



THE FUTURE OF LAW

Technology Innovations that are Influencing
the Business and Practice of Litigation

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Does your practice have what it takes to win? Are you up to date on today's legal technologies and innovations that are on the horizon?

Our panel: Roland Vogl, the co-founder of Stanford Law's CodeX program, Monica Bay, former editor-in-chief of ALM's Law Technology News, and Josh Becker, the CEO of Lex Machina and creator of Legal Analytics, will discuss the impact of technology on the business and practice of litigation.

Speakers:



Josh Becker
CEO
Lex Machina



Monica Bay
Journalist, Analyst, Provocateur
Codex



Roland Vogl
Executive Director
Codex

Josh Becker: Hello. I'm Josh Becker, CO of Lex Machina and moderator for today's webcast. Welcome to today's webcast, The Future of Law. This is a first of a series of thought leadership discussions that we'll host in regular intervals. Let me first start by introducing our panel today. Monica Bay is a journalist, analyst, and provocateur. For 17 years she was editor and chief of Law Technology News in New York. [00:00:30] And for 13 years, senior editor at The Recorder in San Francisco. She's now [inaudible 00:00:35] a CodeX, writing for The CodeX blog. Monica's also a columnist at Above The Law and is co-host with Robert Ambrose of The Law and Technology Now podcast at the Legal Tech Network. Having won numerous awards, she was named among the top 10 2016 Women of Legal Tech selected by the ABA's legal Technology Resource Center last year.

[00:01:00] Also, on our panel today, Dr. Roland Vogl. He's a lawyer, scholar, and media entrepreneur at Stanford University. Roland is the Executive Director of a Stanford program in Law, Science, and Technology, and a lecturer in law at Stanford Law School. He co-founded the center for Legal Informatics, CodeX, which he leads as Executive Director. Roland also researches international technology law through the Transatlantic Technology Law Forum, [00:01:30] a think tank dedicated to transatlantic tech law and policy issues. And he serves as a member of the Editorial Advisory Board of Legal Tech News.

Both Roland and Monica were recently named trailblazers by the ABA Journal.

Roland, I'd like you to please start off and tell us about some of the trends that you are seeing in Law today.

Roland Vogl: Sure. Thank you very much, Josh, and thank you for having me. I think the [00:02:00] first trend I want to talk about is that we're seeing very different legal market today. Big law now is more and more in competition with regional and midsize law firms, boutique law firms. We have legal process outsourcers. Alternative legal service providers and then also corporate law departments that are insourcing more and more [00:02:30] legal work. So, we're seeing ... So, this is a trend

that's been evolving over the last 10 years, or so. A recent survey, last years Law Firm's Entrance Transition Survey, which is conducted by is Altman Weil is sending out this survey to 800 managing partners of law firms with more than 50 lawyers. They found that 68% of the law firms [00:03:00] report that they have lost business to corporate law departments. 24% of firms see the potential risk of losing business to corporate law departments. So, that's one of the first trends I would like to mention.

Monica, did you want to add anything to that?

Monica Bay: Oh, I agree exactly with what you're saying. Thank you for including me, too. You talked about what's going on with corporate law, [00:03:30] and there's two organizations right now that really good examples of that. One is called Buying Legal Counsel, who just did a survey also, and I wrote about that on our CodeX blog. Then there's a San Francisco one called CLOC, C-L-O-C, which is the Corporate Legal Operations Consortium. I think you're spot on about what's going on [00:04:00] in the corporate counsel, because they're fed up and they're fed up very obviously. They're tired of paying the firms to teach their young attorneys. And they want better, faster, cheaper and transparent, and less expensive operations, so that's been a big, big issue for big law.

Roland Vogl: That's right.

Josh Becker: So, what's the next trend that you're seeing?

Roland Vogl: [00:04:30] Another big trend is, I think the technological innovation is growing in importance. We see it, actually technology coming to the legal system from all sides. I would organize it in to innovation in the search space, so searching legal, finding legal information, legal documents in a faster way. The whole area of big data, big data law. The area of computation law, and that's-

Josh Becker: What does that [00:05:00] mean? Tell us-

Roland Vogl: That means automation, mechanization of legal analysis. A classic example is Turbo Tax as one of those computational law systems, but also South Executing Contracts will fall into

this category and a whole world of smart contracts, computable contracts.

Josh Becker: You're seeing a lot of that kind of work at Stanford?

Roland Vogl: Yes. This is really a focus area of our research and there's a lot of exciting innovation coming in that area, too. [00:05:30] The field of practice management, there's a lot of new tools out there and platforms that help lawyers manage their practice, new intake forms and allowing lawyers to really focus on giving legal advice and letting sort of the tedious parts of the managing a firm being handled by technology. [00:06:00] Then online dispute resolution. I think that's a lot of innovation in that space, too.

Josh Becker: Cool. Those are interesting categories.

Monica Bay: I would just in ... I'm sorry, go ahead.

