Legal Tech Link

Connecting the Legal Technology Ecosystem

David Curle, Director, Market Intelligence, Thomson Reuters | **Roland Vogl**, Executive Director, The Stanford Center for Legal Informatics

Interview: Daniel Martin Katz

*Daniel Martin Katz is Associate Professor of Law at Illinois Tech – Chicago-Kent College of Law, and will be the director of **Law Lab @ Illinois Tech** which launched in the fall of 2016. Prior to his move to Chicago-Kent, he was Associate Professor of Law and co-founder of ReInvent Law, a law laboratory devoted to innovation, technology and entrepreneurship at Michigan State University College of Law. He is also co-founder of LexPredict, a legal analytics company.*

Daniel Martin Katz

Legal Tech Link caught up with Katz at the CodeX FutureLaw conference at Stanford University, to learn about his plans for the new lab and his perspective on legal education today.

Can we start with background for the Law Lab. Where did the idea come from?

Well, in 2014 I had written a paper for the *University of Illinois* Law Review called the **MIT School of Law**, which imagines that MIT had a law school and what that would look like. You can call it a polytechnic legal education. In the sciences, working in a research lab, and learning to think about problems in the way a scientist does, is a very formative experience for many people. And I thought that would be a great model for us, to have those types of experiences for law students to help them apply scientific tools to various questions, and also to think systematically about solving problems. I am so excited to be at Chicago-Kent because it is the law school of Illinois Tech. From a campus-wide perspective, tech is first and foremost and the law school has been doing legal tech since before it was cool.

Will this polytechnic style of education be a built-in component of every student's education, or is it an add-on that some people will take part in?

Certainly every student at any school could do this, but our initial idea is that certain students might have an interest in this direction, and we want to create a context for them to work that way and to create a place for this stuff to go. So, legal tech is one part of it, but we're also interested in the application of process engineering like Lean and Six Sigma. We're also interested in the application of metrics and scientific tools to think about law as a science. So that's on kind of a high level, and then we have specific projects that we want to work on under the umbrella of the lab. So from the students' perspective, there will be those opportunities to work in a research lab, and there will be a specific curriculum, a set of classes.

Tell me more about the research side of things?

So that's one aspect, the curriculum and education opportunities. Then we want to do research, concrete research projects, some of which students might work on, and some of which maybe they aren't as well-suited for. But I am at Illinois Tech, so we have world-class faculty on the technical side, across the rest of the university. So this also becomes a mechanism to integrate the law school more with the rest of our university.

Our research will center on seven areas of focus:

- Legal Informatics and Artificial Intelligence + Law
- Legal Information Infrastructure for 21st Century (Blockchain, Computable Contracts + The Internet of Legal Things)
- Technology Aided Access to Justice (in partnership with Center for A2J + Tech @ Chicago Kent)
- Fin(Legal)Tech - The Financialization of the Law
- Lean, Six Sigma and the Delivery of Legal Services
- Entrepreneurship, Innovation and the Business of Law
- Legal Complexity and Study of Law as a Complex Adaptive System

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Do you think all this will improve employment prospects for your graduates?

One of the things I think the lab can do is be a vehicle to create employment pipelines for our students. Law schools are always complaining about the U.S. News and World Report ratings, and I get it, but the part about measuring employment outcomes is a totally reasonable thing. If you're a student, and you're investing all these resources, including – even if it's free – the opportunity cost of going to law school, then it's certainly not an unreasonable question to ask about what labor market outcomes you can expect.

Law schools have to offer the market a different type of person, a person that can help employers, one who's better suited than what they're normally seeing in the labor market. A different student profile. When I was at Michigan State we had some success on this front, and I'd like to see that continue at my new employer.

What about at the other end of the pipeline? Are you planning for a different kind of recruitment?

One of the things I did at Michigan State was to try to recruit STEM (Science, Technology, Engineering and Math) students. STEM students have typically lower GPAs on average, because they grade a little more rigorously over there.

