

AI in Application: Case studies from the legal profession



EDITED BY ALEX DAVIES

Head of events and books

Leah Darbyshire

Commissioning editor

Alex Davies

Published by ARK Group:

UK, Europe and Asia office
5th Floor, 10 Whitechapel High Street
London, E1 8QS
United Kingdom
Tel: +44(0) 207 566 5792
publishing@ark-group.com

North America office
4408 N. Rockwood Drive, Suite 150
Peoria IL 61614
United States
Tel: +1 (309) 495 2853
publishingna@ark-group.com

www.ark-group.com

Layout by Susie Bell, www.f-12.co.uk

Printed by Canon (UK) Ltd, Cockshot Hill, Reigate, RH2 8BF, United Kingdom

ISBN: 978-1-78358-320-1

A catalogue record for this book is available from the British Library

© 2018 ARK Group

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, except in accordance with the provisions of the Copyright, Designs and Patents Act 1988 or under terms of a licence issued by the Copyright Licencing Agency in respect of photocopying and/or reprographic reproduction. Application for permission for other use of copyright material, including permission to reproduce extracts in other published works, should be made in writing to the publishers. Full acknowledgement of author, publisher, and source must be given.

DISCLAIMER

This publication is intended as a general guide only. The information and opinions it contains are not intended to provide legal advice. The publishers bear no responsibility for any errors or omissions contained herein.

ARK Group is a division of Wilmington plc. The company is registered in England & Wales with company number 2931372 GB

Registered office: 5th Floor, 10 Whitechapel High Street, London, E1 8QS.

VAT Number: GB 899 3725 51.

Contents

Executive summary

About the authors

Foreword

Joanna Goodman, freelance journalist, writer, and author

Chapter 1: Teamwork, expertise, accuracy and collaboration – an award-winning AI combination

Kate Boyd, vice president of marketing, Kira Systems

Chapter 2: Faster due diligence – how Luminance is helping Slaughter & May

Slaughter & May

Chapter 3: Preventative maintenance – how AI is helping reduce internal risk at Bates Wells Braithwaite

Peter Bennet, partnership executive officer, Bates Wells Braithwaite

Chapter 4: Easing the pain of regulatory compliance with machine learning

Sondra Rebenchuk, PR and communications lead, Kira Systems

Chapter 5: Get legal – how automated legal documents will change the legal profession

Peter Bennet, partnership executive officer, Bates Wells Braithwaite

Chapter 6: Democratizing the law by utilizing AI to cut costs

Andrew Arruda, CEO and co-founder, ROSS Intelligence

Chapter 7: iManage and Keoghs – streamlining the process of handling insurance disputes

Dene Rowe, partner and director of product development at Keoghs

Chapter 8: How data is pushing the corporate legal department to the center of organizational decision-making

Karl Chapman, Riverview Law

Chapter 9: Overview of AI applications across the globe

Richard Tromans, innovation consultant to law firms at TromansConsulting and editor of ArtificialLawyer.com

Chapter 10: The future of law firms and technology – AI, blockchain, the Internet of Things and Big Data

Robert Millard, Director, Cambridge Strategy Group

Chapter 11: AI in application – original research

ARK Group

Executive summary

There's no doubt that Artificial Intelligence (AI) is a game-changer for the legal profession, much as it will be for the majority of the service industries, in an ever-changing world. Barely a day goes by without the launch of a new start-up, or reports of law firms introducing new AI technology into their practice. But to what extent is AI actually being used in the industry today – and to what effect? Is the much-talked about death of the traditional lawyer any closer? Or is the technology not yet ready to replace the human element?

As a follow-up to Joanna Goodman's bestselling *Robots in Law*, published in 2016, this book looks further than the hype, and at what actual use cases the technology is being employed in. Using actual examples of AI in practice, these case studies explore the various innovative technologies being used in the AI sector, covering different practice areas and functions. The intention is that law firms will be able to learn lessons from previous implementations, and consider which technology would be right for them to adopt.

The book opens with a foreword from Joanna Goodman, one of the UK's leading technology journalists, who explores how AI has developed in the 14 months since the publication of her book, and the trends we can expect to continue.

