

Another year, another LegalTech (well to be precise Legal Week – The Experience”), another missive from the generous host of people who contribute to this document, with a light editing touch from yours truly. It's the tenth year of this report, and as in previous years I was accompanied by my New York “partner in crime”, Ann Hemming (aka Mrs Haslam), which means you get a double bonus of input on the Knowledge Management and Learning & Development side of things, as well my focus on the rest of the show. I have had a good crop of real world, occasionally spikey, comment, some of it attributable and some of it off the record, all coming together to form the normal mix of comment and news interleaved with personal viewpoints. As ever, my most grateful thanks to all contributors, any errors are mine and mine alone.

The one big difference this year, is that during 2016 I hung up my consultancy boots, bought my own watch and took on a permanent role as the UK eDisclosure Project Manager at Squire Patton Boggs, who very graciously enabled me to attend the show. The personal thoughts in the following article are precisely that, my own opinions which do not reflect the opinions or policies of Squire Patton Boggs.

Each year I try to identify a theme for the article to bind the different strands together. This year is reflected in the slightly tongue in cheek headline “Do you want AI with that?” as in the fast food industry where “do you want fries with that?” became a standard upsell to any order, so AI seems to be tacked on to every presentation (and a lot of demonstrations) at the event. As you will see, the theme throughout the show, was the use of AI within the legal industry. The overwhelming conference preoccupation with AI meant that there was a bit of a disconnect between the makeup of the exhibition (which was, as ever, dominated by eDiscovery suppliers), and the key notes, briefing sessions, conversations and side events going on during the three days (which were very focused on the use of AI in lots of areas other than eDiscovery). There were other pockets of interest which we will examine, but the main takeaway from this year's show it that AI is coming, it's coming faster than people predicted, and its impact is still very much an unknown. Hopefully by the end of this article you will have a good grasp on the salient points.

Here we go.

I am conscious that some of the readers of this article have attended the event in the past, but that many have not. I took a couple of photographs to try to get over the scale of the conference. The suppliers are irrelevant in some ways, it's the fact that they are advertising on the main streets of New York surrounding the venue that struck me. There is no equivalent exhibition in the UK / EU that comes near to matching LegalTech.



Once again the weather was kind to us, both in the days preceding, when people were travelling in, during, and after the show. I mention this because there have been a couple of years recently when “snowmageddons” have threatened to cause a re-consideration of the date, but we seem to have parked that debate. Regular readers will also know of the “Commonwealth Brunch”, organised by **Nigel Murray** on the Sunday before the show for the non-Americans who are visiting to meet, eat, socialise and prepare for the oncoming week. Sadly, this year Nigel was unable to attend (for the first time in nearly two decades) but Fronteo’s **James MacGregor** and Apt Search & Selection’s **Amit Pandit** stepped into the breach and arranged an alternative gathering which kicked off Ann and I’s time in New York.

James also attended one of the pre-show events and had this to say. *“I was in awe of Jared Coseglia’s “State of the Industry: e-Discovery & Cybersecurity 2017” presentation which was held on the Monday night before Legal Week in association with ACEDS at the AXA Event Center. Jared’s dynamic performance (and as a former actor ‘performance’ is an apt description for Jared’s presentation style) was truly captivating. As a recruiter in the industry for many years, he was able to share all the data his firm has collected over time by placing individuals across numerous organisations. Analysis of the data revealed the shift in demand for different eDiscovery jobs over the last decade and the current growing need for experienced cybersecurity professionals. The conclusion was clear, eDiscovery professionals should look to develop a bigger foothold in the cybersecurity space because the natural overlap in our respective professions makes those in the eDiscovery industry well placed to fill the growing demand for Cybersecurity skills.*

Over the years I have also seen changes to the Hilton hotel that is the conference venue. This year was no exception. What was striking, was that last year the hotel removed its front drop off/parking area to build retail spaces, thus adding to the tangled mass that is New York traffic. Those spaces are still empty, a year on, and furthermore, shops inside the foyer have closed and remain unoccupied. Traditional taxi firms are being challenged by Uber, hotels like the Hilton by Airbnb, whether the similar challenge to law firms? On the basis of this year, I would posit the challenge, when it comes, will be underpinned by AI.

