



The 7 AI Trends That are Redefining the legal Industry

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Introduction

Artificial intelligence (AI) technology is defining the new normal in all facets of life, with some even likening its expansive growth to a “4th industrial revolution”. Finding examples of this phenomenon is certainly not a stretch. Digital assistants like Siri and Alexa are relied on by millions to perform simple tasks. Ride-sharing giant Uber leverages AI tech to predict fares, ETAs and optimal pick-up locations. Facebook seems to know what you’re thinking even before you do, and manages to serve up an ad that is perfectly suited to your interests.

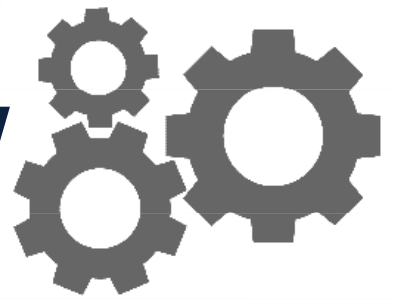
AI is on a meteoric rise, disrupting the status quo in almost every domain. While law is a traditionally conservative sector, many legal organizations are recognizing the benefits and adapting by incorporating latest technologies into their workflows.

AI brings with it a transformative power to shake things up by **automating tasks to increase efficiency and reduce operating costs**. It offers the opportunity to revolutionize a number of legal processes while saving time and money, all while enabling more analytic capabilities and allowing lawyers to focus on more strategic - not to mention profitable - tasks.

With this massive technology movement steadily growing, experts are predicting even more innovations in the very near future. As such, **more and more organizations are realizing the benefits and incorporating AI into their day-to-day operations.**

Let’s take a deeper dive into 7 AI trends that wield tremendous power to revolutionize the legal industry.

Technical Terms Primer



This mini guide will define and explain the various technical terms that will come up in this eBook. Learn more about the important facets of artificial intelligence, and how they overlap and intertwine with one another.

Artificial intelligence (AI)

Refers to the broad discipline of creating intelligent machines that can perform tasks characteristic of human intelligence such as planning, recognizing objects and sounds, and problem solving.

Machine learning (ML)

A subset of AI, ML refers to systems that learn from experience and get “smarter” over time, without human intervention. ML is a method of training an algorithm so that it can learn how to perform a specific task. Training involves feeding the algorithm large amounts of data and allowing it to adjust and improve.

Deep learning (DL)

Like ML, DL refers to systems that learn from experience. The difference is that DL is applied to much larger data sets.

Natural language processing

Part of AI that refers to systems that can process spoken or written language to understand meaning.

Neural networks

This is a technique or approach to ML that refers to biologically inspired networks of artificial neurons that mimic the structure and capabilities of the animal brain. It is a framework or model designed to help machines learn.

Automated Speech Recognition

The processing of speech to text that leverages computer hardware and software-based techniques to identify and process human voice and convert it to text.

1 Document and Contract Review

The true value of AI tech comes in automating manual tasks, increasing both efficiency and productivity by **leaving the monotonous work to the machines**. This is especially true when it comes to document review, a crucial component of the overall legal process.

Although many lawyers continue to cling to the belief that no one (or thing) is more adept at identifying relevance than a trained lawyer, many studies dispute that claim. The result of significant research and practice reveals that algorithms are, in fact, much more accurate in this regard than humans.

AI-assisted review programs possess the capability to examine large sets of files and, based on a particular set of criteria and parameters, identify and prioritize the most important ones for a specific case. All of this occurs in mere seconds, in comparison to the hours it would take even the most experienced of legal personnel to complete this same task.

AI-assisted contract review platform LawGeex conducted an experiment, pitting 20 attorneys against its software to review 5 Non-Disclosure Agreements and accurately spot risks within the documentation. The AI boasted an average accuracy rating of 94%, while the lawyers achieved 85%. The discrepancy in speed was even more impressive. The lawyers took an average of 92 minutes to finish reviewing the contracts, while the AI solution finished the job in 26 seconds.