One of those trends – using a “portfolio approach” – is discussed in chapter one, which explores how international commercial law firm, Allens, leveraged teamwork to integrate an expert system with customized machine learning and client collaboration tools to deliver a fully transparent client platform to amplify its strengths. Kate Boyd of Kira Systems discusses how combining three different legal tech “off-the-shelf” solutions, the firm's expertise was amplified, essentially leveraging its unique domain knowledge and making the processes of the most experienced lawyers available across the business.

In chapter two, international law firm Slaughter & May analyzes the work the firm has been undertaking with Luminance, billed as the

“leading artificial intelligence platform for the legal profession”. Based on research and development at the University of Cambridge, and anchored in Recursive Bayesian Estimation theory, Luminance harnesses the power of AI to automatically read and understand hundreds of pages of detailed and complex legal documentation every minute, offering Slaughter & May the ability to carry out essential due diligence work with much greater speed.

Chapter three, by Peter Bennett, partnership executive officer at Bates Wells Braithwaite, explores the “simple but effective” matter-level risk management system used by all the fee earners at the company on every new matter. Taking between two and three minutes for the fee earner to use, and gaining the highest level of immediate fee-earner compliance, it is now undertaken 100 percent of the time and is estimated to have saved the company £6 million since 2006, and over £1 million in 2016 alone, when PI premiums went down by a further 35 percent.

Chapter four by Sondra Rebenchuk of Kira Systems looks at how three types of professional services teams have adopted machine learning contract analysis solutions to ensure quick responses to complex regulatory compliance challenges, including accounting standards, anti-bribery legislation, and Brexit.

In the second of his two contributions, Peter Bennett summarizes BWB’s “get legal” service, launched in 2015, in chapter five. A suite of tailored, automated legal documents, the system requires an entirely new way of thinking for lawyers as well as new management systems to reward lawyers for the significant investment in time to produce an online automated document. The chapter also provides a review of the market place in automated documents – a fast developing and important market which will have a significant impact on the legal profession.

In chapter six, Andrew Arruda of ROSS Intelligence explains how working with bankruptcy firm, Van Horn Group, ROSS helps lawyers cut down on research time, thereby reducing their costs to clients who are facing financial difficulties. An artificial intelligence platform supporting legal research activities, ROSS Intelligence uses natural language processing and machine learning capabilities to reduce research time, thus making their services accessible to all.

In chapter seven, Dene Rowe, a partner and director of product development at Keoghs, explains how iManage Extract is assisting with Keoghs’ AI initiative, focused on the delivery of innovative products to streamline the process of handling insurance disputes.

Karl Chapman of Riverview Law explains in chapter eight how data is pushing the corporate legal department, sometimes against its core instincts, to the center of organizational decision-making, and in its wake fundamentally changing the legal market value chain.

In chapter nine, Richard Tromans sets out how legal AI tech can be used in multiple areas, and illustrates examples of law firms using legal AI to perform different tasks. Richard considers what this means for law firms and lawyers in general, concluding that nearly all parts of a law firm may benefit from AI tech eventually.

The well-known “pyramid” law firm business model arose in the mid-20th century and had its heyday in the 1970s and 1980s. Digital technologies and the internet now make digital leverage more effective than leveraging with people. In chapter 10, Robert Millard of UK-based Cambridge Strategy Group, discusses how many professions have made the transition to business models that are digital and technology-leveraged, and AI, blockchain and other converging digital technologies are proving pivotal to this business model transformation. While many firms are experimenting with a range of specific machine learning applications, the real disruption will occur as a holistic model of “computer aided law” emerges, allowing lawyers to advise clients at a far more sophisticated level than currently possible. This chapter explores what these new business models might be like.

To conclude the book, chapter 11 takes a look at original research carried out by ARK Group in 2018, into trends in the legal AI market. Our survey respondents identified the uses to which they thought AI would be put in the next few years, and the opportunities and blockages that may help or hinder proliferation of the technology. Those brave enough to have already experimented with AI applications share their experiences, concluding this practical and forward-thinking book, offering a glimpse into the law firm of the future.

About the authors

Andrew Arruda is a Canadian entrepreneur and lawyer, and chief executive officer and co-founder of the artificial intelligence company ROSS Intelligence, a leader in the legal technology industry. Andrew speaks internationally on the subjects of AI, legal technology, and entrepreneurship, and has been featured in publications such as *The New York Times*, *BBC*, *Wired*, *CNBC*, *CBS*, *Bloomberg*, *Fortune*, *Inc.*, *Forbes*, *TechCrunch*, the *Washington Post*, and the *Financial Times*. A member of the *Forbes* 30 under 30 class of 2017, as well as a 2016 TED speaker, Andrew aims to forever change the way legal services are delivered. Prior to cofounding ROSS Intelligence, he worked at a Toronto litigation boutique and with the Canadian Department of Foreign Affairs, Trade, and Development in Lisbon, Portugal.