Let’s consider the overall conference. Colour me cynical, but the re-organisation of the event and the re-launch under a new name, (plus some other changes we’ll talk about soon), could be interpreted as reactions to falling numbers and revenue. Though Capital Novus’ **Sid Jiwnani** as a LegalTech “newbie” thought; *“..having not had any past experience it looked pretty big & bad to me (in a good way). So many vendors spread out over several rooms and floors, not to mention it was a 3 day event.”* Other, more experienced/wearily cynical viewpoints came from people such as Intelligent Voice’s **Nigel Cannings**; *“As a vendor, it’s a bit of a rip-off – For example, we bought two TV’s at Walmart plus stands for less than we could have rented....Gaps like rotten teeth between a number of the stands, so it’s struggling to attract vendor footfall.”* **Jonathan Maas** from the eponymous Maas Consulting Group; *“As for recent years, what it magnificently failed to deliver was seating and eating. I found the Wi-Fi to be a tad temperamental as well. Overall, though, well worth the time and money, but it has definitely lost some of its shine over the last couple of years. I hope that trend will be reversed or the significant budget required to attend from the UK will be harder for me to find.”* Finally Brainspace’s **David Nichols**; *“Fewer vendors on the floors (the whole 3rd floor was empty) which I think reflects that market consolidation and maturity (fewer niche players or technology start-ups)”* Venue was the same as ever, i.e. uncomfortable and expensive (for what you get).

By now, I can almost hear some of the audience muttering; “if it’s so rubbish, why go at all?” I will quote myself from last year’s article. *I always compare LegalTech to the Edinburgh Festival, where the real action is in the Fringe events. You need the event to act as the anchor for all the off-site meetings, demos and interesting stuff, but there is discontent with the core. We need the conference, do we really need the aggravation? Both during and after the event, I spoke with people who were so busy with all the off-site activities (i.e. the ones where they justified their existence and made most effective use of their time) that they did not visit the exhibition halls at all.*

As I’ve already mentioned, the show was re-branded and re-launched with one of the quiet changes that emerged back in 2016, being the decision to charge for entry, a first in 35+ years. If you booked before the end of 2016, it was only \$15 or so, but from January onwards it was \$50, and then to add insult to injury the tote bags you normally get on registering were very conspicuous by their absence. They are normally supplied by LexisNexis, or one of the other main sponsors, and have become flimsier over the years, but are useful, if not indispensable. I have no idea why there were no bags, was the sponsorship too steep this year, I suspect so, given the feeling amongst suppliers that they were being charged for pretty much everything else.

There was deep division in the reaction to the entry charge. I myself thought it could be interpreted in two ways, the first was a positive in that it was aimed at reducing the crowds of “moochers” who used the aforementioned tote bags to hold their annual stationary requirement as they wandered the exhibition floors, sweeping any freebies they could snaffle into the bag. The second was a thought that ALM revenues might be falling to the point where anything that could be squeezed out of the show was needed, and the side effect of losing the moochers was bonus.

Amit Pandit again; *“I spoke to a local Attorney that seemed very upset about the charge, citing it as a “big mistake”. Same day, spoke to a Discovery supplier that welcomed the charge, stating, the people that can’t afford to pay \$50 and come for free pens/stress balls are likely not going to be serious buyers. A view echoed by Sid Jiwnani; “I thought the \$50 charge for delegates was a good thing. Having to put a few bob down always focuses the mind, and filters out some of the tourist crowd who are really just rounding up freebies.”*

Complex Discovery’s **Rob Robinson** had a lot to say about this.

This year’s approach to Legaltech attendee access by ALM appears to track with some of the elements initiated during last year’s event. In 2017 ALM began charging all attendees for access to limited events and vendor exhibits. Based on anecdotal comments from all types of participants, this change seems to have eroded some of the goodwill gained by ALM in past years through the provision of low-to-no cost limited attendee access to sessions and vendor exhibits. This new revenue stream approach follows on the heels of last year’s sudden exclusion of some members of the vendor community from the event by cancelling previously approved passes because those providers did not participate as a sponsor in Legaltech and chose to host meetings outside the Legaltech venue. Through the lens of some exclusions in 2016, the charges for all attendees in 2017 seems consistent with a trajectory change in how ALM engages with the community that ultimately makes the event possible.

Cost recovery may be a sound financial business model for ALM, but charging attendees a fee to learn more about exhibitors who have already paid for the opportunity to share their information and offerings with attendees seemed overreaching. As an event’s success is directly related to the quality and quantity of its attendees, it might be beneficial for ALM to deeply consider the impact of future charges on not only finances but on perception. Paying to attend a conference is one thing, paying to attend an exhibition is very different, At the moment delegates seem to be losing educational content and access to exhibitions unless they pay additional premiums, perception is reality, so appearances matter.

