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The international journal of commercial and treaty arbitration

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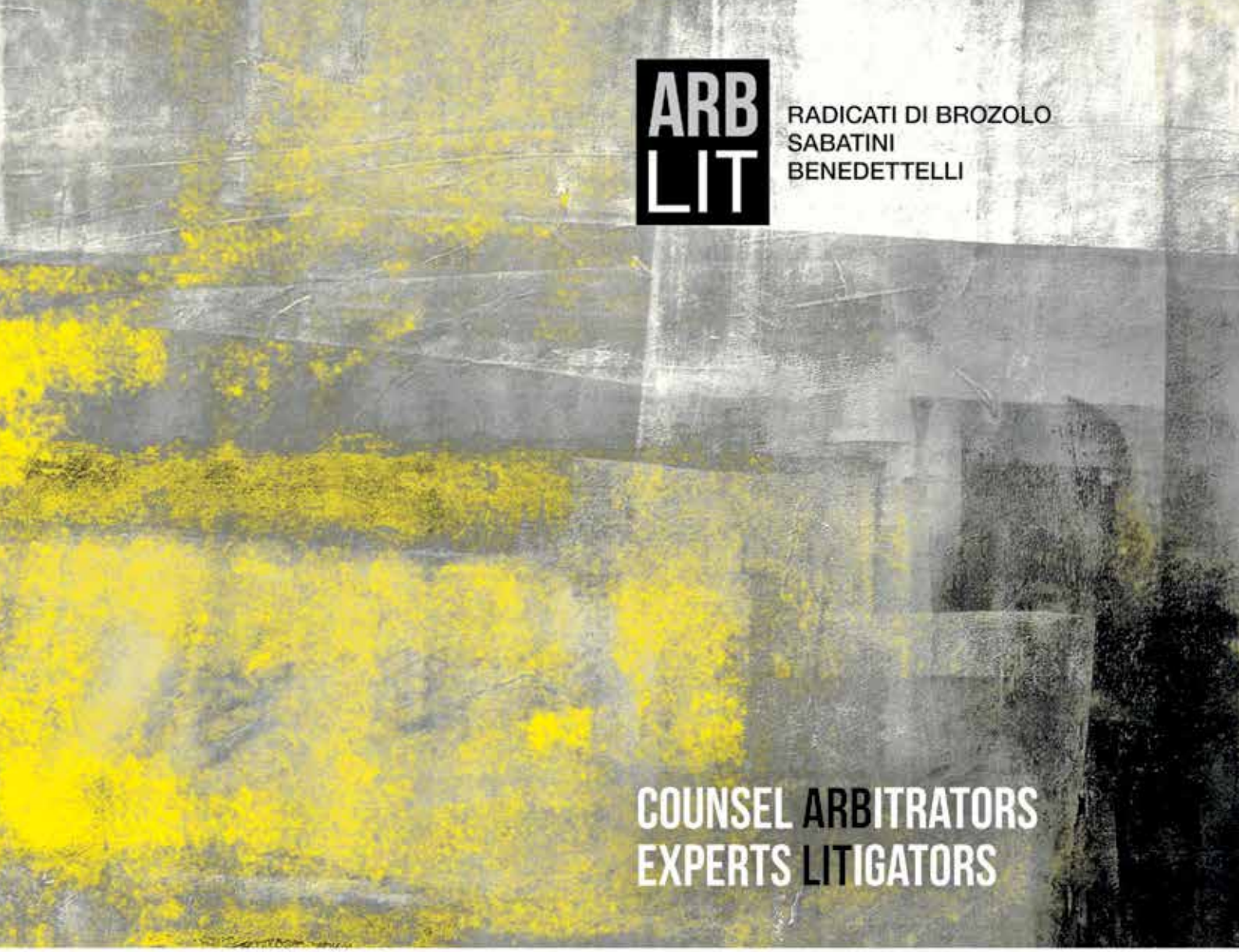
The guide to specialist arbitration firms 2015

Fully revised and updated 8th annual edition



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London. A group of international arbitration students are about to receive their first lecture. Each year, it's broadly the same.

"This is the *White Book*," their teacher – a partner at a London law firm – will say, holding up a copy; the United Kingdom's court rules of procedure. "It's two volumes and takes up this amount of space on your shelves."

He measures a breeze block with his hands. "It tells you everything that can happen in a High Court case.

"And these are the ICC rules," he says, holding up a pamphlet.

"The document's about this thick," he says, picking up an imaginary cat in a finger-pinch. "But ICC arbitration is no less complex than High Court litigation."

"The difference between these two thicknesses" – he does the pinch and the breeze block again – "is what international arbitration lawyers know. And it's not written down."

It's that unwritten lore that gives rise to this book. Because unless you know it, you don't stand much chance of successfully navigating a process that, frankly, is unique within the law. A leading textbook on the subject – *Redfern & Hunter on International Arbitration* – observes that a stranger stumbling into an international arbitral hearing might fail to realise that a legal process was under way. It would likely be in a hotel room or training room somewhere. There would be two small groups on one side of the table; on the other, a trio with possibly a bit more grey hair. Something would clearly be going on, but it's all very informal. There's no audience or usher and little hint of ceremony. It could be a training course – except for the stenographer tapping away.