Josh Becker: No, no, go ahead.

Monica Bay: You raised two things that I'm very passionate about and ever since I got my tech, and I'm a lawyer in California, there's been so much resistance to anyone outside of the main law [00:06:30] to help. NOLO started this and they actually almost, they got sued in Texas because they wrote a book about how to handle a lot of stuff. Rocket Lawyer, Legal Zoom, AVO ... I think that's ... Help me if I'm missing one of those ... Have been using tech and a dirty little secret of it is it's not just helping the 80% of American's [00:07:00] who can neither find, nor afford any kind of help, but it's also helping the small firm lawyers. That's something to really, really watch because they're using tech effectively and it's very, very interesting on that

The other thing that I've noticed over the years is some of the most savvy big law have figured out ways to get around the restrictions that allow only lawyers [00:07:30] to get certain profits from a law firm. A couple of the ones that are really interesting to look at is Sedgwick ... There was one that did only employment interests for labor work and only for corporate, et cetera. Most of the big law ones would have this huge big agenda [00:08:00] and Sedgwick, as I was saying, did only insurance and they were one of the first firms

in California to do moving amounts of how you pay. If they won, you get a certain amount; if you won more, and it was more of a not hourly basis. So, those are two thing I would site.

Josh Becker: All right. And we had a question. Generally we'll probably hold most questions from the end, but here's one that in and please go ahead and ask the questions. [00:08:30] This is, would AI fall into the [inaudible 00:08:32] law category?

Roland Vogl: The answer is yes. Computational law is basically both the [inaudible 00:08:42] AI, you know, so logic based AI, the expert systems, but it also includes the whole area of statistical AI brought to solve legal information, legal problems. So, [00:09:00] machine learning, natural language processing. So, those two different areas of AI are coming together in this kind of notion of computation law in sort of the legal-

Josh Becker: And that's helpful. We'll also resources at the end and your information and all of our information if people want to go deeper, but thank you for addressing that.

Roland Vogl: Yeah. Part of this trend that legal innovation is growing in importance is that we've [00:09:30] really seen a start up boom in all different areas of legal technology from consumer facing platforms to contract analytics to rediscovery. It's a lot, many, many more start ups out there. We are tracking early stage legal tech innovation on a database we created, so the techindex.law.stanford.edu. If you're interested in learning more about early stage legal tech companies, you should check [00:10:00] it out.

Josh Becker: How many-

Roland Vogl: So, we have almost about 700 companies in that database. Many are here in Silicone Valley, but a lot of places in the U.S. and internationally, too. It's definitely a start up boom going on. Just to kind of, you know, reemphasize, Bill Henderson who's been covering the legal services market for a while, he says, "To ignore or fall [00:10:30] behind on technology is to run the risk of commercial ruin". And he said "This action applies to lawyers and private practices and to law school that want employers to hire their graduates". So basically, we are all in the same boat.

The good news is, and I think, you know, we should really emphasize that, that came out of the Georgetown 2016 report on The State of the Legal Market, naming that firms that responded proactively, and that's really key, to changing [00:11:00] client expectations by making strategic changes to lawyer staffing, service delivery as their pricing models. They are outperforming their peers in terms of financial results.

Josh Becker: Great. And Monica, are you seeing this trend as well?

Monica Bay: Yes. I completely agree and I think there's so any positive things that come out of where we are right now. When you think about it, the internet is what, 15 years old? You know, [00:11:30] what magic to me is how some things just get start and they just go wham. I mean, think about how we use our phones. The involvement and the dynamics, it's exponential. It's not linear. It's very, very exciting. And my big theme is the whole concept of being able to do better, faster, cheaper [00:12:00] and transparent because it's enabling so many more people to be able to do litigation, or use attorney's, or be able to be creative because it's moving so fast.

I mean, one last thing on this I would say is I'm old enough that I have literally gone through vinyl, 8 track, cassettes, CDs and now streaming. And [00:12:30] it's amazing to me how quickly we can adjust to that and we can embrace it and accept these sorts of changes. I mean, I use Siri and Alexa now because I can't come up with words sometimes and it sits right there for me and if I can't spell, I just ask Siri, or I ask Alexa.

Roland Vogl: Siri how to do you spell legal analytics.

Monica Bay: Exactly.

Josh Becker: That's funny. Good, well's [00:13:00] that fun. So, next trend, Roland, that you're seeing?

Roland Vogl: All right, so a more recent trend is what I call the coming together of the big brains, the big money and the big data. What I mean by that is while we've seen these very interesting new companies, like Lex Machina in this big data law space, Lex Machina, the trailblazer in legal analytics and [00:13:30] in litigation context. But the same approach is also used in

transactional legal practice, you know, in contract analytics. You know, Law Gate is an example, there's many more companies in that space, of course, but also not just in transaction practice, also in the criminal justice system. We're using machine learning and the big data law approach to better understand what's going on in the criminal [00:14:00] justice system.

