

ABOVE THE LAW



"Replicants are like any other machine — they're either a benefit or a hazard. If they're a benefit, it's not my problem." - Rick Deckard (Harrison Ford), Blade Runner

In the great science fiction film Blade Runner, a police officer played by Harrison Ford says of Replicants, which are essentially organic androids: "Replicants are like any other machine — they're either a benefit or a hazard. If they're a benefit, it's not my problem."

As the media coverage of ChatGPT, Bard and its cohorts would seem to indicate, the time has come for society to grapple with the benefit / hazard question as applied to generative artificial intelligence (AI). ("Generative" refers to the latest iteration of AI that can synthesize information to produce something new.)

To get a sense of what the legal industry predicts, Above the Law and Wolters Kluwer fielded a survey of 275 professionals from March to mid-April 2023.

We asked about AI's potential effects in varied areas of the legal industry: Will it differentiate successful firms? Which practice areas could be affected the most? Could even high-level work be transformed?

Our respondents were eager to share their opinions, often providing lengthy, thoughtful responses to our openended queries.

Here, we're pleased to share what they had to say, along with insights from some of the top voices in legal tech.



Key Findings

62 percent of respondents believe that effective use of generative AI will separate successful law firms from unsuccessful firms within the next five years.

More than 80 percent of all respondents agree that generative AI will create transformative efficiencies for research and routine tasks.

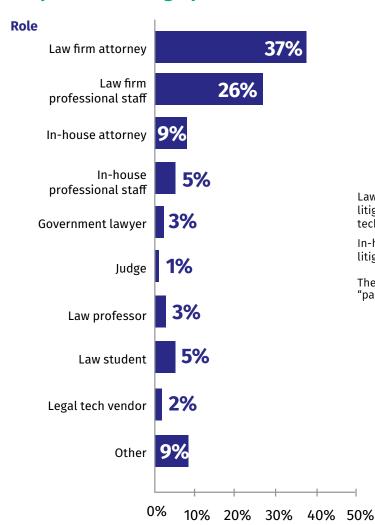
Respondents are less convinced that AI will transform high-level legal work: 31 percent agree that this will happen, while 50 percent disagree.

More than two-thirds of respondents believe that document review lawyers and librarians or others involved in knowledge management and research are at risk of obsolescence because of generative AI.

Practice areas that are most likely to be affected by generative AI, according to respondents, include corporate, trusts & estates, litigation, intellectual property, and tax.

Practice areas that are least likely to be affected by generative AI, according to respondents, include criminal / white collar law and environmental / energy law.

Respondent Demographics

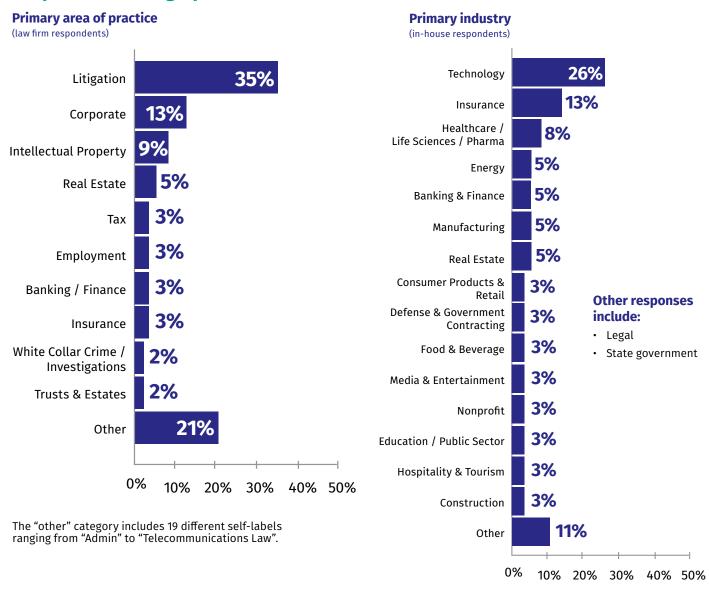


Law firm professional staff includes legal operations, paralegal / litigation or transactional support, legal assistant, librarian, information technology, marketing, business development, and recruiting.