Leveraging AI-based programs substantially reduces both the time and cost of review, and achieves greater accuracy than lawyers would by working manually.



Save time

Review files, identify and prioritize relevant documents in a fraction of the time it would take to do so manually.



Reduce costs

Decreasing the amount of manual work required by legal professionals saves money.



Higher accuracy

AI-enabled software performs the task with more precision than humans.



Boost profit

Increase the number of contracts that lawyers can negotiate and execute effectively.



2 eDiscovery

eDiscovery first rose to prominence as a result of the transition from hard copy data to Electronically Stored Information (ESI). **Machine learning processes are applied to reduce the time spent sifting through off-topic information.** Through predictive coding capabilities, legal professionals can teach the software to analyse human feedback, learn what information is relevant to a case, and then locate that kind of data.

The ability to complete this process with ease means fewer hours are spent working to collect information, freeing up valuable time to focus on more strategic tasks. In fact, research shows that, as a result of automation, lawyers now only spend four percent of their time on document review.



With training, predictive coding achieves superior results when compared with traditional manual discovery methods.

The results are so effective that many courts now prefer AI-reviewed documents, with some even refusing to accept documents produced otherwise.

In recent years, eDiscovery has significantly improved to address the current shift toward even more intelligent AI - driven by the evolution from structured to predominantly unstructured data as a result of the proliferation of web and social media content. Natural language processing algorithms and neural network architectures have greatly enhanced eDiscovery capabilities, allowing users to ask richer, more semantically complex questions that mimic the way humans actually speak, rather than being constrained by computer-appropriate syntax that may limit the scope of the inquiry. Furthermore, AI-enabled transcription tools enable this type of content to be indexed and, therefore, searchable, further enhancing the powerful capabilities of the AI with more robust data.

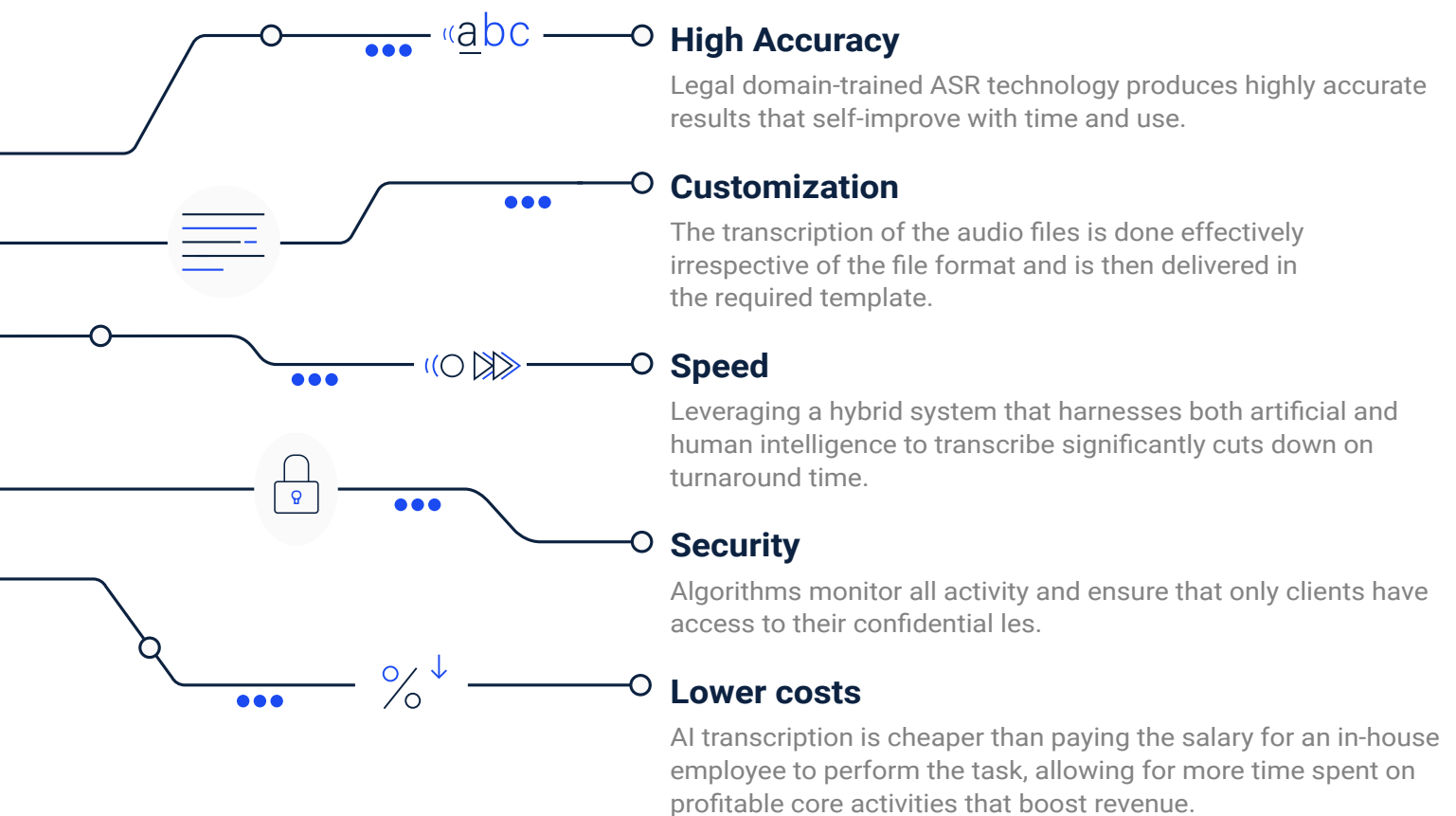
Although advanced AI has enabled vast improvements in eDiscovery, there are some things machines can't replace - at least not yet. Simply locating relevant data is not the same as providing a nuanced understanding of those findings. The latter requires complex reasoning and experience that can only come from a legal professional. In addition, humans are required to train the software to identify relevance and find useful patterns.

