

IS TECHNOLOGY REALLY ABOUT TO DO AWAY WITH LAWYER WORK?

Legal artificial intelligence is much-hyped but an objective analysis of its capabilities shows it won't be replacing real lawyers any time soon

The hype around artificial intelligence (AI) in the legal sector is reaching fever pitch, but there are a few questions that should be asked, such as – can machines do due diligence?

There are many AI platforms and solutions available for the legal sector. Since 2012 more than 280 legal tech start-ups have raised almost \$800m in attempts to enhance legal work. Now, software providers targeting the legal market are trying to sell their solutions with an AI edge even when they only involve some user analytics and search scripts with a modern user interface.

AI solutions aim to find manual work that can be automated. There are solutions in the legal sector with a focus on contract review and due diligence, such as Luminance, Kira Systems and RAVN. These recognise contract types, and clauses to be extracted to spreadsheets, making content searchable in huge document masses. But the limitation is that they use English as the recognition language. In Luminance some steps have been taken to include other languages, and it can now flag documents as, say, French or German. But support of Nordic languages, among others, is still missing.

The development of AI is interesting, but to say it will replace lawyer work would be wrong. And to say it is new is not quite right, either. Most business law firms already have a document management system (DMS) whereby all documents can be indexed and made searchable. Usually, a DMS has a user interface for searches, and hopefully some metadata to define the content of the documents. If not, AI solutions are more than welcome, and they also provide optical character recognition (OCR) functionality. But nowadays, OCR is available in photocopiers and is often as a basic functionality of a DMS system. We will see the development of DMS and other systems in the near future, so the acquisition of interesting tech providers may still happen but AI will eventually be commoditised.

Data visualisation and improved searches

One feature in the above-mentioned AI solutions is visualisation of document data. Usually, lawyers do not need detailed reports on project documents because DMS or virtual data room (VDR) solutions already cover this. As mentioned above, AI solutions enable recognition of contract type but to do that you have to export all the documents from the VDR – where they are usually organised in folders by contract type anyway – and import these to the AI solution to be re-recognised.

For this reason, integrations with VDR solutions such as Merrill are welcome. AI systems will find defined clauses (eg warranties) and count them, but the problem is that they identify only part of the clauses (depends on feeded examples; in the best cases 90 per cent), and to conduct full review all documents need to be manually reviewed.

Also, lawyers do not only look for a specified clause in a contract when conducting legal due diligence work, but rather focus on clauses missing from contracts, and the relationships between documents. They examine how documents reflect legislation and whether, say, corporate decisions are in conflict with other documents.

AI also offers solutions to reduce lawyers' research time. Ross Intelligence, for example, will carry out research. But providers of legal information databases are working to enhance searches and make the most useful content easier to use. In the past 10 years lawyers have become more independent with research – even though there is more data, it is now easier to find.

What next?

So where are we at with the development of legal AI technology? Let's compare it with self-driving cars. The best cars are at level 3 on the 'SAE scale', whereby 5 means the car can go anywhere on its own. On that scale legal AI would be at level 2, whereby the technology can 'help' you as long as you keep an eye on it. And it only performs single tasks not actual legal work.

The AI systems used in, say, due diligence work need humans to teach them to find contract types, point out relevant clauses and define how data should be extracted. Unfortunately, most developers have decided to leave the teaching to the firms where their solution is in use. Where do you find the time and the thousands of documents needed to teach a machine to produce quality findings? So, we will first see AI developments with English-language documents and, for other languages, AI will become relevant only when language detection improves. We'll see what happens the coming years, but one thing is for sure – AI will not be replacing human lawyers in the foreseeable future.



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