VENDOR VOICE

Digging Deeper into Litigation Data

By offering daily updates, databases, and other products, Docket Navigator is fulfilling the need for more detailed court-based information.

More than a decade ago, Docket Navigator CEO Darryl Towell, working as a patent litigator at a large national law firm, was able to fairly easily find information on how appellate courts were interpreting the law.

However, determining how district courts were applying the law and trial judges were exercising their discretion, which Darryl felt could help fine-tune the decision-making process during various litigation stages, proved more difficult. Online court records offered some answers, but finding them often took a considerable amount of time.

Darryl's client in one case, for example, requested background information on a judge's track record for transferring venue. The data was publicly available via PACER, but it wasn't structured in a way that directly answered the question.

"The information was out there," Darryl said. "It just wasn't organized. Finding it was a very slow and expensive process."

There was, he realized, a need for a product that would provide frequently updated information about litigation events to help quickly answer attorneys' questions and supply better insight.

After pitching the idea to his sister-in-law, Amy Towell, an operations, marketing, and product development professional who now serves as the company's COO, work on the company's litigation database began in 2007, with one of Darryl's brothers, Docket Navigator CIO Dwayne, contributing software engineering experience.

The company released its first product, the daily "Docket Report" patent litigation newsletter, the following year, in

2008. Docket Navigator, which has since swelled from three people to a 16-employee staff, debuted its flagship database solution in 2010, featuring patent litigation data from every district court, the International Trade Commission, and the Patent Trial and Appeal Board.

We recently spoke with Darryl and Amy about addressing patent litigator and research professionals' needs; how cost has influenced product development; and the company's nine-year journey to carve out a niche in the legal information service market.

How has the product changed since it launched?

Amy: As more information became available, we added new practice areas and forums. We've gone deeper into patent litigation as we've added data to the database. We've also been able to create visualization tools like our analytics tool. Next year, there are going to be new practice areas and additional analytics. It's something that's grown over time.

How much customer input went into determining changes?

Darryl: Definitely a lot—pretty much everything we've added to the service was driven by requests from customers. We personally read every email that comes into our company. If a subscriber can't answer a question with our current tools, we look for a way to find an answer. The requests we receive may even turn into a new feature. If you're asked the same questions often enough, you realize, 'This is something people are really interested in.' We then add it to the database and to search queries. Since we're such a small, lean company, we're able to do that more quickly than the large publishers.

How did you initially promote Docket Navigator to potential customers?

Amy: We've never had a sales team or marketing campaign. Our growth has mainly been word-of-mouth. We tried to produce the timeliest results, and

attorneys will talk amongst themselves if you're putting out good, accurate data.

The process of taking public information and deriving information from it—that's all done by hand in-house. The data about district courts comes from PACER and other databases we use. We add information about parties and judges. All information is entered in our database by real human beings who work here in our offices. You need legal professionals on the ground entering in that data.

Who is your biggest user group today?

Amy: Most of our users are law firms or corporate in-house departments. We have more than 14,000 at this point—some international, but they are mostly in the U.S. We also have economists; financial and government groups; a lot of academics; 88 of the 100 Am Law firms; and hundreds of judges.

DOCKET NAVIGATOR BASICS

Founded
March 2007; the company's first product, the "Docket Report" daily newsletter, was launched in 2008.

Flagship Product Released
Docket Navigator database released in 2010.

Users
14,000 mostly U.S. users, ranging from attorneys to economists. Docket Navigator also provides free access to several hundred federal district and circuit judges and their staff; federal agencies like the Patent Trial and Appeal Board; and professors and students studying law, economics, finance, and other disciplines.

How do law librarians typically use the product?

Amy: What we usually hear from librarians is they use it when they receive a request from an attorney who needs help answering a legal question. Sometimes attorneys can throw questions at a librarian that make total sense to the attorney, but not to the librarian, who is not involved in patent litigation every day. We get tons of questions from law librarians asking, 'What does this mean?' We're always happy to help with deciphering requests and sending results. That keeps them from having to go back and forth to the attorney several times—which is usually frustrating on both ends—and speeds up the process. Usually, what librarians like most about our product is that they can call or email any time for help.

Darryl: Years ago, law firms and legal departments subscribed to a small handful of information providers. Today, that number has grown considerably, and the information available from those providers changes constantly. Everyone in the firm can't be an expert on every system, so librarians are often called on to start the process—in essence, they serve as an information hub. We're empowering that process, making it easier for librarians not only to start the research process, but to hand it off to attorneys, who can then review the results and revise as needed. It's something we've talked to law librarians about a lot. In early 2017, we'll be releasing an updated version of our database called Compass, which will help lawyers and librarians work together even more efficiently.

Amy: Recently, several subscribers said they wanted to see different types of information together on one page. Compass allows librarians to create electronic "binders." Within each binder, they can add multiple tabs, each one representing a different search or chart. The entire binder can then be shared with lawyers. You can also export reports and create alerts at the binder level. The goal is to facilitate

Docket Navigator's analytic tools include this Motion Success Chart, showing outcomes of motions for summary judgment of patent invalidity in places such as California district courts.

ongoing collaboration between librarians and the attorneys they work with.

