20 For 2020: The Legal Tech Trends that Defined the Year

December 30, 2020

Whoa, what the f*&% just happened?

This was a year few of us will ever forget. It brought untold hardships for many and unfamiliar challenges for all of us.

To those who suffered losses of loved ones or illness, to those who lost their jobs or their homes, to any and all who suffered scars this year, I offer my heartfelt condolences.

But in the world of legal technology and innovation, the phrase I heard often repeated this year was "silver lining." It was a silver lining in the form of an accelerant.

The challenge to modernizing the delivery of legal services and our systems of justice, as legal futurist Richard Susskind has observed, is that you can't change the tire on a moving vehicle.

Well, this year brought that vehicle to a screeching halt. Full stop. And then presented the opportunity to reboot.

As never before, we have been forced to rethink how legal services are delivered and how justice is administered.

Not only have we been forced to rethink, but we have been forced to act.

The silver lining of 2020 is that we have been forced to consider changes that were long overdue and then given the opportunity to implement those

changes.

We will all be beneficiaries of these changes – but those who will benefit the most are those the legal system is meant to serve.

So in this year of tragedies and challenges, silver linings and opportunities, here are my candidates — in no particular order — for the year's top 20 developments in legal technology and innovation.



1. Technology became a lifeline.

Overnight, our businesses were upended. We were shut out of our offices, shut off from our colleagues and clients, and effectively locked down in our homes. Business as usual could continue no more.

Overnight, technology transformed from a tool to a lifeline, from a nicety to a necessity. Those among us who were already technologically astute took their use of technology to an even higher level. Those who were less advanced in their use of technology had no choice but to accelerate their adoption.

The pandemic has forever changed the legal industry's relationship with technology, for the better. I have written for years about the ethical duty of technology competence and about how slow – even resistant – many lawyers have been to becoming competent.

But no longer is technology optional. This year, technology competence

became a survival skill. No longer can legal professionals stay afloat without the lifeline tech provides. The legal industry is not yet where it should be in use of technology, but 2020 pushed it forward by leaps and bounds.



2. WFH redefined the workplace.

At first, forced shutdowns of legal offices seemed unthinkable and unworkable. But then a funny thing happened. Some legal professionals found that they kind of liked working from home. And many law firms and legal departments realized they could carry on quite nicely, thank you, even with their workers dispersed and remote.

Rent is a law firm's second-biggest expense, after salaries. Estimates say it generally eats up 6-15 percent of gross revenue, depending on the size of the firm and the location of its offices. Well before the pandemic, many firms were already looking to reduce their physical footprints as a way of cutting expenses, and technology increasingly made that possible.

But now, thanks to 2020, we are comfortable meeting clients and colleagues via video. We've cut out commuting to find more hours in our days. We are home for dinner with our families and to help our kids with homework.

Practicing law is a profession, not a place. With technology, where we practice hardly matters, neither to us nor to our clients. The physical office will not implode anytime soon. But its footprint will dramatically shrink, I believe, and its purpose evolve from a place of full-time work to one of part-

time convenience.



3. Courts finally answered the wake-up call.

Three months before the coronavirus forced the shutdown of courts across the globe, legal futurist Richard Susskind seemed to prove his prescience with the publication of his latest book, *Online Courts and the Future of Justice*. Modernizing courts must be gradual, he wrote, because "you can't change the wheel on a moving car."

Then came the pandemic, blowing out all four tires and seizing the transmission.

It was a shock to the justice system but also a wake-up call. For courts, the wake-up call to modernize has been ringing off the hook for years. This year, they had no choice but to pick up the phone.

The "poster judge" of 2020 may have been <u>Scott U. Schlegel</u>, who, as chair of the <u>Specialty Treatment Courts</u> in Jefferson Parish, La., manages what may be one of the most advanced courts in the country for delivering justice online. Remarkably, as he described on my <u>LawNext podcast</u> in April, he does it almost entirely with off-the-shelf software he cobbled together himself.

While Judge Schlegel had started putting his courts online even before the pandemic, other courts had to scramble to catch up. Notably, they did an admirable job of it, given how quickly they had to act and how unfamiliar

was this new territory of dispensing justice online. Of course, they still have a long way to go.

