CMS READY TO COME OUT FIGHTING IN 2001

After one of its grimmest years to-date, thanks to senior staff departures in the UK and board level problems within its parent company Solution 6 - Neil Gamble described it as “an eventful year” - legal practice management vendor CMS has spent the last couple of months refocusing its UK and European organisational structure to strengthen its sales, support and implementation teams.

In exclusive interviews with both CMS president Cynthia Sessions in Florida and Neil Gamble, the CEO of Solution 6 Holdings in Australia, the Insider has learned that while there were some “management issues” that needed tackling, including a “too high” cost base in the UK, after a full review of the entire Solution 6 empire, CMS has emerged as one of the most well run and profitable “jewels in the group’s crown”.

“The problems are behind them now,” said Gamble, “CMS is profitable and we are talking about growth (the Insider understands a number of “substantial” new contracts have been signed but not yet announced). Users can be confident that CMS is not for sale, in fact we are planning to enter into other time-based professional markets besides law and accountancy.”

Turning to the future, Gamble said that while he favoured a more “measured approach” to ASP than some of his predecessors, he still saw an ASP business model being a success in the long term because of the potential benefits it can offer. In the meantime the next major innovation from CMS will be a web enabled version of the product.

The Insider has also learned that although CMS has no plans to develop its own case management system, it is investigating the scope for forming best of breed integration relationships with a number of specialist case management software companies.

FIVE IN FINAL LINE UP FOR SCL AWARD

Following a record number of entries, five have been lined up as finalists for this year’s Society for Computers & Law IT award. The five are: Perceptive Technology with its Mentor knowledge and “intellectual capital management” system; Interface Software with IRIS, its new XML-based knowledge management product; Ferret Information Systems with its new BAMM benefits rights system; the online CPD seminar courses run by 2Ends; and a consortium comprising ICL, NICLR, Legal Technologies, Smith Bernal, MK Audio, Toptel and Ramick, which between them put together the technology and services being used to support Lord Saville’s Bloody Sunday Public Inquiry in Londonderry.

The winner will be announced at an awards ceremony at The Law Society in London on 22 January. This year’s award will be presented by David Lock MP, the Parliamentary Secretary at the Lord Chancellor’s Department. There will also be a small exhibition showing all the finalists’ products. To book a ticket phone the SCL on 01179 237393.
TIME RUNNING OUT FOR SMALL FIRMS?

Never mind the old adage ‘get a niche, get big or get out’, one of the more sombre messages to come out of the recent APIL (Association of Personal Injury Lawyers) conference in Harrogate was that time may have already run out for sole practitioners and very small firms hoping to modernise in order to survive.

Allan Carton of Practical Solutions said firms hoping to take advantage of the move towards online conveyancing had probably left it too late if they did not already have a web and online services strategy in place. Marketing consultant Kim Tasso said it was no longer enough to have a niche, firms now also needed substantial marketing budgets in order to promote that niche. And Ian Walker, of Russell Jones & Walker, warned that unless they started sharing resources with like minded practices, many firms would be unable to afford the IT systems needed to improve productivity and manage franchises.

There was more bad news for small firms in the Financial Benchmarking Survey 2000, which has just been published by the English Law Society’s law management section in conjunction BDO Stoy Hayward.

The report found that the majority of practices in the 132 firm sample had a ratio of between 1.25 and 1.5 support staff for each fee earner and were on average spending less than one percent of their gross fee income per year on training. On the marketing front the average figure was a slightly more presentable 1.4 percent of their gross fee income, while the average annual IT spend on both hardware and software per fee earner was just £1364, with a quarter of firms spending less than £700 a year.

Call Louise Holmes on 020 7316 5707 for copies of the report, price £58.75.

NEW FACES FOR 2001

Two new names have just announced their intention to break into the UK legal systems market in the new year.

The first is e1 Business (01962 829750) which has a marketing and client relationship management system called SalesLogix2000 which it reckons will give Interface’s InterAction a run for its money. The system has an entry level price of around £25,000 and has already notched up its first success in the legal sector, winning an order for a practice wide implementation at Irwin Mitchell in Sheffield.

