

Lawyer up online: Startups aim to make the law less confusing, expensive

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When Jim Angelopoulos opened his first restaurant 10 years ago, he hired a lawyer to help him incorporate. When he later decided to trademark the name with an eye toward expansion, he used a different route: a website called LegalForce.

"The cost itself is night and day," said Angelopoulos, who owns Scrambl'z Diner in San Jose, Calif.

Angelopoulos said LegalForce helped him register his trademark nationally and block another restaurant from using a similar moniker. "I thought registering a name was only for large companies," he said, "but they make it really smooth" for the little guy.

Indeed, a host of other startups with names like LegalZoom, LegalMatch and LegalReach have set up shop to help John Q. find a lawyer, prepare legal documents online and even get questions answered for free.

"Main Street can't afford the law today," said Charley Moore, founder and chairman of San Francisco-based Rocket Lawyer.

Moore, who calls himself a "recovering high-priced lawyer," began his career with Menlo Park, Calif.-based Venture Law Group, where he recalls meetings with Yahoo's Inc. founding team.

But he found himself inspired by another VLG client, FindLaw, which helps law firms market themselves on the Web and gives consumers

online legal information. So in 2008, Moore founded Rocket Lawyer. Backed by Google Ventures and others, it lets users download legal forms and run questions by pre-screened attorneys for \$39 a month.

Camilla Fonseca of San Leandro, Calif., used Rocket Lawyer to help her parents prepare their wills. "Lawyers are not really in our price range," she said. "I just typed in 'will,' and it popped up all these categories. It starts prompting you through questions, so you can fill out the right form."

The San Francisco Bay Area has a long track record of demystifying the legal process; Nolo Press of Berkeley, Calif., began publishing books like "How to Do Your Own Divorce" in the 1970s.

"We decided to change how people access law," said LegalForce CEO Raj Abhyanker, and he could easily be speaking for Silicon Valley as a whole.

Abhyanker's career certainly embodies Silicon Valley's entrepreneurial ethos: A Hewlett-Packard Co. engineer, he later earned his law degree and practiced patent law at several large firms. In 2009, he built a search engine to let trademark-seekers cull government data, "instead of having to go to a lawyer and have them do a search."

Abhyanker claims his users filed 15,000 trademark applications around the world last year, "more than any law firm in history."

One legal veteran, though, warns that while the online trend has promise, people shouldn't rely on DIY for complex matters.

"If it's not simple," said Rich Scudellari, who runs the East Palo Alto, Calif., office of law giant DLA Piper, "it can't come out of a can."

Hoping to ward off criticism that LegalForce and its competitors are, in Abhyanker's words, "faceless" - or that they encourage the practice of law without a license - last year he opened a retail operation in downtown Palo Alto. It includes self-help legal books and staff attorneys who can dole out free advice or references to a specialist.

Still, not everyone is happy with LegalForce's service: Some posters to online review sites gripe that the startup is guilty of overly aggressive marketing. In response, Abhyanker has publicly acknowledged he's "not the best leader of an organization of our scale" and pledged to bring in professional managers.

Rocket Lawyer, meanwhile, has been engaged in a nasty legal snit with LegalZoom, the Southern California site launched in 2001 by O.J. Simpson attorney Robert Shapiro. The company has accused Moore's outfit of trademark infringement and false advertising.

In October, a federal judge denied LegalZoom's motion for summary judgment, meaning the case will likely go to a jury this year.

LegalZoom this month dropped plans for an initial public offering of stock, which had been on hold since Facebook's 2012 pratfall chilled the IPO market. LegalZoom, whose investors include venture capital giant Kleiner Perkins Caufield & Byers, instead will sell a controlling stake of itself to a European private equity firm for \$200 million.

One thing LegalZoom and Rocket Lawyer do agree on is that cyberlaw is booming. Moore says there are "billions of searches a year for solutions to legal problems."

Last year, Rocket Lawyer acquired another Google-backed startup called LawPivot to provide a Twitter-like mobile service for legal questions. And Moore says his website garners more than 2 million visitors a month

- most of them individuals.

If advanced help is needed, the 500 attorneys in Rocket Lawyer's network offer steep discounts on their published rates.

"We build an entire system to make the lawyers more efficient," Moore said, "so they can provide the services for less."

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SWIMMING WITH SHARKS:

A growing number of startups are putting legal resources on the Web.

-Clerky: Y Combinator-backed startup offers entrepreneurs automated Web platforms to handle incorporation documents, stock vesting, etc.

-FindLaw: Provides online legal information and matchmaking services to law firms and consumers.

-Judicata: Bankrolled by PayPal co-founder Peter Thiel, the company aims to make it easier to search and analyze case law.

-Lawyer.com: Leading referral service for attorneys.

-LegalForce: Runs an online trademark search-and-filing service and a brick-and-mortar legal service in Palo Alto, Calif.

-LegalMatch: Offers legal articles and help finding a lawyer.

-LegalReach: LinkedIn-style network helps more than 10,000 attorneys share notes on complex legal issues.

-LegalZoom: Low-cost legal forms online.

-Lex Machina: Stanford spinoff pairs a constantly updated database of patent litigation with "big data" processing tools to help clients anticipate and win patent suits.

-Rocket Lawyer: LegalZoom competitor offers help with legal forms for individuals and small businesses, plus Q&A and referrals.

-Shake: New York startup says it helps consumers create basic legal agreements in minutes via smartphone.

-UpCounsel: Helps lawyers manage billing and connect to clients via an online bidding service.

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