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A Guide to Four Technologies Disrupting Legal Tech

Guiding legal technology's transition from esoteric to standard are four technologies: blockchain, machine learning, the cloud, and analytics.

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Legal professionals have long been ambivalent toward technology. But with information coming in new electronic formats and increasing in volume beyond the control of any single practitioner, the days where technology was an option rather than requisite are long over.

In the past year, four technologies are turning the heads of law firm and corporate law leaders, all pressed for reducing costs while delivering results of the highest quality. Here are the technologies transforming the role of the lawyer in the 21st century:

1. Blockchain: The future of contracts, currency and records

'Immutable' is an adjective often used to describe the recordkeeping potential of the blockchain, and it equally applies to the technology's capability of transform legal technology.

The ledger technology behind every Bitcoin transaction ever made, blockchains are akin to a database, in which uploaded content is sharable among users with access. Brooke & Brooke partner Tom Brooke likened the concept to Napster.

In legal, blockchain use is already well underway. In a [Legal Hackers discussion](#) this past summer, MIT Media Lab leader Dazza Greenwood discussed at the session lawchain.org, an effort to see whether "blockchain's immutable record capability can be used for legal requirements" for collecting and distributing records currently met by archivists. Furthermore, there's interest in using blockchain to make authoritative versions of regulations and statutes available online. With this technology, there would be "an archive system that anyone can demonstrate" that a statute was enacted.

Implementation of blockchain looks to be underway in the legal world. Earlier this month, the office of the Cook County, Illinois Recorder of Deeds launched its own [pilot program](#) that uses blockchain to both store and secure public records, helping the county save on storage costs. The program is also aimed at making it easier for the county to track the city's abandoned property.

Lawyers themselves are lending their expertise in overseeing the development of blockchains as well. In August, Steptoe & Johnson expanded its practice to aid clients deploying and developing blockchain applications. The firm, which last year was retained as counsel to the [Blockchain Alliance](#), is also slated to accept Bitcoin payments in the future. Similarly, attorneys from over 40 U.S. law firms launched the [Digital Currency and Ledger Defense Coalition](#), which will offer legal representation and expertise to those behind blockchain applications. Vendors have caught wind of the blockchain buzz as well, as a recent update by [Vound](#) to its e-discovery software Intella includes bitcoin crypto-currency detection.

2. Machine Learning: Powering the artificially intelligent lawyer

While debates persist around whether artificial intelligence (AI) is the evolution or destruction of the legal practice, not up for questioning is the fact that AI technology is here, and regardless of end result, disruption is well underway.

[Machine learning](#)—AI's less glamorous synonym—has changed everything from e-discovery (through the ability to scour document sets for relevant review terms and fine-tune its process as if learning along the way) to contract review (rendering the last-minute document dump a challenge of the past).

Machine learning's ability to automate tasks once left to junior level associates is also being applied for compliance, a field increasingly complicated by globalization and the maze of regulations that has ensued. Among vendors taking this route are OutsideIQ, whose [DDIQ](#) technology helps organizations meet the International Organization for Standardization (ISO) anti-bribery standard ISO 37001, and [NextAngles](#), whose compliance regulatory suite helps financial institutions deal with regulations around liquidity and money laundering. Regulatory uses have gotten attention from investors as well: [ComplyAdvantage](#), which uses machine learning in identifying compliance risks, received \$8.2M in a Series A Funding round.

There's no shortage of demand for machine learning technology, and some of its vendors are making names for themselves in the legal tech space. [Big players](#) include UK tech company [RAVN Systems](#), which recently partnered with Fireman & Co to increase its North American market presence; [Brainspace Corporation](#), which partnered with In-Q-Tel to bring its technology to the U.S. intelligence community; and [LawGeex](#), which specializes in contract review.

3. The Cloud: Providing (cloud) cover to data storage concerns

As far as information goes, electronically stored information (ESI) proliferates at an unprecedented rate, causing much concern for those with obligation to store it. In the rush to cut costs, cloud technology seems a viable alternative. Able to store massive amounts of information for a low cost based on a service model, cloud technology has expedited processes while saving law firms and legal departments overhead costs, replacing bulky servers stored in a back room with a single sign-in screen.

Major service providers are taking note of the change ahead that many deem inevitable. In the legal tech space, this is most pronounced via kCura, which recently announced its industry-

standard e-discovery ecosystem, Relativity, will be available in cloud format ([Relativity One](#)). Another cloud provider making waves in the space is [CloudLex](#), which closed a Series A funding round with \$3.7M.

Also, it seems as if law firms and legal departments are by-in-large [interested in cloud technology](#). According to a survey of Am Law 200 firms from ALM, 56 percent use some form of cloud technology. Similarly, in the 2016 ILTA/InsideLegal Technology Purchasing Survey,” 47 percent predicted that over a quarter of their firm’s offerings would be cloud based within the next three years.

4. Analytics: Making legal technology easy on the eyes

As far as legal technology goes, analytics is, whether at a conference or law firm or legal department, the talk of the town. This is partially because of recent advances in technology that provide more user-friendly visual capabilities, which, coupled with massive data sets, makes review much easier.

Like with machine learning, some companies specializing in analytics are becoming synonymous with the technology itself. Most notable among those is [Lex Machina](#), which recently released law firm and federal court comparator applications. The company itself was borne out of a Stanford University project and has since expanded beyond IP law into securities law, a move the company is making to eventually expand into [all areas of federal practice](#). Stanford itself collects data on securities litigation cases under its [Stanford Securities Litigation Analytics](#) effort.

The drive for analytics in the legal industry may in part be due to a greater push for law firms to operate more like businesses, meaning finding new ways to access business intelligence. As Thomson Reuters Elite senior director of product management told [Legaltech News](#) recently, “We have information overload. We have too many emails; we have too much to read on websites; there is a ton of information that is out there. Filtering that down is really key.”

Furthermore, analytics can come in handy alongside other technologies, such as those used for early case assessment or e-discovery. As kCura vice president of business development Dean Gonsowski recently [told LTN](#), “in the right hands” these tools “all have the right place in the workflow, and they can be used. And we're getting past the point of waiting for [U.S. Magistrate Judge Andrew Peck] to make another ruling about TAR and protocols. ... We're getting more into how this technology actually helps practitioners versus having people wrangle over it.”