In the end I would come down on the viewpoint that the charge is a good thing, but I personally think ALM have more to worry about than this, returning to my other point about the event being an increasingly small centre for all the other activities, as Amit Pandit said; *“Also spoke to many organisations without booths this year, which again seems to be a trend in spending budget on intimate settings within suites as well as the infamous LegalTech parties”.*

I had this considered opinion from **Casey Flaherty**;

“Does it count if I never actually went in? I was actually on my high horse for a second and wasn’t going to go because they turned me down for a press pass. I didn’t have an explicit editorial assignment (ignoring the fact that I am columnist/blogger who gets to choose what he writes about). But then I got over myself and was ready to pony up the \$50. After all, I was going to be in town for all sorts of satellite meetings. But meetings spawned more meetings. Through them all, I asked people if the show was worth it. Every response was either in the negative or in my same situation—never actually making it to the show floor, let alone any sessions. As it turned out, I only had a few hours of ‘down’ time and plenty of work to get done during those. Yet I don’t have a sense that I missed anything other than the opening keynote, which occurred during a meeting I could not miss.

Indeed, a fair number of those negative responses about the show were from vendors who were happy to no longer have a booth (bias alert). A suite at The Warwick or London has such a higher ROI. So while I am not really in a position to contribute to your article, I think your question about viability is a good one. In general, people seem to have LegalTech fatigue with respect to the show itself. Yet, in general, people still show up for the networking and events that surround LegalTech. Seems like a problem.”

VP of Operations at CloudNine, **Doug Austin** had this to add; *“As has been the case the past few years, LegalTech New York (LTNY) has become as much about the meetings around the conference as it is about the conference itself. Because LTNY is the biggest legal technology conference of the year and many*

industry professionals attend every year, it affords opportunities for face-to-face meetings to further business relationships that are not readily available the rest of the year. Unfortunately, the result of that is that many “attendees” rarely make it to the actual conference as their “dance cards” are filled with meetings to further those business relationships. Several of the people that I spoke to during the conference had not actually made it to the conference itself”.

The overall drop over the past few years could be attributed to industry consolidation, or it could be simply more providers are choosing not to exhibit at LTNY, or it could be a combination of both. Regardless, this was the first year that ALM chose to charge a fee for “Exhibits Plus” passes, and the traffic within the exhibit hall definitely seemed lower this year (which several exhibitors that I spoke with confirmed). It will be interesting to see if exhibitors push back on ALM’s decision to charge for “Exhibits Plus” passes, as a drop in companies choosing to exhibit could undermine ALM’s attempt to squeeze a little more money out of the show.

Again, I must stress it’s not all negative, looking back through previous articles, this section has been a consistent theme for a number of years, there’s a part of me that wonders if it might join that other perennial topic “the death of the billable hour” under the heading of #NotHappeningDespiteDebate. There’s lots of positive comments as well.

Nigel Cannings; “For me personally, though, best show ever: packed stand, packed suite, multi-million \$ deal signed on the stand, happy customers dropping by to say “Hi”. And I met more people from London than I ever meet in London, so it is still on the up”. **David Nichols** “Fewer attendees overall but the quality of the conversations was higher than in previous years. It felt like we were talking to more people who had a good understanding of what they were looking for, and were in a position to make that change.” **Doug Austin**; “The sessions I attended were excellent as always, and ALM does a great job of lining up terrific speakers and topics for the conference”. Finally, **Rob Robinson**; “Legaltech is an important event that annually impacts the fabric of eDiscovery. It helps to form and shape opinion. It helps to form and shape understanding. It also helps to form and shape relationships and partnerships. By focusing its considerable influence on the eDiscovery ecosystem by challenging itself, industry support organizations, and industry authors and reporters to refocus on the people and problems of eDiscovery instead of the promotion and profits of eDiscovery, Legaltech should not only be able to maintain its place as the leading event in eDiscovery, but it might also be able to position itself as one of the leading influencers and educators in eDiscovery”.

Let’s explore the conference itself.

In, what has become over the past seven years, a regular element of the show, Inside Legal do an excellent job in creating a word cloud from the agenda and musing upon what topics are "hot" in 2016, and what has changed from previous years. See their full article [here](#). I’ve shown below the clouds for last year and this.



From one of the [articles](#) on the show; “I heard the usual rumblings that the conference shouldn’t be called the Legaltech Show, it should be called the eDiscovery Show. Fair, but keep in mind that eDiscovery is estimated to become a \$20 billion dollar business within the next five years, not to mention the most of the

eDiscovery companies will tell you that legal is just the beginning. It's BIG, and it's only getting BIGGER and more sophisticated."

The conference started with a 15 minute briefing from ALM's Intelligence unit. It will surprise none of my regular readers to hear that I was initially a little cynical about the purpose of this, seeing it possibly as a marketing exercise. I couldn't have been further from the truth, it was an excellent distillation of the information gathered by ALM during the previous year on the state of the legal market. Though US focused, I felt it resonated with the UK as well.

