

A guide for in-house lawyers and legal managers





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# Introduction

There is no doubt that the landing of AI has been an unprecedented breakthrough. This technology has come to occupy multiple areas of our professional and personal lives, with a wave of creativity that has even led to the creation of applications to combat loneliness. If you've been wondering what artificial intelligence is and how it is changing the game in the work of lawyers and the legal department, you've come to the right ebook.

In the following pages, you will delve into generative AI to understand it from the inside, debunking myths and exploring its real benefits for the legal field. Is AI a threat or an opportunity for lawyers? Find out with us as we demystify misconceptions and banish fears.

Join us for a practical guide on how artificial intelligence can empower in-house lawyers, enabling them to lead change without fear, thanks to technology. You'll also discover the most cutting-edge AI use cases for the legal sector and how to successfully adopt them, without forgetting to highlight the impact and value that AI brings to the fascinating world of legal tech.

# 1. Demystifying generative Al

# 1.1. Defining generativeAI - what is it and what isn't it?

Generative AI is a branch of artificial intelligence that focuses on the creation of creative content, such as text, images and music. Unlike traditional computing solutions, which rely on programming existing patterns, generative AI has the ability to learn through training.

#### TRADITIONAL PROGRAMMING

Lawyer: Type: person Career: Law

Expertise: commercial Experience: 5 years

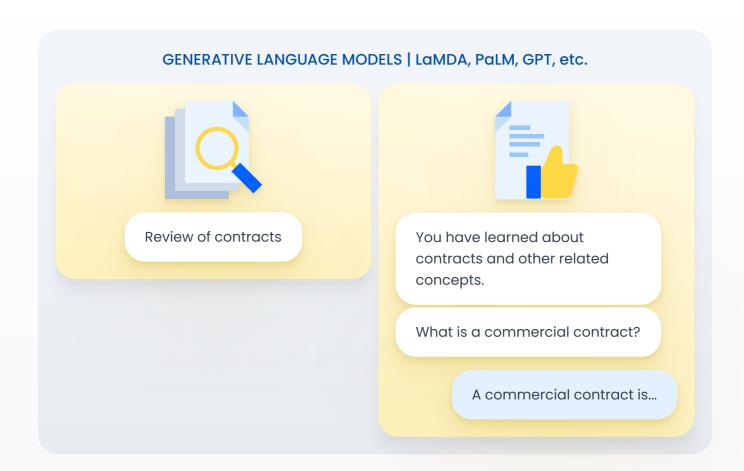
Skills: contract management, negotiation of clauses

etc.

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It uses machine learning models, accompanied by concrete training, to learn from large data sets and then produce results that are not based on specific examples, but on a general understanding and abstraction of the context.





We would like to emphasise that AI is not a replacement for lawyers or human work in the legal field.

While it can automate specific tasks and provide drafting and analytical assistance, **the intervention and judgement of legal professionals are required to interpret results**, make strategic decisions and provide comprehensive legal advice.

### 1.2. Is AI a threat or an opportunity for lawyers?

Many professionals in sectors such as the legal field are wondering whether AI will jeopardise certain professional profiles or even replace their jobs altogether. This concern comes from the apparent verisimilitude and speed in the creation of content generated by generative AI tools such as Open AI's Chat GPT, and the amount of misinformation circulating on the internet, some of it without basis, knowledge or research.

However, the speed of content creation or the certainty or otherwise of content does not mean that professionals are dispensable at all. Their experience, intuition and human skills remain critical, as all Al-generated content needs to be reviewed.

Controversial Al-related cases have become popular, where so-called AI hallucinations have led to worrying results. In the US, some lawyers have made use of AI that has led to irregularities, one example being a lawyer who admitted to using made-up case law provided to him by Chat GPT in a brief. We can see it below:

#### 'I Failed Miserably': Lawyer who used ChatGPT in brief explains fake cases to judge

Schwartz admitted this week that ChatGPT invented six cases he cited in a brief in a case against Avianca Airlines



Bloomberg News Justin Wise and Bob Van Voris

Published Jun 08, 2023 . Last updated Jun 08, 2023 . 3 minute read



Source: National Post.