And yet millions, possibly billions, would be at stake.

As business has globalised, international arbitration has become the world's commercial court. And more recently, a check on capricious government too. Russia's government has been ordered to pay US$50 billion over the dismemberment of Yukos Oil Company by an arbitral panel in The Hague. Not long ago, arbitrators told Ecuador to pay US$2 billion to Occidental. At least two European companies owe their current state of ownership to arbitral rulings about buy-out clauses. The sums are huge.

Being an international arbitration advocate isn't everyone's cup of tea. For a start, there can be enormous amounts of travel. Second, you'll have to navigate all sorts of legal and cultural issues – ranging from the mindset of the opposing lawyer to working under some other nation's law.

A big ICC case from a few years ago should help to illustrate. On one side, a Middle Eastern government with a strong Islamic tradition; on the other, two international oil companies. The arbitrators are French, Belgian and English. Although the hearings physically take place in Europe, the law to be applied is Middle Eastern. One of the law firms finds it must convey all of its advice to the client orally; this is the client's tradition. So, no use of written memorandums.

It is a hot and gritty type of work. Clients who end up in big international arbitrations are not always nice, listed companies from developed economies. Indeed, many arbitrations have their roots in the cut-throat politics of resource-rich states. Or it may be that opposing counsel in an arbitration are not a nice, civilised law firm – they may be governed by a different ethical code, or simply out of their depth, lost in the process. Some arbitration lawyers describe almost having to do the opponent's job for them – just so that there is then a case to rebut.

A lawyer who holds him or herself out as skilled in international arbitration must be at ease with all of these aspects.

Little wonder, then, that some don't like it. A *GAR* reporter once sat next to a mid-level associate at a dinner (a non-arbitration affair), who went on at length about how much he'd loathed his stint with the international arbitration group. He said that some of the rough-house tactics he'd seen were appalling.

He isn't alone. Quite a few lawyers who step across from litigation report feeling almost seasick in this world with so few bearings – where the process for each case has to be invented.

Given all of this, it's no surprise that, over the years, more and more big commercial law firms have come to regard international arbitration as a unique skill set. That trend began in the early 1990s when firms such as Freshfields, Clifford Chance and Shearman & Sterling began to centralise international arbitration work. Other firms resisted the fashion. One leading name of his era says he tried for years to get his managing partner to follow suit (to no avail). A few years later, his managing partner heard

a rival (Freshfields) described by a big client as a "specialist arbitration firm". The managing partner "immediately changed his tune."

These days, many law firms can supply a client with a lawyer or two who has spent most of his or her career in international arbitration. And their clients are the better for it. International arbitration, like any legal dispute, is a type of chess. And when someone who plays chess takes on someone who doesn't, or plays little, the result is usually a foregone conclusion.

It's not just because the skilled arbitrator knows how to address the chairman of the tribunal (although there is that, and indeed some funny stories about arbitrators being addressed as "your excellency" and "your Holiness" by US plaintiffs' lawyer types).

Rather, it's because at some point the novice will make the wrong move. When cross-examining, they may come out of the blocks "at 100 miles per hour" against an elderly Swiss professor, as happened to one senior practitioner in a BIT case. That "may be appropriate in a courtroom, but will play badly in front of arbitrators, especially if they are also Swiss professors!", he remembers.

Perhaps they inadvertently prick the curiosity of the arbitrators – for example by hotly protesting that a topic is off-limits – only to discover that arbitrators have broader powers than most judges to go into whatever aspect of the case they wish. Or they may simply come across as rather condescending to lawyers from other legal traditions. Common law lawyers especially are prone to this hauteur.

Matthew Weiniger QC – a partner with Herbert Smith Freehills in London (and the visiting professor whose students get the breeze-block/cat-pinch comparison) – recalls being pretty much gifted a case by a naive opponent.

That opponent – a reasonable UK corporate firm ("you'd immediately know them") and a QC ("who was brilliant but doing his first arbitration") – misconstrued a key procedural order. That led them to hand over more documents than they needed to: "the good and bad documents – everything, including internal client memos." Weiniger romped through the cross-examination, as he was better prepared (the arbitrator's order, it so happened, was a fairly standard formulation).

Does Weiniger get gifts of that type often? "I'm used to it," he says. "Usually there are more subtle things."

Another public example from not so long ago: in 2011, a US$16 billion joint venture proposal between BP and Rosneft imploded after BP lost an arbitration. It was noted by the cognoscenti in London that BP's chosen law firm was (then) not particularly renowned for international arbitration, whereas the opponent's was.

In the end, there's no escaping the old adage, "know your judge" – or its even more important other half – "make sure your judge knows you". The longer an advocate spends in the presence of his or her adjudicators, the better they tend to do. This advantage arises for two reasons: improved intuition and the fact that the advocate arrives in front of them with personal capital.

"QCs, in the High Court, are brilliant because they know those panels inside out and that style of advocacy," says one London international arbitration specialist, who asked to speak on condition of anonymity.

"Laurence Rabinowitz QC [a well-known UK advocate for commercial cases from One Essex Court] can appear before any judge and they know him: 'Ah, Mr Rabinowitz – very interesting and nice to see you!' The same thing applies in international arbitration. For example, I've got a case right now in front of [a leading international arbitrator]. Every time I go to a conference, he's there ... we read each other's books. My opponent, in comparison ... he hasn't got a clue."

