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E-Discovery Market Predicted to Reach \$1.5B in 2013

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The worldwide electronic discovery market saw revenue of \$889 million in 2009 and will reach \$1.5 billion in 2013, technology research firm Gartner predicted this month.

Upcoming trends in vendor consolidation, industry standards, and a focus on data integration will all be signs of a maturing and increasingly mainstream market, Gartner analysts John Bace and Debra Logan said in their May 13 report, "Magic Quadrant for E-Discovery Software."

The analysts see five leaders in e-discovery: Autonomy, Clearwell Systems, FTI Technology, Guidance Software and kCura. Autonomy and Clearwell both expanded further last week, with the former [buying much of archiving specialist Iron Mountain's product lineup](#) on Monday for \$380 million and the latter being [acquired by data management giant Symantec](#) on Thursday for \$390 million.

A quarter of all e-discovery companies will be consolidated by 2014, Bace and Logan said, and mainstream IT companies are expected to get involved. "We've had interest from [Hewlett-Packard], as they've announced information governance at least," via a partnership with Clearwell established in January 2008, Logan said. "Will Oracle do something? And certainly anyone who sells storage will have to do something with this," along with Microsoft which already has email archiving technology, she said.

Bace and Logan also said customers should pay attention to challengers EMC, IBM, and Nuix. (They also put Symantec in the challengers category, but its situation may change because of the Clearwell deal, and a new report about that is being prepared, they said.

Likely acquisitions targets include the companies in Stamford, Conn.-based Gartner's industry visionaries category -- AccessData Group, CaseCentral, Catalyst Repository Systems, CommVault, Exterro, Reconnind and ZyLab, Logan added.

In addition to revenue growth and vendor consolidation, it's also becoming important for e-discovery makers, resellers, consultants, and customers to develop and adhere to industry standards, Bace and Logan explained. That will be an important subject at next month's International Conference on Artificial Intelligence and Law, of which Logan is an organizer, scheduled for June 6-10 at the University of Pittsburgh. E-discovery procedures could also derive from the Sedona Conference series' Working Group 1 on Electronic Document Retention and Production, Logan said, and from the National Institute of Standards and Technology's Text Retrieval Conference, Nov. 15-18 in Gaithersburg, Md., Bace added.

Bace and Logan also said that customers should not expect major new technology features from the leading companies' next few product generations, but rather a strong focus on data integration. That will help bring the traditionally slow technology adoption of law firms and corporate legal departments up to late-20th century methods before moving to more advanced systems. It will also enable deeper levels of cooperation between competing attorneys. "Even though lawyers hate the idea and it's against everything they've ever been taught... That's the thing judges keep hammering on and eventually lawyers are just going to have to accept," Logan said.

Logan cited [the Chicago-based 7th U.S. Circuit Court of Appeals' e-discovery pilot project](#) as an example of important lessons learned. The court began a pilot program in October 2009, completed its first phase for in May 2010, and then polled lawyers and judges for feedback. Reactions varied, but most responders agreed that technical staff need to be involved earlier in the e-discovery process, a sentiment heard around around the industry. "The lawyers are trying to basically fake their way through," Logan quipped.

A second phase ran from June 2010 and is scheduled to end in May 2012, which will be followed by another report, said Sean Byrne, the project's technology subcommittee co-chair and litigation counsel at Project Leadership Associates, also in Chicago. This phase involves revised rules of conduct and involves more people, he said.

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