### Has your pricing system always involved a set fee?

Darryl: When we started, it was a free service, just to get people interested and give them a chance to try the product at absolutely no risk. When we did start charging in 2009, from day one, it was a flat monthly fee. We never want there to be a surprise at the end of the month, or have our customers afraid to click or download anything.

Amy: Our subscribers get access to the "Docket Report," our database, and all alerts, which wouldn't be very helpful unless you can click on a document, which is stored in our database.

Darryl: Many people use the "Docket Report" as a starting place for research. They can review it in the morning, for example, and if a case is of interest to them, they can click on the name of a company involved in the case or patent, or the judge, and it will take them to what's essentially a search in our database for that item. The "Docket Report" leads them to additional research that ties in.

Do you feel the Great Recession had an effect on legal service delivery and the expense that can be involved?

Amy: We started our company at the worst possible time, economy-wise, so we kept it very lean and continue to do so. Our goal is to provide a huge amount of value without the exorbitant costs firms are used to paying. When you don't overcharge for a high-quality legal product, you become a leader. Our annual renewal rate is 100 percent for groups. Once a firm subscribes, it usually just continues to subscribe every year.
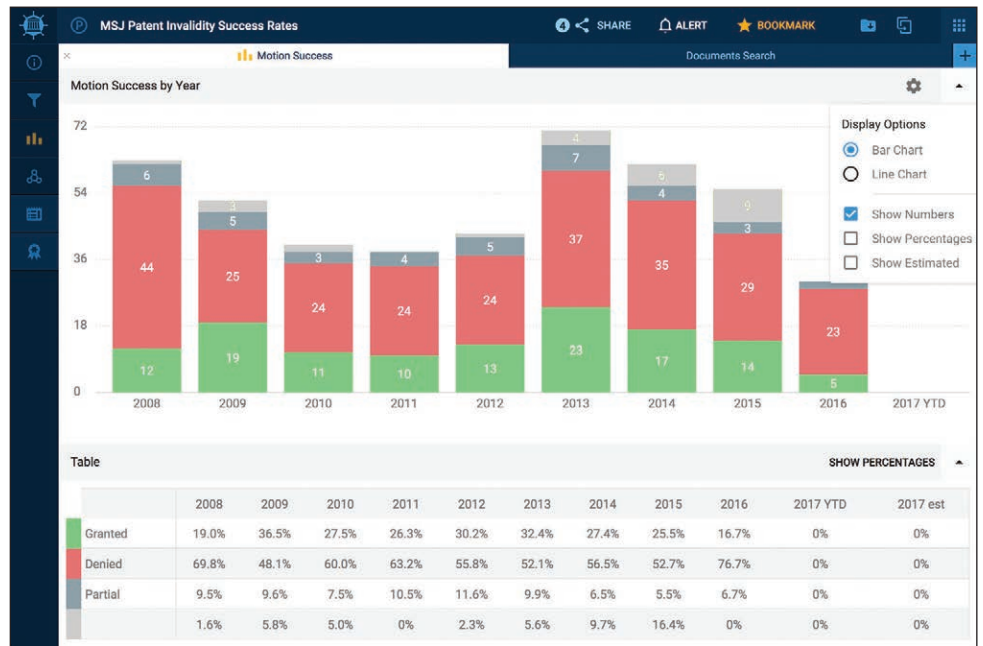
Even with having a set cost as a selling point, did you face any specific challenges convincing the legal community that you could be a resource for information?

Amy: The biggest challenge, from day one, was knowing that our target audience is made up of perfectionists. They're attorneys, and they have very high standards for completeness, accuracy, and reliability. They have to; their clients demand it. Recently, a user sent us some search results from a different litigation database for a particular type of motion. The other service showed 13 hits. We had more than 50. The other database uses machines to process all information; we use humans. That really makes a difference. Asking an attorney to rely on a report that is missing 70 percent of the relevant data seems like a bad idea.

What I learned is even when you have an awesome idea and think it's going to take off like wildfire, it takes a while for people to get the word. There is no magic formula to get your product into everyone's hands, but it has taken off at a relatively good pace.

Darryl: Our main goal is to empower litigation professionals to make the best possible decisions.

Lawyers, whether in-house or outside, have to make a lot of judgment calls. They have to formulate a strategy and make the best calls they can. In hindsight, with vision being 20/20, sometimes those calls are wrong because they were made in an information vacuum. We try to fill that vacuum, to provide as much context as possible. That's why accuracy is so critical; it's not just about providing a pretty pie chart or colorful graphic—but actually providing good data that can be relied on to make better decisions.

Our customers are highly sophisticated purchasers. They do a lot of their own research, and there are a lot of companies looking for business from law firms. In that environment, growth is really a matter of trust. You're asking people to rely on your data and asking them to read your content; they're not going to do it until they trust you, and building that trust is just something you do one day at a time, one customer at a time. It's a process that doesn't happen overnight. But over time, if you constantly deliver, again and again— that's how you grow a company. ■