The second new face is Meticulus Solutions (01249 700050) which is planning to enter the market with a “high function, cost effective document management system aimed squarely at small and medium sized legal firms”. Meticulus chairman Gordon Olson, who previously founded the Kinesis DMS business, says an ASP version for firms with 20 or less staff will also be launched in 2001.

NEWS IN BRIEF

PLYMOUTH FIRM BUYS PERICOM

Plymouth solicitors Gill Akaster has ordered the Epitome Office Management system from Pericom Legal Services (01908 265533) in a deal which, including software and associated hardware, is worth nearly £200,000. Pericom general manager David Amies said a key factor that helped win the deal from under the noses of better known competitors was that Pericom can offer all products and support services - even ongoing maintenance of the firm’s existing hardware - from one source.

MORGAN COLE MOVES TO MILES

Morgan Cole has just gone live with an 850 seat, practice-wide implementation of its new practice management and accounts system. Previously running the old Admiral LegalMIND product, the firm has now moved to the Miles 33 Precedent system. Morgan Cole has also been rolling out a new workflow and knowledge management system based around Perceptive Technology’s Mentor product and Metastorm’s e-work system.

LIBRARY SYSTEM AT EVERSHEDS

Eversheds has chosen the OLIB7 library management system from Fretwell Downing Informatics (0114 281 6040) as part of a project to upgrade its information service operations which now support library facilities in 15 offices across Europe. OLIB7 will be available on a 24/7 basis to fee earner desktops. In the longer term OLIB7 will become a key source within Eversheds’ new knowledge management system. OLIB7, which incorporates the full Legal Information Resources (LIR) thesaurus, is also in use at Osborne Clarke.

LIBRARY SYSTEM AT EVERSHEDS

HOPING TO IGNITE THE WEB

Scottish firm Maclay Murray & Spens has ordered the BT Ignite range of security products to provide a secure email facility. The new system, which can handle digital signatures and encryption, is fully compatible with the firm’s current Microsoft Outlook email software thereby minimising staff training requirements.
THINKING OUTSIDE THE TRADITIONAL BOX

Elsewhere in this issue we report on concerns that many smaller firms may be missing out on the benefits of modern IT because they cannot afford to buy new systems. But there are alternatives available to the ‘one firm buys one system’ approach.

For example the Pfeffer Group, which is actually a consortium of independent firms based at 13 offices in the Greater Manchester area - Graham Leigh Pfeffer is the largest single practice, have clubbed together to benefit from the economies of scale and are now sharing a number of IT resources, including accounts and case management software from Avenue Legal Systems.

Meanwhile, at the other side of the Pennines in Keighley, sole practitioner Andrew Holland is about to go live with an ASP (application service provider) solution supplied by Viddess Computer Systems.

Under the ASP deal, Viddess will supply Holland’s firm with terminals to access accounts, time recording and PMS software, including support for a legal aid franchise, for just £299 a month. All data is stored on secure client specific servers at Viddess premises and Holland can terminate the ASP contract at only one month’s notice.

Holland says the deal gives him all the benefits of a modern IT system but without the capital costs or need to employ staff to maintain the system - and without the need to worry about installing, maintaining, upgrading or receiving support for the system.

NEW PORTAL DEVELOPER SITE
Hummingbird, the company behind PC Docs, has this month launched an online forum for portal developers. The site includes discussion boards and a facility for exchanging eClip XML-based plug-ins and applications.

www.eipcentral.com

AIM BEATS TREND AND SEES CITRIX UPSWING
Legal systems supplier AIM has just reported unaudited pre-tax profits of £0.8 million, on a turnover of £4.2 million, for its half year ended 31 October 2000. Sales & marketing director Steve Broadley said that at a time when many other suppliers were going through a lean period, AIM had improved profitability by 19 percent and was attracting a significant number of new clients.

Broadley said another development is the growing number of firms wanting to run AIM’s Evolution case and PMS software on Citrix thin client technology. One of the latest practices to sign up for this option is Beetenson & Gibbon in Lincolnshire, which is replacing an Axxia system with Evolution and Citrix at its two offices.