"If you take all the partners in our group," the source adds, "then we've appeared before every single arbitrator worth knowing. Not just once, but multiple times in the past few years. We have inside knowledge as a result of that. So that means, if I pick up the phone to [a leading arbitrator] because I want to appoint them, I know they're going to phone back. QCs in the High Court are brilliant, because what they have is ringcraft. But when it comes to international arbitration, I have the ringcraft."

Another specialist confirms this view. He says he wishes more of his opponents were international arbitration purists because it is more efficient. "I would love to do more cases against Freshfields," the source says. "I tell clients, 'if this were against Freshfields, I'd get you a deal in two days. It would be over. But because we've got these idiots, we're probably going to have to fight for years.'"

Sophisticated clients now know this. They value specialism on the part of international arbitration counsel. A survey* published in 2006, since updated, found that three-quarters of in-house counsel interviewees would seek a lawyer they regarded as an international arbitration advocate rather than a litigator (they defined specialisation as a mix of reputation, amount of work undertaken and experience. In the interim, more law firms have found religion and created their own international arbitration groups).

So the challenge has become separating the wheat from the chaff – finding the true specialist counsel.

The book you are holding may help. Eight years ago, *Global Arbitration Review* conceived the *GAR 100* as a vehicle to identify at least 100 firms one can consider "approved" in this discipline. To gain inclusion, a firm would have to open its books to our researchers and allow us to "audit" exactly what they'd been up to. Broadly, we've used the criteria identified in that survey: reputation, amount of work undertaken and experience.

With this edition – our eighth – 153 firms are profiled, representing more than 40 countries. We've added 22 firms and dropped others (they're welcome to reapply). The new entrants include firms from Italy, Portugal, Bulgaria and Egypt, as well as a couple of large UK firms that have lately developed a better reputation in this area.

Once again, the *GAR 100* comprises large and small practices – sometimes as small as one person (if that person is sufficiently well known).

As well as adding new firms, we've continued to improve our descriptions of firms. Many now include sections outlining the history of the practice (where we have it) and its lineage (ie, connection with key figures of the past).

Similarly, we set increasing store by a practice's track record, which should illustrate success (though this is a relative concept – a "win" can be a loss and a "loss" can be a win). It's not unreasonable to expect an arbitration group to achieve good results as it goes about its general work.

The research period for the statistics in the book is 1 August 2012 to 1 August 2014. All other information is correct as of 1 January 2015.

The editorial team is enormously grateful to the firms who responded to this year's request for current information. We're also grateful to various colleagues within Law Business Research – particularly Tom Barnes and Nina Nowak from *Who's Who Legal* – for their contribution.

On a personal note, I'd like to thank the many international arbitration lawyers – young and old – who have taken time over the years to explain the nuances of their craft to me. I also owe a big thank you to the rest of the *GAR* writing team who have to fit writing this in with their other reporting, particularly editor Alison Ross and associate editor Sebastian Perry for reading our work and keeping us running to time.

David Samuels
January 2015

* *International Arbitration: a study into corporate attitudes*, by PricewaterhouseCoopers and the School of International Arbitration, London.

ArbLit – Radicati di Brozolo Sabatini Benedettelli

People in *Who's Who Legal*:	1
Current arbitrator appointments:	13 (of which 6 are as sole or chair)
Lawyers sitting as arbitrator:	2

The young Italian boutique is handling some weighty treaty cases

NEW ENTRY

This Milan-based outfit was launched by Luca Radicati di Brozolo and Michele Sabatini, who broke away from Bonelli Erede Pappalardo, Italy's largest law firm, in 2013. They brought some big cases with them, including two trailblazing ICSID claims concerning Argentina's 2001 sovereign debt default and no less than six Energy Charter Treaty claims filed by solar investors against the Czech Republic.

A well-known name in Italy, Radicati di Brozolo is also highly regarded for his expertise in EU and antitrust law, and was head of the competition department at Italy's Chiomenti Studio Legale in the 1990s, when he also headed the firm's Brussels office. He joined Bonelli in 2001, later heading its London disputes desk. He has sat as arbitrator at the ICC and LCIA, as well as the Milan Chamber of Arbitration and the Geneva Chamber of Commerce and Industry. In addition, he is chair of private international law at the Catholic University of Milan and a former vice chair of the International Bar Association's arbitration committee.

Sabatini, who was a senior associate at Bonelli but joined ArbLit as partner, also sits as arbitrator in ICC cases and the Milan chamber. He is a member of the Milan and New York bars, and has particular expertise in FIDIC disputes.

A more recent addition to the partnership is Massimo Benedettelli, who joined in late 2014 from Freshfields Bruckhaus Deringer in Milan and is also an arbitrator and professor of international law.

Who uses it?

The International PhotoVoltaic Investors Club, a group of foreign investors in the Czech solar power industry, have retained ArbLit for a cluster of treaty claims relating to state reforms to that sector.

ArbLit is also representing Italian construction group Consta and its subsidiary, Mattioli Joint Venture, in contract-based claims against Ethiopian and Djiboutian state entities at the Permanent Court of Arbitration in The Hague and heard under the rules of the European Development Fund.