It's not all about you having to come from a STEM field, because we also want to take people who don't have any of that background. We don't want to say, "If you don't have that, you're out." But of course, on average, if we can have more students like that to start, it's easier. So, it is an active thing.

[Indiana University law professor] Bill Henderson and I have said that maybe this is going to get like football recruiting. At one point, Bill and I were fighting over a student. He won, and I said, "Bill you stole my blue chip running back." We had both come to the same conclusion, so I felt like that's pretty good, because Bill runs a company called Lawyer Metrics and so he's out there trying to figure out scientifically who's going to be make a good lawyer.

That competition will have an effect, right? If the students start thinking, "Aha! Here's a way to be competed for."

Yeah, that was great, and that was a way to get them to come to the school. So anyway, it's a new pipeline to try to attract a different type of student, but also create all these opportunities for people to reposition themselves. And I think if you zoom out a little bit, that's more of a statement about the whole economy, is that people have to sort of reinvent themselves more than once in their career.

Yes, it's not unique to law.

This isn't a unique to law thing. This is a sort of old idea. You used to graduate and go to a job, and 35, 40 years later you get a gold watch. That's not even remotely what the world is now. Law, for periods of time, has had something a little bit more like the gold watch program, as I like to call it. But now it's like – as I tell my students – "You're going to probably have seven jobs."

I really think that this will be a difference maker for students out there, because you have to stand for something. One of the things that you see at a lot of schools, and my school's not different really, is that some people will kind of float through the place. They'll take the classes. They won't do much more beyond that, and then they get to the end, and they're stunned when nobody wants to hire them.

And all they are is a GPA. It's like the only proof point they have.

Yes, and there are a lot of people like that, who weren't maybe at the top of the class, but did okay. But they don't stand for anything. If you can hire one of two people, one who has a slightly lower GPA, but you get them, they stand for something, they're more interesting. For me, I'll take the person that stands for something. And I think the market is certainly tough, but that's a way you can stand out. And that's of your own control. You can't control everything, but you can control this thing.

So students have to to think about how they are presenting themselves in a professional manner. That's not a skill that lots of schools historically thought to teach, and if they're doing it, they're maybe having someone in career services do it. But you don't hear the faculty say something like that. You'll never hear a word. So, I think these are different things I want to see happen over there at Chicago-Kent.

Legal Tech Company News

Neota Logic in partnerships with HighQ, RAVN

Neota Logic is an expert system that allows non-lawyers to build applications that reproduce logical legal processes. The partnership with RAVN, a tool that extracts relevant data from structured formats and move them into structured format, and HighQ, a collaboration platform, was demonstrated at a recent HighQ Client Forum. The partners recently provided a demonstration that illustrates how combinations of cognitive computing tools can be deployed to quickly execute specific legal processes. "Information extracted from the data using RAVN's Applied Cognitive Engine solution was then moved directly into the relevant iSheet columns, where Neota's technology came into play, calculating rental values and assessing the risk profile of the property using a "red, amber, and green" system, with that information automatically included in the iSheet."

Press release »
Video of demonstration »

ROSS Intelligence signs with three firms

At the CodeX FutureLaw conference at Stanford University, ROSS Intelligence announced that Latham & Watkins and Milwaukee-based von Briesen & Roper had joined BakerHostetler as ROSS customers. ROSS is built on Watson, IBM's cognitive computing platform, and uses Watson's cognitive computing and Natural Language processing capabilities to address research questions. ROSS' first applications are in the bankruptcy field. Source: **American Lawyer**

Kira System partners with DLA Piper, Deloitte, and Clifford Chance

Kira, which provides software that searches and analyzes contract text, has announced deals with DLA Piper and Clifford Chance. Those announcements follow another partnership announced with Big Four accounting and consulting giant Deloitte.

