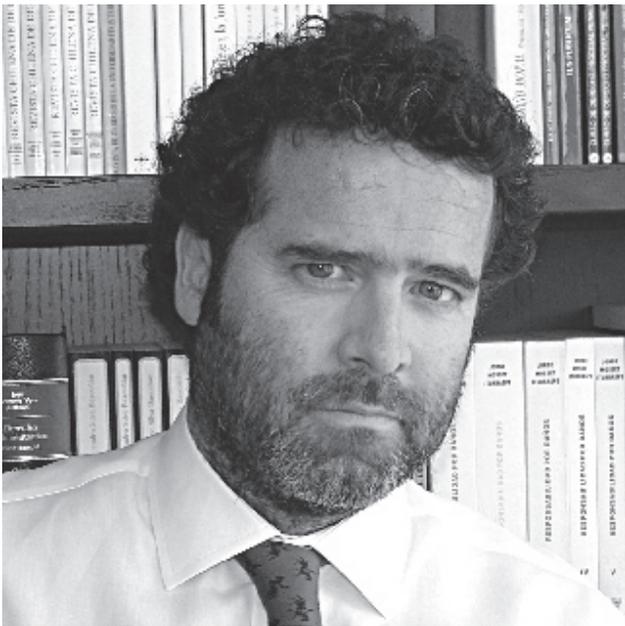


# WORLD FINANCE

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Best Banking & Finance Team	Claro y Cia
Best M&A Team	Cariola Diez Perez-Cotapos & Cia
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Best Energy Team	Carey y Cia
Best Individual Lawyer	Jaime Rios: Prieto y Cia
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# THE CHAIN EFFECT



How successful results in dispute resolution cases attract new clients. *World Finance* speaks to Vergara, Labarca & Cia, Chile's leading litigators

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**A** commitment to clients and a high technical ability - two keys to being rated among the best litigators in modern Chile, according to Vergara, Labarca & Cia. But just why has the disputes market boomed so in the last decade? *World Finance* speaks to Senior Partners, Mr Arturo Vergara and Mr Raimundo Labarca.

Vergara, Labarca & Cia focuses exclusively on disputes regarding legal-economical issues. The firm is regularly involved in significant disagreements between large companies, and between these and the Government.

Why have so many conflicts arisen between the state and the private sector in recent years?

Because our firm is oriented and focused exclusively in litigation, arbitration, and major or significant disputes, we have been involved in trials with government, and these have increased over the past years.

We believe the main reason for this is that the state regulation of public services such as electricity, telecommunications, and sanitary services, has become more and more complex over the past decades, due to recurrent legal amendments.

The complex nature of 21st Century business represents a challenge. The firm's attorneys are well prepared to offer fast solutions and a prompt advice. But what has changed on the last 20 years to make these disputes such a tough test for the lawyers?

Technical aspects of a dispute are more important due to the tremendous development in technology over recent years. In fact, most times, these aspects are the conflict itself, and are fundamental to understanding the essence of what underlies a dispute. This is why now, as opposed to what happened 10 or 15 years ago, clients demand that lawyers understand and dominate the technical issues involved in a dispute.

In this connection, we always tell our clients that we are specialists in becoming specialists. This allows us to take part in disputes regarding a great variety of technical issues. They might include energy, telecom, and sanitary matters, or significant contractual disputes and conflicts between the shareholders of major corporations.

The firm claims to be selective with regards to the cases it attends. When do you say 'no', and why?

The very nature of a boutique law firm like ours requires total dedication to the cases we take part in. Therefore, and notwithstanding the relevance of the conflicts in which our advice is requested, we are often forced to refuse new cases. Sometimes we must simply say no, to assure dedication and personalized attention to the cases we are already involved in.

Labarca & Cia has a reputation for high technical ability and specialist knowledge, with several of its attorneys regarded among the best litigators in Chile. How has this status reflected in the client base?

In the Chilean dispute resolution sub-market, we can clearly perceive a 'chain effect' in relation to clients. Successful results in relevant cases attract new clients. Naturally, our results are not always 100 percent successful, due to the complexity of the cases we are involved in. Nevertheless, client satisfaction is always guaranteed because they always perceive our effort and full dedication in defending their interests.

What is usually the single most important factor to overturning previous court rulings on a client's behalf?

The specific aspects involved in a dispute are thoroughly discussed before the lower Courts.

Before the Courts of Appeals and Supreme Court, on the other hand, a better approach is to simplify the issues that were discussed before the lower Courts. Therefore, in superior instances we try to explain the essence of our arguments in simple terms that appear reasonable and convincing.

In any case, we believe that good and rigours work, plus a good amount of creativity, is the key to successful results in any dispute and before any Court.

M&A has not seen much activity in the past 12 months, but there has been an upsurge in the dispute resolution market disputes. What impact has this redirection had on the legal market generally?

In times of economic difficulty, it's normal for new businesses to slow down, and for more conflicts to arise. During the past months, this has been precisely the scenario for the legal market in Chile.

Law firms like ours, that have traditionally been recognized as specialists in dispute resolution, have not been able to assume all of these new conflicts. Therefore other firms that do not have much

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Investments and contractual relationships have been getting more and more complex [increasing] disputes in both number, relevance, and complexity

*A boutique law firm like ours requires total dedication to the cases. Notwithstanding the relevance of the conflicts in which our advice is sought, we are often forced to refuse new cases*

experience in this area of work now have the possibility of offering their services for dispute resolution. However, as said before, clients that seek special dedication in relation to complex matters prefer boutique type law firms, like ours.

Are such high workloads in the dispute field expected to continue and if so why?

We believe so because investments and contractual relationships have been getting more and more complex. Therefore, it is to be expected that disputes will continue to increase both in number, relevance, and complexity.

Despite its independence, the Chilean judiciary has suffered much criticism for inefficiency and lack of independence. Is this criticism fair?

Only in part. Although our judicial system is fairly slow, we think it is sufficiently independent. However, the nature of civil proceedings and the amount of judges' work is not ideal when it comes to complex cases. We believe that specialized Courts are urgently needed.

Anyhow, independence of the judiciary is certainly more problematic when it comes to litigating against the State.

What are the main strengths of the judiciary and what more is being done to undermine previous concerns?

Independence is a fair strength of our judicial system. However, in our opinion, the system needs more Courts, and it would be very helpful if courts could have some degree of specialisation.

Recent amendments to litigation procedures have attempted to modernise and expedite the administration of justice in Chile by introducing oral trials. Do these changes go far enough?

Oral proceedings are more suitable when it comes to less sophisticated or complex matters. Establishing oral trials is not enough to guarantee an improvement of the judicial system. When it comes to disputes where technical or economical matters are at stake, a combination of oral and written proceedings could be the best way to go.

Amendments were made to criminal procedure (implemented during 2000-2005), continued with the family procedure (implemented in 2005) and the labour procedure (implemented during 2008-2009). A recent Bill has been submitted to Congress with similar amendments to the civil and commercial procedures. Arbitration is likely to follow the same track. Has the legal profession had enough input into the drafting of these changes?

Such amendments were urgent and, in general terms, have referred to the most critical aspects of such proceedings. However, we think that the legal profession could have had more input in the parliamentary discussion.

The firm is highly rated for its legal work, both domestically and internationally. What have been the high points of the last 12 months in terms of awards, industry success and client feed-back?

We don't respond to the general or common standard of local law firms that are worried and are aware of rankings. We just do our job, which means full and rigorous commitment to our clients and cases. In fact, we have never hired communication or promotional services, or others of any kind.

This is why we are particularly proud that, during the past five years, both our firm and its senior partners have been recognized as among the best litigators in town.