

LEGAL ®EVOLUTION 2018

**Will Technology really disrupt the
Legal Market -
Insights and Critical View from India**

by

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OPINION

How blockchain is disrupting the legal industry

For those in the legal industry, blockchain is a disruptive technology that has the potential to disrupt Law Firms? ... in and ... its ramifications ... the ...

Will AI and technology disrupt Law Firms?

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Disrupting Justice: How Technology is Transforming the Legal Sector.

Disruptive technology: rise of the legal startups

The Legal Sector Must Prepare For Disruption

LEGAL

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Objections over

The case for disruption in the legal profession

Law

Law firms programmed for more technological disruption

From 'smart contracts' to apps, opportunities to replace lawyers with software abound

Disruption in the legal sector: Are robot lawyers upon us?

As stereotypes go, that lawyers are risk averse is one of the most commonly used

Questions



Will the Law firms have an option to operate without Technology?

How would small / boutique law firms survive the large investments in technology by big law firms?

What are the expectations of the Millennial lawyers?

And finally the BIG QUESTION

Will the 'Lawyer' get replaced by Automation?

Existing Technologies



- **Document Management** - from indexing, smart searches, standard templates to creating customized documents - Law firms have progressed to install robust document management systems which are cloud-based and are accessed by the practitioner from anywhere in the world. This ensures high security, enhance clients experience & generate higher revenue through efficiency.
- **Knowledge Management** - comprises a range of strategies and practices using in an organization to identify, create, represent, distribute, and enable adoption of critical and specific insights and experiences. Value arises from what a firm collectively knows and how efficiently it uses this knowledge.

What's Changing



- **Legal Process Management** has emerged as a specialized form of project management that adapts the core tools and skills of the discipline to the particulars of legal matters and the lawyer-client relationship. It helps develop a more complete understanding of the scope of the matter, planning the work flow, the budget for implementing the plan, as well as a system for continuous monitoring and communication.
- **Customer Relations Management:** CRM allows them to keep their customer information organized, track all their interactions with each customer and provide a better experience tailored to each customer. Law firms have taken advantage to handle client relationships, since such software allows firms to have client information at their fingertips and would foster better relationships with clients.

What's Changing



- **Machine Learning and Artificial Intelligence:** is another major breakthrough technological trend that commentators expect to change the supply chain in legal services. Machine learning algorithms are designed to detect patterns in data and then apply these patterns to new data in order to automate particular tasks.
- Tech Firms are already working with some of the top global law firms across the globe to implement machine learning and AI solutions that automatically review thousands of documents and extract the desired output.
- Contractual clauses are identified, analyzed, extracted for a range of transaction requirements with a software which uses AI. Many Startups are popular in India among providing AI-legal solutions including payment solutions.

Block Chain

- **Block chain & Smart contracts:** Blockchain is a data innovation that amounts to a self-verifying record of transactions between parties that requires no intermediaries and no institutional record keeper. It is being explored by multiple institutions and record-keeping agencies to transform their databases.
- Australian National Blockchain (ANB) is the new platform represents new age digital infrastructure that enables Australian companies to join the network to use digitized contracts, exchange data and confirm the authenticity and status of legal contracts.
- ANB will provide smart legal contracts (SLC) that contain smart clauses with the ability to record external data sources such as the Internet of Things (IoT), enabling these clauses to self-execute if specified contract conditions are met.

Virtual Workers

- **Robotic Process Automation:** RPA enables computer software commonly called ‘robots or bots’ to perform routine tasks by accessing existing applications to capture and interpret data, manipulate it, use it to process a transaction and report the results to other digital systems. RPA is not just automating processes, but rather about creating virtual workers that can perform highly repetitive, time-consuming, rule based tasks.
- Not only can RPA be used for administrative tasks such as invoicing, structured commodity tasks like new client or matter intake, but also case oriented work like basic legal research. There are dozens of tasks this RPA system can be configured to work on, freeing up the lawyers to work on specialized matters or handle higher-value work, thus boosting firms’ overall efficiency.

What's Changing



- Document Management & Knowledge management have become the basic tools for law firms that has improved efficiency and quality of service.
- Artificial intelligence has reduced time taken for typical searches / data processing from vast data bases across jurisdictions and thereby the typical fee structure offered by law firms.
- Digital platforms including social media has offered a whole range of possibilities to enter new markets across globe.
- Cloud based solutions are making it easier for law firms to expand their activities efficiently across jurisdictions.
- In-house legal departments are experimenting in big way, investing heavily and are also benefiting with the new processes as their dependency on law firms is reducing.

What's Changing



- Judiciary across the world is in the process of adopting technologies and allowing online filings & virtual trials to assist speedy and fair delivery of justice.
- Governments and Regulatory Departments including are developing processes to encourage quick filings/ Registrations from multiple locations, data collection and analysis to bring efficiency and transparency.
- We are at the cusp of tipping point which may redefine the role of the law firms. Clients are demanding fixed fees and no more willing to pay hourly for routine due diligences or preparing standard template documents as the so called 'best legal advice' is becoming off-the-shelf product!!