Most importantly, the changes courts have been forced to initiate this year will endure beyond the pandemic and change how courts operate forever, and for the better. This was forcefully expressed way back in May, by a letter to members of the bar from the chief justices of all the Massachusetts courts, including Ralph D. Gants, the chief justice of the Supreme Judicial Court, who tragically <u>died in September</u>. They wrote, in part:

"Long before the pandemic, we recognized that the civil courts of the future would need to resolve an increasing number and range of matters without burdening attorneys, litigants, and witnesses with the need to come to a courthouse. By doing so, we would enable attorneys to reduce the time (and therefore the cost) devoted to litigation, spare self-represented litigants from the need to miss work or find child or elder care, and allow civil disputes to be resolved equally thoughtfully but more efficiently.

"Before the pandemic, we expected that it would take years to make substantial progress in this regard; with the pandemic, we have made substantial progress in just a few months. Therefore, even when this pandemic is behind us, we do not believe we will or should go back to doing things as we did in February. We are, more quickly than many thought we could and with some stumbles along the way, creating a more modern and efficient court system that will survive after the pandemic has passed."

The pandemic does not mean the end of courthouses. But it does mean there is no going back to the old ways, and it does mean the beginning of a new era of modernization for the courts that will better serve all who traditionally entered those courthouse doors – and some who never did.



4. Legal tech conferences learned the stages of grief.

In her seminal 1969 book, <u>On Death and Dying</u>, psychiatrist Elizabeth Kübler-Ross outlined the five stages of grief:

- Denial.
- Anger.
- Bargaining.
- Depression.
- Acceptance.

Her outline well describes what happened this year with producers of major legal tech conferences. At first, many of them seemed to be <u>in denial</u>, holding off from publicly cancelling their physical events. When cancellations become inevitable, no doubt there was anger – although they hid that well – and most certainly their was bargaining, as they sought dispensation from major hotel and conference venues.

The depression arrived as they came to realize they could never replicate online the experience of a physical conference – neither for the attendees nor for the exhibitors whose booths and sponsorships help pay the bills. But sooner or later, they accepted what they could not change, and went on to produce virtual versions of their physical events.

Perhaps the best we can say of these virtual conferences is that they were valuable learning experiences for all of us. Yes, there were many superb programs presented. Yes, many conference organizers did yeoman's work

of jury-rigging virtual events. And, yes, virtual conferences enabled broader attendance by many who could never get to the physical version.

But if we were to be honest, we'd all admit the overall experience left us feeling a bit shortchanged. For attendees, these virtual events lacked the serendipity of a live conference's encounters and acquaintances. For vendors, they lacked the engagement of face-to-face meetings and the spotlight of ritzy sponsored events.

Here again, however, it is likely that 2020 will forever change conferences and how we present and attend them. Organizer after organizer has told me that, even after the pandemic subsides, they expect to always include some virtual component in their conferences. We've learned that virtual connections and presentations can, in fact, enhance, if not replace, the traditional physical conference.



5. Regulatory reform got real.

In a perfect-storm-style confluence of events, 2020 brought major advances in regulatory reform – advances that came about independent of the pandemic, but that could not have been better timed, as the pandemic exposed the fundamental weaknesses in the delivery of legal services and the administration of justice and the dire need for reform.

In a historic vote in August, the Utah Supreme Court <u>approved sweeping</u> <u>changes</u> in legal services regulation in that state. It created a two-year pilot of a regulatory sandbox — a regulatory body under the oversight of the

Supreme Court, to be called the Office of Legal Services Innovation, whose charge is to license and oversee new forms of legal providers and services.

The changes, the Utah court said, would enable individuals and entities to explore creative ways to safely allow lawyers and non-lawyers to practice law and to reduce constraints on how lawyers market and promote their services.

Two weeks later in Arizona, <u>that state's Supreme Court went even farther</u>, becoming the first state in the nation to completely eliminate the ban on nonlawyers having economic interests in law firms and the prohibition on lawyers sharing legal fees with nonlawyers. Those changes take effect Jan. 1.

"The Court's goal is to improve access to justice and to encourage innovation in the delivery of legal services," Chief Justice Robert Brutinel said. " ... These new rules will promote business innovation in providing legal services at affordable prices."

