A panorama of legaltechs

Olivier Chaduteau,
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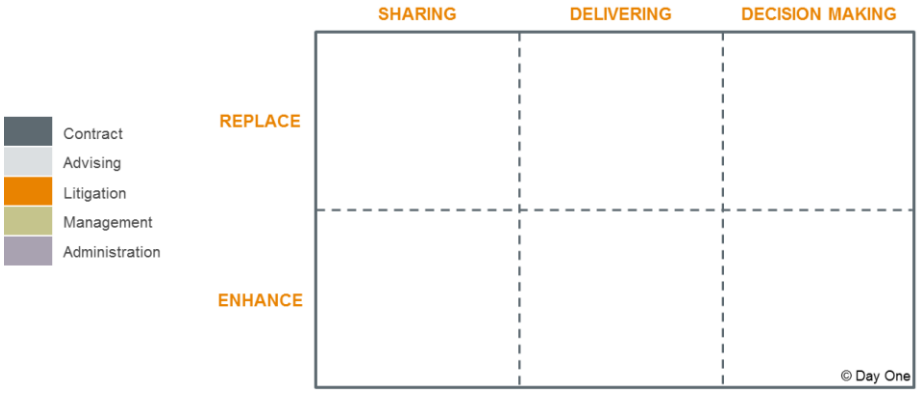
Abstract:
The law has not escaped: it has been caught up in the digital revolution, which has three aspects: value, technology and new forms of collaborative work. The principal stakeholders are firms in legal technology. The 843 legaltechs in the world have roiled the law market. Their two-sided platforms and processing of legal data have affected all players in this market. This panorama presents a view of 518 legaltechs and classifies them in three categories: sharing information, delivering services and assisting decision-making.

The digital transition now under way in the realm of law is not just a technological revolution.[1] It is a literal paradigm shift (KUHN 1970) that forces us to analyze the value added by the activities of legal professionals, their ways of working, interacting and collaborating with experts and stakeholders. This "*VTC revolution*" implies looking at the world through the prism of "*value, technology and collaboration*" (CHADUTEAU 2016). It is a symbolic revolution, a "*graphical revolution*" and "*change of era, i.e., a transformation of the ways of making sense that affects both the perception of objects and values, and modifies their representation*" (GARAPON &LASSÈGUE 2018).

I have managed to analyze and map in a database 518 international legaltechs out of the 843 figuring in Angel List, Stanford CodeX and Village de la Justice.[2] This analysis helps us see how technology has been fit into the value chain of legal professionals by tackling, at first, tasks with a low value and then creating the new forms of collaborative work necessitated by the complexity of the law and its penetration into all corners of society. A closer look discovers that a legaltech performs one, two or three of the following actions: sharing information, delivering services or assisting decision-making. The technology being used will either enhance the work done by human beings or replace it, or at least specific tasks related to the drafting of contracts, the giving of advice, litigation, management and administration (*cf*. Figure 1).

Figure 1: Tasks performed by legaltechs and their potential for enhancing or replacing the work done by people



[1] This article, including quotations from French sources, has been translated from French by Noal Mellott (Omaha Beach, France). The translation into English has, with the editor's approval, completed a few bibliographical references.
[2] Respectively: https://angel.co, https://law.stanford.edu/codex-the-stanford-center-for-legal-informatics/ & https://www.village-justice.co

Sharing information

The idea of "sharing" means using Web platforms with the goal of benefitting from "collective intelligence". Two-sided platforms have created a market where an intermediary facilitates interactions between sellers and buyers. This has given birth to the so-called "sharing economy" in several businesses: "*these platforms solve a two-sided problem: bring users into contact and provide a technological interface for interactions among users*" (TIROLE 2016). As a function of certain criteria (his/her situation, needs, resources and objectives), a litigant or "law consumer" will be brought into relation with an attorney specialized in the relevant field of law. In this sense, legaltechs make access to the law easier and simpler. They enable a cybernaut to become both an emitter and receptor of contents, and are being used for crowdsourcing.

