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Global law firm consigns itself to history

By Bob Sherwood in London

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Partners at Coudert Brothers, the 150-year-old US-based law firm that was the first to establish itself as an international practice, have voted to disband its network.

It was the first US law firm to open offices in Paris, London, Sydney, Beijing and Moscow, but for years was dogged by low profits and unable to compete with US rivals. Since the start of the year, partner dissatisfaction has risen and the firm lost to rivals or was forced to close several offices.

Its best hope was a wholesale merger with Baker & McKenzie, the international law firm, but those talks collapsed three weeks ago.

Coudert insisted last night that it "remains in business and is focused on serving its clients" while negotiations with other firms took place.

The firm's London and Moscow offices recently jumped ship to Orrick, Herrington & Sutcliffe, and Coudert's partners had held a series of crisis meetings as departing partners began to demand an orderly dissolution in an attempt to extract capital.

The firm shut its San Francisco and Palo Alto offices; it planned to end its German operations; most of its lawyers in Kazakhstan switched to Chadbourne & Parke; and the head of its litigation group in New York, a leader of its global antitrust practice and the former chairman of its global tax practice also left.

The firm's recent history made poor reading. In 2004, it had more than 600 lawyers, but was ranked 83rd in the US by revenue, billing \$230m according to the American Lawyer listings. Worse, it was ranked 99th among the 100 highest-grossing firms by average profits per partner, the benchmark of law firm profitability, with a figure of \$410,000.

Coudert was founded in 1853 by Frederic René Coudert and his brothers Charles and Louis Leonce, the sons of a Napoleonic cavalryman who fled France. The firm's early cases involved advising overseas clients, including the French government.

It opened an office in Paris in 1879. By its end it had 28 offices in 18 countries.

Yet Catrin Griffiths, editor of The Lawyer magazine, called it "the worst advertisement ever for a global legal model". She said the firm failed to grasp the concept of an international legal practice and had been "placing flags in territories" rather than expanding to maximise profits. As a result, it had no "coherent vision" for the modern market and lacked a sense of a "single global culture".

"It's not much to show for a century and a half of business," she added.

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