Understanding, as we now do, how deeply the justice system demands modernization, regulatory reform will help enable us to achieve that.



6. On-premises software withered on premises.

In the great migration to working from home, a few things got left behind and forgotten in the office. Chief among them was on-premises software. The legal profession's move to the cloud has been plodding. In my 2018 year-end review, I opined that we had finally reach the point of the legal profession's general acceptance of the cloud as something to embrace, not fear. That was the year that marked the 10th anniversaries of the launches of Clio and Rocket Matter, the first two practice management applications to launch in the cloud.

Last year, in my review of the decade in legal tech, I carried that point further, writing that we had come 180 degrees in our use of the cloud, and that what started the decade as still an outlier technology ended the decade as the core of most law practices.

Now, to the extent on-premises software retained any viability, 2020 has snuffed it out. One dramatic example of this came in October, when Intapp, a major provider of business applications for larger law firms and financial services firms, said that it would transition to cloud software exclusively and launch all new customers only on its cloud platform.

If we accept the premise that 2020 has permanently spawned a moredistributed and mobile workforce, then on-premises software no longer has relevance or usefulness. The software that enabled us to survive 2020 was in the cloud, and the software of the future will continue to be in the cloud.



7. Legal professionals learned to pivot.

I don't know how many times I've read that getting law firms to change is as slow and cumbersome as turning an aircraft carrier. But then <u>I read</u> that, in

fact, an aircraft carrier can pivot 180 degrees in just 3-5 minutes. This year showed us that law firms, too, can quickly pivot when need be. And it wasn't just law firms, it was the entire legal profession.

Examples of some of these pivots are on my blog and podcast. I wrote about how the global law firm DLA Piper was able to move over 3,000 staff to working from home in just 36 hours. I was a live witness to events on March 12 as <u>Brigham Young University Law School</u> made the decision to close down live classes, send students home, and teach the remainder of the semester online, as documented in this <u>March 16 LawNext</u>.

Bar associations also pivoted. By April 30, the American Bar Association, through its <u>Disaster Legal Services Program</u> and <u>Paladin</u>, a justice tech company specializing in pro bono software, <u>responded to the coronavirus crisis</u> by launching the first national <u>Disaster Relief Pro Bono Portal</u>.

In New York, the state bar took just two weeks to respond to a request from Gov. Andrew Cuomo to help with the expected onslaught of unemployment claims, <u>launching a website</u> to help those who need unemployment assistance, again with help from Paladin and also practice management company Clio (as described in another <u>LawNext episode</u>).

In fact, it should be noted that Paladin deserves singular kudos for its work in 2020, helping to launch not just the ABA and New York portals described above, but also pro bono portals <u>in Wisconsin</u> and <u>in Oklahoma</u>.

These are only a few examples of how the legal industry this year demonstrated its ability to pivot and be agile in the face of crisis and need. When the industry is forced to act, we now know, it can do so on a dime.

Having now proven it can be agile, the legal industry now has no excuse not to continue apace.



8. The bar exam flunked.

It befuddles me that anyone truly believes that the bar exam is any measure of one's competence to practice law. It seems to me that we continue with it only because we cannot agree on an alternative.

But if the bar exam was already a failing system, then this year it completely flunked out. No doubt, there are many reasons why the bar exam failed to make the grade in 2020, but a big one was technology.

The latest example of this came just last week, as we learned that more than a third of those who sat for the California bar exam in October, which used the ExamSoft testing software, had their proctoring videos <u>flagged for possible cheating</u> – 3,190 out of 8,920 total test-takers, or nearly 36%.

"[R]emote proctoring software is surveillance snake oil – you simply can't replicate a classroom environment online, and attempting to do so via algorithms and video monitoring only causes harm," said the <u>Electronic Frontier Foundation</u> of this news.

And then there was the woman who <u>went into labor during the Illinois bar</u> <u>exam</u> but was unable to leave her seat because of the exam software's prohibition against breaking eye contact. She was able to finish her essays before going to the hospital, where she gave birth less than five hours later. (BTW, <u>she passed</u>.)

The problem here was no so much faulty technology as it was a faulty

system that technology could not fix. Rote regurgitation of memorized rules under the stern eye of a proctor, whether done in person or on camera, should not be the measure of a lawyer.