Press releases:
DLA Piper »
Clifford Chance »
Deloitte »

Dentons Collaborates with RAVN on Brexit Application

NextLaw Labs, Dentons' Palo Alto-based technology venture, is currently collaborating with RAVN Systems to develop a cognitive search engine tool that can be used for Brexit-related contract reviews. This is an example of the growing number of firms partnering with cognitive computing-oriented tech firms to create targeted applications. Ross, Neota Logic, and kira are among the other companies partnering with firms in a similar way.

Read article »

New Legal Tech Companies

A snapshot of just a few of the newer legal tech companies on the global legal startup scene. Track these and other legal tech startups at **The Codex LegalTech Index**, a database of companies curated by Stanford University's CodeX center.

Legal Robot
San Francisco, CA
Intelligent contract analytics, instant document review, and document certifications and monitoring.
www.legalrobot.com

LegalDesk.com
Bangalore, IN
Do-it-Yourself platform for making legal documents online.
legaldesk.com

LitFunders LLC
Woodlands, TX
Litigation funding. Matches plaintiffs' attorneys with funders.
www.litfunders.com

Loom Analytics
Toronto, ON
An online legal analytics system providing structure to the large corpus of unstructured Canadian legal open data.
www.loomanalytics.com

MyOpenMatter
Toronto, ON
Matter management and collaboration.
myopenmatter.com

Paper
Calgary, AB
A dashboard for automated startup legal documents.
get-paper.com

LexCognition
San Francisco, CA
Machine learning algorithm-based analytics platform designed for extracting hidden relationships and gaining actionable intelligence over enterprise-scale data.
lexcognition.com

Unity Legal Solutions
London, UK
Matches clients with the most appropriate and cost effective providers of legal services and then project manages the relationship to achieve the best and most cost-effective outcome.
www.unitylegalsolutions.com

Readings

A sample of the latest analysis of the legal tech and innovation space.

The Intangible Law Firm

Jordan Furlong has an excellent overview of how dozens of law firms and legal tech companies are collaborating to fundamentally change the nature of law firms. Where law firms' value has traditionally been tied up in tangible assets (lawyers), technology partnerships are now allowing them to create other less tangible, but no less valuable, digital assets. Furlong provides concrete examples of the shift and the importance of that change to the future of legal services.

Read article »

The Current State & Future Prospects for Legal Tech Adoption

Leaving aside the concrete steps forward identified in Furlong's piece, there is no shortage of barriers and speed bumps on the road to the widespread adoption of legal tech. Elizabeth Lowell, a J.D./MBA student at Stanford, offers a breakdown of the legal technology landscape by market and application in a blog post for the CodeX blog. She also catalogs the challenges to adoption in law firms and in corporate markets, as well as providing an analysis of unmet needs that legal tech has yet to address.

Read article »

Remaking the Law Firm Ecosystem

Jason Moyse and Aron Solomon of the **LegalX** innovation cluster at Toronto's MaRS Discovery District recently wrote this thoughtful piece about the importance of the growing ecosystem of technology, new types of professionals, and new types of organizations outside traditional law firm practice that are remaking the industry. "Increasingly, in the commercial context, lawyers are not the straw that stirs the drink. They are but one feature in a broader supply chain and as solutions become largely technology or process driven, the best outcomes are going to be achieved by cross-disciplinary approaches." A key issue in all this will be the compensation of non-lawyer legal tech professionals. Unable to achieve equity ownership in law firms due to existing legal industry ethics regulations, they will increasingly turn to that wider ecosystem for greater rewards.

Read article »

Event Reports

Janders Dean & Chicago-Kent College of Law Legal Horizons Conference
chicago.jandersdean.com

Janders Dean is a legal industry management consultancy that provides innovation and operational advisory services to law firms, corporate in-house legal departments, and trust and fiduciary businesses. This was an invitation-only event that followed a successful similar event in London this past April. The conference featured a TED-talk style format with a mix of speakers including private practice lawyers; corporate legal champions; public sector standouts; senior knowledge and technology personnel; representatives from the emerging and evolving areas of legal pricing; process improvement; project management and service delivery enhancement; and educators from leading institutions. The event was produced in conjunction with Chicago-Kent, which provided the forum and which launched its new Law Lab there.