The key finding was that the main concern of legal leaders was the impact of global political and economic disruption and the ensuing fallout upon regulatory regimes and policies. With 2016 seeing both Brexit and an unexpected US presidential result, this is inevitable.

The second issue, in order of priority, was the changing legal market, with challenges to business models from new entrants, competitors and clients. I suspect that the rate of change is even faster in the UK as we allow, via the ABS route, direct competition from outside the traditional legal marketplace. In the US some State Bars do a wonderful job of protecting their member's interests, all under the label of ethics and concern for the client, whilst ignoring the gathering crowds of agitators with their wooden shoes in hand. There is no denying the pent up requirement for legal services that is not being met, that demand is leading to change, like it or not.

ALM classified competition as coming from different groups: disruptors, innovators, revolutionaries and "old souls". Disruptors neatly encapsulated the question; "where's the Uber in legal going to come from?", and the rest of the 3 days tried to answer this proposition. Innovators and revolutionaries come from within the legal marketplace, but bring different ways of thinking, perhaps triggered by a catalyst of new technology, but not led by it. The "old souls" are organisations like accountancy firms who have long had ambitions to move into legal, and presumably have learnt their lessons from the burnt fingers of the last attempt.

If these could be considered the external "threats", then the cuckoo inside the nest was the changing purchasing habits of client. Since the great financial re-set of 2008, there have been growing changes in the way clients consume and pay for services, coupled with the rising strength of in-house counsel who at best are challenging law firms on how they deliver services, and at worst are exploring how they reduce or remove their dependencies on external firms.

The final, and for me most fascinating point was the analysis of law firm profitability over the past 5 years. Before this period, legal organisations tended to rise and fall together, however over now there were clear trends. A third of firms were actually improving their profitability, a third were remaining static and a third were declining. Indeed this pattern was being seen across many sectors (including eDiscovery/Disclosure). The obvious challenge for firms was to ensure you were part of the improving group. The conclusion was that there wasn't a "silver bullet" answer, but that it was important to have a mixture of initiatives with the over-riding consideration that all strategy must be client led.

And with that we went into the keynote for day 1; Trends, Technology and Talent in the Second Machine Age delivered by **Andrew McAfee**, co-director of the MIT initiative on the Digital Economy and author of the book "The Second Machine Age". I've been attending LegalTech for many years and have seen a range of keynotes over the years. I think this was one of, if not the, best I have attended.

Andrew started by briefly describing the scope of his 2014 book and then candidly admitted he'd totally underestimated the speed of change over the past two years. His one consolation was that so had everyone else, and that everyone (geeks and non-techies) were "blown away" by the changes. This time last year I was writing how AlphaGo, a machine learning system from Google had beaten the European champion at the ancient game of Go. During 2016 AlphaGo went on to beat the world champion, making a pivotal move in one game that, in the words of the opposing human, "*could only have been made by a machine*". Until the advent of IBM's Watson and AlphaGo, computers were limited by what is known as Polanyi's Paradox, that is humans know more than they realise, but can't explain. For example, how do we recognise faces, or in Go, understand the best moves? Previously, if you couldn't programme it, a computer couldn't do it. Now, with the different learning technologies, computers can "learn" how to do something, without being able to "explain" how they came to the outcomes. In the week before LegalTech a computer was busy beating world champions at poker, demonstrating the ability to bluff and bet strategically. Yet if you asked the machine what was better, "two of a kind, or three?", it wouldn't be able to answer.

As to why he, and everyone else, had so dramatically underestimated the speed of change, that was due to a little new science, but mainly to the power and capacity of the underpinning technologies. “Moore’s Law” was still delivering, and the results had surprised the geeks, let alone everyone else. Coupled with this increase in power was a willingness to embrace the crowd-sourcing approach. More on that in a minute.

Fascinating stuff, but what about the real world? Andrew outlined his criteria for successful companies as being characterised as evidence driven, outward looking, platform operators, with geeky leadership. A description that strikes me as the direct opposite of a typical law firm. He went on to describe a position that did resonate with legal (and many other) professions, that of the HiPPO, which is to say the Highest Paid Person’s Opinion. He quoted studies which showed that when it came to HiPPO v machine learning, the HiPPO was only right 9% of the time, and was flat out wrong some in 46% of cases. Before you start hearing the theme music of the Terminator films in your head, he went on to emphasise that the best possible combination was a knowledgeable human working in tandem with a computer, rather than the machine on its own, the least successful would be the HiPPO alone.