My center CodeX has been working on a very interesting project with the San Francisco District Attorney trying to go through arrest reports that were made by certain police officers who were engaged in racist text messaging. We've been using machines to go through these arrest reports to understand which arrests that were made may have been based on bias and which ones weren't. This is an ongoing research project.

Josh Becker: So, did you approach [00:14:30] the San Francisco D.A. or did they approach you, or how did that?

Roland Vogl: They formed a Blue Ribbon Commission, which included a couple of judges. They approached a couple of different law schools to have law students go through these arrests and kind of analyze the arrests, but then we started, in addition to that, a technology aided analysis of these arrests and try to turn all these PDFs of the arrest reports into structure data because once you have structured data as you well [00:15:00] know, you can just start doing real analytics. So, yeah, this is an ongoing project that we're very excited about.

Josh Becker: Fascinating.

Roland Vogl: Thank you. Then the big brains, and those are just some examples. I think there's many more big brains that are coming to the legal field, but it's a relatively new phenomenon that computer science professors find legal space as an interesting area for application [00:15:30] of their research and their techniques they're using to understand information, make sense of information. So, we have new computer science process involved in our work, but there's also those, you know, the hacker types. You know, they are not trained lawyers and they're not Stanford computer science professors but they take a strong interest in using their

skills in doing things [00:16:00] in a new way in a legal context. You know, people putting contracts on the block chain and automating certain contractual obligations, that's also an interesting new trend. Some [crosstalk 00:16:17] examples.

Josh Becker: Yeah. We saw some interesting around the Supreme Court nomination, people using data to try to predict there was a Scalia Index that was developed and other people trying to use data to predict who would be nominated. [00:16:30] Monica, you wrote about this, I believe, right?

Monica Bay: Yeah. Dan Katz was involved with this. It was really, really exciting. Roland, you probably know the name of it because I'm blanking on it. I think you know the story better than I, so I'll give it to you.

Roland Vogl: I think Josh knows the story better than I actually.

Josh Becker: Well, I think Rambo developed with the Scalia Index, so they were the ones who kind of came out with that and Gorsch scored highest of the potential nominees on that and he was selected [00:17:00] and then there was a prediction marketplace that's also ... I know Dan Captain, Josh Blackman, others have been doing that for a while. I believe they did successfully predict the nominee as well. So, that's fun.

Also, there is a question from the viewers here today. Says, how many law schools are offering technology of law programs to kind of, I think is says to assure folks are practice ready [00:17:30] and can help ... to make sure associates are practice ready and can they help the firm they joined innovate? I think that means can the associates then help the firms innovate. So, in my impression, obviously Stanford's doing stuff ... I know Michigan state has been a big leader and Dan Katz is there now. He's over at Kent IT and now of course they're a leader as well. Still, I think relatively small, [00:18:00] but there are some law schools doing interesting things.

Roland Vogl: There's a couple. Not very many, but there are folks at, I think, what's it called, University of Miami Law School. You know, it's on a lot of law school leaders minds. You know, how do you prepare the students for this kind of transforming legal industry? How do you better prepare them and teaching

[00:18:30] technology for the law is an important part of that. I agree. I think having these graduates that are conversant in these technologies and they come with sort of a fresh set of eyes into the firm, I think will be accelerating innovation and this transformation that the firms will have to go through. I think we're seeing this already.

Josh Becker: Yeah. I think we've seen that at Lex Machina, not exclusively, but because we also have [00:19:00] firms who people have been long time partners and then become champions of legal analytics within their firms, but we have seen some younger graduates come and who are technology natives, as you said, and they've been the ones who've really been advocating and helped introduce legal analytics and the work we do into the firm. So, we have seen that.

But I do think that to your point, Roland, I think law schools can do more and will need to do more going forward.
[crosstalk 00:19:28]

Monica Bay: Was a big, [00:19:30] big, big break through when he was at Kia, the car place. He got a lot of traction for a couple of years and he's still doing it. What he did was when he was at Kia, if I'm pronouncing that right, he would require the firms that were coming in to try to get the business and they'd say you have to bring your best person who [00:20:00] knows the basics. Very, very, very basics. Things like do you know how to print out something ... oh, I'm blanking on the name of it, but what he did was he would give them four very basic chores that could be done using very basic stuff. It blew open so many people because it was [00:20:30] like they didn't even know how to send an email to the printer kind of a situation. His whole thing was I'm not going to pay these people \$300.00 an hour when they don't even know how to use a basic thing from Microsoft. Like they don't know how to use ... What's the one that you use for money? Anyway, you get the point.

Josh Becker: Managing excel, [00:21:00] right. Managing Excel spreadsheets is probably the one, yeah. Good. Yeah, so he's definitely been a leader and I think we'll probably see more of that. And we've seen a couple stories like that, too, right, where general counsel, Rich Baer who's a General Counsel of Liberty Media had said, "I spent two billion dollars on legal

fees in my career without data and I'm going to spend [00:21:30] the next two billion using data", right, "to get the biggest bang for the buck."

