

This article has a simple enough aim – to review recent technology developments and applications, and to consider their significance, if any, for the practices of lawyers.



>> THE FUTURE OF LAW



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The Technology Future

Although we must examine technology generally, the most significant development over the past few years has been the **Internet**.

The nature of the Internet is such that reliable statistics are hard to come by. It is said that there are now about 11 million separate Internet sites. Of course, many of these are personal, rather than business, sites.

E-mail usage is somewhat easier to track than traditional "snail mail". It is said that there are now 100 million e-

mail users and that the figure will be rising towards the 1 billion mark over the next 5-10 years. At those levels, e-mail will soon become more widely used than the telephone as a means of daily communication.

Microsoft's magazine *Communique* recently published statistics suggesting that during the Year 2000, there were about 10 million e-mails sent each day. By the end of 2001 that figure was expected to approach 15 million and in 2002, 25 million. Projections suggest that it will increase to 35 million in 2003.

Computing power continues to increase. Where it was previously expected that computing power would double every 2 years or so, it now seems to be doubling in less than 18 months. Mathematical progressions being what they are, one personal computer in 20 years time should have more computing power than all of the computers that presently exist in the famous Silicon Valley in America.

In terms of applications or programs, there is a rising emphasis on **collaboration** – shared work on documents and projects. Some features of that type already exist under Microsoft Outlook and the Microsoft Office suite. The next version of Office takes that even further, with users able to instantly create small websites to assist in collaboration on tasks.

Smarter technologies extend from intelligent agents through to expert systems and, I suppose artificial intelligence. The distinctions between these technologies are blurred.

The issue, which I would ask you to consider most carefully, is the advancement of **global communications**. There has been reliance on the old copper wire telephone network for transmission of data but this is rapidly moving towards what are called “broadband” networks. What we are talking about here is development of broadband networks to the point where there are **no practical limits to information transfer**, with volume and speed becoming of increasingly irrelevance. Of course, without volume and speed limitations, we are talking about transmitting not just text but sound, voice, images and video.

Some commentators suggest that we will soon see the development of “virtual private networks”. By that they do not refer to separate systems, but rather parts of the Internet that exclusively and securely support specific industry and professional groups. Such networks might also have an external face, facilitating relationships between those groups and their customers and clients.

These are technologies, already in regular use today, and their application will continue to grow.