Transcription in law is certainly nothing new. But, this decades-old necessity in the legal system has come a long way from the totally manual processes that were once the industry norm.

Transcription vendors are harnessing cutting-edge developments in AI-powered Automated Speech Recognition (ASR) technology and incorporating latest advancements into their solutions. This helps to boost accuracy to near-perfect levels in order to meet sky-high industry standards in law.

The legal sector heavily relies on audio and video files, as all processes are typically recorded for use in cases - including depositions, evidence-gathering, and court proceedings. All of these files must be transcribed or captioned to maintain accurate records that have the power to make or break a case.

An AI-based solution drastically speeds up this notoriously inefficient process, giving legal professionals faster access to precise information so that cases can be solved quicker.



AI-based transcription technologies also open new opportunities for organizations that can benefit from the textual information derived from audio and video content. Moreover, **automating transcription also reduces the risk for subjective interpretation of legal documents** that can affect the outcome of a case.

4

Due Diligence and Research

Typically assigned to legal support professionals or junior lawyers, due diligence involves uncovering crucial background information that is pertinent to a case. This often involves confirming facts and figures and thoroughly evaluating decisions on prior cases, in order to provide effective legal counsel.

While extensive due diligence is a necessity, the process tends to be time-consuming. Lawyers must conduct highly comprehensive investigations for meaningful results. As such, mistakes and inaccuracies can sometimes occur.

AI-enabled software is capable of performing **more accurate due diligence contract review by searching, highlighting, and extracting relevant content** for analysis, almost instantaneously. These programs use natural language processing and machine learning to extract relevant textual data from legal contracts and other documents to guide lawyers in their work. Other team members who need to review the content can search for the extracted information, thereby increasing efficiency and cutting down on time spent.



For example, when it comes to mergers and acquisitions deals with millions of dollars on the line, a law firm handling the due diligence will likely cover hundreds to thousands of contracts - a time-consuming endeavor for human reviewers. Slow speed aside, cost becomes a major factor as well. Research shows that the due diligence portion of the legal process can consume upwards of 60% of total legal fees.