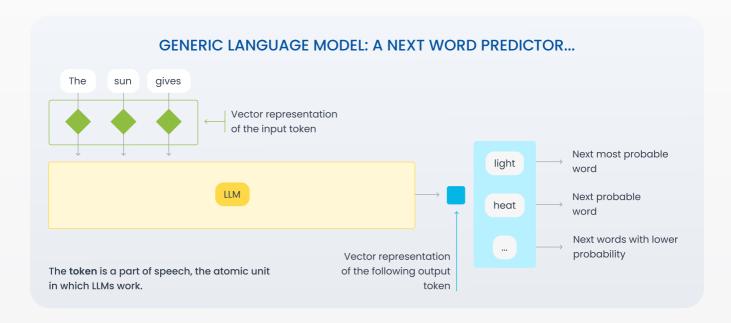
If we are aware of the limitations of this technology and it is put to good use, Al represents a huge opportunity for lawyers to free themselves from low-value work in order to focus on more strategic and differentiating tasks. The arrival of AI in the legal market should be embraced as great news for lawyers and a good opportunity, as they will have at their disposal new tools with which to boost their daily work, make it more efficient and, ultimately, improve their job performance.





# 1.3. Myths and limitations of generative AI applied to the legal sector

It should be made clear that AI is neither a thinking entity nor an all-powerful being with all the answers. Nor is it a robot that looks like Terminator and wants to wipe out humanity - let's not panic. Currently, existing solutions are based on models that receive instructions, analyse millions of parameters and provide answers based on the data they have analysed, but in a way that simulates human speech and tone. Basically, today's Large Language Models ("LLMs") predict which word comes next in a sequence of words. These models are trained with large amounts of text to better understand which word is likely to follow. In this context, the better is trained the algorithm, the better results it will provide.



It should also be noted that generative artificial intelligence can have well-known hallucinations: these are moments in which it fails and offers a result that makes no sense or lacks any basis, despite the fact that in appearance, to the untrained eye, it seems truthful due to the way in which it is written and argued.

Above and beyond generative intelligence, there is talk of **two more levels of artificial intelligence which it is doubtful will be reached**. The next would be similar to human thinking, but there are serious doubts among experts that this level can be reached. Al does not think. It has no context, so it is the user who has to give it context and, and if the user gives it,, it starts to provide results that can be interesting.

But it must be clear that AI offers content without thinking and with a poor definition of the context it can provide results that are not true. Because it always answers: whether or not it has enough context, it always answers, and the problem comes when talking about professional environments such as the legal sector. In this industry, to know whether something is true or not, you have to be an expert. Judgement is needed to discern whether what the AI is saying corresponds to reality or not, since these tools offer results that give a high appearance of verisimilitude.

For this reason, it should be borne in mind that any results provided by AI should be reviewed.

It is an assistant, a tool that can simplify tasks for legal professionals, but the last word will always remain with the lawyer who is using it.

However, it should be made clear that, as with any innovation that involves a change in ways of working and in society, **AI should not** be ignored. It is a fact that knowledge is always better than not knowing. Keeping up to date with technological innovation will always be a plus for any professional, and knowing about these tools is essential because of the impact they can have on task automation.



# 2. Advantages and benefits of using AI in the legal sector

### 2.1. How does generative AI affect the legal sector?

The benefits of generative AI for the legal sector are varied and come in different forms. The efficiency offered by a successful integration between databases, legal tools and a generative AI solution is remarkable in different ways:

#### NAMED ENTITY RECOGNITION (NER)

This technique allows the identification and classification of important entities in a text, such as names of people, organisations, places, dates, and quantities, among others. It is useful in a variety of applications, such as organising and searching for information in large volumes of text, as well as for tasks such as extracting information in news analysis and legal documents.

