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DLA joins US firm in landmark law merger

By Bob Sherwood Legal Correspondent
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The creation of the first international law firm with more than 1,000 lawyers on both sides of the Atlantic will be announced on Monday, in a move expected to trigger more consolidation as the legal profession increasingly becomes a global business.

DLA of the UK and Piper Rudnick of the US will unveil a ground-breaking merger that will put it among the six biggest law firms in the world.

The deal, approved by closed meetings of both the US and UK partners at the weekend, will be seen as the most significant in the profession since Clifford Chance took over New York's Rogers & Wells in 2000, making it the world's largest firm.

The deal between DLA and Piper Rudnick - which will also merge with US west coast practice Gray Cary Ware and Freidenrich on January 1 - will give the combined firm projected revenues this year of £714m.

Though that will not eclipse the likes of Clifford Chance or Skadden, Arps, Slate, Meagher & Flom, the biggest UK and US firms by revenue, it will create one of the broadest transatlantic legal capabilities in a single firm.

The move could also spur other ambitious mid-tier firms to step up merger talks for fear of being left behind in the race to become an elite global firm.

Nigel Knowles, DLA's managing partner, said: "It is the largest merger ever of two law firms. It is the only merger that will give 1,000 lawyers on both sides of the Atlantic."

The combined firm will have 6,000 staff, including 3,273 "fee-earners" in 49 offices across 18 countries.

Many law firms have been building both US and European capability, but none has so far managed to create a leading practice in both the UK and the US. For example, Clifford Chance has about 400 lawyers in the US, mostly in New York, while US firms such as Skadden Arps and Shearman & Sterling gradually have been building up their UK and European practices.

Lee Miller, Piper Rudnick co-chairman, said the merger with DLA would give the firm UK and European credibility at a stroke: "You need to be in those markets in a meaningful way."

The new firm will be unlike many of the top 10 international operators, though, in that it is not expected to compete for work on the biggest, most complicated transactions.

Instead, it aims to concentrate on the "upper middle market" in the belief that multinationals are increasingly using a smaller number of full-service law firms across different jurisdictions in an attempt to minimise costs.

The deal also indirectly highlights the handicap many UK firms have in finding a US merger partner while they remain tied to a "lockstep" earnings system, where partners are paid according to their seniority rather than the work they bring in.

Many US lawyers are sceptical of that system, but DLA operates a US-style merit-based payment system that makes the financial side of the deal easier. [xref Heavy hitter](#), Page 13

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