That's where AI comes in. Machine learning technology can be pre-trained to recognize concepts and analyze hundreds of contracts in mere seconds. **The right technology minimizes costs, reduces risk of error and, most importantly, speeds up the process.**

In the information age, data is everywhere, creating a massive stockpile of raw material that is fuelling the growth of legal analytics through deep learning technology. Harnessing this potential provides incredible insights into the best way to serve legal clients. Legal programs that leverage AI amalgamate tons of data, such as documents, case files, and briefs, to allow for meaningful predictions. This type of software generates data that can be used to analyze opposing counsel and determine the probability of winning a case.

AI has the capability to analyze data in order to make predictions about the outcomes of legal proceedings more successfully than humans. For example, solutions that include AI elements can detect warning signs and signal lawyers when the tool identifies threats of litigation. These systems work by searching for high-risk documents and displaying them to the user according to priority level. It also enables more accurate prediction of a lawyer's success by analyzing his win rate, case duration and type, and his pairing with a judge, assisting lawyers in understanding how a judge is likely to rule on a case. This is why more and more law firms are delving into data-driven analytics to win cases, transform their business and boost their bottom line with superior results and more successful case outcomes.



Leveraging analytics to accomplish legal objectives creates strategic advantages for law firms. Going forward, the lawyer who knows how to find the correct answers quickly and with certainty will win out over the lawyer who doesn't. AI is the secret to getting a leg up on competitors who are skeptical of the efficacy of such tools.

Researchers at the Illinois Institute of Technology and South Texas College of Law developed an algorithm to analyze hundreds of years worth of Supreme Court data - from 1791 to 2015. The bot accurately predicted the outcomes of 70.2% of the court's 28,000 decisions, compared to 66% accuracy achieved by a team of human legal experts.

But, as with any analytics platform, AI tools that deal with predictive technology need a lot of data to function at an optimal level. These programs use deep learning to provide the ability to predict outcomes based on the available data - which can be complicated, requiring many variables and decision trees to predict just how a judge will rule.

Clients often ask their legal counsel to predict the future with questions such as "If we go to trial, will I win?" or "Should I settle?" With the use of AI that has access to years of trial data, lawyers will be able to answer such questions with greater certainty.

In a nutshell, chatbots are computer programs that simulate human conversation using Natural Language Processing (NLP). Through this intricate AI-based technology, bots are able to process text input and interact with users to answer simple questions from people wanting to learn more about a certain subject.

Chatbots are gaining steam in the legal profession as a clever way to answer basic client questions and free up lawyers to deal with more complex matters. It's clear why bots would be helpful in a legal context, as they represent yet **another channel of communication for law firms to interact with both existing and potential clients.**

Customers who arrive at the website of a law practice are greeted by the chatbot, and directed to a relevant staff member, based on the basic information they provide about their needs, as prompted by questions from the bots. The chat logs can then be forwarded to the attorneys themselves, giving them an initial overview of their clients' requirements and helping them prepare for meetings.

Aside from assisting staff with optimizing their processes, bots are also a boon for legal customers. Unlike human beings that require sleep or vacation, bots can work 24/7 to provide clients with legal assistance on demand. Beyond facilitating legal assistance anytime, chatbots also help businesses augment their customer support and devote valuable human intelligence for more productive tasks.



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In certain cases, chatbots afford consumers who normally would not be able to afford a high-priced lawyer with an affordable option to obtain sound legal counsel. By leveraging NLP to interact with people on a personal level, chatbots level the playing field and make legal services more accessible.

One of the earliest legal chatbots, DoNotPay, was developed and launched in 2016. Since then, DoNotPay has helped appeal over 160,000 parking tickets across the United Kingdom and New York City, saving motorists an estimated three million dollars in fines. Recently, DoNotPay has expanded its services, helping travelers negotiate cheaper deals or re-book hotel and flight reservations if prices were lowered after they've already paid.