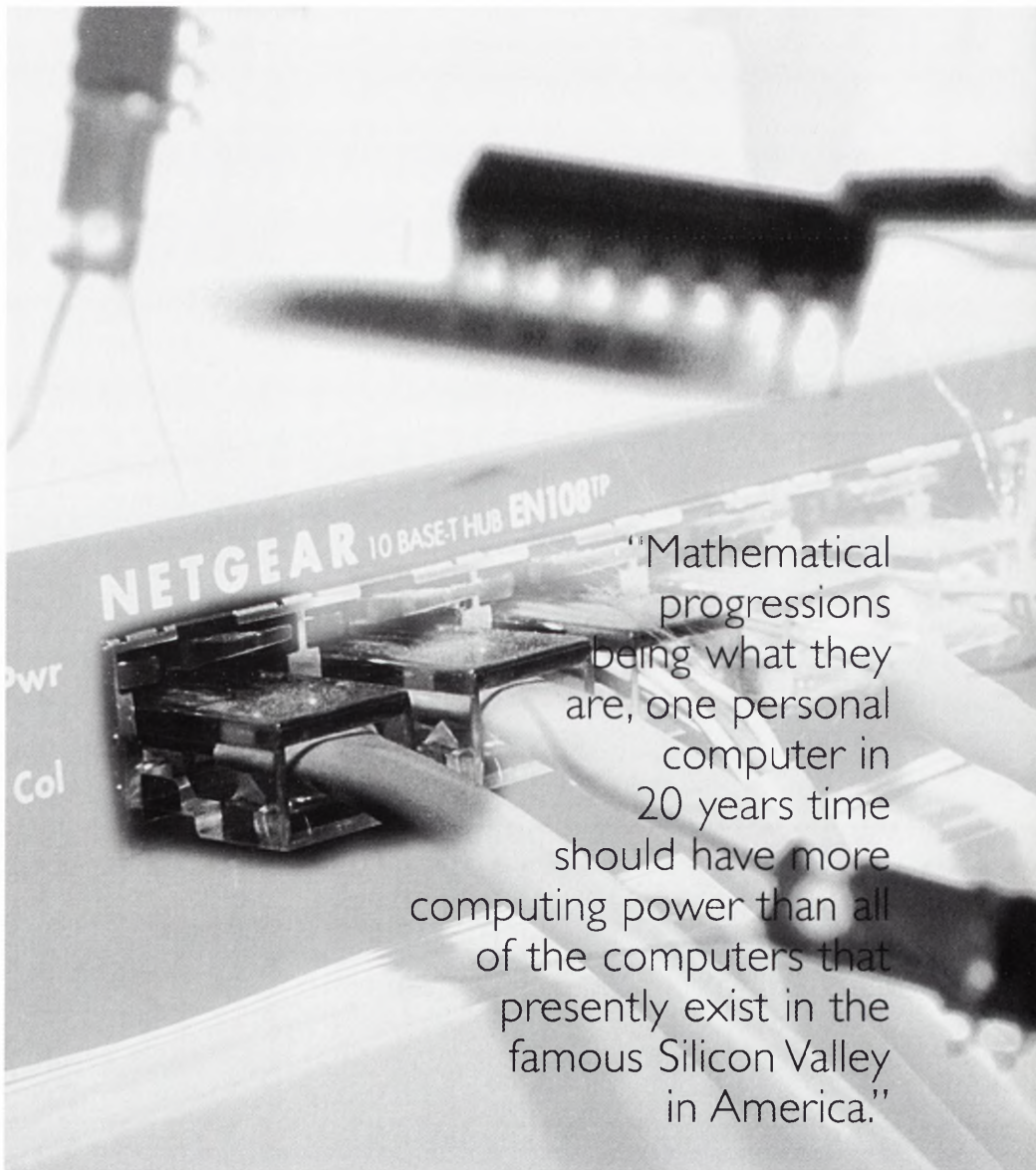
Of course, when talking of communication we must also bear in mind the **mobile networks**. You will be aware of the exponential growth of the mobile phone industry and more recently the upsurge in data transmission over the mobile phone networks using quite basic short messaging technology, known as Short Message Service (“SMS”).

Newer mobile phones enable online access to the Internet for e-mail and modified web browsing and integrate with computer based diary contacts and

task systems such as the Microsoft Outlook product used in many offices.

Third generation mobile technology will extend those features to the broadband area for video transmission. As the Nokia site says, we are talking here about video conferencing in a taxi, and watching TV clips while going home in the train.

So from these increases in usage and improvements in technology I suggest we have to assume that in the very near future the **Internet will become the first port of call for guidance on almost any issue, and the first port of call for transaction of personal and business commerce.** ▶



“Mathematical progressions being what they are, one personal computer in 20 years time should have more computing power than all of the computers that presently exist in the famous Silicon Valley in America.”

The Internet Now

The Internet is firmly entrenched in the lives of a significant and increasing number of Australians, and more so in the business community.

In the year 1999-2000, 46% of all Australian adults accessed the Internet at least once. Looking purely at adults in employment, the figure increases to 59%. The figures are higher for younger persons – 77% of all those aged 18-24, 60% of all those aged 25-39, and 45% of all those aged 40-54.

It is helpful to attempt some analy-

sis of Internet site types, as this gives some indication of how the Internet is developing. I would suggest four broad business categories:

On-line brochures – relatively static advertising types sites, which do little more than provide some background information concerning an organisation.

Warehouses – sites that contain useful material, that users will actively seek out. Perhaps the most basic example is the White Pages telephone directory (www.whitepages.com.au).

Another example is the site main-

tained by Microsoft which provides a warehouse of useful information for users of Microsoft products (www.microsoft.com). There are of course media sites, such as those maintained for newspapers (e.g. www.theaustralian.com.au and www.smh.com.au)

Push relationship sites, which do not rely upon users coming to them – they send material to the users, so as to force an ongoing relationship. An interesting example is the Amazon.com on-line bookseller. That site is in the nature

Law Sites

It is not easy to describe in an article such as this, Internet site content, trends and examples of innovation. All I can attempt is to highlight the uses to which some larger organisations have put their sites. Of course it is best to look at the sites and judge their usefulness for yourself.

