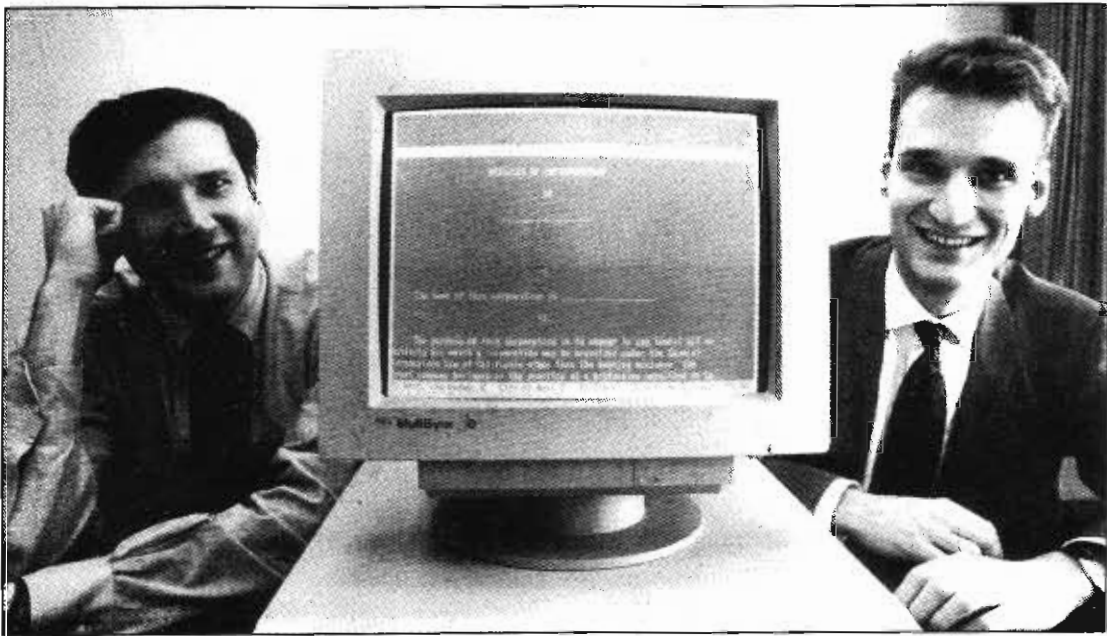


'Expert systems' can do routine, repetitive legal work quickly, cheaply, and with little risk of error. But how will firms bill for an eight-minute transaction that used to take two hours by hand?

Getting Computers To Think Like Lawyers



RUSSELL D. CURTIS

PASSING THE SCREEN TEST: Cooley Godward associate Jeffrey Zimman (left) and expert system administrator Kevin Warnock have spent hundreds of hours developing their applications.

By **SCOTT GRAHAM**

A client walked into Jeffrey Zimman's office two months ago seeking to incorporate a start-up company. The two discussed the matter for about a half-hour, then the client excused himself to use the restroom. While he was gone, Zimman flipped on his computer terminal and entered some information based on their discussions.

Upon returning and finding his attorney busy at the computer, the client concluded that Zimman had gone on to another project and asked if he should leave. "Actually, I'm working up your documents," Zimman told him, "and if you can wait a few more min-

utes, I can print them up for you."

The attorney pushed a button and in moments his client had his incorporation documents. "Should I be impressed?" the client asked. Yes, Zimman said: "This is four to five hours of legal work that got done while you were going to the bathroom."

Zimman, a senior associate at Cooley Godward Castro Huddleson & Tatum, is one of a growing number of attorneys who are programming computers to perform actual legal work. The programs can be operated by the attorneys who program them, by their colleagues or — in the case of one Utah firm — by their clients.

A few Bay Area firms have designed such

“expert systems” to handle routine tasks such as preparing a will, incorporating a company or drafting a basic credit agreement. These applications ask the user a series of questions, with each response determining the next question. When the answers are complete, the computer assembles a document drawing on the responses and on language programmed into the software.

