



facing challenges head on



Canadian Lawyer's top boutiques in litigation, business immigration, and commercial real estate are adjusting to the changing economic environment.

By Charlotte Santry

Litigation boutiques face increasingly stiff competition from each other as well as from larger firms; those named in *Canadian Lawyer's* Top 10 have proven themselves in a field with many high performing players. In a crowded market, top litigation boutiques cannot afford to offer services falling anything short of excellent says Matthew Gottlieb, managing partner at one of this year's winners, Lax O'Sullivan Scott Lisus LLP. "There's no doubt litigation is becoming more competitive," he says. But "large businesses are bringing very significant mandates to the boutiques," he adds.

Many of this year's Top 10 litigation boutiques have acted for some of Canada's biggest banks, energy firms, and telecommunications companies securing wins at every level of court.

Henein Hutchison LLP successfully represented Telus in the Supreme Court of Canada case *R. v. TELUS Communications Co.*, which assessed whether police could use general search warrants for monitoring text messages. Henein Hutchison partner Scott Hutchison says companies are attuned to the public's growing discomfort with "off-side" surveillance practices, following the Edward Snowden scandal. "They will comply with law enforcement whenever they have to, but they also recognize that customers expect they will defend their privacy," he says. Toughened compliance rules, including

the implementation of a vigorous money laundering regime, have also provided opportunities for the firm to offer advice to companies wishing to stay on the right side of the law.

For business immigration boutiques, competition generally comes in the form of other boutiques. "This area is specific and complex enough and changing quite rapidly — Canadian clients are looking for really specialist expertise," says George Reis, managing partner at Egan LLP.

Since Egan's inception in 2007 as a boutique allied with EY in Canada, the other professional services firms have started offering business immigration services, including KPMG Law LLP, formerly Greenberg Turner, which is also on this year's list and plans to expand its services to Vancouver this month. In March, Bonza Law Group announced it was affiliating with PricewaterhouseCoopers to create PricewaterhouseCoopers Immigration Law LLP. Deloitte, too, recently brought in allied firm Shouli & Partners LLP to offer its clients business immigration services.

It's a model well-suited to attracting Canadian companies starting to reach out to emerging markets around the world, according to Reis. "Canada-based companies are becoming more international and global," he says. "As they start to send people out to new

markets, or need to move people around, they don't necessarily want to deal with a huge variety of different vendors around the world, and even trying to find one can be a challenge. They're looking to their Canadian lawyers for help."

But federal immigration policies have imposed "onerous" processes on firms wishing to bring in global talent and are discouraging some employers from hiring foreign workers, says Reis.

On the upside, the changes are leading to queries from clients who need help fully understanding them. Guberman Garson partner Lainie Appleby says: "I think the more changeable it becomes, the more of a need there is for lawyers to provide their services, because we know the ins and outs of how these programs work and it becomes more important than ever to have a lawyer guiding them through the process."

Commercial real estate has traditionally been seen as a robust sector in Canada, though doubts have been cast recently as to how long this will remain the case; investment returns on Canadian commercial real estate are expected to halve over the next three years, according to forecasts published in March.

Natalie Vukovich, a partner at Daoust Vukovich LLP, admits to pondering whether the sector is due for a cyclical downturn.

Unusually for a boutique, her firm focuses on leasing, and faces the challenge of dealing with Canada's small "smattering" of powerful landlords, who all have their own in-house legal teams.

However, Daoust Vukovich's value proposition is based on volume and efficiency. Vukovich explains: "We have a very large pool of paralegals who . . . are supervised and have 20 years of experience. Because of

our dependence on a large volume of these transactions, we can't make a meal of one file. . . . We can cut to the chase." Having close ties to a broad range of industry players provides insight that can be helpful to clients, she adds.

Canadian Lawyer's editorial team began the process of selecting Canada's top 10 litigation boutiques, and top five business immigration and commercial real estate boutiques, by creating a shortlist of notable firms

in their respective fields. We ran an online survey, asking peers and clients to rank the firms, and to explain why they placed those firms as their top five or 10. The survey results were combined with feedback from large firms and in-house counsel to create the following lists, which are in alphabetical order. In an unusual twist this year, we have a tie in the real estate category so the top five includes six firms.

Top 10 Litigation boutiques

Stockwoods LLP

Toronto

stockwoods.ca

Founded in 1979 by David Stockwood, the boutique provides litigation services in commercial, administrative, and criminal law matters. Its 18 lawyers work for clients including RBC Dominion Securities Inc., TD Canada Trust, College of Nurses of Ontario, Ontario Food Terminal, Canadian Broadcasting Corp., judges administering the Indian Residential Schools settlement, and the Law Society of Upper Canada. The firm obtained a judgment for Direct Energy against a competitor for breach of the Competition Act and the Trade-marks Act, which was subsequently upheld by the Ontario Court of Appeal. It is defending investment dealer Richardson GMP Ltd. in a multimillion-dollar action by a group of investors in structured financial products, and Cassels Brock & Blackwell LLP in three related actions in which the plaintiffs are seeking more than \$3 million in damages over an alleged fraudulent investment scheme.



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* Named a top 10 litigation boutique by *Canadian Lawyer* magazine for 2014/15.