#### SUMMARISING TEXTS AND REVISING EXECUTIVE SUMMARIES

The ability to automatically summarise long texts is valuable in a variety of contexts, such as in the review and analysis of legal documents, contracts, and other complex texts. It also facilitates the fast and efficient understanding of large amounts of information in reports and business documents.

#### NATURAL LANGUAGE GENERATION AND LEGAL CONTENT

Natural language generation refers to the ability to produce coherent and understandable text, which is relevant for content creation in various fields, including the legal field. This technology can be used to automatically draft contracts, legal briefs, letters and other legal documents, improving productivity and efficiency in the legal field.

#### **TEXT CLASSIFICATION**

This technique involves assigning labels or categories to texts based on their content, which is useful for organising and classifying large textual datasets. In the legal field, this can be applied to categorise cases, legal documents or jurisprudence, as well as to train and improve artificial intelligence models and store information more efficiently.

#### **SENTIMENT ANALYSIS**

Sentiment analysis refers to the identification of emotions and opinions expressed in a text, which is useful in the legal field to identify the likelihood that a text written in one way may lead to possible conflicts or unnecessary dissatisfaction of the parties involved in a negotiation, when the same thing could be expressed in another way, and be better received by the reader.

#### **AUTOMATIC TRANSLATION**

This technology allows texts to be automatically translated from one language to another, which is valuable in a global context where different languages may be involved in legal documentation and communication. Machine translation facilitates understanding and collaboration between people and entities from different countries and cultures.

#### **QUESTION ANSWERING**

Question answering systems can be applied in various contexts, such as improving the efficiency of search engines to find specific information in legal documents or jurisprudence, or as virtual assistants in the legal domain to provide answers to frequent queries and support users in obtaining relevant information.

#### PART-OF-SPEECH (POS) TAGGING

Part-of-speech tagging is useful for analysing the grammatical structure of a text and is essential in tasks such as information retrieval and linguistic analysis in the legal field.

#### **COREFERENCE RESOLUTION**

Coreference resolution is relevant in text comprehension, especially when the same entity is referred to with different expressions or pronouns. In the legal field, this helps in the extraction of accurate information and the construction of coherent answers in chatbots and assistance systems.

#### **DEPENDENCY PARSING**

Dependency parsing involves determining the grammatical relationships between words in a text, which is valuable in the analysis and understanding of complex texts in the legal field, as well as in information retrieval and machine translation.

#### SPEECH RECOGNITION

This technology allows speech to be converted into written text, which is useful in the legal field for the transcription of audio recordings of trials, depositions, and other relevant events. It facilitates obtaining accurate and detailed records of conversations and speeches occurring in the legal context.

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#### 2.2. Advantages of artificial intelligence for lawyers

#### **ENHANCED DOCUMENT AUTOMATION**

- This technology helps automate the creation of legal documents, contracts and agreements, saving time and reducing errors.
- All enables the generation of standardised templates that can be customised to specific client needs, ensuring consistency and accuracy.

#### RATIONALISED LEGAL RESEARCH

- Leverages generative AI to analyse large amounts of legal information, providing lawyers with comprehensive, up-to-date data and key insights.
- Quickly identifies relevant cases, arguments and case law, enabling lawyers to build stronger arguments and develop better strategies.

#### **ENHANCED CONTRACT ANALYSIS**

- Uses generative AI to review and analyse contracts. Identifies potential risks, inconsistencies and contingencies.
- Automates the extraction of key terms, clauses and obligations, facilitating contract management and due diligence processes.

#### **IMPROVED CUSTOMER SERVICES**

- Provides your clients with faster response times and greater accuracy by leveraging generative AI for legal tasks.
- Allocate more time to high-value advisory services and strategic thinking, improving overall client satisfaction.

