

Artificial Intelligence - Next Generation of Legal Technology in India



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The recent introduction of various computer driven software, to assist the attorneys in decision making, has escalated the Legal Technology to another level in the country. It will be fascinating to see how the industry, which is still facing challenges to let go some of its traditional ways of practices, would react to this development and realize the power of a virtual system possessing extraordinary ability of decision making also known as Artificial Intelligence (AI).



As stated by John McCarthy, father of AI, it is “The science and engineering of making intelligent machines, especially intelligent computer programs”. AI is a methodology of creating or developing a computer, or a software to think and analyze intelligently, in the similar manner as an intelligent human would think.

The system of AI may also be considered as an extension of Legal Process Outsourcing (LPO) model, which was introduced to productize the high volume work with minimum cost. The need to maintain the profitability while executing non-remunerative activities, has shifted the focus of the market to innovation and technology. Technology has so far proved its role in the legal industry not only by automating various systems but also assisted in maintaining profitability and productivity during economic downturn. It has been observed that only those firms who have updated themselves with technology, were able to maintain profits with rapidly declining fee.

Some of the AI systems have been developed with an aim to be used in complex legal matters and for litigations involving US federal patent cases. Recently technology has also been employed in judgment predictions and risk assessments.

Opportunity for AI Systems in contract drafting, negotiations and decision-making exercises undertaken by law firms and their clients is enormous and incomparable. AI also has the capability to influence the legal market vividly, by offering greater reach with lower costs, which perhaps provide “access to justice” and benefit millions of individuals.

Recently Deloitte and Allen & Overy have created a service to help banks cope with tough post-financial crisis regulations. The system “MarginMatrix” codifies the law in various jurisdictions and automates drafting of certain documents. This has resulted in raising the turnaround time to 60 times by declining the time spent to three minutes, which otherwise would have been three hours (if done by an attorney).

Linklaters has set-up another example of adopting an AI application known as “Verifi program”, which can scan through fourteen UK and European regulatory registers to check client names for banks and process thousands of names overnight. An average attorney would have spent 12 minutes to search each customer name.

Pinsent Masons has also developed a system called “TermFrame” which emulates the decision-making process of a human. The software guides attorneys through different types of work while connecting them to relevant templates, documents and precedents at the right moments.

Many other law firms are using AI for discovery exercises in litigation, which involve laborious hours of document word searches. One of such law firms is Cooley, which is using AI in its litigation matter, wherein the technology identifies relevant word concepts and clusters of words in 29 million documents. This helps the attorneys in analyzing the relevant or critical set of documents instead of those million documents, which are relevant and junk in nature.

Large law firms are investing considerably in developing AI systems so as to automate certain tasks, which were traditionally done by junior attorneys. It has now being discussed that attorneys will be retained to do complex, high-end work involving high-stake.

Technology has also created its indispensable place in day-to-day operations of various Indian law Firm. Firms like Nishith Desai Associates have already developed systems such as data management, knowledge management and Client relationship Management along with various other in-house softwares. Singh & Singh Lall & Sethi has created a benchmark after becoming India’s first paperless Firm. However AI system was like a distant target to achieve till Cyril Amarchand Mangaldas, has taken the first step by providing a platform to the pilot AI project of the country.

Various legal departments are also showing keen interest in developing software that would not only automate their routine work but also assist in managing their existing documents, knowledge and matters. The entry of AI has already been made but in an elementary level, specifically with regard to tasks such as due diligence, but its applicability in other avenues will take time to gain acceptance.

Various other Law Firms are also planning to update their existing systems to the next level by using technology for activities like contract review, regulatory compliance, document scrutiny and analytics. However AI systems may face certain challenge while catering to constantly evolving data such as regulatory updates or judicial precedents.

Many legal practitioners understand the unique benefits of AI, whereas others are still uncertain about its applicability towards more complex, complicated and dynamic matters, requiring value additions. Hence the current scope of AI is skeptical as the Indian legal industry is currently facing challenges in managing its databases, which plays extremely important role in the successful implementation of any AI system.

Entry of super technology in the industry are not only being driven by the legal practitioners but also from other important stakeholders like Legal Technology Developers (LTD). The current government initiative “Digital India” has also played a vital role in attracting investments in the Legal Technology to enable innovation. LTDs often involve attorneys as an advisors or ex-attorneys, which understand the technology and nuances of legal practice. We know that the IT revolution is here to stay for good long time. The onus will now be on the law firms, to react either staying quite or utilizing the opportunity to leverage their practice.

In the near future these legal professionals will have to let go their historical way of practice and need to work together with AI platforms to render better human resource utility and efficient legal solutions for society as a whole. Various watchdogs of the legal industry feels that the scope of AI systems will be restricted to certain type of activities such as Consumer Complaints, Due Diligence, Agreements, Contracts, Commercial Documentation, IPR (specific role), etc. Infact large corporate may also show their inclination towards the AI System.

With the introduction of AI in the industry, it is certain that some of the functions, which are being done by the junior attorneys, will be done by the machine. This will have two fold impact. First, role of junior attorneys will get defined and niche, involving high-end and dynamic type of tasks. Second, it will amount to innovative fee structure having scope for human and machine. It will be interesting to see the evolution that AI will bring to the Industry. It is also pertinent to see how law firms and attorneys will adopt and how their practice and eco-system will react to this change.