Legal Tech Link spoke with event organizers, who were quick to note that the emphasis was on speakers actually doing innovative things with technology or business models – not just theorizing about the future of the profession. That gave this event a level of energy and credibility that many other legal tech innovation events fall short on. But the event also left us with the impression that there are still huge gaps in awareness and understanding of the changes the industry is going through. The first gap is the practitioner gap. In his presentation, Ray Bayley of **Novus Law** cited new data from **Altman Weil** that shows that law firm leaders lack confidence that their partners can make the changes they see as necessary. 64%, in fact, say that resistance of partners is the biggest impediment to industry change. Confidence in their firms' ability to change has gradually slipped as well, from 23.9% with high confidence in 2011, down to just 7.6% in 2016. That data shows that these legal technology and innovation events, however stimulating and valuable they may be, are not reaching the vast majority of partners holding on to traditional ways of doing business.

The second gap is the legal education gap. Chicago-Kent School of Law's launch of the Law Lab at the conference (see cover story) is an example of the kind of innovative law school programming that is starting to take root in forward-looking academic institutions. If you buy the narrative of the exciting frontiers in store for the legal system, then innovative law school programming like The Law Lab should be an extremely enticing prospect for young undergraduates interested in a career that combines the law with other disciplines such as engineering, computer science, design, and business. But in the popular media today, law school is more likely to be presented as something to be avoided at all costs – see articles such as **An Expensive Law Degree, and No Place to Use It**, which appeared in the New York Times in June 2016. This gap between the exciting possibilities for the industry and for legal education, on the one hand, and the current status of that education in the popular consciousness, on the other, is a big talent pipeline problem for the industry as a whole.

Conferences like this need to begin to broaden their appeal if they are to start bridging these gaps.

Academia

Law Schools with Legal Technology and Innovation Programs

The Law Lab at Chicago-Kent College of Law, which was launched at the recent Janders Dean event there (see our cover story), is just one of many U.S. law schools (and a handful of non-U.S. ones) that are focused on equipping law students not just with legal skills, but with new perspectives and understanding of the ways technology and innovation will transform the legal profession. Many of these combine research, fellowship programs, hands-on technology or design development opportunities, and public events open to the legal industry.

For legal practitioners and law firm or law department leaders eager to understand the transformations underway in the industry, connecting with one of these centers is a good first step. Here is a representative list of some of the more well-known programs.

Chicago-Kent College of Law
The Law Lab »

Michigan State University College of Law
Legal RnD: The Center for Legal Services Innovation »

Stanford Law School
CodeX: The Stanford Center for Legal Informatics »

Suffolk University Law School
Institute on Law Practice Technology and Innovation »

Georgetown Law School
Center for the Study of the Legal Profession, Program in Legal Technologies »

University of Miami School of Law
Law Without Walls »

Vermont Law School
Center for Legal Innovation »

Vanderbilt Law School
Program on Law and Innovation »

Ryerson University, Toronto
Legal Innovation Zone »

Bucerius Law School
Bucerius Law Port, Bucerius Center on the Legal Profession »

Legal Tech Events Calendar

A selection of essential upcoming legal tech and innovation events from around the world.

October 2016

VQ Knowledge and Strategy Forum 2016

Stockholm, Sweden • October 18, 2016

Annual legal tech conference hosted by VQ, a knowledge management and strategic innovation consulting firm that focuses on knowledge leverage and business development. The theme of this year's event is reinvention and disruptive innovation.

Info & Register Here ❯

Legal Geek Conference

Shoreditch, London, UK • October 18, 2016

Legal Geek is a UK-based legal tech community and events organizer. It has organized a series of smaller meetup events, but this is designed to be a wider conference and awards program that will showcase law startups and technology to investors, the legal profession, and government bodies.