Let's keep going. There are some good questions here, but we'll address those as we go.

Roland Vogl:

Just to conclude that idea that you know, also big money is now flowing into this space. [inaudible 00:21:48] tech hasn't been a very popular investment category for VCs in the past, but it's coming and there's Marquee VC funds that have invested in legal [00:22:00] tech companies in recent years.

All right, so then there's this whole as another trend that I think is very interesting is that we've had this over the last maybe five years or so, this kind of concept of the Robo Lawyer has been more and more popular, right, by the media. What it basically is about I whether all these technological innovations, they will lead to a [00:22:30] disruption of the legal industry as we know it, or whether it will just see incremental change. I think that's an interesting question to ask for a lot of important innovations that have come, technological innovations that have come to the legal system. In this chart that you're seeing here, you know, I'm starting with West American's Digest system, which is a key innovation in the way we find the law. [00:23:00] You know, it has been an important technological innovation, but has enhanced lawyers rather than displaced them. If you look at electronic ... And I don't want to go through all of those and answer that question, but electronic research has also been lawyer enhancing, but you know, has changed to the role of the legal librarian in the firm, right. So, I wouldn't say they've disrupted librarians, but it has changed [00:23:30] the role of librarians,

eDiscovery has been disruptive to junior, you know, MNA associates, but it has also then created the role of the eDiscovery attorney, right? So, technology sometimes disrupts a specific role, but then also creates a new role. Anyways, so I think that's an interesting trend. So, this conversation of, you know, is there looming disruption, or are [00:24:00] we going to just see more incremental change in this space.

The [inaudible 00:24:04] of the Robo Lawyer is really this kind of cognitive decision making aspect of technology is what makes a lot of lawyers uncomfortable. You know, the Robo Lawyer basically means two things. One is this legal process automation and two, is sort of the ability to predict certain legal outcomes. You know, both these aspects kind of leverage different [00:24:30] AI technologies. I think, not to go into too much detail on that, but I think from my perspective, technology is not going to make trial advocacy go away. In the future it is going to be used more as a sort of lawyer enhancing technology.

Josh Becker: Yeah.

Roland Vogl: Monica, do you want to add something to that?

Josh Becker: Yeah, I think we've seen that as well. I was on a panel with my friend Andrew [inaudible 00:24:58] over at [inaudible 00:24:59] intelligence, [00:25:00] and they were talking about the different generations of their website and how it really changes to make it clear that they're not looking to replace lawyers either, right. It's really about, and certainly that's true here at Lex Machina, it's about making lawyers better lawyers. And, you know, there will be some changing of roles as you said. But a lot of this technology can be used to the advantage of big law and of firms.

Monica Bay: I would jump in and say I think it's going to [00:25:30] be phenomenal because the way it's been done in the past has been so, so, so, so expensive that the only people who can really ... I think the number is 2% of litigants actually end up in litigation. Judge Fachiola talked about this all the time. If the only people can actually get in there and be able to have access to justice and be able to have it because they can afford it, what's happening [00:26:00] for everybody else? I keep pounding the better, faster, cheaper, transparent because if it is better, faster, cheaper and transparent, it means that it's not going to cost so much to get there and it allows the lawyers to focus on what the real issues are how do they resolve it and if they have to litigate it, how do they do that.

The flip side of this also, which I'm very, very passionate about, I mentioned before that 80% [00:26:30] of Americans can

neither get lawyers, or afford them, and the small firm lawyers themselves couldn't even pay their own fees. By having these tools, it speeds the ability to get to conclusions and whether you're doing a will or you're trying to figure out you've been in a small car crash or whether you're in a multimillion dollar litigation, it's going to make [00:27:00] it better and it's going to give the lawyers more and more and more creativity. Plus adding the fact that because it's technology, they don't have to physically be in their room. Right now I'm sitting here with what used to be my garage and now it's my work area and I can look out and see the snow all over today in a beautiful, beautiful lake.

So, you can do more. You can be more flexible and the clients don't [00:27:30] have to pay as much either. So, I think it's win, win, win and win.

Josh Becker: Great. Thank you for that. One thing question that was asked was will you be sharing the slides after the presentation? Trying to take notes, but it would be most appreciated. The answer is yes. We will be sharing the slides and the full webcast, a recoding of the full webcast. Great, so I see we've teed up how to thrive in the years ahead. I'm sure people are very interested in that. So, why don't you take it away with that, yeah.

Roland Vogl: Here's my take on that. I, through my role [00:28:00] at Stanford, I also have the fortune to speak to a lot of law firm leaders and that's one question that comes up a lot. I think the best place to start thinking about how to be prepared for this kind of change world is to start with the client. You know, what does the client want? Clients want the lawyers to do more for less. They [00:28:30] want more value and that also means fast turn around. They want to be able to work online with their lawyers and they want transparency and predictability.