Chatbots, like all AI-based technology, work best when fulfilling data-driven tasks, such as collecting inquiries and generating responses based on frequently asked questions. However, when requests become more complicated, humans are required to step in to analyze, strategize and provide complex reasoning to solve legal dilemmas.

Currently, these chat systems are still in their early stages of development. As legal bot technology continues to evolve, new bots that are capable of covering a broader range of legal topics are sure to emerge.

7 Cybersecurity

As with all technology, there are two sides to every coin. While AI is more often used for good, it also has the potential to be appropriated for more sinister purposes. AI and machine learning technologies are amplifying hackers' arsenals to create more sophisticated attacks and easily bypass basic protection methods like two-factor authentication. Because of this increase in digital threats, legal organizations are beefing up their cybersecurity budgets going forward, to secure their networks and confidential information with encryption.

Due to the highly sensitive nature of legal information, **cybersecurity is an issue that is at the forefront of legal technology discussions as a top concern for organizations.** The rising tide of AI means better predictions can be made about never-before-seen threats. That, combined with great enhancements to automation, means that defenders stand to gain the upper hand.

The vast array of available AI tools unlocks extensive possibilities, namely the ability to detect patterns and seek anomalies in real time. Leveraging machine learning algorithms to monitor and efficiently respond to potential network threats represents a major upgrade over more commonplace security solutions.

As AI-based cybersecurity technologies, including user behavior analytics, gradually emerge, vendors will extend their AI-based cybersecurity capabilities to foil potential attacks and safeguard their data.



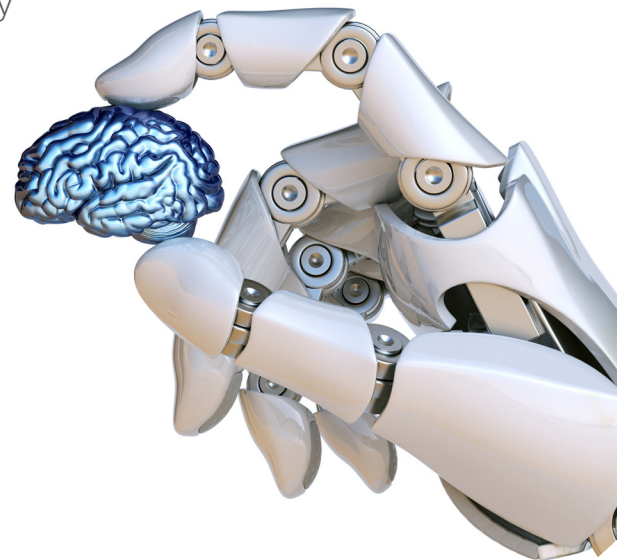
Implications for the Legal Industry

Despite what sensationalist headlines may suggest, the rise of AI doesn't mean that robots are out to steal anyone's job. Today's AI technology is at its best when it is accomplishing narrowly-defined tasks and completing time-consuming, repetitive work. While machines can process, store and recall information much faster than people, human professionals still need to apply critical thinking to that information. Therefore, **by leaving the mundane or tedious tasks to the machines, AI has immense potential to allow law professionals to take on a more strategic role.**

The 7 areas of the industry discussed in this eBook provide insight into how legal professionals are currently harnessing latest technologies to optimize their processes, and how developments can be utilized going forward. Leveraging these advancements has the capability to fundamentally change the legal sector by giving professionals better tools to finalize cases faster while maintaining the expected standards of accuracy, privacy and personalization.

Forward-thinking legal practitioners have the opportunity to join the AI revolution and **leverage today's powerful technology to save time and money, and increase productivity and profitability.** Rather than fearing replacement through the adoption of AI, lawyers must embrace the opportunity to work with technology to optimize operations and enhance legal services.

With this massive technology movement growing steadily and showing no signs of slowing down, experts are predicting even more innovations in the very near future. All of this boils down to one key conclusion: AI is here to stay.



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