demand** announced it was launching its second office in Germany. The firm's CEO said at the time that the country was one of its key growth markets. Fast forward to today and **LOD has closed both its Germany offices**.

The firm said it had held a review that found larger clients were looking for pan-European teams of lawyers, which it will now focus on. But it probably didn't help that **Pinsent Masons'** flexi-lawyering service, **Vario**, **hired LOD's German leadership duo in July**.

There are signs that all is not well for New Law providers in the country. **Axiom is set to reorganise its legal support teams in Germany and Switzerland**, which will result in the departure of "small" numbers of staff. Its work allocation function in Germany will now be largely taken over by the U.K. team.

In a statement, Axiom said that as part of these changes, general manager **Daniel Biene**, who oversees operations in Germany and Switzerland, will leave the company later in 2020. Axiom's global head of legal, **Catherine Kemnitz**, will take over the role.

These will be issues **Axiom's newly-appointed CEO** will have to deal with.

And there are also issues looming in the U.K., where tax changes come into effect next with the power to hurt the sector.

As London reporter **Varsha Patel** wrote in July, some general counsel think that the so-called IR35 **will dilute the cost-competitiveness that such services provide**, that will ultimately result in a shrinking flexi-lawyer market.



Do UK Firms Really Have a Better Culture Than Their US Rivals?

Out of U.S. and U.K. law firms, which have the best culture? And which are the least likely to make cuts at the moment?

If you had different answers to each of these then you are the kind of person that some London partners who work at U.S.-based firms believe hold outdated views.

There is a general feeling among a lot of the U.K. profession that U.S. firms are not as nice to work for. But some who have made the switch have told London reporter **Hannah Roberts** they feel **that logic no longer holds in light of cuts that are being made amid the pandemic crisis**.

One partner at a large U.S. firm, who moved across from a large U.K. firm, said: “I don’t see really how the U.K. firms have a leg to stand on now when they say the U.S. firms don’t treat their staff well. In my opinion, the way to look after staff is to give them job security, and that’s exactly what we’ve done.”

Another who made the change said in his experience there not really much difference in culture as the people on both sides have become so mixed. “Take **Latham & Watkins**, for example,” he explained. “They have so many former Magic Circle partners that it’s basically a mini-**Clifford Chance** mingled in with a U.S. firm.”

But partners at U.K. firms still argue the case. One said U.K. firms have only had to make more cuts than their U.S. rivals because they have been unlucky with timing.

They said: “Partners at U.S. firms will have had their big distributions before COVID hit. If those firms had held distributions, they’d basically have been telling their partners that they were not paying them for 90% of last year’s work, which would have played out awfully.”

A **Linklaters** partner added that **some top U.S. firms** have also had to make cuts and delay partner payouts and that U.S. firms were still relatively so small in London

that it was unfair to compare.

And so the debate will continue. But with **so many U.K. firms cutting staff** it will surely not be long before many lawyers start to think that – money aside – being at U.S.-based firm really is better.

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