The attorneys at the same time, they want better control. They want better control of their lives and their work and so that means they want to be able to scale their practice up and down. They want to be able to contract with outside attorneys when needed [00:29:00] for researching or creating initial drafts. They also want to be, like Monica, they want to be able to look outside from their home on a beautiful lake

and they want that flexibility. So, that basically means more and more of the tools we're using will have to move into the Cloud. We'll be using more collaborative drafting tools and they'll be more and more [00:29:30] integrated practice management and, sorry ... and my apologies. And that will allow the clients to track the progress of the legal work and understand whether the lawyers is sort meeting the milestones set or agreed upon. That [00:30:00] also means that lawyers will have to think about what aspects of their work can be automated. They should automate what can be automated. And that also means thinking about ways how the expertise they hold within their firm can be sort of sliced and diced and put together in new ways and made available to the clients in new ways that this kind of bespoke one on one kind of consultation.

[00:30:30] Technology will also help them. It will help guide the client along to that point where the machine takes in all the necessary information, but the machine will also escalate the matter to the human lawyer when the human lawyer needs to be involved.

All right, so the next, I think, important point about how to thrive in the future is to use the data. Law firms are sitting on a [00:31:00] wealth of data. Leveraging those data will first of all help make the right connection to the right lawyer and the right find to bring the right parties together. Data will help improve the legal advice and we'll talk more about legal analytics. And data will also help make the clients more informed, so the client does not necessarily have to sort of rely [00:31:30] on what the lawyer tells him or her all the time and sort of treating it as sort of this kind of magic knowledge that the lawyer has, but that the client can now look at the data and then ask the lawyer to explain why he or she chooses a specific strategy over another. I think so that this conversation will become more and more bidirectional. [00:32:00] The data will help the law firms also prepare their respond to RSPs. If the law firm really understands and most law firms don't have a really good grasp of what it requires to produce a specific legal product. Tracking this information will empower them to make more compelling proposals to their clients.

Josh Becker: Yeah and I agree. I think this is [inaudible 00:32:27] opportunity for big law, as you said, sitting on a wealth of data. We have [00:32:30] started to see there are many firms now embracing data in the RFPs for example to win business as well as to win cases and that is a big opportunity.

Roland Vogl: Okay.

Monica Bay: One of the things I think we're going to see in the next five years, though and Katz, again is ... Daniel Katz is really on this back and forth ... Fin. Law as in finance. One of the things that I think [00:33:00] has to happen in the next 10 years is for the organized BARs and the ADA to start rethinking some of the restrictions that they have right now. When we talked earlier about some of the issues, I mentioned some of the who have decided to do insularly or secondary ones and Troutman-Sanders has done that with the eDiscovery and Sedwick has done that. And I think one of the things that Dan talks [00:33:30] a lot about is we really need to be able to have the finance folks, the money people be able to come and offer to share the risks. To be able to come in on a major, major big, big case because even the large firms sometimes aren't going to want to take a case if they're afraid that they're going to spend so much money on it and it could damage the firm. So, that is something they've got to change the rules to [00:34:00] be more flexible with what's going on.

The other thing that I think has to change in the next 15 years that I'm extremely excited about is diversity because as we have more of these technologies, as we have such easy communication now, it is so crucial that our community and law has been terrible on big law on [00:34:30] women. There's still an 18% gap between men and women there and minority folks don't have a very good rate there either. I think we've got to get to the point where our community and where the legal things realize that you have to have a diverse community of you're going to serve a diverse community. I think that's partial and I think because of the technology and because [00:35:00] of our ability to have so much access to everything, that's something that has to happen for us to really blossom, in my opinion.

Josh Becker: Yeah. Great. Thank you. By the way, I'll mention we originally called this for 45 minutes, but we have the full hour, so we

have a lot a questions and we'll try get to all, and so we have until 12:00 Pacific, 3:00 Eastern. [crosstalk 00:35:21]

Roland Vogl: I just wanted to add to this point on this call to use the data [00:35:30] a little caveat, which is that while our ability to model and profile and predict legal outcomes has never been greater, I think lawyer's and litigators and all lawyers have to really understand statistics and data sets. If I use Lex Machina or one of your competitors and I see that a particular judge [00:36:00] has decided in 100% of the cases for the plaintiff on a particular motion, but if the data set is only three cases I have to have some kind of understanding to interpret the data, right? I have access to the data, but I have to have ... In law school's we have to teach students those skills. I think that's really upon us. If it's not something law students typically [00:36:30] already have when they come to law school.

Josh Becker: Yes. As I've seen, law schools do need to step up in way and we've seen this a little bit, too, at Lex Machina. In the past we did road shows. We'd go to a hotel and invite people and now we're actually going more directly into firms because it's more kind of an educational piece about not just about the systems themselves, but about this how do you use data.