NEWS IN BRIEF

STEBBING DEPARTS COREL
Bernard Stebbing, who for the last three years almost single-handedly kept the WordPerfect flag flying in the UK legal market, was last month made redundant by the wordprocessing product’s owner Corel. Stebbing has now quit the legal sector entirely and is working for an Irish company specialising in XML projects. WordPerfect’s UK legal market operations will now be handled by Pauline Munro Thompson, who will be working out of Corel’s “slimmed down” Slough office.

PHILLIPS QUITS QUILL
After 11 years with Quill Computer Systems, most recently as sales director, David Phillips has left the company to take up a similar post with Jonathan Beck & Associates (0161 941 3790) where he will be responsible for sales of the company’s Carydan case and practice management system. This product’s flagship site is Alexander Harris in Manchester but the Insider understands the company is currently rolling out the system at three other firms. Websters in Guildford also runs the Carydan system.

COSTS SOFTWARE NOW FREE
Wordwright Associates has released a freeware version of its Costs Plus automatic legal costing and billing software. The freeware version is a fully functional costing and analysis tool with unlimited license to copy or distribute free of charge. Contact Peter Brosnan on 01493 740902 for details. The software is also available as a download on the web.

www.costsplus.co.uk

AMICUS IS WORLD LEADER
At its recent user conference in Toronto, Amicus Attorney announced that it had signed up its 150,000th user worldwide. Based on these figures the company reckons it now has a 51 percent share of the total global case management user market. Gavel & Gown, the product’s UK distributor, will be showing the latest version of the Amicus software, which now includes an enhanced Palm OS link for PDA devices such as PalmPilot and Handspring, at Legal IT 2001 along with the low cost PCLaw accounts system.
NEW PRODUCTS ON THE LAUNCH PAD FOR 2001
The new year may still be three weeks away but already legal IT suppliers are lining up their new product launches.

- As a result of its recent alliance with Convergent Software, Axxia Systems has announced details of a new executive information system - GoalFocus - that will allow firms to monitor and measure key practice performance indicators, such as matter level profitability, and then further analyse the data by running trend analysis and "what if" calculations. The system, which is already in use in Farrer & Co and Kingsley Napley, will receive its first public airing at Legal IT 2001.

- Solicitec is pinning its hopes on two new products: SolCase Version 7 - the latest upgrade to its highly successful case management system, and Visualfiles, its 3rd generation case and workflow management system for larger firms with an inhouse IT function. Both products were previewed at Solicitec’s recent annual user conference and will be making their public debut at Legal IT 2001.

- SOS, which will be highlighting its new Client Inform SMS texting service at the Legal IT 2001 event (see last issue for full report) has formalised a trading partnership with Canon Business Solutions. The deal means SOS customers will now be able to take advantage of Canon’s hardware, networking, printing, scanning and telephony products and support services.

PUBLISHING NEWS IN BRIEF

- FIFTEEN MINUTE DOCUMENT TURN AROUNDS
  Sweet & Maxwell has launched DocDel, a new full text delivery service that guarantees full text delivery within 15 minutes by fax or 24 hours by DX and post. It replaces the older Document Delivery service and offers the full text of articles in more than 900 legal and financial journals - the equivalent of over one million articles. DocDel is available from 9.00am to 6.00pm, Monday to Friday. To order call 01422 888 019 or email docdel@sweetandmaxwell.co.uk

- CHANGES AT THE TOP FOR CONTEXT
  Roni Lewin, the chairman of electronic publisher Context, has announced board changes, effective from 1st January. Robin Williamson, Context’s managing director since 1989, becomes deputy chairman with technical director Masoud Gerami, who has been with Context since its foundation in 1986, taking over as managing director. Norman Nunn Price, one of Context’s founders is retiring from the board but will continue as a consultant. In addition Bernadette Jansen op de Haar is appointed projects director while Michelle Green remain as development director, as does Duncan Christelow as commercial director.
EVENTS - MANAGING FOR SUCCESS SUCCEEDS

Following the demise of the old Solex North show, there has been a serious gap in the UK’s legal IT events calendar during the late autumn but this could soon be filled by the English Law Society’s Managing for Success conference. The event, which is run by the Society’s Law Management Section and held at one of the hotels at the Birmingham NEC complex, had its third outing at the end of November and with 320 paying delegates present (up from 230 in 1999 and 150 in 1998) is now attracting the type of visitor numbers many commercial event organisers can only dream of.

