

## BRINGING LITIGATION COSTS UNDER CONTROL

---

NEW YORK IS NOT ONLY HOME TO MANY OF THE MOST PROMINENT INTERNATIONAL LITIGATION FIRMS IN THE WORLD, IT ALSO HAS THE DISTINCTION OF BEING ONE OF THE MOST EXPENSIVE PLACES IN WHICH TO LITIGATE A CASE.

---

### Sheer Numbers Drive Up Demand

Let's take a look at a sampling of US federal court filings in New York. During the five-year period of 2008–2012, more than 4,300 new IP cases were filed in New York's four federal districts. That's an average of 860 new IP cases a year! (Source: NY IP Litigation Report, April 2013).

And in just one year (2012), New York's Northern District had 8,315 new bankruptcy filings while the Southern District topped it at 10,622 (Source: [www.uscourts.gov](http://www.uscourts.gov)).

More than 20,000 new filings in just two areas of law—that calls for a lot of lawyers and a lot of legal fees!

### How Expensive Is a “New York Minute”?

While the average hourly billing for a twenty-one to twenty-five-year veteran New York lawyer was \$456 (Source: Ronald L. Burdge, “United States Consumer Law Attorney Fee Survey Report, 2010–2011”), law firm partners in New York City had the highest average hourly billing rate—about \$756, and the practice area with the highest hourly billing rate was finance and securities, with an average of \$673 per hour (Source: ABA Journal, July 15, 2013).

### How to Get Costs under Control for the Client

The most promising solution for getting litigation costs under control remains the Legal Process Outsourcing (LPO) option. New York law firms that routinely make use of LPO find that it provides all the benefits of having associates and paralegals performing research and document review, but at a fraction of the cost and without having to bring on full-time employees.

In addition, a growing number of businesses are utilizing a variation on the traditional law firm–client structure by hiring LPO lawyers to perform various routine tasks while preserving their legal services budget for the more complex work by their law firms.

### What about LPO Quality?

A survey by ALM's Corporate Counsel assessing the value of LPO found that 67 percent of organizations utilizing the LPO option described themselves as “satisfied” or “very satisfied,” with only 3 percent “not at all satisfied.” Thus, clients conclude that LPO is most worthwhile!