Lawyers developing and using such systems cite a number of benefits:

- Savings in lawyers’ time and support staff costs.
- Faster response to client requests.
- Computerized models for training inexperienced associates.
- Reduced risk of errors and omissions.
- More personal documents. Yes, *more* personal.
- The opportunity to market the firm as technologically advanced.

But the new technology also poses some challenges. How will firms bill for a service that took hundreds of hours to program, but only minutes to execute? How will clients feel about a machine handling work traditionally performed by trusted counselors? And as the

technology advances, will there be less work for lawyers?

Deborah Novachick, a law office technology consultant for Newtown Square, Pa.-based Altman Weil Pensa said automated document-assembly

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Altman Weil Pensa

systems are not new to law firms. (Novachick, like other technology specialists, doesn’t call them ‘expert systems.’ Technically speaking, she says, the law firm systems don’t meet that criteria).

The technology has been available for



JEFF VENDSEL

WHERE THERE'S A WILL THERE'S A WAY: Carr, McClellan partner James Cody (right) and manager of information systems John Meyer have developed a program that assembles a will in eight minutes.

about a decade, but only recently has it become affordable for a lot of firms. The concept still hasn't really taken off, she says, because of the lawyer time that must be committed to customizing a program.

"It takes a progressive firm to invest in the development costs," she said. "A couple of people will be non-billable while they're working on it. It's hard to find firms that will authorize that." She said she knows of a couple of associates who have been bumped off partnership tracks while working on such applications for their firms.

Novachick expects the systems to become more popular once established firms have established case histories. And Cooley Godward might speed up that process — the firm is exploring the idea of marketing its applications to other law firms.

Several Bay Area firms have been developing such applications in the last year. Burlington-based Carr, McClellan, Ingersoll, Thompson & Horn is developing an application on a CAPS system engine that will draft wills for its six-lawyer estate planning and probate practice. Partner James Cody, who helped develop the application in collaboration with John Meyer, the firm's manager of information systems, said the lawyers at the firm will be using the application regularly by this summer.

To draw up a moderately complex will under the firm's current system, a lawyer might spend 20-30 minutes drawing from a binder full of designated forms and dictating which paragraphs should be used and how to fill in the blanks. A word processor would then spend an hour or more transcribing, after which the lawyer would spend more time reviewing and revising the document, followed by more word-processing time.

With the firm's program, entering the data and assembling the document will take about eight minutes. The lawyer would still review the work, but there will be less margin for errors requiring revision — the computer is programmed to warn a lawyer if he seems to be making a misstep. "The testator's spouse could be the sole trustee. A sprinkling provision may not be appropriate," is one such warning.

Cody says the computer process actually creates a more personal, individualized will. Pre-printed forms use sex-neutral terms such as "spouse" or "it," but the computer can keep track of gender. So instead of reading "shall go to my spouse, if he/she survives me" the will can read "shall go to my husband, if he survives me."

Cody is confident his colleagues will find the will application easy to use. Name partner Albert Horn, who says he has been practicing

law "since before they invented computers," says he is looking forward to coming on line.

At Cooley Godward, Zimman and expert system administrator Kevin Warnock have developed application packages for loans and for incorporating start-up companies. The loan documents generated include basic credit agreements and promissory notes; the incorporation package includes articles of incorporation, action by sole incorporator, action in lieu of organizational meeting, bylaws, investment letters, founder stock purchaser agreements, and cover letter for filing articles.

Zimman says he has very little programming background — "I'm a guy who has trouble getting in and out of DOS on a PC," he says — but Cooley partners Joseph Scherer and Robert Jones tabbed him because he worked on artificial intelligence applications while at Stanford Law School. Using a WorkForm System engine, he and Warnock spent "three days in training and two in hiding" before they got their first application up and running. It then took hundreds of hours to make it usable by other attorneys and convert it for the firm's VAX system. Some 20 Cooley

attorneys and legal assistants have used the incorporation program since it was made available in January.

Zimman believes expert systems have promise as a training tool. "It tells associates or junior associates when to use this [language] and when not to," Zimman says.

'I think we're going to downplay [the technology]. If the client thinks you can do it too easily, they don't want to pay for it.'