Roland Vogl: Right and I think that's a really important point.

So, that brings me already to my plug [00:37:00] for the CodeX Future Law Conference and we'll talk a little bit more about legal analytics in just minute, but I just wanted to use this opportunity to make a quick plug for our big conference April 6th. So, we'd love to see you all there. Please come to the conference. I think it's a really good event to learn about the future of law, codexfuturelaw.com.

Josh Becker: I think it's a example, by the way. I've been going to that now for about four years. At the beginning it was sort of [00:37:30] half full at the beginning, and then it was a little more full, and then two years ago it was full in the morning, but the afternoon it was sort of emptied out. Then last year it was likes standing room only the whole time. I think it's an example of the growing interest in technology and law.

Roland Vogl: Yeah. All right, so let's maybe talk a little bit more about what legal analytics really means and what's the potential of legal analytics for ... Josh, you want to maybe talk a little bit [00:38:00] about that?

Josh Becker: Sure. Yeah, happy to explain that a little bit further. First up, analytics and Monica referred to this in a way in tech adoption and such, and talked about how litigation's been practiced in the past. Talked about how analytics had been transforming other industries as well. So, people have seen it in everything from money ball, which is sort of a famous example. We talked originally about the Oakland RAiders and now [00:38:30] also about the Cubs, right? People using data to think different, one of the attributes that make up a great short stop. You know, Amazon, the example of the Kindle. They're going to the analytics case is making millions of price changes every day, right? And the legal example, too, right? Going to that sense of, hey, if I follow a particular path, what can the outcome be?

What we have here is this slide is an example of how litigation's been practiced in the past. [00:39:00] We say what did you know about the judge and the attorney's and the parties in their case and a lot of it was antic data, as Mark Lemly likes to say. You know, for the judge for example, how many years he's been on the bench and he's said to be plaintiff friendly. The opposing counsel, where she went to law school, or clerked or, which law firm she was at. And there's rumors, again, kind of more antic data, about that she plays hardball and about the opposing party. You know may not very often didn't know anything at all.

[00:39:30] With legal analytics this is very different, right? So, what can you know now with the kind of legal analytics that we are gathering for example? Here are some of the examples, the judge, instead of antic data rumored to be plaintiff friendly, you can say, oh, seen 37 similar cases, will for the plaintiff in 21. Right? You can know the judges median time to trial in similar [00:40:00] cases. You can know that this judge awarded \$27 million damages in four similar cases. You can know what theory of damages he awarded them under. The opposing attorney, you can now know for example how busy she is. There's four current cases in trial and three others filed, so the people said, "hey, you know, I'm going to hit them

when either he or she I know is now busiest". Then we say, "It's just data", right? And you know that she likes to transfer to the Eastern District [00:40:30] in Michigan and has done that and has appeared three times before this judge and lost two transfer motions.

About the opposing party, you now have data, again. You know the medium time to termination in cases involving his company is 528 days, which law firm they've used in the past. You know where they like to file cases. You know they've won \$13 million in damages. This is an example of how legal analytics changed the game and it gets to Monica's theme about transparency, [00:41:00] right? Information now being out there and the key is then to be able to use that to your advantage, which people can now do.

Just speak for a minute about specific uses cases, right? Technology's only great as we say if it helps people to make a better decision, right? That's what we think in terms of Lex Machina helping people make data driven decisions. So, again, this is not about Robo Lawyer's [00:41:30] replacing attorneys. This is about helping attorney's make better decisions and to [inaudible 00:41:37] use cases, both winning business. Using data to identify and access your competition. Another example, know who as represented this party in the past and who you might be competing for business with and then being able to use data to demonstrate your expertise about judges and districts. He, we have 30% more cases [00:42:00] in front of this judge, or a 20% faster time to trial. Be able to predict legal spent timing. One of the comments that was typed in here earlier today when Monica was speaking about the death of the billable hours. So, you know, being able to predict legal spent in timing so you can bid the right amount of it is a fixed fee. Roland, you mentioned RPs, so being able to respond to RPs in real time, right?

An example of an attorney at Kozen [00:42:30] who was called by a biotech firm and it was by another big biotech firm and said, "Hey, in the next week can you look up this firm and see what litigation they're involved in. Look up their portfolio". He said, "I can just do it right now while we're on the phone", right? Pull up Lex Machina and this is great. The have two ongoing litigation. These other patents have never been

litigated, et cetera, et cetera, right? So, you can do all this now in real time.

Then the other major use case that we see is really about winning cases. Being able to, again, [00:43:00] anticipate the behavior of judges, lawyers and party, and develop successful motion strategy, right? Show me 10 examples of this motion that has succeeded in the past and then the last 10 examples of this motion that have failed and then let me decide accordingly what the best strategy should be. We talked about predicting the outcomes of different legal strategies, right?

