



[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

Tech firms cash in as lawyers plug in

By Jim Hopkins, USA TODAY

SAN FRANCISCO — More tech companies are creating animation software, wireless Internet access and other technologies for a growing market niche: lawyers.



Kenneth Lopez is president and CEO of Animators at Law.

By Tim Dillon, USA TODAY

Attorneys and other law professionals had been slow to invest in tech because they were locked into traditional ways of doing business. Many lawyers wouldn't adopt even the most basic tech tool: a personal computer. But pushed to adapt to a more techie world, attorneys are catching up, legal industry experts say.

"The courtroom is a sacred place and typically overseen by people who are very serious," says Kenneth Lopez, CEO of Animators at Law. "They're going to be slow to allow new technology."

No more.

Trials like that of Martha Stewart turn on evidence such as e-mail and electronic phone logs, forcing lawyers to become techno-sleuths. Courthouses are adding Internet access so lawyers can send e-mail and tap remote databases during trials. Lawyers, facing more competition, are adding software to scout for clients.

That's a marketing bonanza for tech companies trying to boost revenue after the two-year tech-spending bust. Among law firms and other business service providers, 69% expect to spend more on tech this year than last,

vs. 43% of all industries, new IDC research says.

Investors are taking notice. Venture-capital firms pumped \$112 million into 11 tech start-ups aimed at the legal industry from 2000 to last year, MoneyTree Survey says.

Some of the biggest growth is in:

•**Graphics.** Lawyers are arming themselves with graphics software to help jurors unravel a growing number of cases in patent law, medical malpractice and other complex issues.

Animators at Law, near Washington, D.C., helps attorneys craft evidence slide shows similar to PowerPoint presentations. A show might display a copy of a company memo, then enlarge and highlight in yellow the words an attorney wants jurors to focus on.

These interactive shows keep jurors attentive during long trials built on reams of tedious scientific evidence. A recent example: an employee lawsuit against IBM claiming cancer from workplace toxins. The jury trial lasted nearly four months, ending when the tech giant was cleared of liability.

"We're asked to explain these incredibly difficult concepts to a group of jurors who don't necessarily have a college education — or even a high school education," Lopez says.

Animators mostly works for the USA's biggest law firms — those with 500 or more attorneys — on cases where \$50 million or more is at stake. Demand is growing. Animators expects to add 10 workers to its 35 this year. "We can't hire fast enough," Lopez says.

•**Sleuthing.** As companies rely more on e-mail and other electronic communication, lawyers are adopting software to better serve clients. One of the hottest areas is evidence "discovery" software, says Mark Voorhees, senior editor at *The American Lawyer* magazine.

Applied Discovery, started in 1999 in Seattle, lets attorneys search millions of e-mails and their attachments for documents they must give opposing lawyers in the evidence discovery phase. The software has been used in bankruptcy cases, such as that of energy giant Enron, and in the mutual fund probes.

The software is critical because of the volume of documents firms now keep. One Applied Discovery client is working on a case in which attorneys are sifting through 43 million pages of documents.

As electronic discovery demand grows, established companies drawn to the market are bolstering services. For example, LexisNexis, the giant legal and news service provider, bought Applied Discovery last summer.

Business is up. Applied expects to boost its 85-employee staff by as much as 40% this year, says Michele Vivona, chief operating officer at LexisNexis.

•**Net access.** Attorneys at the IBM trial worked in a Silicon Valley courtroom newly equipped with wireless Internet access. Courtroom Connect, a 2001 start-up, installed it so lawyers could stay in touch with their offices.

The company also installed a video camera and microphone so attorneys at faraway offices could monitor the

trial over the Internet through a secure link. That meant lawyers saved time and money avoiding travel to Santa Clara.

Courtroom Connect, with 15 employees, is providing the same services at the New York trial of former Tyco International executives Mark Swartz and Dennis Kozlowski.

The San Francisco company has installed Wi-Fi access in about 20 courthouses, mostly on the East and West coasts. Its service was used during recent hearings over San Francisco's issuance of marriage licenses to gay and lesbian couples.

•**Marketing.** As law firms merge, competition grows — forcing attorneys to be more tech savvy in salesmanship. That was especially true starting in the 1990s, after bans on lawyer advertising were relaxed — upending the market.

"Law firms saw they needed technology as an ally to succeed in this new marketplace," says John Lipsey, spokesman for Interface Software in Chicago.

Interface, a player in the booming social-networking sector, got its 1997 start helping law firms find new clients. A lawyer prospecting a possible customer uses Interface's program to search all of her firm's contact files for partners with connections at the prospect — giving her an edge when pitching her services.

LexisNexis also sells marketing software. Its program searches online court records for companies and their law firms. With that information, attorneys try to pry away a customer from a rival.

Lawyers play key roles at the tech companies, too. They pack their staffs with lawyers so they can better understand client needs.

About a third of Animators' employees are lawyers, including Lopez. About 35 of Applied Discovery's 85 workers are lawyers.

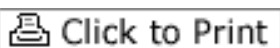
The companies need in-house attorneys so they can better communicate with harried clients who don't have time to explain, for example, the importance of complying with subpoenas.

"We have walked many miles in their shoes," says Virginia Llewellyn, an attorney who is vice president of industry relations at Applied Discovery.

More on the law and technology: Eric J. Sinrod's E-Legal column [runs Thursdays](#) on USATODAY.com.

Find this article at:

http://www.usatoday.com/money/industries/technology/2004-03-10-techlaw_x.htm



[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

Check the box to include the list of links referenced in the article.