Along with a full conference programme - indemnity insurance was the main topic this year - there is also a growing exhibition area. One IT supplier told the Insider he had picked up more serious leads in one day at this event than he had in three days at the Gleneagles Legal IT Forum - and for a fraction of the price. For more details of LMS events contact Matthew Duggan on 0207 316 5572.

www.lms.lawsociety.org.uk

CONFERENCE UPS & DOWNS

IQPC had to cancel last week’s three day e-legal services conference in London at short notice citing insufficient delegate numbers. However some prospective delegates told the Insider they felt the event was too expensive, too near Christmas, too much trouble to attend, given current public transport problems, and contained too many speakers they had all heard before.

Meanwhile Centaur’s conference producer Steve Warshal has just published the programme for February’s Information Systems for Lawyers conference at the London Marriott. Despite the fact this will be the event’s 13th annual outing, the programme features several fresh faces and will be covering a number of topics that have not been aired before. Microsoft will also be giving a preview of its upcoming Word 10 application.

NEWS IN BRIEF

Kommunicate (01962 835000) is now selling Onset Technology’s ThruFax 2.0 software in the UK. ThruFax integrates with the latest versions of RightFAX (v7.0 and above) to convert incoming fax messages into email text or Word documents and then automatically routes them to a range of devices, including PCs, PDAs and mobile phones. The ThruFax system will be on show at Legal IT 2001.

Mountain Software will be demonstrating its new digital telephone/CTI solution at Legal IT 2001. The system can be integrated with the company’s existing accounts, PMS and case management products.

www.mountainsoftware.co.uk

LEGAL TECHNOLOGY EVENTS DIARY

- JANUARY 22, LONDON. Society for Computers & Law annual IT award ceremony at The Law Society. One of the best “networking” evenings of the year. For tickets email caroline.gould@scl.org

- JANUARY 24 & 25, LONDON. Developing & Maintaining Successful Online Legal Services, Copthorne Tara Hotel, Kensington. All aspects of online legal services, including integration with knowledge management systems. The event is split into four self contained modules with pricing from £389 + VAT per module. For details call Veronica Yates of Osney Media on 0207 880 0000.

www.osneymedia.co.uk

- JANUARY 29-31, NEW YORK. LegalTech New York at the Hilton. This is the US market’s flagship legal technology exhibition and conference.

www.legaltechshow.com

- JANUARY 30 & 31, LONDON. Knowledge Management for the Legal Profession, Kensington Park Hotel. How to achieve an effective know-how programme and improve bottom line profitability within a practice. For details call the Ark Group on 0208 785 2700.

- FEBRUARY 7 & 8, LONDON. Legal IT 2001 exhibition at the Business Design Centre. Strong emphasis on web enabled technologies from exhibitors, while the theme for the accompanying seminar programme is “from bricks & mortar to clicks & mortar.” This event looks like taking over the Barbican’s mantle as the UK’s biggest legal IT exhibition. Admission free. To pre-register for tickets call 01491 575522 or via the web.

www.legalitshow.com

- FEBRUARY 20 & 21, LONDON. The Lawyer Information Systems for Lawyers annual conference at the Marriott Hotel. This year the event will be focussing on legal e-business strategies and portal based solutions. Tickets from £827 + VAT, for details call Centaur Conferences on 020 7970 4770.
THE PERILS OF ONLINE LEGAL BUSINESS

While it appears more and more law firms are recognising the value of the internet, so they are discovering that online legal practice can have its own unusual drawbacks.

At the recent LMS conference one firm admitted it had been caught out over pricing when a client complained it was selling a pro forma legal contract over the web for £40 when six months previously the firm had charged that client £4000 for producing an almost identical contract via conventional means.

Another firm discovered that its name had been used in the metadata of a web site belonging to a rival practice, with the result its web traffic was being wrongly diverted.

Leaving aside any professional disciplinary issues, the wronged firm can take heart from a High Court ruling in June this year (in Road Tech Computer Systems -v- Mandata) that the misuse of metadata may constitute trademark infringement and passing off where meta tags had been used for the sole purpose of diverting business away from the trademark owner’s web site. Similar sentiments were made by the court in July when Lawyers Online was granted an injunction against Lawyer Online, which had used the word “lawyersonline” in its metadata.