I think we've seen various examples of this and [00:43:30] a partner at a big Texas firm talking about how they think how data's become now indispensable in patent litigation because comparison data about courts, judges, parties and law firms that was practically unavailable is now not only available, but easily and quickly retrievable. The other part about this is it also helps level the playing field, right? So, again, you can get access to the data that you need about a certain judge. Again, [00:44:00] that transparency theme that Monica talked about.

So just to kind of close on a last quote there about legal analytics, the Analog Daily recently wrote that we seem to be at a turning point where data driven analytics are going to be an inevitable tool for both lawyers and clients going forward, and a number of comments that we'll get to in a moment sort of speak to that, sort of speak to some of those changes in how firms can leverage those [00:44:30] and use them to their advantage. That's a little bit about legal analytics. With that, I'd like to turn to some of the questions that have been asked and have a bit more of a discussion here. One of the questions says that I've heard the phrase law firms that do technology should become [00:45:00] technology firms that do law. Is that true and for firms increasing and maybe you have thoughts on that, Roland, from what you've been seeing?

Roland Vogl: I think that's an interesting way of putting it. I think there's some truth to it. I think technology firm, [00:45:30] exactly what's a technology firm. I don't think a law firm has to have a tremendous amount of AI researchers and it's not going to be

a Google, but I think law firms have to invest in technology more. In thinking about how their expertise can be made available in a systematic way, right, rather than just [00:46:00] the traditional bespoke kind of counseling way. A lot of firms are already doing this. They're already streamlining the old ways of doing things with technology. But I think, you know, they will also have to look into more than, going beyond just the streamline, you know. How can they sort of repackage their expertise and make it available for sale to their clients. [crosstalk 00:46:27] I think that's, yeah.

Josh Becker: The second part the question [00:46:30] I found it said, is that the trend for firms to increase their client base and, I think maybe-

Roland Vogl: I think they can, once they do that, they can serve more clients in a sort of an automated fashion, right? They will have to develop technologies that will help them guide the client along in the automated way and then escalate it to the right expert within the firm when [00:47:00] that human lawyer's attention is needed.

Josh Becker: We had another example of that, that using technology, the fast reaction that you talked about, in the RPs for example, from another Texas firm where a lawyer quickly looked in Lex Machina and looked at the statistics around a certain motion and saw there's almost no chance on this motion actually being granted and went back to the client and told them that. Even though it was going to cost him [00:47:30] work in the short term and money in the short term, what it did, in fact, was actually build this great trusting relationship then and led to much more work down the line.

Roland Vogl: I think that's a great example.

Monica Bay: Yeah.

Roland Vogl: The human lawyer's will, I think as long as we have people, people who get into disputes and, or have to do transactions and as long as we have that, we'll [00:48:00] need lawyers to help them in those legal matters. I think just those lawyers that embrace these kinds of technologies, I think they will be able to do actually really well in this new world and ... They say, be able to practice at the top of their license and have

machines sort of take of the data processing and [00:48:30] the processes that don't require human legal judgment necessarily.

Monica Bay: For me, for the last 20 years I've been saying that the billable hour will be gone in five year, so you can see how great I've been so far, but I truly agree with what you just said, Roland. There's only 24 hours in the day and unless there's some sort of big crisis, that's always [00:49:00] going to be the case. I think being ... And so many, I think to take it into a sociology thing for a moment, so many lawyers find themselves having a horrific time managing family and their jobs. To me, it's just a complete no brainer because the more we use the technology for the ways we talked about today, the more the creativity comes [00:49:30] from the lawyer. It allows the lawyer, instead of having to spend all this time and all this money and teaching all the young ones behind, it's cutting it to the point where you can focus on the stuff that they can't do, that is the nuances and so forth and so on. From my point of view, it just makes it better and better and better.

The baby boomers are scared of this stuff, but they don't need to know how to do it. They need to know [00:50:00] how to find the right people to get it done. I think they need to stop being so afraid of technology.

Josh Becker: Right. A couple of other questions. One question, one kind of comment on the court system. When we talk about the access to justice, one of the things you talked about, Monica, that I think technology will really [00:50:30] increase access to the law and in many ways work in that way. But a comment, we have to streamline to [inaudible 00:50:40] overcrowded court systems, so that definitely does have to happen. Another comment add question, here are attorney's saying, we talked about very few attorneys go to trial and litigation may becoming a lost art, either if attorneys do litigation as the majority of their work. So, if tech is going to take over most of the task for litigation, [00:51:00] how much trial advocacy will be left for an actual lawyer?