In commercial cases, its clients include Italian construction and defence companies, including Finmeccanica.

Track record

Already pretty good. In the past two years, the firm has won preliminary rulings in two ICSID cases brought on behalf of Italian holders of defaulted Argentine sovereign bonds who have refused to accept a haircut on the face value of the debt. In 2013, a majority panel in the Ambiente Ufficio case agreed to hear claims by around 90 bondholders under an investment treaty. In late 2014, a panel in the Giovanni Alemanni case rejected most of Argentina's objections to claims by 74 bondholders under the same treaty but joined certain jurisdictional issues to the merits.

Like the more famous *Abaclat* dispute, in which ArbLit is not involved, the cases raise controversial questions over ICSID's ability to handle multiparty proceedings and the role of investment arbitration in sovereign debt crises.

Radicati di Brozolo is no stranger to breaking new ground at ICSID. At his former firm, he was counsel to Italian oil company Saipem in a landmark ICSID case against Bangladesh, where a state court's interference in an ICC arbitration was held to amount to expropriation under a BIT.

Recent events

Radicati di Brozolo joined Fountain Court Chambers in London as a door tenant in April 2014. Benedettelli joined from Freshfields as a name partner in October.

The firm defended a Finmeccanica subsidiary in an ICC claim brought by French shipbuilder DCNS concerning a failed torpedo manufacturing joint venture. Benedettelli sat as an arbitrator in that case, which ended a few months before his move to ArbLit.

Client comment

Luigi Patanè, who stepped down as CEO of Consta in May, describes the ArbLit team as "a very good mix between experience and dynamism". The firm's small size guarantees "easy and direct contact" with the partners managing the case, he adds.

Frank Schulte, a member of the solar investors' club mentioned above, turned to Radicati di Brozolo and Sabatini to replace their original counsel in their dispute with the Czech Republic. He describes them as "excellent lawyers" whose in-depth involvement in the case "really makes them superior".

Another client, an Italian company active in Romanian public works projects that instructed ArbLit for a FIDIC dispute, says the firm has "an effective network of associates" that are especially useful for dealing with local-law issues.

How does one "rank" international arbitration practices?

At first blush, it looks like something that should be easy. After all, they compete head-to-head... so there's a winner, right? Or how about looking at who's working on the "sexier" cases – the big stuff.

There are surveys that have done (and do) both of those. With due respect to those, neither approach on its own works too well.

A law firm, for example, can often be obliged to take on a stinker of a case – as a favour to a client. Or there's the opposite scenario: one might win (or seem to win) the battle but lose the war, as one of our readers in fact experienced recently (he didn't know he was losing the war because he didn't have control of the totality of the case). In that matter, our source, who prefers to remain anonymous, successfully defended an US$80 million claim. Meanwhile (and out of his hands), the client was losing a parallel case about the same transaction worth US$200 million.

As for "size", that isn't always a great indicator of importance either. A story from the back catalogue of Jan Paulsson may help to explain.

A while ago, Paulsson's then-firm Coudert Brothers received a smallish-looking case from an Asian client, about vested rights. About US$50 million seemed to be at stake. Except – and here's the rub – when the team scratched the surface, they found the terms in this dispute with a Middle Eastern agent were repeated in lots of contracts.

Worse, most of the client's corporate loans contained acceleration clauses. A loss of more than US$5 million and those would become eligible for early repayment.

The small case was far from minor, it turned out.

After a "pretty bloody fight" (that included the discovery of forgery), the client lost – but only US$2 million. It was overjoyed.

"A silly summary of the case," says Jan Paulsson, "would have been that we lost a little case."

In reality, the client exhaled with huge relief. It treated Paulsson and the rest of the team – plus spouses – to an all-expenses paid trip to the Seoul Olympics.

It's more normal for things to be the other way around. The so-called bet-the-company case turns out to be worth tens of millions when all is said and done. Indeed, for a period it was noticeable how few of the billion-dollar cases that began at ICSID have produced anything like that amount. This phase may have ended recently (see recent awards such as *Yukos v Russia* and *Occidental v Ecuador*), but before that a number of cases produced far less than the amounts claims. So the point remains. It's unwise to say too much about the "size" of a case until the result is in.

So how can one take the pulse of a practice?

A few years ago, *GAR* journalists and the magazine's editorial board pondered that question, leading to the thought: what about a survey built chiefly on the number of hearings (merits and jurisdictional) conducted by the firm in a fixed period (say, two years)?

For those reading about international arbitration for the first time, the hearing (particularly the merits hearing) is the closest thing that arbitration has to a day in court. It's the moment the two sides convene in a hotel room, law firm office or arbitration hearing centre for however many days oral arguments and the like have been agreed.

For the senior counsel (the advocates), it portends a period of isolation beforehand prepping – and perhaps the odd cold towel pressed to the head. (For the younger lawyers, it means sorting out all of the logistics of the presentation, and possibly dealing with a more-jittery-than-usual boss.)

If it's a very important case, the team may have done some dress rehearsals in front of arbitrators hired specially for the purpose.

So why is the incidence of hearings a good indicator of the health of a practice? Well, as a metric the hearing has a number of strengths.