In the law as in other sectors (such as health), the platform's credibility and accessibility soon prevail, as we observe, over the process of validating the sources of the contents posted — with all the advantages and risks imaginable. These legaltechs have to bring to the largest number of users possible the widest range of information while, above all, providing a proof of the quality and veracity of the information provided and of its being updated. Since this "disintermediation" improves the accessibility to legal information, it will reduce the number of questions addressed to legal professionals about topics of low value. This happens when, for example, a search engine finds the response to a question by using a corpus of documents (case law, acts of law, precedents, etc.).

To study the sharing of information, I have considered legaltechs to be startups through which the settlement of a dispute merely transits. In other words, the startup does not itself settle any legal, administrative or other problem: the problem is settled via an access to information or to persons (most of them legal professionals). The startup's response is but a brick in the problem-solving process, a part of the process of finding a solution but not the solution itself.

Among the legaltechs analyzed, I might mention the following for their role in assisting the sharing of information: Doctrine, Juritravail, Le Droit pour moi, Legal Geek, Legal Space, Hub Avocats, Meilleurs Honoraires, Mon Code Juridique, PushLegal, MyLegalWhiz, Solulaw, We Justice, Share Your Knowledge (SYK), HighQ, Sherpany, Avostart and Weblex.

Delivering services

Legaltechs grouped in the category of "delivering" either improve the production of legal services or replace legal professionals in certain tasks related to such services. Once again, many of these legaltechs are two-sided platforms that have staked out a position based on very specific business models. According to Jean Tirole (who was awarded the Nobel Prize in Economics), two-sided platforms "*have often developed thanks to the very low prices on one side of the market that helps them attract users on this side and indirectly bring in earnings on the other side of the market. The price structure between the two sides takes full advantage of externalities between the two. The basic idea is simple: the actual cost related to a user is not the service's mere physical cost. You must deduct the earnings that the user's presence on the platform will bring in on the other side of the market*" (TIROLE 2016). These legaltechs are now making it easier to draft sales contracts (general conditions for sales or purchases) and articles of association, to register trademarks… so many documents that attorneys will then have to revise.

The legatechs in this second category are increasingly carrying weight in the law market. The infatuation of the founders of startups with the production and delivery of legal services stems from their ambition to revolutionize the "user's experience" and make legal information accessible to as many users as possible. The promise of the technological innovations made by these startups does not have to do with the quality of the services delivered, since these services have to adhere to the standards established by lawyers and corporate attorneys: reliability, stability, credibility, awareness of the stakes, etc. This promise tends to be addressed to users (usually someone who is not a legal professional) — the promise of an experience, of a transformation of their relations with the law thanks to the use of a nontechnical language intelligible to anyone (and not just to legal professionals).

Legaltechs such as Rocket Lawyer, Contract Express, Lawcost, Legalstart, Captain Contract and SnapTerms, claim to make the use of the law and its costs transparent for end consumers, as Antoine Garapon (2017) has emphasized: "*Legaltechs make transparent a level of reality that used to be inaccessible. It is not just production that becomes transparent but also details, judge by judge, argument by argument, party by party.*" All this information is turned into data that can be analyzed, extrapolated, even manipulated. Thanks to startups, the users of legal services, whether lawyers' offices of legal departments in organizations and firms, are involved in problem-solving via an interface with the law. The approach and, therefore, the experience are completely different. The law becomes, once again, a vector and not an end in itself. Legal professional intervene to interpret not legal rules or clauses but the concrete response made to a client's problem. This experience (whether successful or not) is what the clients of legaltechs are looking for.

Since they deliver services (related to problems on the periphery of the law), this category of legaltechs is the closest to the traditional legal professions. Besides requiring solid technical knowledge in order to propose a satisfying user experience, this activity requires mastering the arcana of the law for the purpose of offering a state-of-the-art service.