In May on my <u>LawNext podcast</u>, I interviewed <u>Jennifer L. Mnookin</u>, dean of <u>UCLA Law School</u>, who, along with <u>Erwin Chemerinsky</u>, dean of <u>UC Berkeley Law School</u>, wrote an op-ed in <u>The National Law Journal</u> urging states to provisionally license law school graduates, without a bar exam.

I'm no expert, but that kind of approach – some sort of provisional licensing and mentoring – makes a lot more sense to me. I don't know what the right answer should be, but I do know that what happened this year wasn't it.



9. Investments and acquisitions continued apace.

One aspect of legal technology that seemed undaunted by the pandemic was investments. In my decade-end post last year, I wrote about the accelerating influx of investments in legal technology. I noted then that the tally for investment in legal technology was likely to surpass \$1.5 billion – a remarkable number considering that was the total investment in legal tech for all of the decade's first seven years.

This year saw that trend continue with any number of major investments in and acquisitions of legal technology companies. Just this month brought news of two major investments, with Ironclad, the San Francisco-based digital contracting platform for legal departments, raising at least \$100 million in a Series D funding round at a post-investment valuation of more

than \$950 million, and e-discovery company <u>DISCO</u> completing two fourth-quarter rounds of <u>financing totaling \$100 million</u>, bringing total investment in the company to \$235 million and valuing the company at \$785 million.

But in 2020, the investment story distinctly tracked along two dominant themes. One was the ever-increasing flow of investment capital into legal tech companies that focus on contract management and automation. The other was the surge of interest in practice management technology and, as a subset of that, e-payments technology.

On the contracts side, in addition to Ironclad, other notable investments this year included: \$45 million in Agiloft, \$44 million in SirionLabs, \$20 million in LawGeex, \$5 million in Juro, \$3.2 million in BlackBoiler, \$3 million in LexCheck, and \$3 million in Malbek.

The year also saw Onit acquire two contracts-related companies in the span of a month: acquiring_AXDRAFT, a company whose software automates the creation of routine contracts and legal documents, just a month after it_acquired_McCarthyFinch, the New Zealand company whose Al-driven contract management software helped automate contract reviews and approvals.

Similarly, document technology company <u>Litera</u> this year <u>acquired</u> <u>Bestpractix</u>, an Israel-based company with a platform for contract review, negotiation and drafting.

With regard to the spate of practice management investments and acquisitions, I wrote about this at <u>Above the Law</u>, speculating that the pandemic was a key factor behind them. Over the course of roughly a month, during September and October, private equity firms made four major investments of practice management companies, starting with the purchase of <u>MyCase</u> by private equity firm <u>Apax Partners</u> for a whopping

\$193 million in cash.

Following that <u>came news on Sept. 22</u> that ASG LegalTech, the company that owns cloud practice management platforms <u>PracticePanther</u>, <u>Bill4Time</u>, and <u>MerusCase</u>, had acquired <u>Headnote</u>, the online payments platform that provides e-payments and accounts-receivable management for law firms.

Then, on Sept. 24, we learned that the practice management company Rocket Matter had been acquired by the private equity firm Lightyear Capital LLC, making it part of a new company, ProfitSolv, that also includes two other recently acquired companies, TimeSolv, a provider of cloud-based legal billing and timekeeping software, and ImagineTime, a practice management and payments company serving accounting and other professional services firms.

The final <u>investment came Oct. 6</u>, when <u>Actionstep</u>, a cloud-based practice management system founded in New Zealand and with a significant presence in the U.S., received an investment from <u>Serent Capital</u>, a San Francisco private equity firm focused on investing in high-growth technology and services businesses.

Also worth noting is that, while not acquisitions, two other practice management platforms debuted this year: <u>Lexicon</u>, which <u>launched June 1</u>, and <u>Xira</u>, which I <u>wrote about in November</u>.

These companies shared two critical characteristics that became critical during the pandemic: They were all cloud-based and they all related to e-payments. While ASG LegalTech's acquisition of Headnote is the most direct example of this, both MyCase and Rocket Matter offered their own, proprietary e-payments, and Rocket Matter had earlier this year <u>acquired</u> <u>LexCharge LLC</u>, a payment processing company that specialized in handling

payments for legal professionals.