It's innate. Just as fissile material emits radiation, so the busy arbitration practice cannot help but produce hearings.

Second, it's the same for everyone. Although some firms have complained that "our cases tend to settle", there is no evidence to suggest anyone has a different settlement rate.

Third, it's checkable. International arbitration is often confidential, but firms can reveal descriptive, generic information about each hearing (such as language, dates, claim size, opposing firm, chairman of the tribunal, and so on) without breaching that, and so allow its existence to be verified.

Fourth, real experience is gained in merits hearings. Any advocate will tell you there's no better gymnasium for the legal mind than going into a hearing, big or small.

Of course, there are exceptions that test the rule.

Practices that focus on very low-value, commoditised cases pose a problem for this method – as there's a risk they can swamp the chart. We've met that by ignoring matters below a certain figure (despite what we said earlier about size not counting).

Practices that have large but slow-moving cases are also difficult: for many DC-based firms, for example, the majority of their work is large, labour-intensive yet slow-moving investment disputes. Again, we've met that by asking them to to send in their billable hours – as well as their hearings information – to see if we can give them extra credit.

GAR100 2015

Rank	Firm	People in *Who's Who Legal*	Pending cases (as arbitrator)	Merits hearings completed in two years	Jurisdictional hearings completed in two years	Bet-the-company hearings	Large hearings	Mid-sized hearings	Cases settled in two years	Value of current portfolio as counsel
1 (2)	White & Case	14	53	46	28	11	15	30	59	US$88 billion
2 (1)	Freshfields Bruckhaus Deringer	15	51	47	17	9	12	32	21	US$85 billion
3 (3)	Shearman & Sterling	2	12	33	5	9	14	14	20	US$97 billion†
4 (4)	Hogan Lovells	6	37	44	18	7	9	23	65	US$135 billion
5 (8)	King & Spalding	13	56	17	8	6	2	16	12	US$47.5 billion
6 (7)	Debevoise & Plimpton	7	33	14	5	9	5	4	5	US$214 billion
7 (16)	Quinn Emanuel Urquhart & Sullivan	7	27	19	3	7	5	9	18	US$22 billion
8 (5)	Herbert Smith Freehills	14	32	33	6	4	4	23	52	US$21 billion
9 (14)	Allen & Overy	6	46	31	2	5	1	21	14	US$26 billion
10 (9)	Norton Rose Fulbright	8	51	48	6	4	1	21	120	US$45 billion
11 (6)	Wilmer Cutler Pickering Hale and Dorr	7	72	10	17	4	2	4	26	US$119 billion
12 (25)	Lalive	10	98	24	3	3	6	14	13	US$24 billion‡
13 (10)	Baker & McKenzie	11	77*	102	2	1	4	65	54	US$32 billion
14 (11)	Clifford Chance	9	76	51	13	1	4	40	32	US$42 billion
15 (18)	Eversheds	4	19	30	9	3	5	15	25	US$23 billion
16 (12)	Dechert	4	63	15	3	5	0	8	14	US$60 billion
17 (17)	DLA Piper	4	15	26	9	3	5	13	14	US$74 billion
18 (13)	Skadden Arps Slate Meagher & Flom	6	5	11	2	3	2	8	13	US$100 billion
19 (20)	Cleary Gottlieb Steen & Hamilton	1	11*	12	2	3	3	3	5	US$107 billion
20 (23)	Clyde & Co	1	45	32	9	1	7	29	24	US$40 billion
21 (15)	Curtis Mallet-Prevost Colt & Mosle	6	16	16	10	2	7	11	10	US$77 billion
22 (22)	Jones Day	3	42	26	1	2	3	14	8	US$28.5 billion
23 (24)	Dentons	5	47	20	7	2	1	18	25	US$22 billion
24 (19)	Derains & Gharavi	3	57	18	4	2	1	13	6	US$9 billion
25 (-)	Linklaters	3	28	21	1	2	2	12	-	US$37 billion
26 (-)	Latham & Watkins	2	30	14	2	1	5	7	17	US$23 billion
27 (29)	Weil Gotshal & Manges	4	18	9	3	2	1	8	9	US$7 billion
28 (28)	King & Wood Mallesons	5	64	46	5	1	0	21	16	US$2 billion
29 (21)	CMS	4	56	42	2	1	1	16	3	US$8 billion
30 (-)	Squire Patton Boggs	1	37*	16	3	1	3	8	24	US$20 billion

Ranking also based on hours billed to arbitration (two-year period); small hearings omitted from ranking process

* Excludes sports cases

† Excludes US$50 billion *Yukos* set-aside proceedings

‡ Excludes a state-to-state matter worth US$263 billion

So you can see we've attempted to adapt the approach so it is fair to all. But the core of the survey remains the number of hearings.

Having collected the data, how do we turn it into the "ranking"?

One can compare the *GAR 30* to a class of students. The students get different grades per test throughout their year. (Note the grade is always relative to the other students. An "A" doesn't mean "80 per cent or up" – it means that in the top 10 per cent of performances (or something close). The more high grades, the better the student's overall placing.

So it is with our firms (except the tests are columns in an Excel spreadsheet): lots of A grades (or A+ or A-) mean a high final position in the GAR 30; Bs and Cs mean a mid-table score and so on.