An interesting tendency can be pointed out: more and more of these platforms, which were designed as business-to-consumer (B2C), are becoming business-to-business (B2B) as they try to white-label their services for delivery to the offices of attorneys or certified accountants or to legal departments in corporations.

Among the legaltechs analyzed in this category are: Contract Express, LexDev, Captain Contract, Legalstart, Rocket Lawyer, SmartContract, Startup Document, Hyperlex, Imanage, Softlaw, Gino Legaltech, WeClaim, Vos Litiges, SaisirPrud hommes, Pomelaw, MaFiscalité, Litige.fr, LeBonBail, eJust, Concord, Luminance, Risk Genius, Beagle.ai, Avocreator, Agence juridique, Avobot…

Assisting decision-making

Legaltechs that assist decision-making have mainly sprung up out of the processing of big data. The possibility of using digital technology for making decisions about the production of legal services has its origins in the idea that the law is, above all, an aggregation of data: dates, amounts (of damages, awards, etc.), durations (of contracts, etc.), names (of the parties), jurisdiction clauses, etc. In this sense, data are a "new black gold".[3] At stake is to identify, extract and manipulate data so as to formulate a judgment in the light of the data and their analysis and not just based on an attorney's human memory. Knowing how to turn contracts into data, disputes and procedures into distinct variables, becomes a skill. The marriage of statistics, digital technology and the law takes on full meaning. New skills and new jobs are going to emerge alongside, or in the midst of, legal professionals: data analysts, data owners, data scientists, data miners and data protection officers.

[3] Phrase borrowed from the title of an article "Data: le nouvel or noir", *Les Échos*, 11 September 2017.

Data-processing can help improve risk-management in the production of legal services. Underlying the rollout of assisted decision-making services is the assumption that future trends can be determined by analyzing existing data. As Mark Lemley, professor at Stanford Law School has explained, attorneys and firms make decisions based on "*anecdata*": if a lawyer recalls a case that he won before a given judge, he instinctively infers that he knows how this judge reasons in this type of case — but this inference is not always valid. Data-processing enables firms and lawyers' offices to exercise full control over the opportunities and risks that arise when they have to make apt operational decisions (DYSART 2013). To assist decision-making, everything depends on the access to precise, representative data. Bruno Deffains (2018) has even written about "*actuarial tools*".

To clarify these issues, two words must be defined, the one belonging to legal professionals and the other to professional statisticians. The first is causality, which the Larousse dictionary defines as any "*relation uniting cause to effect*". The second is correlation, according to the same dictionary: "*the relation between two facts related by a necessary relation of dependence*", or "*between two ideas such that the one cannot be imagined without the other*", or "*between two (simple correlation) or more (multiple correlation) characteristics such that the variations in their values are always in the same (positive correlation) or opposite (negative correlation) direction*". There is a major risk that legal professionals confuse causality and correlation — what experts and lawyers will always seek to do when it helps their cause.

Finally, the legal professionals who know how to use statistics and play with correlations will find in legaltechs and their algorithms[4] very useful allies for testing arguments by emphasizing such and such a fact while playing on the variables (data) at their disposal. Knowing all the possible variables and correlations among them before organizing an argumentation and drawing a conclusion is a phenomenal asset for a court strategy or for bargaining.

Among the legaltechs in this category of assisted decision-making are GovPredict, Judicata, Kira System, Softlaw, LexPredict, Supra Legem, Clearaccessip, Predictice, Case Law Analytics, Juristat, Legal Miner, Legaloptics, Ravn, Sicara, Ebrevia, Lexmachina, Ravel Law, Vijilent…

As we see, the issue is not to set legal professionals opposite legaltechs but to see how human beings and machines can work better together in order to make the law more useful, more accessible, better understood and (why not?) predictable.

[4] H.S. Stone (1972, p. 8) has defined an algorithm as "*a set of rules that precisely defines a sequence of operations such that each rule is effective and definite and such that the sequence terminates in a finite time*".

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