Info & Register Here ❯

November 2016

Fin (Legal) Tech

Chicago, IL • November 4, 2016

This first conference presented by the new Law Lab at Chicago-Kent College of law presents two major themes - characterizing / pricing increasingly exotic forms of risk and removing unnecessary frictions from previously friction laden financial centered processes. **Fin(Legal)Tech** is the application of those ideas and technology to a wide range of law related spheres including litigation, transactional work and compliance. Conference topics include:

- Legal Risk, Legal Underwriting & Legal Insurance
- Blockchain and Computable Contracts
- MicroLaw / Long Tail Legal Markets
- New Legal Information Infrastructure
- Quantitative Legal Prediction & Legal Analytics
- The Frictionless Delivery of Legal Services
- Artificial Intelligence and Law

Info & Register Here ❯

2016-2017

Evolve Law Events

Various venues • Throughout 2016-2017

After a summer hiatus, Evolve Law will resume its schedule of fast-past and varied events. Evolve Law is a membership organization, designed to encourage greater collaboration among entrepreneurs to move the legal tech industry forward together. Members and event participants include legal tech companies, attorneys, in-house counsel, entrepreneurs, and law schools, and events are focused on product demos, education, and discussion around the future of law.

Info & Register Here ❯

Legaltech

New York, NY • January 31-February 2, 2017

ALM's annual legal tech trade show and conference. Over 10,000 attendees, hundreds of legal tech vendors in the exhibit hall.

Info & Register Here ❯

UK and European Focus

Legal Geek: building a LawTech start-up community
By Jimmy Vestbirk

Legal Geek was set up to connect people and build a LawTech start-up community. It started when 30 people attended a meetup in San Francisco. Legal Geek's mission is to make London a hub for LawTech start-ups, and the first London meetup, which included a roundtable discussion and networking, attracted 60 people. The **Legal Geek Conference** on October 18 will be the world's first LawTech start-up conference.

The Legal Geek community has over 1,000 members and its composition is changing – the first 100 "law-gends" to join tended to be associates who had learned coding and were looking for support for their start-up ideas. The most recent 100 include investors, board members, partners, innovation directors, information architects, associates, academics, and students. Ideas can come from anywhere. Our Shoreditch-style meetups attract lawyers who watch TED talks, rather than lawyers looking for CPD points!

Legal Geek meetups are startup-first events, with a focus on emerging technologies rather than existing IT systems. They are in cool warehouse venues; we have beer and pizza and a strict no-tie policy. Most importantly we focus on collaborative working, networking, and an inclusive, dynamic culture. Our first events were roundtables where everyone had the chance to suggest a discussion point.

London has a healthy investment climate, although it may be harder in the short-term post Brexit. We are seeing more lawyers investing in start-ups, as well as law firm spin-offs such as Dentons NextLaw Labs and the Olswang eqIP program. We are also seeing collaboration between start-ups that meet at Legal Geek events.

Currently it's easier to get investment from law firms than to sell them technology – and one reason why legal technology is relatively expensive is that the sales cycle is so long. As more law firms establish innovation areas where they can test new products, hopefully the process will speed up and the technology will become more affordable.

We hope that LawTech start-ups are on the verge of a breakthrough. Ask Jeeves did a good job of explaining what a search engine was, and then Google® made a better search engine. LawTech start-ups are at the Ask Jeeves phase, and the next phase will make a big difference!

We are seeing a big range of start-ups. AI is at the top of its hype cycle, and we are seeing document automation, property searching, and standardized and digitized applications based on data analysis.

Law for Good is at the core of the Legal Geek brand. Our first hackathon helped Hackney Community Law Centre (HCLC) communicate and deliver their services more efficiently. It was cool and fun, and it delivered serious outcomes, harnessing technology to extend access to justice. The fact that the winner was the Freshfields team "Fresh Innovate" gave it mainstream validation.