Finally, watch out for any metadata you may unwittingly include with a Microsoft Word file attachment.

Typically this takes the form of a “properties” file that includes such information as the author of the document and when it was last amended.

So red faces all around at the US law firm of Davis Wright & Tremaine in Seattle when a particularly IT literate client clicked on the “highlight changes” option on a draft contract it had just received as an attached Word file and discovered it had originally been drafted for another client.

Microsoft say the next release of Microsoft Word (version 10, due in the spring) will include a privacy option allowing authors to remove all personal information and warning them if they are saving tracked changes and comments. In the meantime you can download a free utility - Metadata Assistant - to deal with most of these issues from wordprocessing specialists Payne Consulting.

DOTCOM CHILL HITS LEGAL SECTOR

The recession that has been hitting the dotcom world since the spring has now spilled over into the legal sector.

Within the last month the US legal portal LegalOpinion.com has pulled the plug on a $42 million advertising campaign and FindLaw.com announced it had cut its banner advertising rates by as much as 55 percent. And, despite a growing number of law firms and other organisations speculatively registering legal flavoured domain names and then offering them for sale, all evidence suggests the market for these novelty names has collapsed.

For example, American Legal Domains recently held an online auction of over 1300 lawyer friendly domain names. Guide prices ranged from $2500 to $100,000 but despite extensive publicity only three bids were received - the highest for just 20 dollars.

Closer to home, many of the smaller marketing panel/dating agency web sites are coming under increasing commercial pressure as new names, with bigger advertising budgets to drive visitor traffic to their web sites, enter the market.

Along with the Full Force Marketing group, the Insider reckons Martindale Hubbell’s new Lawyer HomesPages service, OpenLawDirect and a new internet based legal expenses scheme from one of the UK largest insurance companies - all due to launch during the early part of the New Year - will force the closure or merger of many smaller legal web services.

A CHRISTMAS TIP

Network managers everywhere are bracing themselves for the seasonal surge in junk email traffic, as fee earners and support staff send each other “humorous” messages and multimedia file attachments. Regardless of the inappropriate nature of some of these files, their sheer size is a menace clogging up servers and swallowing disk storage. But, while content filters should spot most MPEG files, watch out for users trying to disguise them as text files by the addition of a .TXT suffix.

ONLINE LEGAL SERVICES NEWS IN BRIEF

- Reynolds Porter Chamberlain has launched an interactive reporting system for its insurance market clients. The system, which is called CaseMan and was developed in conjunction with Tikit, will allow the firm to post reports onto a secure extranet where clients can access them, make comments and send them back to the author for further action.
continued from page 6

- The online recruitment service Jobsin.co.uk plc has teamed up with the legal information web site LawTalk to provide a new facility for law firms wanting to post recruitment advertisements directly onto the web.
  www.lawtalk.co.uk

- Legal Marketing Services is one of the organisations backing 121 legals, a new no win, no fee personal injury litigation service that provides claimants with access to a network of 200 law firms and an internet-based claims handling service which it reckons will give successful claimants a far higher percentage of any settlement than “unregulated claims assessors”. The service’s managing director Denise Ballard says no case will be taken on if it is assessed as having a less than 65 percent chance of success or likely to generate less than £1500 in damages. Nominated panel solicitors will also have the option of refusing to take on cases they believe will not be successful.
  www.121legals.com

- Another new service aiming to take on the claims management market is Isle of Man-based easyClaims.com. According to easyClaims managing director Andrew Flowers - echoing Anne Robinson’s now infamous criticism of Claims Direct on the Watchdog television programme - most no win, no fee services result in claimants being “short changed” by the fees the claims management companies charge. EasyClaims’ solution is a “free if you win, free if you don’t” service that uses a one-off insurance premium of £410 - which is itself paid for by a loan, so no money changes hands - to fund any legal costs. Flowers says that in no circumstances will unrecoverable costs ever be deducted from a successful claimant’s damages award.
  www.easyclaims.com

- Nottinghamshire law firm Fidler & Pepper has introduced a texting service (sending short SMS text messages to mobile phones) for clients wanting up-to-the-minute progress reports on conveyancing and personal injury matters without having to log on to the firm’s web site.