— James Cody,
Carr, McClellan, Ingersoll, Thompson & Horn

"It gives them a very clear road map that they wouldn't get unless someone sat down and spent a lot of time with them."

Using the methodical, step-by-step applications has helped Zimman, too. "It focuses

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you on efficiency," he says.

Zimman is even more excited about the opportunity for rapid turnaround — especially with an application he has helped develop for the firm's loan practice. The speed with which lawyers handle loans is crucial, he says, because "all the business people are sitting and waiting. They've struck the deal; now they're just waiting for the lawyers to approve it."

The loan document application, which includes a credit agreement and promissory notes, cuts turnaround time from an average of three days to one day, Zimman says. He and Warnock also are finalizing an application that generates security agreements and "other ancillary documents."

Bob Frisch, a Southern California client

who is organizing a start-up computer software company, said Cooley's rapid turnaround on incorporation documents saved him money. Frisch said he called Zimman a few weeks ago, answered a few questions about the start-up, and the next morning received a Federal Express package with all the paperwork. "We were anxious to get the incorporation under way so we could begin dispersing money under a corporation instead of out of my pocket," he said.

Cooley, whose clients also include Amgen Inc., Genentech Inc. and Verifone Inc., plans to promote its technology with clients. "I think our clients expect us to be using technology," Zimman said. "They're comfortable with it and I think

they expect us to be comfortable with it.”

Carr, McClellan, however, won't try to impress its estate planning clients with its technological advancement. "I think we're going to downplay that. I think that's a negative," Cody said. "If the client thinks you can do it too easily, they don't want to pay for it."

He also is concerned that clients will find the idea of computers processing their wills too impersonal. In fact, even though the computer can print out questionnaires for personal data, Carr, McClellan attorneys will continue to take notes on blank yellow legal pads, Cody said.

Altman Weil Pensa's Novachick said she understands the firm's concern. "Estate planning is a kind of personal, emotional practice," she said. "People don't like the idea that their matter is so much similar to other people's matters."

But Carr, McClellan's billing concern brings up a prickly problem: Although it may take only minutes to run a program for a client, it take hundreds of hours of both lawyers' and technicians' to program the software and work out the bugs. Both Cooley Godward

and Carr, McClellan are still trying to figure out how they'll bill clients for the service.

Cooley's Zimman says the firm presently is charging for lawyer time only, but is "looking at what is fair." Zimman says he expects there eventually will be a separate charge for operating the program, in effect splitting the

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Cooley Godward Castro Huddleson & Tatum

difference with clients. Cody said his firm also will bill more than the few-minutes worth of lawyer time it takes to walk through the program, but clients will realize some savings.

Zimman believes the savings are critical for

start-up clients who can't afford to be paying big legal bills years before they start seeing profits. "I think it's an example of where legal practice almost has to go," Zimman says. "We've got to find a way to take legal tasks that are not complex and perform them quickly and cheaply."

Altman Weil Pensa's Novachick says firms seem most successful when they're open with clients about the economies of automation, and point out that the client will save money even as the firm bills a premium rate to recoup development costs. "It's a marketing tool to tell your client you're more efficient than your competition, tell them that you're concerned about keeping costs down, that you can do it faster, better, cheaper."

A Salt Lake City firm has taken that approach one step further by offering a program directly to clients. Callister, Duncan & Nebeker has developed a collections program that clients can use to draft documents for small claims court, which has a limit of \$1,000 on collection awards.

"If it's more than \$1,000, then [the client] always comes to us, and he knows the kind of information his lawyers will be looking for," says partner Steven Ingleby, who helped develop the program. "Any time there's a

change in the law, we'll change the program, and so he's really bound to us."

Callister, Duncan's approach raises another question — as computers "learn" to do more legal work, will there be less work for lawyers? Zimman, for one, pooh-poohs the notion. People have worried about losing their jobs to automation since the dawn of the in-

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dustrial revolution, he points out.

"Automation means you don't have to do routine, repetitive tasks, and that's what expert systems means," Zimman said. "You eliminate doing routine, repetitive thinking and drafting, which frees you to do complex thinking and drafting."

"Instead of doing one new incorporation, maybe I'll go out and find five new clients."