There will be another hackathon at the Legal Geek Conference focused on the advice desert – finding ways for people who live in rural areas to access legal services.

The Legal Geek conference will be the launchpad for two more innovations, the LawTech start-up awards and an interactive LawTech UK start-up map.

The awards are held to bring start-ups together to showcase what they have achieved and attract law firm clients and investors. It will be a simple presentation at the end of the conference.

The LawTech start-up map is also about boosting awareness and accessibility. It will be an interactive tube map design where each line represents a theme – marketplace, AI, blockchain, etc – and each stop is a start-up! So you can link through to the website and also vote in the awards.

A year ago, no one knew the difference between a LawTech start-up and a legal IT software provider. Now our journey is well documented; we are getting a lot of interest and people want to network with our community and plug into the latest innovations. I am continually asked what's cool in the LawTech start-up community, so we created the start-up map as a dynamic representation of the LawTech start-up market – so watch this space!

Legal Tech and the Responses of Law Firms and Corporate Legal Departments

By Roland Vogl

Executive Director and Lecturer in Law
CodeX – The Stanford Center for Legal Informatics

For more than a decade, numerous books, academic articles, and even mainstream newspapers have painted a grim picture of a serious crisis facing the legal services industry. This crisis is affecting Big Law, medium-size, and small firms alike, but all in slightly different ways. The short summary is that law firms are facing more demanding clients, in particular corporate counsel who want more value for their outside legal spending. It is clear that, as law firms compete for legal business, they face new competition from alternative legal service providers, including the large accounting firms, legal process outsourcing companies (LPOs), and legal technology providers. They frequently face competition from their clients. Corporate legal departments are increasingly in-sourcing legal work that was traditionally handled by outside counsel. Prominent commentators, such as Professor Richard Susskind and Professor William Henderson, have eloquently described the systemic economic pressures and technological developments that have been grinding at law firms' traditional business model and are offering some strategies for firms to be prepared for the future.

In response to these pressures, we have seen law firms in the U.S. (as well as in Germany and other parts of the world) pay more attention to legal innovation. Many firms have hired CIOs and/ or have put a partner in charge of tracking innovation pertaining to the firm's particular area of business. Some larger U.S. firms have focused on gaining a competitive edge by offering their legal services in a Lean Six Sigma inspired way (e.g., Seyfarth Shaw). Others, in an attempt to keep the work of start-ups they have initially served but that have chosen to stop using the firm's expensive lawyers for the more mundane day-to-day legal tasks of a growing company, launched new legal placement services, such as Fenwick and West's Flex Program. The large firm Dentons has gone so far as to create its own legal innovation lab and investment vehicle (NextLaw Lab). And some very small, specialized firms create new services that capture their specific expertise – and make it available through an online system, such as Leila Banijamali, a San Francisco emerging company lawyer who created Startup Documents. Beyond that, law firms of all sizes are hiring consultants to help modernize their processes and technology "stack." Even well-known design firms, such as IDEO, are joining the conversation on legal innovation and strive to bring human-centered design thinking to legal practice.

The good news is that some of these efforts appear to be working for the firms. According to the Georgetown 2016 Report on the State of the Legal Market, law firms that have responded proactively to changing client expectations by making strategic changes to their lawyer staffing, service delivery, and pricing models are outperforming their peers in terms of financial results.

It is an exciting time to be in the legal industry and to think about how new innovations can address the many challenges the legal system faces. For lawyers, it's a time to rethink how the business of law can work and how legal expertise can be shared with their clients in the most efficient and cost-effective way – while still providing for reasonable income for their expertise and effort. In fact, those lawyers who recognize the pending changes as an opportunity will likely do very well in this new environment. Because most lawyers are not trained as technologists, we need to have conversations between the domain expert lawyers and technologists who can build systems ideally leveraging human-centered design principles. Organizations such as CodeX and the Legal Design Lab at Stanford work actively to facilitate those conversations.

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