Monica Bay: I think it's going to fantastic because if they don't have to be dealing with all this ... I mean look at what's been going on with eDiscovery, You know, at first everybody was so terrified by it and now, it's matured. It's closing in where you don't

have 500 zillion of them anymore. They're starting to ID folks. But again, like I said before, it only helps and it puts the lawyers [00:51:30] in a way that they have the tools and the knowledge to be able to deal with the nuances and help their ... Ultimately, the client's the ones that usually make the decisions on it. So, if you're able to go in and have the ability to that. And the other flip side of it, which you mentioned to, I think is very, very important is about the access to justice. In Arizona, they had a really wild thing. I wrote about this [00:52:00] and the county where people had to go to, like if they have a problem with their car. You know, if they got charged with something, it was a seven and half hour drive because the grand ... Oh, someone help me here ... what's that great big, beautiful thing in the middle of that state ... You couldn't drive straight to it. It was a seven and half hour drive to get to the place [00:52:30] where they could go to the court.

What they ended up doing was someone came up with the idea to build a kiosk so that at least the people that were there could have the simple things of being able to get the documents, sign them, put them in and saved it hours and hours and hours and it was something that was win, win, win, win, win. So, I mean, that's kind of not quite on point 100%, [00:53:00] but I think you get the point that I'm making. The more tech frees up the lawyers to be lawyers.

Roland Vogl: I agree, Monica. I would also add, I think it's only 2% of cases or something that actually go to trial and I think when a case goes to trial, all the old rules still apply. So, the lawyer will still need to connect with the jury [00:53:30] and all these kind of trial advocacy skills are critical and technology can not get in the way of that.

I think all the other repetitive tasks of litigation are going to be supplemented by technology. And you know, the client will be able to get more involved in that process. The point I'm trying to make is that yes, already, very few cases go to trial. [00:54:00] For those, the old rules still apply and there's going to be a very big premium paid, I think for people who have those skills

Monica Bay: Not only that, but here's a real irony, let's say in some of the courts that who might be criminal and whatever, the jury,

they're online. They have phone. I mean who doesn't have a phone anymore. Even the poverty people can afford a phone [00:54:30] in many cases. And if you go in a court room where there is ... And this still happens all over, where they don't even have the most basic, basic tech. I mean, they can't even bring their ... In many of the courts, they can't even bring their own computers in. I mean, it's very, very old. That's sort of a reverse thing when the jury knows better and uses tech better, that's a problem if everybody [00:55:00] else is not using that kind of technology. So, the courts have to wake up and get involved on that.

Josh Becker: Yeah, that's a great point. That gets to our clogged court system question someone raised earlier. And I will say, you know, it's actually interesting for Lex Machina, because we started as a public interest project at Stanford and the whole point was about openness and transparency. From the first moment of the company once it became [00:55:30] a company and spun out of Stanford, it provided access to the court system, because we always joked that we know judges better than they know themselves.

Roland Vogl: Yes.

Josh Becker: And it's funny, whenever we'd show the project to judges, they'd say, "Oh, look me up", right? Because they're involved in so many cases, it's hard for them to keep track and sort of normalize across all their cases. So, I do think technology can help, will provide better results, more justice and also [00:56:00] enable courts to move through some of this backlog faster.

We need to wrap up, so let me tell a couple things and then maybe we'll take the one last question at the end. First I want to talk about resources. As we mentioned, throughout that this is really about educating. Technology, there are challenges and new competition as Roland mentioned, but also massive opportunities and to take advantage of those opportunities, big law and individual lawyers need to educate themselves [00:56:30] just we're doing every day. And I'm going to the X conference myself and I'll continue to get educated. We have some resources here from the CodeX website, Law Technology Now, our own legal analytics blog here. And again, you'll get a copy of these

slides and have access to these resources. And as I mentioned, this is actually the first in a series of webcasts that we'll be doing on the future of law. The next one will be diving a little [00:57:00] more tactical really into winning new business with legal analytics and we'll have Rich Baer, who I mentioned earlier, from Liberty Media who mentioned he's spent \$2 billion dollars on outside services without day and now looking to use data. And also, Naveen from Paul Hastings, who will be able to provide a great law firm perspective as well. I think that should be good dialogue and [00:57:30] looking forward to that.

A couple of other questions that we didn't fully get into, but I'll ask Roland to maybe comment, or he'll address it at CodeX if you come; but this one person was saying most innovation in legal tech is coming from outside traditional law schools through centers like CodeX or the private sector. What can be done to convince law schools to adapt to these changes? So, maybe we'll save that for another day, but I know you could talk a lot about that, but [00:58:00] yeah, I have seen that at my alma mater, Stanford. A lot of the innovation is coming from outside centers, so I think there's work to be done there. And more other questions are in the comments coming up about maybe you could see an actual increase in trial, for example, if AI is taking over certain mundane tasks. So, that's another theme that we got to.

I really appreciate all those comments and questions. Sorry that we didn't get to address all of them, but it was fantastic to have such an engaged group here [00:58:30] and a great mix of questions that came in and made it a very interesting discussion.

Thank you to Roland. Thank you to Monica. Please join us on the next webcast and maybe we'll see some of you also at the CodeX conference.

Roland Vogl: That'll be fantastic. Thank you for having us.

Monica Bay: Yes, me, too.

Josh Becker: Great. Thank you everyone.