That raises the next question: what do the firms get tested on?

The survey now looks at:

- all hearings (merits and jurisdictional) and the amount of money at stake;
- the number of hours billed to arbitration;
- the number of lawyers who qualified for *Who's Who Legal: Arbitration*, our sister publication; and
- the number of arbitral appointments a firm's members are handling.

Furthermore, we now split "hearings" into four buckets according to their value: bet-the-company cases (US$1 billion and upwards); large cases (US$250 million to US$999 million); mid-sized cases (US$10 million to US$249 million); and small cases (these are all but ignored, except as a tie-breaker).

"Winning" doesn't come into it. If it did, Shearman & Sterling would be the runaway number one this year, having won *Yukos* (worth US$50 billion) – and in previous years, Debevoise & Plimpton, King & Spalding and Arnold & Porter would all have been boosted by impressive "wins".

The problem with comparing arbitration practices is that often it's apples and oranges. In the past, this survey tended to over-reward high-volume practices. In recent years, we've tried to construct it so that everyone has a good chance to shine – from firms who focus 100 per cent on super-complex work to those that are more supermarket-like.

What's the secret to doing well in the *GAR 30*?

There are two ways to do well.

One – the easier – is to perform better than average across the board. This is the "well-roundedness" route to success. If one looks at the top of the table, this is how Freshfields, White & Case, Hogan Lovells, and so on, do so well year in, year out, and why firms such as Baker & McKenzie and Clifford Chance – which also do well across the board but not at quite the same level – appear lower.

The second way is to do exceptionally well in one or two particular columns and averagely elsewhere. This is the "big-game hunting" route to success.

Some years the ranking is less than stable – particularly in the middle order. There are various reasons.

First, things are finely balanced. There's often very little between the practices in the middle of the table when it comes to the total of their grades, yet it's the nature of a ranking based on data to draw distinctions, even fine ones. So in the middle of the table one firm may (strictly speaking) be in 15th position and another in 9th, but their grades – and the final score achieved – are pretty similar.

This highlights a key point: the table is relative. The fact that a firm is up or down in the ranking says nothing about whether the firm's own practice has changed (improved/not improved). For that, one would have to compare between different editions of the *GAR 30*.

All it shows is that other firms have changed (improved/not improved). In an extreme example of this, a firm may have exactly the same figures this year as a year ago and yet move several places, up or down. It itself hasn't changed. What's happened is others have posted better (or worse) figures.

If you can get your head around that, you are ready to find out about this year's ranking.

This is the eighth edition of the *GAR 30*. The range of characteristics we looked at per practice remained almost exactly the same as last year.

We publish all of the columns relevant to the ranking apart from billable hours (which must remain secret). We include two columns that don't count towards the overall position ("Value of current portfolio as counsel" and "Number of cases settled in two years") because they are illuminating nevertheless. There were submissions from around 200 firms this year, of which 130 were completed in sufficient detail to be considered.

In this year's *GAR 30*, 11 firms go up, 11 firms go down, and five stay the same. There are three firms that didn't appear last year.

The most striking change is at the top of the table, where Freshfields Bruckhaus Deringer has been displaced from the number one spot for the first time in the survey's history: it dropped to second position, with White & Case moving from second to first place.

The other firms that have risen this year are: King & Spalding, Debevoise & Plimpton, Quinn Emanuel Urquhart & Sullivan, Allen & Overy, Lalive, Eversheds, Cleary Gottlieb Steen & Hamilton, Clyde & Co, Dentons, and Weil Gotshal & Manges.

Of these, the highest risers are Lalive, which has jumped 13 places to 12th position; and Quinn Emanuel, which has risen nine places to 7th (after debuting in the 30 last year).

Apart from Freshfields, the firms that have come down in the table are: Herbert Smith Freehills, Norton Rose Fulbright, Wilmer Cutler Pickering Hale and Dorr, Baker & McKenzie, Clifford Chance, Dechert, Skadden Arps Slate Meagher & Flom, Curtis Mallet-Prevost Colt & Mosle, Derains & Gharavi, and CMS. Those that fell the furthest were CMS (down eight places to 29th) and Curtis (down six places to 21st).

The five firms that haven't budged since last year are Shearman & Sterling, Hogan Lovells, DLA Piper, Jones Day, and King & Wood Mallesons.

Of the three firms that didn't appear last year, only one is a completely new entrant: Linklaters. Latham & Watkins returns after last featuring in 2011, while Squire Patton Boggs last appeared in 2013 (in its previous incarnation as Squire Sanders).

However, three other firms that appeared in the 2014 ranking – Baker Botts, Schellenberg Witmer and Iberian player Cuatrecasas Gonçalves Pereira (a new entrant last year) – have dropped out this time around.

So that's what's different this year. But what to make of it?

Freshfields' sudden fall from first place after seven years is a shock. Does it have anything to do with the high-profile departures of two senior partners in early 2014? That shouldn't have made a difference: the survey assesses work over a two-year period, so it normally takes a while for personnel moves to influence a firm's *GAR 30* ranking. For whatever reason though, Freshfields did report lower numbers of big-ticket hearings compared with last year's figures.