10. Zoom blasted off.

Since March, Eric Yuan, the founder and CEO of Zoom, has <u>reportedly made</u> <u>over \$12 billion</u> and now ranks among the 400 richest people in America. I can confidently say I contributed to those billions, in my own small way, as I am sure many of us did. I might even say he deserved it, as Zoom seemed to do everything right while competing companies faltered. (Yes, Skype, I'm talking to you.)

Zoom became conference room, meeting room, classroom, lunchroom, and even happy hour room. It brought us together virtually when we could not be together physically.

But Zoom was not the only video technology used by legal professionals in 2020. Early on in the year, <u>Legaler</u>, a company that specializes in secure online video meetings for lawyers and clients, offered its platform free to solo and small-firm lawyers to help them during the pandemic.

The year also brought several new platforms for conducting depositions remotely, including <u>Prevail Legal</u>, <u>launched in August</u>; <u>Steno</u>, a court reporting agency that also offers its own <u>video conferencing technology</u> for remote depositions; and <u>vTestify</u>, a cloud-based platform <u>specifically</u> <u>designed</u> for conducting depositions remotely.

The question now is what will become of our newfound reliance on virtual

meetings. My bet: Now that we are all comfortable with them, we are not likely to dispense with them.



11. We all became producers.

One of the quirky side effects of our year of living at home, isolated from our colleagues, was that many more of us became producers – producers of podcasts, of video programs, and even of conferences.

I've lost track of how many law-related podcasts launched this year. But one uniquely-2020 subgenre was the daily legal podcast.

We were barely into our long year of seclusion when <u>Greg Lambert</u>, chief knowledge services officer at Jackson Walker, on March 23 launched <u>In Seclusion</u>, a daily podcast miniseries about the new default for the legal industry of working from home. Just a day later, <u>Jack Newton</u>, cofounder and CEO of Clio, launched a daily podcast of his own, <u>Daily Matters</u>, eventually producing 101 episodes. Not to be outdone, <u>Laurence Colletti</u>, producer at the Legal Talk Network, launched <u>Legal Talk Today</u>, a "dailyish" show covering legal issues.

Perhaps the legal tech world's most ambitious production initiative of the year also came in March. In response to what it saw as increased demand for quality content, the document-automation company Litera launched Litera.TV, providing three hours a day of live programming on a range of legal topics and with a variety of hosts – me among them. During the ILTA>ON conference in August, Litera took it a step further, providing eight

hours a day of live conference coverage (again with me as one of the two "anchors," along with <u>Caroline Hill</u> of Legal IT Insider).

Even as traditional conference producers all transitioned to virtual events, the relative ease of staging an event online prompted some newcomers to become conference producers. Among them year were the Lawyer+Mom+Owner Virtual Summit, produced by Carolyn Elefant, publisher of the blog MyShingle.com, and Jeena Belil, New York personal injury attorney; Alt Legal Connect, produced by the trademark docketing software company Alt Legal; Bankruptcy Week, produced by NextChapter, the cloud-based bankruptcy platform owned by Fastcase; and Rocket Aid, produced by practice management company Rocket Matter.

For my own part, in addition to continuing with my weekly podcast LawNext, which features the innovators and entrepreneurs who are driving what's next in law, I launched a weekly roundtable of legal tech journalists, called Legaltech Week. I've been honored and thrilled to be joined in that by a case of regulars composed up of Nicole Black, legal technology columnist and legaltech evangelist at MyCase; Stephen Embry, publisher, TechLaw Crossroads; Caroline Hill, editor in chief, Legal IT Insider; Victoria Hudgins, reporter for Legaltech News; Victor Li, assistant managing editor of the ABA Journal; Molly McDonough, media consultant, former publisher and editorin-chief of the ABA Journal; Joe Patrice, editor, Above the Law; and Zach Warren, editor in chief of Legaltech News.

Credit for LawNext and Legaltech Week also goes to my producer, <u>Ben Ambrogi</u>, founder of the podcast production company <u>Populus Radio</u>.



