

# Time for change – the disputes scene in Israel



Given Israel's abundance of lawyers, it is no surprise that disputes are commonplace. Perhaps more surprising is its low global ranking for the number of judges per capita in Israel: a modest 59th place, according to global data and statistics site Actualitix.

'Israel has more lawyers per capita than any other country and probably half the number of judges of a normal country,' says David Tadmor, co-chairman and managing partner of Tadmor Levy & Co. For parties in dispute, this inevitably causes frustration as litigation can be lengthy and this can be used tactically. 'Often, people would not even initiate litigation because of the time it takes; sometimes, they would because of the time it would take,' adds Levy.

New civil procedure rules that come into effect next year are intended to simplify procedure and expedite the process, reflecting the fact that litigation in Israel has been growing while the court system has not kept pace. As an alternative, arbitration in Tel Aviv is favoured by some, but more often the parties in dispute choose London, followed by New York, as the preferred seats. 'Sometimes you see arbitration clauses in Geneva or in Zurich, but mostly it's London or New York,' says Yigal Arnon litigation partner Dror Varsano.

Notwithstanding procedural delays and the alternative dispute resolution options, there is still plenty of courtroom activity to keep litigators busy. 'We have around 100 lawyers doing litigation,' says Dan Geva at Meitar Liguornik Geva Leshem Tal, which has the largest litigation practice. 'Most of it is commercial and corporate, with a small element of white-collar crime and enforcement work.' Alon Pomeranc, managing partner and head of litigation at Lipa Meir & Co, says: 'We do a lot of banking and insolvency-related litigation. We have represented Bank Hapoalim, the biggest bank in Israel, in dozens of cases, as well as other banks such as Discount Bank, Leumi Bank and Alfa Bank in large lawsuits or sensitive matters.' In contractual and corporate disputes Lipa Meir has also represented the Ministry of Finance, KPMG USA, Siemens, Alstom and the Rothschild family.

Eli Zohar, chairman of Goldfarb Seligman & Co, notes that his firm's client, the Israel Tax Authority, has been involved in many contentious proceedings against various international corporations. In addition, he says, the firm is among the first in Israel to work with litigation finance funds on complex disputes. Multinationals have also instructed Goldfarb to defend class actions by Israelis. 'Several high-profile class actions and derivative actions have been submitted against leading corporations, senior executives and directors,' says Zohar. 'These claims often follow prior enforcement action abroad.'

Varsano adds: 'Class actions are very big in Israel – US-style class actions. In some respects, they are more aggressive in Israel than in the US, especially since the pendulum in the US has shifted more to the defence side. In Israel, that hasn't happened yet. There has been a recent government attempt to try and streamline this industry through the introduction of court fees. Before that, class actions were exempt. There has been some shift: less mass class actions on smaller cases, such as product labelling, and more serious larger-scale class actions in the environmental, antitrust and financial areas.'