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# 3. Al horizon and upcoming challenges for in-house lawyers

# 3.1. How to empower in-house lawyers with the use of generative AI

#### MAKING THE LEAP TO TECHNOLOGY

The speed of change in the technological world is indicative of the increasing need to keep abreast of innovation, to familiarise oneself with technological advances and to analyse how these will impact one's profession. The emergence of artificial intelligence is a clear example of this.

Lawyers should not only see the emergence of this technology as a way to move away from traditional inefficient ways of working, but as an opportunity to unleash the true potential of the legal service, to step forward and make Legal one of the leading areas of innovation in any company.

#### TRAINING IN THE USE OF AI

Training in the use of generative AI has become essential, not least for lawyers. It not only demonstrates lawyers' commitment to technological upgrading, but also provides crucial skills to apply AI effectively and ethically in everyday work. Thus, lawyers can understand when and how to employ AI and get the most out of its functionalities.

In addition, some companies such as Google allow certification, which will serve as a badge of quality that builds trust with both clients and colleagues, opening up opportunities and fostering fruitful collaborations in an ever-evolving legal field. Certification is not necessary to understand AI and adapt to the technology-driven future of the legal sector, but it is highly recommended.



## THE IMPORTANCE OF CHOOSING SUPPLIERS THAT USE AI

The choice of vendors is critical and the present demands that those using AI be valued. By collaborating with vendors that implement artificial intelligence in their solutions, legal ensures that it is at the forefront of innovation. These providers not only offer advanced tools and services but also act as strategic partners in the digital transformation of the legal sector.

Until recently, advanced AI technology was in the hands of a few companies, as they kept their intellectual property private and few companies had the resources to sustain a multi-million dollar R&D project. Nowadays, companies like Facebook with LLama 2 have made their AI algorithms (https://ai.meta.com/Ilama/) available to the opensource public free of charge and with a commercial licence. Because they are supported and trained by millions of people at the same time, open-source projects advance faster than private projects and are the ones that are ahead of the race.

This is why it is expected that in the coming months we will see Generative AI spreading in all kinds of innovative solutions and little by little this functionality will become the software standard.

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Major consultancies such as Gartner are releasing their predictions about the AI horizon and how technology vendors will behave in the future. In the case of document automation providers, they predict that the professional will have to keep up with the technology:

"By 2025, 'human-in-the-loop' solutions that combine people and software will make up 30% of all new automation offerings"

Source: Gartner, 2022.

For that reason, it should be approached as a constant learning relationship. By collaborating with providers who are at the forefront of innovation, the legal area has the opportunity to learn and adapt to the latest technology trends. This two-way collaboration allows the legal team to keep up to date with emerging best practices and techniques, ensuring that they are well-prepared to take full advantage of AI in their own work.



#### How to integrate AI into your legal department

#### PUTTING THE HUMAN AT THE CENTRE OF THE TECHNOLOGY

Generative AI tools are not always able to understand the emotional or business context or know when they are wrong or harmful. That is, just because something can be automated does not mean that human interaction should be abandoned altogether. Legal professionals must take part in the review of any AI-generated output to check its accuracy and ensure that the results or deliverables that lawyers produce are correct. Firms have a key role to play in ensuring the ethical and fair use of generative AI, which should be seen as a way to augment human capabilities and empower communities, not replace or displace them.

#### **USE FIRST-HAND DATA**

Companies developing AI solutions must train algorithms using first-party data, i.e. with their own data. Robust data provenance is key to ensuring that models are accurate, original and reliable. Relying on untested data, or information obtained from dubious sources, when training AI tools makes it difficult to ensure that the results are accurate or free of bias. The technology feeds on data from the society around us; without conscious AI development, it could result in replicating existing conflicts or even amplifying them undesirably.

#### Technology reflects what exists in society





Special care must also be taken with regard to the processing of personal data and the protection of copyrights.