12. The legal hierarchy flattened.

Back in June, for my aforementioned Litera TV show, I <u>interviewed Melissa J. Speidel</u>, director of the Business Transformation Office at the global law firm <u>K&L Gates</u>. She talked about the firm's efforts to build a culture of innovation, and about how one aspect of that was to recognize that everyone in the firm was critical to its success. In furtherance of this, the firm banished use of the phrase "non-lawyer," replacing it with "allied professional."

The legal profession in general, and law firms in particular, have traditionally been organized in a hierarchical, pyramidal structure, with lawyers at the top and partners at the pinnacle. But in recent years, there has been increasing pushback against the lawyer/non-lawyer dichotomy, recognizing the latter as demeaning and demoralizing.

This year, something unprecedented happened. We were suddenly all stripped of the artifices that helped bolster this hierarchy. No longer were lawyers behind fancy desks in ornate corner offices. No longer were support staff in windowless cubicles. We were all in our makeshift home workspaces, with kids crawling over our laps and dogs barking in the background.

Person after person has told me this year that this has brought about a leveling among legal professionals. And it is not just that we are all equals on the Brady Bunch array of a Zoom call, but that working from home has made us all better appreciate the work done by and the contributions of the others in our organizations.

Perhaps this is short term and situationally induced, but I think this year has made us all appreciate that legal organizations of every size and type are made up of a variety of roles and individuals, and that each plays a critical role in the success of the overall operation.



13. Diversity demanded action.

In 2020, their names, tragically, became iconic: George Floyd, Breonna Taylor, Ahmaud Arbery. Floyd's desperate final pleas, "I can't breathe," became a haunting symbol of our nation's legacy of racial injustice and the slogan of the Black Lives Matter movement.

It cannot be denied that the legal profession, through its lack of diversity, has been complicit in perpetuating racial injustice and inequality. This is true, as well, of the legal technology industry, where a 2018 study found that Blacks make up only 2.3 percent of legal tech founders and Latinx only 3.1 percent.

In 2020, a handful of legal tech companies made themselves part of the solution:

 <u>Launched late in 2019</u>, <u>Legal Innovators</u> is an alternative legal services provider that provides top legal talent to law firms and legal departments, but that does so in a way that makes diversity and inclusiveness a top priority.

- In October, <u>SixFifty</u>, the technology subsidiary of the law firm <u>Wilson</u> <u>Sonsini Goodrich & Rosati</u>, <u>launched a tool</u> designed to help organizations develop and implement diversity and inclusion plans.
- In November <u>came the launch</u> of <u>Anü</u>, a company that uses AI to match startups with the lawyer best suited to represent them, and which puts a particular focus on diversity by helping diverse founders get the right legal help and encouraging the hiring of diverse law firms.

Commendable as were these initiatives, my sense is that the legal profession as a whole, and the legal tech industry specifically, made little progress in 2020 towards enhancing diversity, and may even have taken a few steps backwards. As a profession and as individuals, I believe, we must make equality our top priority going forward.

As I wrote <u>earlier this year</u>, the greater the diversity in legal tech, the more we all stand to benefit, whether we are developers of products or purchasers, whether we are those who deliver legal services or those who receive them. And we can all play a role in helping to make greater diversity a reality.



14. Marketplaces multiplied.

Well, ain't that a coinkydink? Late in 2020, all of a sudden and within the span of roughly a month, we saw the launch of three marketplace-style websites created to help legal professionals sift through the clutter and

cacophony of competing legal tech products.

First came the <u>Legaltech Hub</u>, a website that aims to be the most complete global directory of commercial legal tech worldwide, launched by the husband-and-wife team of Nicola Shaver and Chris Ford. That was followed in short order by Orrick Herrington & Sutcliffe's launch of <u>The Observatory</u>, a directory of more than 600 legal technology products, followed soon after by Thomson Reuters' <u>beta launch</u> of its <u>Thomson Reuters Marketplace</u>, an online store where users can research, demo, and buy products and services.

Also somewhat quietly launched this year, with plans to go bigger in 2021, is <u>Theorem</u>, which is a marketplace as well as a platform and workflow engine for law firms and legal departments.