But a better explanation for the change is the remarkable growth in White & Case's practice, which saw its number of bet-the-company and large hearings practically double compared with last year's data. Some of that is driven by the investment treaty practice (some sizeable

GAR 31–40

FIRM	VALUE OF PORTFOLIO AS COUNSEL
Berwin Leighton Paisner	US$7.4 billion
Cuatrecasas Gonçalves Pereira	US$6.7 billion
Foley Hoag	US$15 billion
Hughes Hubbard & Reed	(Not supplied)
Kim & Chang	US$4.5 billion
Orrick Herrington & Sutcliffe	US$9.8 billion
Pinsent Masons	US$12 billion
Schellenberg Wittmer	US$2.5 billion
Sidley Austin	US$119 billion*
Vinson & Elkins	US$13 billion

* includes a US$41 billion ICSID claim

ICSID hearings fell within the research period, including the *Abaclat* sovereign debt case), but some construction cases also swelled the figures, including one sensitive matter over a nuclear reactor.

Shearman & Sterling hasn't moved from third place. As already explained, the *GAR 30* doesn't measure firms by their successes: if it did, Shearman would undoubtedly have been top this year. It might also be argued that "bet-the-company" doesn't even begin to cover the size of the stakes in the *Yukos* case. As it is, the firm vies with Freshfields in terms of case numbers but is once again held down by its markedly smaller showing in *Who's Who Legal*'s arbitration ranking.

Remaining in fourth position, Hogan Lovells has consolidated its place in the top tier of the table (it was 10th two years ago), and its case numbers are also on the up compared to last year. King & Spalding has also risen to fifth place on the back of an expanding portfolio.

Debevoise & Plimpton continues to rise steadily: from seventh to sixth place this year. Although it actually outperforms King & Spalding in terms of number of cases (at US$214 billion, Debevoise has the highest-value portfolio of any firm in the *GAR 100*), it trailed a little behind according to other metrics such as *Who's Who Legal* names and billable hours. But we can expect it to rise even higher once some of its newer cases reach a hearing.

Quinn Emanuel's rise in the ranking bears out its reputation as a disputes powerhouse that isn't afraid to undercut the competition on fees and is unconstrained by the corporate relationships of a full-service firm. But it's worth mentioning that, as with last year's edition, we've allowed the firm to "import" some weighty hearings that were conducted by partners before they joined from other firms.

Lalive's performance also deserves special mention. The only Swiss firm to feature in the *GAR 30* this year, Lalive has seen a surge both in its counsel and arbitrator work (its members now have more arbitral appointments than any other firm in the ranking). It also has 10 peer-recognised lawyers in *Who's Who Legal* – more than any other firm in the *GAR 100* based in a single jurisdiction. It's a testament to how a small practice can build an international profile.

There's been a fair amount of fluctuation in the middle of the table, which is to be expected. Again, it can't be emphasised enough that the fact a firm has come down in the ranking doesn't mean it's in worse shape than last year. To give an example, Herbert Smith Freehills' figures have improved pretty much across the board – yet it still dropped out of the top five to 8th position.

The same is true for French firm Derains & Gharavi, which slipped five places despite reporting better results than last year in all the metrics we assess. The fact that a boutique outfit from the civil-law world is in the same league as full-service international firms is impressive in itself.

You also shouldn't read too much into WilmerHale's drop to 11th position in the table. The firm failed to provide enough details of its jurisdictional hearings for those to be counted – which meant the firm came lower overall than it otherwise might have done.

The middle section of the table also shows that there's a limit to how far firms who concentrate on small and mid-sized work can climb, at least according to our methodology. In 13th place, Baker & McKenzie had 65 mid-sized hearings (the highest number of any firm that submitted data for the 30), but a much smaller number of larger hearings. The same goes for Clifford Chance and Clyde & Co.

What about the firms that are new to the table? Linklaters' arrival might raise an eyebrow: the UK magic circle firm has never previously appeared in the *GAR 100*, let alone the *GAR 30* (it only began cooperating in our research a couple of years ago). But its appearance here shouldn't come as a complete surprise. The firm has been doing high-value arbitration work for years, and recently acquired a seriously impressive team in Paris with some weighty pending cases.

Latham & Watkins' return after four years away is also to be welcomed, showing that the firm's efforts to rebuild the IA practice (including the recent hire of Fernando Mantilla-Serrano from Shearman) are paying dividends.

As usual, we've also provided a list of runners-up (the *GAR 31-40*). Of these, Foley Hoag is arguably the most hard done by: it turned in some strong hearing figures but a relatively small number of arbitral appointments stopped it from entering the *GAR 30* again (it last appeared in 2013).

Sidley Austin also stands out from the other runners-up for its significantly higher portfolio value (the figure includes a US$41 billion claim against the firm's client, Peru, which was dismissed as abusive just before this book went to press). However, its *Who's Who Legal* and arbitrator numbers pulled it down.

Orrick, Vinson & Elkins, and Hughes Hubbard & Reed had a good year. The only new face is Pinsent Masons, which also made its debut in the *GAR 100* this year.

Regional players Schellenberg Witmer and Cuatrecasas appear among the runners-up, both having featured in the *GAR 30* last year. Both firms turned in some impressive figures: Schellenberg lawyers have close to 100 arbitrator appointments on the go, while Cuatrecasas is thriving in the mid-sized to large hearings range.