#### DATA UPDATING AND TAGGING

Al is only as good as the training it is given. In conjunction with machine learning, Al must be fed with up-to-date databases and information, so that the result it delivers is the best possible. Conversely, models that generate answers to queries will produce inaccurate or outdated results if the data used for training are incomplete or erroneous. This can lead to the dreaded Al hallucinations, where a tool confidently and seemingly plausibly asserts that a falsehood is real. By contrast, if a company trains a specific model with quality data, the result will be of higher quality.

#### THE KEY TO TRIAL AND ERROR

Companies can start by looking for ways to **automate the review process, collecting metadata on AI systems** and developing standard mitigations for specific risks. They can also invest in ethical AI training for engineers and front-line managers so that they are prepared to evaluate AI tools. **Small advances need to be implemented, results evaluated and improvement points** established for the next use.

#### **ESTABLISH A CONTINUOUS IMPROVEMENT PROCESS**

It is necessary, as with any technology implementation, employees must be listened to in order to identify risks and course corrections. Companies can create various avenues for employees to communicate their feedback and concerns. This feedback should be used to evaluate the use of the technology every few calendar years; this will lead to a process of refinement and continuous improvement.



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#### 3.2. Al solutions for business and the legal sector

#### INTELLIGENT DOCUMENT DRAFTING

Document automation already made it possible to create documents in record time before the advent of Al. But, by combining a tool of this type with an Al trained in the desired way, there are solutions capable of drafting legal documents in a few seconds and without errors.

#### DATA AND BIG DATA ANALYSIS TOOLS

Using an AI contract analysis tool, legal teams can identify and extract key information and metadata from legal documents. But how? By analyzing a large number of contracts through specific AI models, specific terms and data such as renewal dates, change of control clauses, amounts, etc. can be identified. This allows us to detect patterns, classify documents... and endless possibilities for the legal area.

#### **CHATBOTS**

The improvement of chatbots has experienced an exponential leap thanks to generative Al. These respond to users' questions effectively, offering them concrete data. This applies equally to the dozens of legal queries that come into the legal department. This can free Legal from a task that is a constant in almost every company, helping to centralize knowledge and provide an effective solution to queries.

#### CONTRACT LIFECYCLE MANAGEMENT (CLM) INTEGRATED WITH AI

- Contract Lifecycle Management (CLM) integrated with AI is a technological solution that revolutionizes contract management in companies. By incorporating AI models at different stages of the contract lifecycle, from contract creation and negotiation to fulfilment and renewal, this powerful tool automates repetitive tasks and speeds up workflows. AI can analyse and extract relevant data from contracts, identify key clauses, detect potential risks and ensure compliance. With AI-integrated CLM, companies can maximize efficiency, reduce costs and minimize errors, thereby boosting their ability to maintain strong and successful contracts.
- At Bigle Legal we started the AI journey in 2018 and we already have a beta that assists in automating documents from our CLM. We are improving it and will soon have new AI-driven functionalities available. If you want to know more, sign up for our waiting list and get to know before anyone else the best artificial intelligence adapted for the legal sector.

#### **IDENTIFYING COMPLIANCE GAPS**

Al enhances security in legal operations by detecting anomalous patterns and deviations from company standards. With real-time data analysis, Al solutions can identify contingencies, proactively protecting the company.

#### **AUTOMATING MANUAL TASKS**

Al transforms legal efficiencies by automating tedious and repetitive tasks common to all lawyers. A large part of a lawyer's day consists of answering emails, queries and manual tasks of little added value. Through Al, standards can be set to help improve the efficiency of all these tasks by eliminating human error, so that lawyers can focus on their real work, bringing value to the company.

#### **OPTIMISATION OF PRICES, PROCESSES AND SALES FORECASTING**

Al drives optimization in commercial areas by analyzing large volumes of data to identify patterns and trends in customer behaviour. From pricing to improving sales processes and forecasting accuracy, Al provides valuable insights for strategic decision-making.

#### CREATING A BETTER CUSTOMER EXPERIENCE

Al enables you to deliver a better customer experience. Through the use of intelligent chatbots and sentiment analysis, companies can respond instantly to customer queries and needs, personalizing their interactions and improving satisfaction in realtime.