This spate of marketplace launches comes in a year that already saw the <u>formal launch</u> last January of <u>Reynen Court</u>, the so-called app store of law, whose mission is to make it easier for law firms and legal departments to adopt and manage modern cloud-based software applications without having to trust firm or client content to the rapidly growing universe of vertically integrated SaaS providers.

And, while not a marketplace, also related is the launch by legal industry veterans <u>Joe Borstein</u> and <u>Paul Stroka</u> of <u>LexFusion</u>, a company aiming to change the paradigm for how law firms and legal departments purchase technology by acting as the go-to-market representative of a collective of pre-vetted legal tech companies.

There is no coincidence in these launches. Rather, they reflect the evergrowing breadth and diversity of the legal tech market and the ever-greater challenge that presents for consumers of legal technology to select the right product. The legal tech market has exploded in recent years, and these marketplaces all aim to help legal professionals make sense of it.



15. Cybersecurity stumbled.

Early in 2020, a new round of ransomware attacks <u>began targeting law</u> <u>firms</u>. In some cases, the attackers, seeking to extort payment from the firms, began posting confidential client data online, gradually increasing the release of data until the firm paid up.

Then in March, this blog <u>broke the news</u> that <u>Epiq Global</u>, the international e-discovery and managed services company, had taken its systems offline globally after becoming the target of a ransomware attack. It would be nearly a month before the company was able to fully restore all of its systems, its CEO David C. Dobson <u>later told me</u>.

Throughout 2020, ransomware attacks continued against law firms and legal organizations, but possibly the most notorious was in May, when an attack https://doi.org/10.2016/journal.com/ that represents superstar musicians such as Lady Gaga, Elton John and Madonna, and the attackers began posting celebrities' legal documents online.

An organization's cybersecurity is only as strong as its weakest link, and with individuals throughout the legal industry working from home during 2020, those weakest links became even more vulnerable.



16. Briefs got brains.

This was the year that briefs got brains.

One of the most intriguing legal tech products introduced this year is Compose, from the legal research company Casetext. The first of its kind, it helps automate the creation of the first draft of a litigation brief, significantly cutting the time the draft would normally take.

When he <u>introduced Compose in February</u>, Casetext cofounder and CEO Jake Heller said the product was "poised to disrupt the \$437 billion legal services industry and fundamentally change our understanding of what types of professional work are uniquely human."

Over the course of the year, Casetext added new subject areas to Compose, including briefs for employment law and products liability. In October, it introduced an add-in for Microsoft Word that allows automated brief drafting directly within documents on their desktops.

Another product <u>introduced this year</u> that helps make briefs smarter was Quick Check Judicial from Thomson Reuters. Designed for judges but available for any Westlaw Edge subscriber, this AI brief-checking tool helps judges understand and validate the briefs submitted in their courts.

Quick Check Judicial is a variation on Quick Check, introduced by TR in 2019, and is in the vein of a line of brief-checking products that trace their heritage back to Casetext's CARA.

One other related development in 2020 <u>was the acquisition</u> by legal publishing company <u>Fastcase</u> of the innovative legal research platform <u>Judicata</u>. Among the core Judicata products that Fastcase acquired is <u>Clerk</u>, a tool that <u>analyzes the strengths and weaknesses</u> of legal briefs and predicts the legal outcomes they will produce.



17. Legal news made headlines.

Just as the news industry broadly has struggled financially in recent years, so too has the legal news industry, with long-standing print publications disappearing and editorial staffs getting cut back. Yet, counter to this trend, 2020 saw the launch of three new services for legal news.

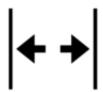
In January, the legal research and publishing company Fastcase launched Law Street Media, a free legal news service that leverages both case law from Fastcase and docket information and analytics from Docket Alarm, the docket search platform Fastcase owns.

Soon after <u>came the launch</u> by legal and business news company <u>ALM</u> – publisher of <u>Law.com</u>, <u>The American Lawyer</u>, <u>Corporate Counsel</u>, and <u>other legal publications</u> – of Legal Radar, also delivering news drawn from court dockets, but with a unique twist. Its summaries of PACER news are generated algorithmically, rather than by human editors.

Last month, ALM <u>brought Legal Radar out of beta</u>, renaming it as <u>Law.com</u> <u>Radar</u> and adding news of corporate transactions to the litigation news it already included.