Tipping Point for Legal Industry

- Big law firms have been actively engaging in special projects to test innovation ideas largely to achieve increase offerings and greater efficiencies, to testing new business ventures and models, identifying pricing and staffing improvements, and solutions aimed directly at engaging and retaining clients.
- Traditional or old law firms are still slow to adopt due to resistance from firm management or there is a little demand from their clients.
- Young lawyers' are extremely bullish and are heavily invested in technology also willing to take risk.
- Status quo for law firms therefore seems is no real solution. Law firms need to adapt technologies and rethink their business strategy and the way they attract & retain talent.

Technology in Indian Courts

E-Courts in India

- The e-Courts project was gestated based on the National Policy and Action Plan for Implementation of information and communication technology (ICT) in the Indian Judiciary - 2005 which was submitted by a committee through the Supreme Court of India.
- This project aims to provide ICT enablement of courts to make justice delivery system affordable and cost-effective. The e-Courts Integrated Mission Mode Project (Phase-I) is one such national e-Governance project being implemented in High Courts and district/subordinate Courts of the country.
- Phase-I was implemented during 2011-2015, wherein INR 639.41 crores was released for computerization of district and subordinate courts. At the end of Phase-I in 2015, more than 95% of the mandated activities were completed.

Technology in Indian Courts



- The Phase-II was approved in January 2014 for further enhancement of ICT enablement of Courts, incorporating the computerization of as many as 8000 new courts and other legal authorities.
- Under Phase-II of the Project (2015-2019), INR 10 billion has been released till date, against the financial outlay of INR 16 billion.
- Computerization of 16,089 district and sub-ordinate courts have been completed. Litigants can access case status information in respect of over 10 crore cases and more than 7 crore order/judgements.

Technology in Indian Courts



- Department of Justice has issued work order to BSNL in 2018 for establishing WAN connectivity at 3064 court complexes, including 458 unconnected court complex sites under Project at a cost of INR 17 million.
- The first paperless court under this program was started in July 2016 in the Hyderabad High Court.
- Data tells us that the average hearings per case have come down post the transition phase, effectively increasing the productivity of the court. This will decrease the average case age, an important parameter for measuring case pendency in the country.

Technological Disruption: A Critical View



- The advances in technology that lead to automation of any industry often leads to substantial human job displacements.
- Just as mechanized robots have taken away millions of jobs from factories, mining, oil, and even services industry, the same fear seems to have arisen in the legal industry at the advent of machine learning AI.
- The emergence of new technologies in legal industry mirrors what is happening in the wider business economy - it has brought about exciting change and large-scale consumer and business benefit.

These developments however are yet far from the point where they will ever totally replace skilled lawyers.

Will lawyers get replaced?

- It is suggested in some studies that the machine learning AI software will soon take over the jobs of junior level lawyers and firms would be able to efficiently function with AI and senior-level lawyers examining and verifying the work done.
- **This is a rather far-fetched and unrealistic viewpoint.** Just by examining that hypothesis, if only AI and senior level lawyers worked in future law firms, then eventually, the senior lawyers would retire and there would be no junior lawyers to take over the reigns.
- It can be expected of law schools to teach young law students to be able work with machine learning software, **but can we expect law schools to churn out only senior level lawyers. Such a hypothetical system would not be sustainable.**

Technological Disruption: A Critical View



- From a pragmatic standpoint, in the near future, when most firms have incorporated these types of software into their daily use, firms might have a reduced need for entry level positions, however, these positions could be recuperated by lawyers with a specialization in operation of machine learning software.
- With the advent of any new technology in any industry, there lies a dystopian truth of reduction in the amount of human capital in that industry. This however would not apply to the legal industry at least in the foreseeable future.

The current jurisprudence has evolved over hundreds of years. With the present and near future AI, it could not be palatable to presume that AI could determine the future evolution of the law.

Technological Disruption: A Critical View



- Artificial Intelligence technology can help lawyers change the way they do their work. It can bring efficiencies. But replacing human beings is unimaginable at the moment as also ill-advised. That said, the role that Artificial Intelligence is capable of playing, not to replace human workforce, but to make tasks easier cannot be denied.
- As new technology develops and more legal service providers emerge that use this technology, it is important for law firms to adapt to this change and partner with such service providers to optimize their own performance and value for client-servicing.

The future Law firm employee will need to have behaviours and skills that are inherently different from those required today.

Technological Disruption: A Critical View



- The Legal profession will be radically different in 10 years. Changing client demands, employee expectation, technology and other external factors will alter the nature of jobs required in the future.
- The market will kill those who don't adapt. They are the ones who should be scared of AI. The really wise lawyers, they know it's not one versus the other and find ways to use AI to augment, not replace judgement and empathy.
- **World Economic Forum in its latest report has stated that only 22% of the work activities by Lawyers/ Doctors/ Teachers/ Statisticians/ Chief Executives can be automatable and balance 78% would remain non-automatable.**

Status quo is no answer



- Lawyering is all about ‘Good Judgment’ and being the ‘Trusted Advisor’.
- Trust is all about ‘understanding people’ ‘reliability’ ‘consistency’ ‘fairness’ ‘openness’ ‘competence’ ‘integrity’ ‘character’.
- Who would answer the final question ‘Should I do this?’ **But certainly ‘Status quo’ is no answer.**



Thank You

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