The advent of technology to provide evidence for decision making, means that it is more important than ever to challenge traditional decision makers. He stressed that it was vital to use empirical evidence for decision making, rather than relying on the analysis of the most experienced person in the room. It was also important to be outward looking, and go outside the bounds of individual expertise for solutions to problems. He cited the example of doctors trying to find the best way to build an algorithm to sequence white blood cells. The problem was posed as a theoretical exercise on a site called TopCoder, resulting in solutions from people with no medical experience that beat the best ones from conventional medicine. Not only were they more accurate, but they took 10 seconds to run as opposed to an hour.

Of course, during questions we had what I would call the “Susskind defence”, the proposition identified by Professor Susskind in his many works in the area of change within the legal profession, of “that’s all very fascinating, and I can see how it applies to other professions / departments / people, but what I do is too special for it to apply to me”. Sure enough there was a suggestion from an audience member that the consequences of legal advice were far too serious to be entrusted to a machine. Andrew batted that away by pointing out the consequences of medical decisions, where technology is now being used to decide (literally) matters of life and death, wasn’t stopping the rise of the machines there. He went on to clearly differentiate between the needs of client confidentiality, which were a valid reason for not using some of these approaches, against the desire of lawyers to protect their hard won intellectual property in terms of legal knowledge. That’s the area where machines will be eating the HiPPO’s lunch.

The theme of AI (or to be more accurate machine learning) was one that permeated the rest of the conference, particularly the other sessions I attended. Which is possibly as much a testament to my self-selection process as it was the to the focus of the conference, but does I think, highlight the fact that the legal profession is taking these changes very seriously.

I skipped the keynote on day 2, which was a very worthy session on the changes to the US Federal Rules of Civil Procedure, given by a panel of distinguished judges who continued to lament the lack of awareness of eDiscovery amongst the majority of the people in front of them. I wish I could haughtily imply that this isn’t a problem that manifests itself in the UK, but that would be delusional. Still, there is progress on both sides of the Atlantic, particularly amongst the readers of this article.

The day 3 Keynote was back to the topic of AI, with a panel focusing specifically on legal applications , exploring the best practices, challenges and opportunities. (A personal gripe here, speaking as someone who has run both stages and sessions. The moderator for this group took up 15 minutes with rambling introductions to the participants, wasted another 5 or so on playing an irrelevant film clip, failed to control the discussions, and ended with “now any questions?”, only for the organisers to bring up the lights and rush everyone out as we were 20 minutes over time. Please ALM, this was a Keynote, you had immensely interesting people, to talk on fascinating topics and it was frustrated by appalling organisation, get a grip. OK. rant over.)

In the aforementioned panel were members both from IBM’s Watson (legal division) and ROSS (the legal research tool based on Watson) along with an AI academic (who made the most humanising comment on the whole debate as he declared; “*Legal AI has less intelligence than a Golden Retriever, plus with a dog, it will get your slippers and give you unconditional love.*”). The fascinating conversations flowed around various topics, with highlights that included; “*80% of Americans can’t afford lawyers, and yet we know they would benefit from access to legal advice at some point in their lives*”, that’s a vast market for a service

made possible by legal AI. Watson Legal has developed a pro bono, phone based chat bot that helps victims of domestic violence navigate through the advice and forms that can help them, interacting with users via text messages, underpinned by a knowledge of the law, what forms the person had accessed, and what options they have. Watson is being used in-house by IBM to evaluate the performance of external lawyers (bearing in mind that across all US in-house counsel, 50% of their budget is spent on external advice, that's some pot to reduce through improved efficiency).

ROSS is being used by a number of law firms for research purposes, reducing the time spent to 20-30% of the previous figure (bear in mind ROSS can ingest a million legal documents in a single second, yes one second) and is now turning its focus on contract review.

Contract review tools were being demonstrated in both the main exhibition and at a number of "fringe" events. AI, or machine learning, being applied to contract review is one of the hottest topics at the moment. In the exhibition itself, [LawGeex](#) were one of the new exhibitors, and doing a very brisk trade. The LawGeex founders were also invited to speak at the parallel KM conference that took place on the Thursday, always an indication that this is a solution to watch.

RAVN and Luminance were also in attendance that week, giving Canadian ROSS and Kira a good run for their money, more on this in a moment.) Again, the point was made that a qualified human working with AI beat AI on its own, but AI beat a solo human every time.

The next challenge for the technology was identified, as the ability to work across data silos, (i.e. for the machines to take what they had "learned" in one area and re-use elements of it in another). At present the Watson that powers contract review cannot transfer what it "knows" to the Watson that underpins the domestic violence support app. The current academic consensus is that developing this cross-fertilisation skill is a way off, with the caveat that that's what they said about a computer learning to play Go, then look what happened. But when (or if) it happens, you will see the true beginnings of AI, rather than the machine learning or "weak" AI we have at the moment. Mind you, what we have now has enough of a potential impact for us to be going on with.