Possibly the most ambitious launch came in July, when Thomson Reuters quietly introduced its Westlaw Today, a premium legal news service driven by its Reuters news division and available only to subscribers of Westlaw and Westlaw Edge for an additional cost. TR hired a number of legal news editors, reporters and columnists for the new service, which was rumored to be the first phase of a larger initiative on par with Law360 from LexisNexis.

All three of these services help legal professionals better track the developments that matter to their practices and their clients.



18. The justice gap widened.

One area in which there were no silver linings to be found in 2020 is in access to justice. If anything, the pandemic has widened the justice gap, as legal woes multiplied around issues of unemployment, housing, medical debt, immigration and domestic violence.

In 2016, the American Bar Association's <u>Report on the Future of Legal</u> <u>Services in the United States</u> issued a call for the legal profession to work towards ensuring 100 percent access to effective assistance for essential civil legal needs, regardless of ability to pay.

In a recent <u>LawNext episode</u>, I asked <u>Andrew Perlman</u>, Suffolk Law dean and vice chair of the commission that issued that report, whether he thought we had made progress towards that goal in the four years since. "I'm not sure that we have," he answered, "at least not yet and not in a

meaningful way."

An <u>ABA report in July</u> highlighted one aspect of the justice gap that has received little attention, that of legal deserts – large swaths of the country that have few or no lawyers. Of 3,100 U.S. counties, the report documented, 54 have not a single lawyer, and another 182 have just one or two lawyers.

The true impact of the pandemic on the poor has yet to be seen, but there is little question that the legal consequences will be enormous, further straining a system that was already unable to meet most legal needs.



19. ALSPs and the Big Four made inroads.

Anecdotal reports indicate that the pandemic has driven more corporations and law firms to employ alternative legal services providers, Victoria Hudgins reported earlier this year at <u>Legaltech News</u>. "I think with COVID we're all evaluating how we work and how we can overall ensure we're being efficient internally as well as for our clients," Taft Stettinius & Hollister chief information officer Andrea Markstrom told Hudgins.

But while there has been some uptick in outsourcing to ALSPs, it has been far from universal, Hudgins writes. That squares with what I have been hearing anecdotally. Across the board, it seemed, business dropped off in the first quarter for law firms and ALSPs alike. But as clients adapted to the "new normal" and some parts of the economy picked up, so too did legal work.

The result was that there was no across-the-board trend for ALSPs in 2020. Some did fairly well. Some struggled. And they also faced competition from a new front, as Big Four professional services firm Deloitte <u>launched its</u> <u>Legal Business Services practice</u> in the United States, offering legal management consulting and legal managed services for corporate legal departments.

Of course, this was also the year that saw the <u>final demise of Atrium</u>, the \$75 million company that had vowed to "revolutionize legal services."

Yet this might also be the year that best highlights the value proposition ALSPs offer. Offering distributed services that can be rapidly scaled up or down, and adaptable to specific projects or general staffing needs, they are well suited to times that demand flexibility in deployment and cost.



20. Innovation accelerated.

In this most difficult and challenging of years, and amid all these other developments, an odd thing happened within the world of legal technology: Innovation accelerated.

I cannot cite you hard data to prove this. I speak from what I observed and what I heard from others. But in a year in which we all hunkered down in our private spaces, it seemed that many put that time to good use.

Never in my years of covering legal technology do I remember seeing so much activity in a year – new products launched and existing products

refined or enhanced. My only regret is that I have not been able to find enough hours in a day to cover them all.

I started this post talking about silver linings. From the standpoint of legal technology development and innovation, there is no denying that, in the *annus horribilis* that was 2020, the silver lining was the acceleration of innovation.



Honorable Mention: Generosity

I could not end this post without recognizing the many law-related companies that responded to the coronavirus crisis by offering free access to their products and services to legal professionals and others in need. Early in the year, I began to compile a list of these, and that <u>list still exists</u>, even though some of the offers may now be out of date. I will not name all these generous companies here, but you can find them listed there.

While so many companies were generous this year, a special shout-out goes to practice management company <u>Clio</u>, which responded rapidly to the crisis by <u>committing \$1 million to a disaster relief fund</u> to help the legal community navigate the challenges and hurdles presented by the pandemic.