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of a warehouse. However, users can specify their areas of interest and the site then pushes out email advertising. The site tracks purchases made by users, and then tailors itself to make recommendations along the lines of "you purchased this so you would probably like this other one as well". A significant portion of Amazon's revenue is reported come from such techniques.

Finally there are sites that gain their value almost entirely from their own customers. The classic example is eBay, an online auction site. The site in fact

provides very little, but gives customers the opportunity to deal with each other.

Returning for a moment to the Amazon site, although primarily a customer linking site it provides another significant value with its online review service, where Amazon seeks out and provides online reviews by existing customers, to assist new users in choosing to make a particular purchase.

This brings me to the proposition that I wish to put, developed at some length by Kevin Kelly (the executive editor of the famous technology

magazine *Wired*) in his book *New Rules for the New Economy*: "The central economic imperative of the network economy is to amplify relationships".

Of course, we all know that relationships have enormous value in the delivery of professional services. They provide advantages both in terms of loyalty and inertia. The costs of leaving a relationship are high, not only for the service provider but also for the customer who may have devoted considerable energy and time to the "training" of the supplier.

"The Internet of course almost entirely ignores distance."

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The Future of Law?

We need to recognise the increasing power of clients to **access information** which was simply either unavailable, or not practicably available, previously.

That access may be simply to data, which we all know can be of little real use, or perhaps to services, to assist in the assimilation of that data, as the abovementioned expert systems are intended to do.

Access by clients to their own lawyers is another significant area. A recent newspaper report shows Minter Ellison as having invested \$6 million in software and hardware for a client extranet system. This will enable the clients to watch the work the lawyers are doing – and keep an eye on the costs.


Turning then to lawyers, examples of how this technology might progress will probably include **online filing** of documents (which has already started), and extension of the electronic discovery list concept to what might be called **hypertext bundles** (with multimedia elements of course).

Surely the enormous amount of time wasted by court appearances in administrative matters will give way to **virtual hearings**, an extension of the telephone hook-up directions hearings that have been used for many years in the Federal Court.

And finally in the courtroom setting itself we might see improvements in the hearing process, such as the use of **multimedia transcripts**.

Moving back from the viewpoint of individual lawyers to that of the firm, no doubt there will be continuing improvements in **automated document generation** and what we might call "**institutional memories**", trapping the expertise of individual lawyers. Of course, there is no reason why the video conferencing industry should not become more cost effective so as to provide for "virtual client meetings".

Before concluding, we should think briefly about how this might effect competition within the legal industry. The Internet of course almost entirely



"The costs of leaving a relationship are high, not only for the service provider but also for the customer who may have devoted considerable energy and time to the "training" of the supplier."

ignores distance. It is said to take one eighth of a second to click the button on a mouse and therefore **any competitor, no matter where, is no more than one eighth of a second away.**

This is of real concern to some industries where production costs are lower in other countries. Even for the legal profession, in some work areas at least; it enables geographically distant competitors to become an attractive option for clients who might otherwise have sought out local legal advice.

Of course, sometimes electronic proximity is not enough.

Conclusion

I made two central points above, which I wish to re-state for emphasis.

First, that the Internet will become the first port of call for guidance on almost any issue, and the first port of call for transaction of personal and business commerce.

Second, that the central economic imperative of the network economy is to amplify relationships.

The legal profession's responses to changing technology will no doubt be many and varied.

But in 1996, Richard Susskind wrote

a book entitled *The Future of Law – Facing the Challenges of Information Technology*. Because it was written in 1996 it is already well out of date. Reprinted late last year, the new introduction lets me quote from him as follows:

"Can we honestly expect that legal service will continue to be delivered in the time honoured fashion – through one to one face to face consultative advisory service, for which people are charged by the hour?" **PL**

Footnote:

"multi-disciplinary partnerships"

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