In-house professional staff include legal operations, paralegal / litigation or transactional support.

The "other" category includes 21 different self-labels ranging from "paralegal in-training" to "legal recruiter".

Respondent Demographics

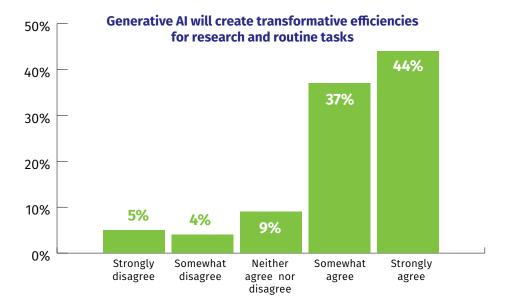




Easing Drudgery

Of all the benefits respondents foresee, relief from mundane legal work may be the biggest.

More than 80 percent agreed that generative AI will create "transformative efficiencies" for research and routine tasks; 44 percent strongly agree.



Ken Crutchfield, the vice president and general manager of legal markets for Wolters Kluwer, largely shares this view.

"Assuming all the issues are addressed, and attorneys make sure they check the links to authorities, then yes," he said, "the summarization and manipulation of documents is going to be an important part of the efficiencies derived from generative AI."

Jared Correia, founder of Red Cave Consulting, provided a glimpse of where these advances could be headed.

He described a tool known as AutoGPT that effectively loops ChatGPT onto itself, allowing the bot to fulfill a request in stages, such as writing a 200-word blog post on how to choose a DUI lawyer.

In the near future, Correia said, AutoGPT and similar tools may even be able to design and execute a marketing plan for a law firm.

"But that's next level," he said. "And once you get to that point, you could automate a lot of what legal assistants are doing, you could automate a lot of what lawyers are doing, and you won't have to constantly tell the AI what to do. Right now, you need somebody to feed prompts in on a consistent basis."

Transforming Associates?

No other group is likely to feel both sides of the benefit / hazard question as much as low-level associates.

While AI could free them from mundane tasks, it certainly follows that if research and routine tasks become more efficient through AI, fewer junior attorneys will be needed.

What's the trade-off? If they're lucky enough to be hired so they can pay off their mountainous debt, their work life may improve.

As one respondent noted, "For higher-end firms, it may allow them to provide the same caliber of legal advice with leaner teams."

Joe Patrice, a senior editor at Above the Law, said from the partners' point of view, AI can free associates to do more valuable work.

"They're happy to get 10 hours a week back so that they can put that associate on another case for 10 hours," he said.

The atmosphere regarding billing and clients is already a bit fraught, explained Patrice.

Clients are already insisting on discounts for all those hours of legal research.

They are unwilling to pay the associate rate, so freeing the associate for non-discounted work becomes an attractive proposition.

But it may be a double-edged sword.

One survey respondent pointed out that if AI drastically reduces the need for entry-level associates due to its ability to automate research, "that will severely impact how law firms think about hiring and maintaining lawyers."

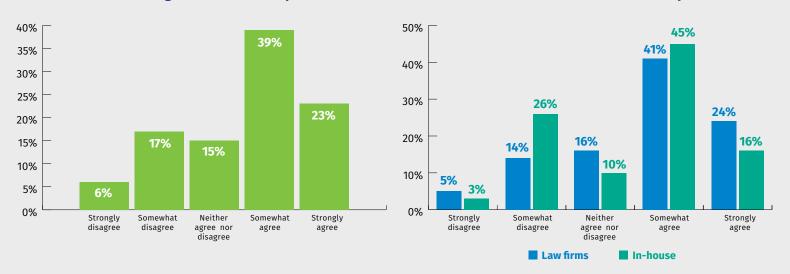
"The up-or-out system will be broken."

Generating Success

In addition to providing relief from mundane tasks, AI will provide major business benefits to law firms — and soon — according to a significant majority of the respondents.