Peter Bennett, FCCA, has 30 years' experience as chief professional officer of law firms – the last 12 years as COO of Bates Wells Braithwaite. BWB is a 25 million/260 staff city-based commercial law firm now converted to an ABS. Previous law management was as CEO of two large Barristers Chambers, a national defendant insurance, and a seven-site High Street practice. He has written and lectured extensively on risk management and AI in law, and was named as a leading “innovator and disruptor in law” for the *Legal Week* November 2017 Business of Law conference. Peter was commended at the FT European Legal Innovation Awards 2016 for his pioneering initiatives for BWB in matter level risk management and client-facing document automation – “Get Legal” – both examples of practical AI launched in 2006 and 2015 respectively.

Kate Boyd is vice president of marketing at Kira Systems. With more than 20 years' experience working with professional services companies around the world to embed cutting edge technology, she believes the combinations of great teams empowered with great technology

opens exciting opportunities for firms of all sizes. Kate lives in Brooklyn where she geeks out over AI, cool tech, live jazz and peanut butter-filled pretzels.

Karl Chapman is CEO of Riverview Law and chairman of the board of Kim Technologies. Riverview Law provides customers with a flexible, customer-focused approach to the provision of legal services, underpinned by talented people, effective processes, scalable technology, and a customer-centric culture. Kim Technologies is a leading edge software company that applies artificial intelligence capabilities to knowledge automation in any sector.

Joanna Goodman is a freelance journalist, writer, and author. She covers business and technology topics for national publications and blue-chip corporates. She is the IT columnist for the *Law Society Gazette* and writes regular features for the *Guardian* about cutting-edge technology, brands, and media. Her favorite topics include artificial intelligence, robots and chatbots, virtual assistants, connected devices, driverless cars, and virtual and augmented reality – and she’s always interested in finding out about technology that’s new and different. Her professional life reflects her interests in technology, books, art, and design. She has an MBA in strategic management from Kingston University. Joanna is based in London, UK. She likes films, going to dance classes, and travelling to new destinations.

Robert Millard is director of Cambridge Strategy Group (CSG), a virtual management consultancy in the UK that utilizes a sophisticated digital collaboration platform to leverage a network of leading specialists in a variety of areas of business strategy and management. The firm is focused primarily on professional services and other deep knowledge enterprises. Rob is immediate past co-chair of the IBA’s Law Firm Management Committee and currently serves on the steering committee of the IBA’s “President’s task force on the future of legal services”. He is based in Cambridge, UK, but his clients span the globe.

In addition to being well known for its leading position in the market and the trail blazing nature of its legal advice, **Slaughter and May** is a firm that constantly challenges itself to think differently, fostering a culture of innovation and harnessing the latest market developments to

ensure that its legal service provision is cutting edge in all aspects.

Prior to joining Kira Systems, PR and communications lead, **Sondra Rebenchuk** practiced at the law firm Goodmans LLP in Toronto, where she focused on M&A and securities, and later transitioned to strategic communications firm, Longview Communications. She is passionate about the innovation of the practice of law and enjoys sharing stories of how individuals and firms are making remarkable contributions to the industry.

Dene Rowe is a partner, director of product development and sits on the executive board at Keoghs. In this role, Dene is responsible for developing Keoghs' product offering and also takes responsibility for the firm's information technology, from which he leads the innovation in the firm's case management and intelligence systems. Dene's experience in management of many legal, technology, insurance industry, and insurance litigation teams has given him a breadth of experience across all aspects of Keoghs' business areas and services.

Richard Tromans is the founder of Tromans Consulting, which advises lawyers on strategy and innovation, including the adoption of legal AI/automation technology and its business benefits and impact. He has spent over 19 years working in the legal sector, focused on the UK and global legal markets. Richard is also the founder of the global legal AI and new technology site, *Artificial Lawyer* – www.artificiallawyer.com – which was recently recognized as one of the top 50 information sites in the world on artificial intelligence. See www.tromansconsulting.com for more information.