The final panel in this area that I attended, was one focusing on machine learning in the area of due diligence, which was sponsored by the aforementioned UK company Luminance (the offspring of Mike Lynch, whose previous progeny includes Autonomy). Despite the sponsorship this was a product-free exploration of issues in this space with (interestingly I thought) representatives from 2 European and 1 US law firms. I've already mentioned the greater degree of innovation within the UK legal market and the rise of the power of in-house counsel. I also think we are less obsessed about how the technology works and look more to outcomes. I get the sense that the US mindset focuses more on needing (or is it wanting) to understand the "black box" because that's a potential area of legal conflict for them. I'm happy to admit I could be wrong here, it's currently my perception.

There was an overwhelming acceptance that tools such as Kira, Luminance and RAVN help lawyers review large sets of materials, looking for risks and pitfalls. The example given, was the one contract within thousands where the word "un" had been placed in front of "limited liability". It's this ability to identify patterns within documents and then look for anomalies, that enables the machines to outperform humans, slashing time and costs, enabling lawyers to move up the value chain. Other benefits, included the perception by the transacting parties that the machine review was far more neutral than human analysis, leading to speedier acceptance of the outcomes.

In case, you are getting swept away with the excitement of all of this innovation, a counter point was raised, AI assistants are all very well, but would you ever trust an AI bot to give you advice in a plea bargaining situation? A human assisted by the bot perhaps, but not the machine on its own.

There was a final thought on the unintended consequences of this technology. At present it is currently cost prohibitive for larger companies to buy smaller ones as the price of due diligence is a barrier. If that barrier is dramatically reduced, will we see an upswing in acquisitions, and if so, what impact will that have on markets?

And in case you think this is just confined to law firms, in March 2017 JP Morgan [announced](#) their COIN program, that replaced 360,000 legal hours per year, of mind-numbing interpretation of commercial-loan agreements, with a machine learning tool that does it in seconds. Does that free up the in-house lawyers to do more productive things with their time, or enable JP Morgan to review its legal staffing requirement?

Time to explore some of the technology I saw and the people I met.

In this section last year, I commented that I had broken my own rule of waiting at least a year to mention organisations to make sure they were viable enough to be considered. What caused me to break that restriction was the plethora of “cloud based, on-demand, self-service, ECA/data processing tools”, which was an interesting phenomena, but, sure enough, most of those I talked about in 2016 didn't make it to this event. One of the exceptions to this, were the guys from [CloudNine](#) whose product has gone from strength to strength, culminating at the show in the announcement of an interface to Relativity called Outpost. This is an automated data loading service for Relativity that ingests and loads data into Relativity based on client's specified criteria from either new cases or legacy platforms.

I have mentioned in other articles the differences between the US and UK markets that make these kinds of tools more attractive to the vaster numbers of trained practitioners in the US, but it would be good to start to see some of them make their way over the Atlantic to our shores. One offering that is here, is the [edt Blue](#) product from the Electronic Disclosure Tool (edt) company run by **Jo Sherman**, ably assisted **Mark Giles** and **Charles Lavallee** who demonstrated the latest incarnation of their product. Slick and easy to use, it's easy to see why edt keep on growing.

I had product updates from the people at [Cavo eD](#) and [Catalyst](#), both looking good, but sadly, not yet available here in the UK. A product that is in use in the UK (by [CMS](#)) is [Brainspace](#) which I also saw demonstrated. One of last year's conference themes was the focus on data visualisation and analytics that is most useful in the early case assessment (ECA) stages of disclosure. Companies like Brainspace have taken these ideas and run with them. I got the sense that the UK has much more of an emphasis on ECA, fitting in with our more proportionate approach, but the US is starting to look to these tools as well.

In terms of saving the best until last, I had an amazing demonstration from [NexLP](#) a product that uses artificial intelligence and machine learning to derive actionable insight from unstructured and structured data. They are making quiet but steady gains into the legal world and I expect to hear a lot more about them over the next 12 months.

I caught up with **Rob Jones** from the newly named KrollDiscovery, and heard how the integration between Kroll and LDiscovery was proceeding. This is a [maturing](#) market and we reflected on the other changes that occurred during 2016. The year started with Millnet being acquired by Advanced Discovery, followed by kCura buying Content Analyst, OpenText taking over Recommind, DTI and Epiq coming together to form the first \$1Bn eDiscovery organisation, Integreon gaining new investors, Aeon snapping up Stroz Friedberg and the aforementioned merger between Kroll and LDiscovery. In purely UK terms; Anexsys absorbed K2 Legal and Apogee, City Docs. My view is that the margins in processing and hosting are coming under immense pressure and are melting fast, a process that will only be exacerbated by the move to Cloud based infrastructure, with the road to salvation (particularly in the UK) being the provision of consultancy based services. To borrow a phrase from the analysis of other industries, the choices are to “get big, get niche or get out”.