In fact, 62 percent said they believe that the effective use of generative AI will separate successful law firms from unsuccessful firms within the next five years.

Effective use of generative AI will separate successful and unsuccessful law firms within the next five years



While Correia is bullish on Al's potential, he believes that five years is much too short a period for lawyers to warm up to anything. This is especially true for something as potentially game changing as Al.

"I can't imagine a significant number of law firms, especially solo practitioners and small firms, adopting AI at a fast pace at all," he said. "It took law firms 10 or 15 years to adopt cloud technology."

Crutchfield agrees that a five-year timeframe is a bit short.

In the near term, he said, law firms will most likely adopt a "wait and see" stance, given some of the bad press AI has received of late. This is not to say the law firms won't be looking to utilize AI in all the ways they can while safeguarding the integrity of their work product.

"I think client pressure will cause firms to adopt AI," Crutchfield said. "Clients always want faster, better, cheaper. The firms who are getting that pressure may lose clients if they can't keep up."

For the survey respondents, the data confidentiality and data privacy concerns that gave lawyers heartburn over cloud storage also attach to AI. Worries about accuracy and ethics also loom large.

As one respondent put it: "I expect it to create a lot of litigation, so that's good because I'm a litigator."

But the survey elicited a wide range of differing opinions. An in-house attorney reported enthusiastic use of generative Al, for example.

"It's extremely versatile," the respondent said. "I use ChatGPT to do everything from drafting initial versions of letters to developing extremely complex formulas for spreadsheets to writing very silly songs for my girlfriend. The diversity of what it can do is quite incredible."

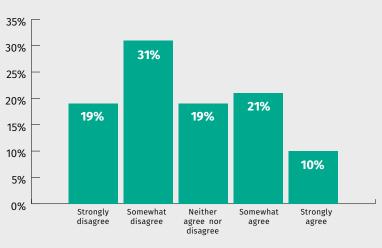
Access to justice was also touted. "I think that generative AI will be great for the consumers of legal services," said one attorney. "In particular, folks who cannot afford representation for small dollar matters."

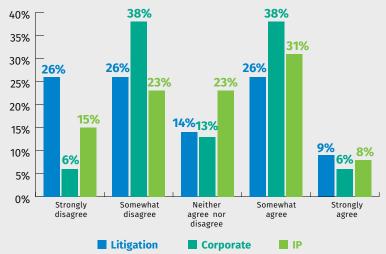
Replicating Creativity?

When it comes to high-level legal work, respondents were far more skeptical.

A minority of respondents were convinced that AI will transform complex matters like negotiating and strategy development.

Generative AI will transform high-level legal work, like negotiating mergers or developing litigation strategy





The responses suggest that corporate work may lend itself to AI, and one can imagine an AI program entirely handling a search for prior art in a patent prosecution.

The question is: Can an AI review a series of appellate opinions that dance around a subject but never reach it head on? Can the AI synthesize a legal theory from those adjacent points of law? In other words, does it have legal imagination?

Litigators think not. They were the least likely to agree that generative AI will someday perform high-level work.

The adversarial nature of litigation could very well prove them right.

"Al is good at assessing what the ultimate opinion of the court is likely to be," noted Joe Patrice, a senior editor at Above the Law, "but that may not be the side you are on as an advocate."

One survey respondent — a litigation partner — had a similar take: "AI may be increasingly sophisticated at calculation, but it is not replacing the human brain's capacity for making connections that haven't been made before or engaging in counterfactual analysis."

A family law attorney was less impressed.

"We've had auto-correct for years — this has just put it on steroids. Let me know when it can do the math correctly for a divorce settlement."

Crutchfield from Wolters Kluwer agrees that "a complex fact pattern or a bespoke issue is going to be harder for AI," but noted that he has observed attorneys ask generative AI to provide a counterfactual argument. Even if the result has not been completely usable, "it can give you an idea."

On the Hazards

Some participants in the survey perceived only a single-edged blade, but it was angling for their throat. A judge said the most optimistic thing about AI was, "At this moment, nothing."