- Full Force Marketing has launched an online calculator facility that can be bolted onto a law firm’s web site so prospective clients can obtain an automatic out-of-hours quote for conveyancing work. The calculator costs £495 (+VAT) and there is a demo version available on the web.
  www.property-solicitors.net

- Mishcon de Reya and Collyer Bristow are sponsoring LegalPulse, a new site providing businesses with free, in depth legal advice. The company’s chief financial officer Andrew Wright says “the aim is not to be an online legal service but to educate our users so that they become clued-up purchasers of legal advice when the time is right.”
  www.legalpulse.com

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THE TEMP FROM HELL

Technology has transformed the way large scale litigation is conducted but it also creates new risks that were unthinkable a few years ago. One example, which has just come to light in the United States, culminated in a paralegal temp at the New York offices of Orrick Herrington & Sutcliffe, being arrested in a “sting” organised by the FBI.

The paralegal, a law student called Said Farraj, had been placed at the firm by a reputable employment agency and had been working there during his summer vacation preparing documents relating to a multi-billion dollar tobacco litigation case. According to the prosecution Farraj allegedly copied a 400 page document containing details of the firm’s trial plan for the case and then tried to sell it, via the internet, to lawyers working for the other side.

Unfortunately for Farraj, when defence lawyers at Womble Carlyle received an email from “FlyGuyNY” offering to sell them the file for $2 million, their first reaction was to warn their opposite numbers at Orrick, who in turn notified the federal authorities.

In what sounds like the plot from a John Grisham novel, the FBI then asked one of the defence lawyers if they could use him in a sting operation. He agreed, exchanged emails with FlyGuyNY, negotiated to buy the file and eventually arranged to meet an accomplice at a McDonalds on Broadway and hand over the $2 million. Sadly for Farraj, who now awaits trial on charges of conspiracy and interstate transportation of stolen property, it was FBI undercover agents who kept that appointment.

AND THE WINNER IS…

Congratulations to Epoch Software, the company behind the Desktop Lawyer service, which last week won the “Launch of the Year” category at this year’s Growing Business Awards, which are organised in conjunction with the CBI. Rather more controversially, Claims Direct won the “Company of the Year” award at the same event. And congratulations to Tikit which made it into the Deloitte & Touche “Fast 50” awards as one of the fastest growing IT companies in London and the south-east. Tikit was rated the 25th fastest growing company after recording a 115 percent increase in revenue over the past three years.

SEASONS GREETINGS

With the holiday season ahead, this is our last issue of 2000 - looks like we survived the millennium bug afterall! We will be back in mid-January with a fresh crop of reports and comment. In the meantime we will be posting any major breaking news stories onto the Insider web site. Talking of the internet, did you know that as of 1st December there were already over 3.2 million sites on the web dedicated to Christmas and related festivities? So, hearty seasons greetings to all our readers and remember there are now just 12 mouse clicking days til Christmas.

BREAKING NEWS

■ STAT PLUS DEAL STILL AT OFT
At the time of going to press the proposed takeover of Stat Plus by the Oyezstraker Group was still on ice pending a decision by the Office of Fair Trading on whether the deal should be referred to the Competition Commission for a full investigation. Although the OFT consultation period closed over a month ago, it is understood that officials are still considering the representations that were submitted by third parties.

■ E-COMMERCE DEMAND SOARS
Speaking at a recent seminar in Leeds, Tim Spriggs of Sanderson IT Systems said the company had observed a surge of interest in online services and e-commerce facilities from both law firms and local authority legal departments. “Twelve months ago,” said Spriggs, “hardly anyone asked about this topic whereas today over 25 percent of our new systems involve some form of e-commerce element.”

■ RIVALS TO BUY L&H ?
With Lernout & Hauspie now facing bankruptcy proceedings in Belgium, its Korean subsidiary revealed as having misplaced $100 million, and the former owners of its Dictaphone business suing for fraud, both IBM and Philips are being mentioned as possible buyers for L&H’s speech recognition businesses.