I briefly mentioned the “Cloud” then. What was interesting about this year's conference was the almost total lack of agonising about moving to this environment. Last year, Venio Systems' **Babs Deacon** confidently stated; *“We are going to the Cloud, the only debate is when”*, well it looks as though during 2016 that debate became moot, as the advantages of the Cloud won people over. One big, very big, important caveat here, the servers for those clouds services need to be situated in the right jurisdictions. The UK will be implementing GDPR before it leaves the EU, keeping data in-country is a concept that most litigators have been working with for many years, it looks as though the rest of the industry is catching up.

As ever, the redoubtable **Chris Dale** was involved in panels on these topics, you can read his article [here](#).

At this point I'm handing over to Ann Hemming who has the following to say about both the conference and the knowledge management event she attended on the Thursday. I'll return when we look at eDisclosure.

As Andrew says, the exhibition centre was slightly less frantic than normal, but from my perspective the conversations were more in depth and there were slightly more “non-eDisclosure” stands than there have been in the past (or maybe they were just easier to spot). The “Giants” were present in force, with LexisNexis, Kluwer and Thomson Reuters having their usual acres of carpet in the exhibition centre, as well as large suites for presentations in nearby hotels. LexisNexis also announced the integration of LexMachina into Lexis Advance, giving users predictive analytics alongside traditional research tools. Other interesting stands included [Leaflet](#), who were demonstrating their innovative approach to document

automation, I had a fascinating demo- sadly cut short when the display stand fell on the team! I was also interested to see how much footfall LawGeex had, (more of them later). Away from the main event LexisNexis officially launched their 365 version of Lexis for Microsoft Office at the Microsoft Store. A very well attended event which shows again that Cloud solutions are becoming ever more sophisticated, and that Office 365 for legal is a solution to watch. The integration of Lexis content with firm-specific know how is clearly a powerful part of the strategy, along with increased automation and the development of AI tools.

Cloud solutions clearly on the rise, with announcements from iManage of new cloud installations and increased functionality. NetDocuments, not to be outdone also [announced](#) security and encryption advances

On Thursday the impressive KM conference that is hosted by White and Case was bigger than ever- in fact- enormous. I noticed more UK law firm representatives before as well as delegates from across the globe. In spite of all the AI hype, it was interesting that the KM community were still very much in "education mode" internally and in pilot mode when it came to development of AI solutions.

I mentioned LawGeex earlier, and it is interesting that since the conference they have secured \$7m in Series A funding. CEO Noory Bechor, spoke at the conference and gave a fascinating insight into the way that their tool is evolving and taking on some of the AI giants. Delegates at the conference were pretty unanimous in their view that the term "innovation" had been overused, overworked and, by and large, devalued. There were some fascinating presentations and Caroline Hill of the Legal technology Insider has given a good round up in her [article](#). The annual [survey](#) was interesting as always and helped provide a good dose of reality in amongst all the AI hype. Most firms are still in the very early stages of development of their AI initiatives. Having said that, there was a lot of interest in developing new technology solutions and in particular some interesting discussions around smart contracts and Blockchain, we are on the cusp of a new way of contracting. Who will emerge as the dominant platform provider for these contracting solutions is yet to be decided, but the changes that this will make in the legal landscape, will go far beyond the impact of the solutions currently available for transforming legal work.

Thanks Ann, now let's look at the specific eDisclosure part of the show.

In this area, 2016 was dominated by speculation over any possible sale of kCura to Microsoft. See the fourth point in this [article](#) released on the first day of the show. Whilst I was in New York I took advantage of the access I had, to ask the highest echelons of kCura what was occurring. I (and a number of others in many meetings) were unequivocally told that Relativity was not for sale. Sadly for kCura, whenever I relayed this, the cynical response was "That's exactly what Equivio said, right up to the day before Microsoft bought them."

Those of you not intimately involved in the gossip of the eDisclosure world, might be wondering why Microsoft might want to buy an eDisclosure tool. The simple answer is Office 365, which is a cloud based product quietly infiltrating the world's businesses. Even banks with their intense focus on security and adverse reactions to anything cloud based, are adopting Office 365. What Microsoft is doing is adding in functionality to the core product to enable it to meet requirements for wider business challenges.