Another respondent asked, "Who among the generation of lawyers developing skills with AI assistance will have the deep legal research skills to vet the work of generative AI language models?"

Some respondents bemoaned the end of nuance. Another said, "Who's to know what's real anymore?"

A law firm partner and litigator was dreading "all the sloppy work we'll receive from plaintiffs' lawyers who will rely on it as a crutch rather than another tool."

For Crutchfield, this is a serious concern that will force law firms and attorneys to "rethink their review processes."

While associates' work can certainly result in mistakes in court filings, Crutchfield noted, a new review process will be needed, one adapted to the peculiarities of AI.

Finally, one survey participant brought up the inevitable in the age of cybercriminals and data breaches — the potential for misuse and abuse by bad actors. This technology, the respondent said, "will be enormously helpful to scammers of all stripes."

Employing the Robots?

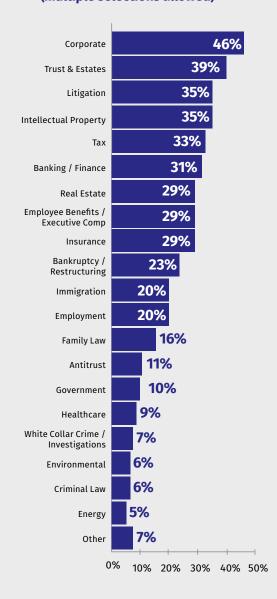
So, are legal industry workers in danger of becoming obsolete?

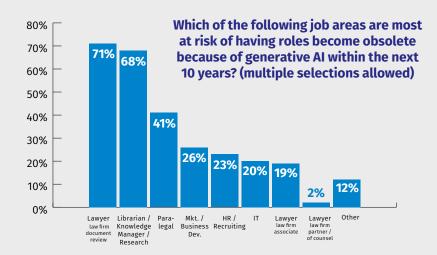
More than two-thirds of survey respondents said they believe document review lawyers, librarians, and others involved in knowledge management and research could be replaced by generative AI. About 40 percent said paralegals are also at risk.

A law librarian was unfazed by such predictions.

"I am optimistic that generative AI will make standardized and rule-based tasks much faster," the respondent said. "Tasks such as form completion could be completed much faster if AI could be leveraged to draft the initial documents for review by an attorney."

Which practice areas are most likely to be impacted by generative AI? (multiple selections allowed)





Conversely, the jobs of law firm partners are safest, according to respondents. After all, they're the least likely group to consider themselves as possibly redundant.

Corporate work is the area most likely to be affected by generative AI, according to almost half of respondents. Few respondents believe that AI will have a significant impact on practices involving healthcare, criminal law or investigations, environmental law, or energy law.

Everybody's Focus

Regardless of its effects on the legal industry, generative AI is a technology that will need to be addressed by all stakeholders.

While most agree that it will lead to major changes, specific predictions beyond that vary widely.

For lawyers, the ability to displace legal work is understandably a key area of focus.

Some survey respondents offered comfort to those who may be concerned.

"Roles will evolve," explained a respondent in legal operations, "but not necessarily become obsolete."

Others, like a law professor, took a mixed view.

"People without the ability to leverage AI will be at risk. People who embrace the technology will do well," the professor wrote. "It could reduce pay for average performers, and we'll learn that the majority of people are average performers and there are few stars."

Regardless of these effects, however, one in-house attorney saw a familiar cycle in the adoption of new, transformational tech.

"Cars disrupted horse and buggy, but also created the profession of mechanic," the lawyer said.

"So far, the tech is really young but really awesome already. It's only going to get more awesome."

About Wolters Kluwer

Wolters Kluwer (EURONEXT: WKL) is a global leader in professional information, software solutions, and services for the healthcare, tax and accounting, financial and corporate compliance, legal and regulatory, and corporate performance and ESG sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialized technology and services.

About Above the Law

Above the Law takes a behind-the-scenes look at the world of law. We provide news and insights about the profession's most colorful personalities and powerful institutions, as well as original commentary on breaking legal developments.