Thomson Reuters Set to Acquire Legal Tech Startup Casetext in $650M Deal

Thomson Reuters, a global leader in providing professional services and information solutions, has announced its acquisition of Casetext, a San Francisco-based legal tech startup, for a staggering $650 million. This strategic move is part of Thomson Reuters' long-term investment plan in generative artificial intelligence (AI), aiming to revolutionize the legal industry.

The definitive agreement between Thomson Reuters and Casetext paves the way for the acquisition, which is expected to be finalized in the second half of 2023, subject to regulatory approval. Casetext, established in 2013, has made a name for itself with its innovative product, CoCounsel, a legal AI assistant. CoCounsel, developed in collaboration with OpenAI and powered by the cutting-edge GPT language model, employs a chatbot interface to assist with legal research, document review, and contract analysis.

Thomson Reuters' President and CEO, Steve Hasker, expressed his enthusiasm for the acquisition, stating, "The acquisition of Casetext is another step in our 'build, partner, and buy' strategy to bring generative AI solutions to our customers." Hasker believes that Casetext's inclusion will accelerate and expand their market potential, transforming the way legal professionals work and the tasks they undertake.

See also: Thomson Reuters partners with Microsoft for generative AI push

The acquisition of Casetext aligns with Thomson Reuters' broader strategy to develop generative AI capabilities. This strategy encompasses integrating AI technology into their existing products, collaborating with other companies, and acquiring innovative startups like Casetext that pioneered AI solutions. Earlier this year, Thomson Reuters announced plans to invest over $100 million annually in generative AI technology. In a partnership with Microsoft, they recently introduced a contract drafting plug-in for Word in Microsoft 365 Copilot.

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Casetext's CEO, Jake Heller, expressed his excitement about joining forces with Thomson Reuters, emphasizing their shared mission to harness AI and increase access to justice. Heller sees the acquisition as an opportunity to exponentially advance the field of generative AI solutions, not only for legal professionals but also across various industries, benefiting as many people as possible.

Thomson Reuters views CoCounsel as a significant asset that will enhance their ability to provide generative AI capabilities to their portfolio and the market as a whole. Their plans involve leveraging CoCounsel's advanced technology alongside Thomson Reuters' authoritative content and insights to deliver substantial productivity benefits to the legal industry.

The legal sector's growing interest in generative AI is evident in recent developments. Thomson Reuters' competitor, LexisNexis, introduced Lexis+ AI, a chatbot designed to aid in case research and document drafting. These advancements indicate a collective belief that generative AI has the potential to transform the legal profession and revolutionize the way attorneys operate.

By acquiring Casetext, Thomson Reuters solidifies its position as an industry leader, driving the adoption of generative AI in the legal field. This strategic move complements their long-term investment plan and demonstrates their commitment to innovation and staying at the forefront of technological advancements.

The acquisition of Casetext signifies a significant milestone for both companies involved. Casetext's expertise in AI technology, combined with Thomson Reuters' vast resources and global reach, sets the stage for groundbreaking developments in the legal tech landscape. As the transaction moves forward and regulatory approvals are obtained, the legal industry eagerly awaits the potential transformative impact of this acquisition on the way legal professionals work and the accessibility of justice for all.