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SUMMARY

- Introduction to AI in Legal Work
- Opportunities for Using AI in Legal Work
- Human Review and Oversight
- Risks and Challenges
- Mitigating Risks and Ensuring Effective AI Use
- Responsible Adoption
- Future Trends and Developments

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DEFINING A.I.

- Simulation of Human Intelligence
- Artificial Intelligence replicates human intelligence, enabling machines to perform tasks similar to those done by people.
- Automation vs A.I. (more than a calculator)
- Judgment – the antidote to uncertainty
- Data in - Analysis and Insights out
- Artificial Intelligence uses vast data sets, providing analysis and insights that enhance judgement-based decision-making.

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OVERVIEW OF AI TECH TERMS

Machine Learning - allows systems to acquire knowledge from data and improve their performance without explicit coding.

Natural Language Processing - facilitates computers in interpreting and effectively responding to human language.

Narrow AI – AI systems that are designed and trained to perform a specific task or a narrow range of tasks.

General AI – aka artificial general intelligence (AGI) possesses the ability to understand, learn, and apply knowledge across a wide range of tasks, similar to human intelligence.

Generative AI - AI systems designed to generate new content, such as text, images, music, or even code, based on data they have been trained on.

LLM – large language models, which underpin generative AI

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TRANSFORMATION OF THE LEGAL INDUSTRY

- Doing more with less
- Improve quality of decision making by analyzing data and providing insights – decreasing scope of required judgment
- Supercharging some human work, replacing other work
- Acting as a thought partner, basic assistant and content creator (for now….)
- The human / machine symbiosis

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OPPORTUNITIES FOR USING AI IN LEGAL WORK

Examples:

- Contract review
- Contract drafting
- General doc review / drafting
- Legal research
- Analytics
- Compliance monitoring

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DOCUMENT DRAFTING AND REVIEW

- AI Language Analysis - analyse language patterns in contracts, ensuring clarity and consistency in document drafting.
- Counterparty favouring clauses – checking for balance
- Second set of eyes – noting areas to review / what is missing
- Review docs / clauses otherwise unchecked – low materiality docs, clauses, schedules
- Flagging Inconsistencies – finding inconsistencies or errors within docs, reducing the risk of misunderstandings.
- Suggested Improvements - AI provides suggestions for improving language, leading to better legal documents.
- Document generation based on your precedents / templates, plus instructions – your precedents are more useful than ever.
- Work-product review, summarisation etc

INFORMATION GATHERING AND LEGAL RESEARCH

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- Use AI features in tools you already trust – starting to become more common now
- Use general AI tools (Chat GPT etc) only as a second resource – for now. Best for:

  - Q & A on specific points by country
  - as a double check of results you find
  - what have I missed?

- Beware the US bias of gen AI tools – may give accurate case references, but for the wrong jurisdiction.
- Human double-check is vital. If you are not willing to spend the time checking it, you are better off with rules based research.
- Example – Ask an examiner

LIMITATIONS IN AI RESEARCH

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- Nuance in judgments - AI can overlook subtle differences in legal cases and precedents, which may affect the quality of analysis.
- Incomplete Analyses - The reliance on AI may result in incomplete or inadequate analyses of legal cases, impacting decision-making.
- Misinterpretation and loss of context - human intervention is essential to ensure comprehensive and accurate analyses of legal cases and precedents.
- False facts – hallucination.

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ETHICAL STANDARDS & PROFESSIONAL RESPONSIBILITY

- Your teams are probably using it, with or without permission – prohibition is difficult….
- Confidentiality and privilege
- Decisions on when to use
- Who is AI content being generated for?
- Obligation to disclose use of AI to recipients?

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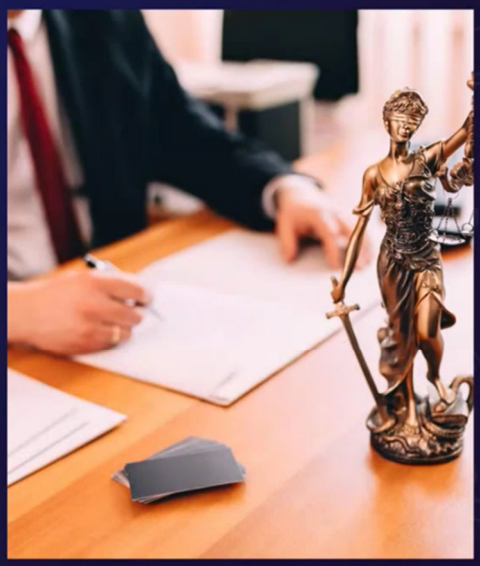
HUMAN REVIEW AND OVERSIGHT

An example of how woefully AI understates the central role of lawyers when using AI:

- “Ensuring Legal Soundness - Lawyers play a crucial role in reviewing AI-generated content to guarantee legal compliance and appropriateness.
- Importance of Human Judgment - Human judgment is essential in evaluating AI outcomes, providing context and ethical considerations that AI may overlook.
- Human Lawyers' Expertise - Human lawyers possess the nuanced understanding of law and ethics that AI lacks, ensuring fair and just outcomes."