Are there any firms we've missed out? Well, the elephant in the room was Three Crowns, the aforementioned Freshfields breakaway firm that dominated *GAR* headlines on its founding in 2014. The firm did submit information on its first six months of operation, but we took the view that there wasn't enough data to fairly assess its position. As a thought experiment though, we calculated what those figures might have looked like over a 24-month period and found Three Crowns coming in around tenth place in the table.

And that's the *GAR 30*. Our methodology will continue to divide opinion, normally between firms that rose and firms that fell. Love it or hate it, there's nothing else like it.

Methodology

The *GAR 30* ranks firms according to a "score" built by adding up several T-scores. What's a T-score? In brief, it's a way of converting performance in a particular test so it can be more easily compared with performance in a different test. Thus, law firms, or students, or football teams, can be compared by aggregating a series of different performances without fear than any single test will come to dominate the final "score". The *GAR 30* T-scores cover:

- the number of merits and jurisdictional hearings during the research period (two years);
- the number of hours billed to arbitration;
- the number of lawyers who qualified for *Who's Who Legal: Arbitration*, our sister publication; and
- the number of arbitral appointments members are handling.

Furthermore, we subdivided "hearings" into four buckets: bet-the-company cases (more than US$1 billion dollars); big cases; medium cases; and small cases (which don't count towards ranking).

Here's a bit more about the columns in the spreadsheet that count towards the final score (and those that don't), and the "accounting" principles our researchers use.

The GAR 30 chart

People in *Who's Who Legal* – shows how many members of a firm won entry to the 2015 edition of *Who's Who Legal: Arbitration*. (Counts towards the ranking.)

Pending cases (as arbitrator) – shows the number of cases in which a lawyer from the firm has been asked to sit as an arbitrator (snapshot on 1 August 2014). It ignores CAS matters and a few similar bodies. (Counts towards the ranking.)

Merits hearings completed in two years – shows how many merits hearings the firm participated in as counsel or co-counsel during the past two years. (Counts towards ranking.)

Jurisdictional hearings completed in two years – shows the same, but for jurisdictional matters. (Counts towards the ranking.)

Bet-the-company hearings – shows how many hearings were in the US$1 billion-plus range. (Counts towards the ranking.)

Large hearings – shows how many hearings were in the US$250 million to US$999 million range. (Counts towards the ranking.)

Mid-sized hearings – shows how many hearings were in the US$10 million to US$249 million range.

Pending cases as counsel – the number of cases the firm has on its books as counsel or co-counsel. (Counts towards the ranking.)

Cases settled – number of arbitrations that ended in a settlement in two years. (Counts towards the ranking.)

Value of current portfolio as counsel – the value of all the claims the firm is now handling as counsel.

Unpublished

Billable hours – the number of hours billed to international arbitration in a two-year period (excluding the work of paralegals, support staff and trainees).

"Accounting" policies

When deciding whether to include a particular reported matter and what value to assign it, use the following rules:

- "If in doubt, leave it out" – if a matter is insufficiently described (information missing on start date, duration of hearing, name of opposing firm, value at stake, names of arbitrators (or at the very least chairman)), it can't be included in the score.
- "One dispute/multiple panels" (different arbitrators) – each hearing is counted.
- "One dispute/several merits hearings" – count it once.
- "Disagreement over the amount at stake" (usually affects higher value disputes only) – standardise the value, based on the highest total, and apply that to all firms.
- "Large claim/small award" – if arbitrators have ruled on the value of a dispute, that award becomes the amount.

The research period was 1 August 2012 to 1 August 2014.

Q&A on methodology

How do you get this data?
Law firms provide it, subject to us agreeing to keep it confidential.

Why do you now include jurisdictional hearings as well as merits hearings?
At the request of some firms that do mainly ICSID work.

Why do you now include billable hours?
At the request of firms that felt they were disadvantaged by the exclusive focus on hearings.

Do you accept the values asserted in ICSID claims at face value?
Yes, but once an award is handed down that award becomes the value of the case.

What do you do in the following scenarios: (i) requests for declarative relief; (ii) baskets of public international law matters before unique claims tribunals; (iii) test cases; and (iv) hearings "happening soon"?
(i) The firm usually includes a background value, so we use that.
(ii) We tend not to aggregate these into a "bet-the-company" case.
(iii) Again, the firm usually explains the value at stake.
(iv) Those can go in next year's survey.

We try to use common sense and caution.

Wait, aren't these figures entirely self-reported?
Yes, but we do cross-reference the cases mentioned with the other side, where possible. The exception is billable hours, but there it becomes obvious pretty quickly who the outliers are, whereupon we go back to the firm seeking further explanation.

Are there any weightings in the formula?
The scores for the different categories of hearing count a little more. Appointments as arbitrator count a little less.

Z-scores and T-scores

A Z-score is also known as a standard score. It's used to measure an individual's performance against the average performance in a test.

Why is it necessary? Here's a simple example.

A student gets 70 per cent in a French exam. Should she be delighted? It depends – on how everybody else did. A student could get 70 per cent in French and be delighted, and 70 per cent in Physics and be the lowest in her class. Simply adding 70 to 70 would tell you nothing. The scores need to be standardised somehow. That's what Z and T-scores do.