Two years ago they bought the ECA tool Equivio, last year they used it to provide a plugin to Office 365 called Advanced eDiscovery. Like all good software companies they "eat their own dogfood" and this year they [claim](#) to have saved \$4.5M using it themselves. Post the show, they [announced](#) a plugin that is a machine learning tool for information governance. I personally have talked to users of Office 365 who are using the eDiscovery tool to identify data for litigation purposes, you can see the attraction of a seamless link into a powerful review and analysis tool. I fear that for all the denials coming from kCura this speculation will run and run.

Now, in order for this putative deal to happen, Relativity has to have a cloud based product. Step forward Relativity One, which is exactly that. The sting in the tail, was that kCura seemed to be setting themselves up for a "civil war" with their own third party suppliers by supplying the product directly as well as through their channel partners. Relativity One has been deployed in the US, but, in the other announcement from kCura at the show, won't be coming to the UK until 2018, with Germany being the first data centre this side of the pond. Was that a cough of *Brexit* I heard in the background? Whatever the reasoning, it's not something we will have to worry about until next year, which will also give the product a good 18 months to bed down and shake out the inevitable bugs. But when it does come, the pricing will reflect that it is hosted in a cheaper (possibly much cheaper) Cloud environment.

Remember what I said a few pages back about the pressures on UK eDisclosure suppliers and their margins. The delay to Relativity One pushes some of that pressure back a little, but already we are seeing the rush to consultancy led offerings, with the words “managed service” about to become the most overworked phrase of 2017. One of my colleagues in the UK eDisclosure world talks of being approached by a supplier who started by offering a 5 year managed service, that before her sceptical rejection morphed into 2 years, 1 year, six months to “what would you like and at what price?” I predict that the UK market will continue to evolve during 2017, and that we will see far less firms at the end of it.

In terms of the overall market, I have already said how the UK focus seems to be more on the ECA elements of the EDRM model, and how the US and product focus is following that. With two judgements on Technology Assisted Review during 2016, the emphasis in our jurisdiction has firmly switched to “why aren’t you using these tools”, rather than the previous “why are you?”.

There were also some interesting (but small) eDiscovery software companies showing their wares, my opinion is that it is too late for them to gain significant traction and that the larger players will continue to grow. Certainly in the UK (unlike the US) there is not a large enough ecosystem to allow the smaller more exotic products to thrive, so I doubt we will see them over here.

What I do think is happening is that some of the functionality that the smaller more innovative companies develop is “bleeding” into the tool set of the more established products and that each year the entry level of product capability gets a few more features added to it. This year it was the ability to automatically remove all those annoying “attachments” to emails that are nothing of the sort, but instead are the logo’s companies put in their signature blocks. Also becoming far more common is the ability to have a single “alias” for the many different renditions of one person’s email identity, and then fashion searches using that ability. These are seemingly little things, but I am reminded of the observation that there is no difference between the physics and technical principles of the engines that were in the Ford Model T and a modern car, “just” the effect of 75 years of gradual improvement.

What was new to me, and I think worthy of mention, was the debut of an organisation who specialised in recovering data from the hard drives of cars. To quote from their brochure.

“Vehicle infotainment and telematics systems store a vast amount of data such as recent destinations, favourite locations, call logs, contact lists, SMS messages, emails, pictures, videos, social media feeds, and the navigation history of everywhere a vehicle has been. Many systems record events such as when and where a vehicle’s lights are turned on, which doors are opened and closed at specific locations, and even where a vehicle is when Bluetooth devices connect.”

I don’t think it’s too hard to imagine various scenarios where access to this kind of data could prove or disprove alibi’s, let alone shed light on where the blame for accidents might lie. I was well aware of the information my mobile phone might provide, but not as cognizant of how my car might also be hoarding my secrets.

For those wondering, there were no shoe shine ladies this year, but the puppies did return. Also on the floor was a tailoring service for bespoke suits, causing Jonathan Maas to note; *“..albeit slightly diluted by a tailor’s stand - is this a sign of things to come? Are ALM embracing the Barbican ethos of old and encouraging taxi companies, photocopying salesmen and vintners to buy conference space?”*

There was a far more eclectic range of giveaways on the stands, I was miffed that I didn’t win either of the sets of Star Ward Lego, but did (very unexpectedly) come into the possession of an Amazon Echo dot, which has provided hours of fun in the Haslam/Hemming household. (Alexa got put on the naughty step and is banished to my study.)

As always there were endless networking events and for us poor jet lagged Brits, not enough time to go the many excellent social events that abound at the conference. We did make the time to grace the always superb edt party and a number of others, having some fascinating conversations with advisers who are making a significant income providing support for corporates and law firms who are continually looking at ways to reduce their risk profile.

Hope this has been of use. It’s still nowhere near as good as actually attending the event. Perhaps we will see you next year?