DATA PRIVACY AND SECURITY CONCERNS

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- Start with your security and privacy obligations
- Risks of sending data to a third party service
- Use of your data to train models – free vs paid services
- Differentiation by work type – is this realistic?
- There are solutions at all levels – but you need to know your level to determine the appropriate solution
- Integrations of data creates new (often unseen) risks.

AI HALLUCINATION & INACCURACIES

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- AI hallucination refers to instances when AI systems generate false, misleading (and sometimes non-sensical) information.
- Hallucination from training data – e.g. responses relate to US law, not Australian law
- Hallucination built into the models – e.g. Gemini image generation
- Creativity – controlling for randomness (temperature)
- General hallucination – response is simply factually incorrect e.g. making up cases in legal submission

MITIGATING RISKS AND ENSURING EFFECTIVE AI USE

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- Clear policies for usage
- Human-centred review and verification
- AI fact checking of AI's own outputs
- Continuous improvement of models and systems
- Best practices for data management and privacy

HUMAN REVIEW AND VERIFICATION PROCESSES

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- Importance of Verification - Robust human review helps to confirm that the information used is both accurate and reliable.
- Effective verification processes lead to better outcomes in legal work, minimising errors and enhancing trust in AI outputs.
- Inadequacies can lead to material negative outcomes.

BEST PRACTICES FOR DATA MANAGEMENT AND PRIVACY

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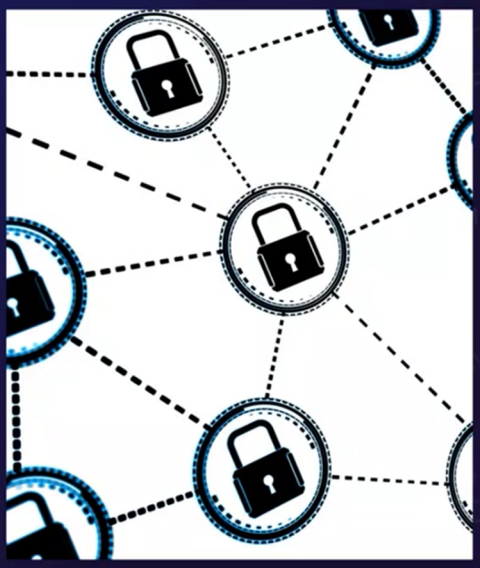
- Safeguarding Client Information - Implementing best practices is essential for legal professionals to protect sensitive client information from unauthorised access.
- Deeply understanding third party Ts & Cs in this area
- Things are changing fast – requiring regular training and updates to stay current with evolving obligations and technology.



RESPONSIBLE ADOPTION

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- Start with your problems / pain points – scratch your itch to maximise ROI
- Assess your level of security constraints – need to be known to assess third party solutions
- Look for features in existing trusted products – do you even need to create something new?
- Buy or build? Everyone thinks they can build a better mousetrap…. until they try.
- Don't be afraid to think small – numerous ongoing improvements can achieve more (and at lower risk) than a big new system.
- Fast following can work well – the second mouse gets the cheese…..

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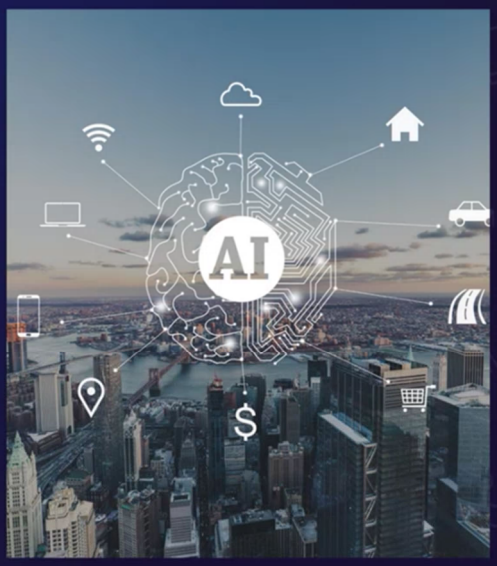
FUTURE TRENDS AND DEVELOPMENTS

- Pace of change is increasing
- New AI products and features galore – the good, the bad and the ugly
- Rise of AI Agents



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DEMO AND QUESTIONS