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Amicus Curious

Legal-software firm makes sale in Botswana

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An Illinois legal-software firm has won a contract to outfit a government agency in southern Africa with case management software.

Springfield-based Legal Files Software Inc. is now the vendor for electronic case management for the office of the Attorney General of the Republic of Botswana.

Legal Files Chief Operating Officer Greg O'Connor said that the Botswanans approached his company after searching the Web for legal software companies.

A delegation of staffers from the Botswanan Attorney General's office spent a few weeks in Springfield training on the new software and returned to Africa earlier this month.

Botswana is a sub-Saharan country of about 1.7 million people. It is bordered by South Africa, Zimbabwe and Namibia. It won its independence from Britain in 1966.

O'Connor said that he takes the Botswanans' overtures to be a sign that the legal software industry "is maturing."

"Five years ago, people didn't even know what it was, let alone why they needed it," O'Connor said.

Others agree.

Les Hansen, spokesman for Toronto, Canada-based Gavel and Gown Software Inc., maker of Amicus Attorney software, said that seeing legal research firms like LexisNexis and WestLaw invest in case management software companies is proof that the legal software industry is making its presence felt.

"We view that as a very positive sign that the big guys are starting to take notice," said Hansen, whose company claims to have more than 200,000 customers in 25 countries.

Hansen, O'Connor and others think that the legal software market is at once consolidating and also expanding.

Most of the companies are smallish and still privately held, Hansen said, but they are nimble.

Because so many companies are privately held, information on the size of the legal software market is hard to come by. O'Connor said his company does about \$3 million in business every year and considers itself "one of the top three" software companies.

Hansen and O'Connor add that the U.S. market is still up for grabs, which they say

helps explain the consolidation.

The U.S. is home to some 1.1 million attorneys, the world's largest legal market, Hansen said.

Catherine Sanders Reach of the American Bar Association's Legal Technology Resource Center said that some British and Australian companies sell their software in North America — and it sometimes outpaces domestic companies — but that the U.S. is still the market all the others watch.

"The Australians seem very interested in anything we're doing with software. I get pings from Australia all the time," she said.

The reason so many software companies are interested in the U.S. market may be that it is largely untapped, observers say.

According to results from the latest survey by the Technology Resource Center, American attorneys are still not taking

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advantage of legal software. The 2003 survey reported that:

- While 63 percent of survey respondents had access to redlining software, which allows users to compare different versions of documents, only 40 percent of the responding attorneys used it.

- Forty-eight percent of attorneys had access to generic document assembly software, but only 31 percent of them used it.

- Document management software and knowledge management tools — of the kind now being used in Botswana — were used by only 36 percent and 13 percent of American lawyers, respectively.

O'Connor attributes his company's success in Botswana to the strength of the Internet. Customers worldwide are getting sophisticated in their surfing, he said.

Hansen said that though Gavel and Gown's non-North American trade was "expanding rapidly" for his company, it was still a small slice of the company's business.

Of Gown and Gavel's international business, the majority of it clusters around developed business centers like Hong Kong or Singapore, Hansen said.

Developing countries represent a difficult problem because even when they have enough money to buy legal software, they often lack the computer hardware to support it, Hansen said.

"It's kind of chicken-and-the-egg thing," Hansen said.

O'Connor said that while Legal Files has no long-term strategy for working its way into the African market, it will also not turn anyone away.

"In the last six months or so, we've gotten more inquiries — more leads — from countries outside the U.S." he said.

The global market is especially promising when one considers how many former British colonies such as Botswana, that — like the U.S. and Canada — rely on the English common law, O'Connor said.

Putting together a software package for Botswana's legal system was merely a matter of changing a few required fields — for instance, changing the dates so that it does not read "March 7, 2003" but instead reads, "7 March 2003" and adjusting to the Botswanan mail code system, O'Connor said.

O'Connor said that his company actually has had more difficulty packaging software for clients in Louisiana, which derives its legal system from the Napoleonic Code.

Marvin A. Benn, an equity partner and head of the Intellectual Properties Group at Much, Shelist, Freed, Denenberg, Ament & Rubenstein P.C., said that there is no reason why legal software companies can't have a global reach.

The big breakthrough for legal software came when companies began making their software compatible with Microsoft products, Benn said.

"Many different suppliers can interface with Microsoft now. Everything works. I can get my desktop anywhere in the world," Benn said.

Microsoft is the world's largest software company. It is used in more than 90 percent of the world's computers.

At the same time that the software has grown user-friendly, it has grown programmer-intensive, so that firms can no longer design in-house case management systems and expect them to be anywhere near the level of sophistication as those offered by outside companies, Benn said.

"You can't be a lawyer and design your own software. It's too complicated. You used to be able to, back in the 1980s, because nobody knew how to do it," he said.