#### **BOOSTING MARKETING AND ADVERTISING CAMPAIGNS**

Al powers the success of marketing campaigns by analyzing consumer data and anticipating trends. By understanding user behaviours and preferences, companies can create highly relevant and targeted content, increasing the effectiveness of campaigns and improving ROI.

#### IMPROVING COMPANY CULTURE AND EMPLOYEE FEEDBACK

Al fosters a strong company culture by analyzing employee feedback and providing data-driven recommendations. By understanding employee needs and concerns, Al helps companies implement improvements and policies that support a positive and productive work environment.



## 3.3. A guide to adopting generative AI in legal leading without fear of technology

The transformation of the legal department towards the use of AI does not only require the choice of a technology or a digitizing project and the acceptance of a budget by the company's management. The most important step comes when a cultural change that drives digitization from the root must be made.

#### STEPS FOR A SUCCESSFUL CULTURAL CHANGE

- Faced with limited budgets, the technological ROI of the new project must be valued, operations must be rethought and the legal department of the future must be visualized.
- · Instilling a vision of learning and innovation in the team will help the changes to be perceived as a positive step. Eliminating the traditional is not always risky.
- Rome was not built in a day. Change must start in parts, looking first for technology allies, people who are more adaptable and familiar with change.
- · Participating in technology events and keeping abreast of the latest news on innovation will help the team find value and alternative solutions.
- Encouraging the transversal vision of the legal team will help other departments see how they can better collaborate with legal, providing the resources they need and implementing solutions that favour self-service for the rest of the areas.
- Facilitating training and education as a fundamental basis for cultural change. In the face of ignorance, it is necessary to teach the novelty and its benefits.
- The necessary solutions must be sought that can be easily integrated into the department's existing ones. In very complex cases, it is preferable to streamline processes, not to modify the entire operation without first analyzing the needs of the department.
- The biggest stopper of all is oneself. Pushing oneself to learn and to introduce oneself to innovation will help to find effective ways of working and future solutions.



## 10 quick tips to start the artificial intelligence journey

- **Research** tools on the market and collaborate with experts: Explore AI vendors and their solutions to find the best fit for your needs; seek advice and collaborate with specialized professionals.
- Define **clear objectives**: Set specific goals for how you want to use AI in your work and what results you expect to achieve.
- Start with **small projects**: Begin with less complex cases or tasks to familiarize yourself with AI and understand its impact on your daily work.
- Ensure **security and privacy**: Make sure that the AI solutions you use comply with legal data security and privacy requirements.
- **Test and evaluate**: Experiment with different tools and evaluate their effectiveness before implementing them on a large scale.
- Get trained and stay up to date: Participate in courses, seminars and conferences on AI in the legal field to stay abreast of the latest trends and applications.
- Encourage internal collaboration: Share your experiences and learnings on the use of AI with your colleagues and look for opportunities to collaborate on joint projects.
- Analyze the **return on investment** (ROI): Evaluate the economic and operational impact of AI implementation in terms of efficiency, time savings and improved legal outcomes.
- Adopt an **ethical and responsible approach**: Consider ethical and legal aspects when using AI, including transparency in data use and algorithm-based decision-making.
- **Do not ignore Al**: It is a fact that knowing is always better than not knowing. Keeping abreast of technological innovation will always be a plus for any professional.

# 4. Conclusion: the impact and value of AI for legal tech

The legal department has immense potential for digitization and artificial intelligence is set to be a revolution for the legal function.

According to <u>a study offered by MSCI</u>, in the United States, the second function with the most potential for automation by AI is the legal area. The solutions are there, as is the clear need to put humans at the helm of all of them.

In any case, the legal field is on the verge of what could be a historic revolution in the way it works. The automation of mundane tasks may give way to a more strategic role for lawyers, who will be able to focus on providing much more effective legal advice, centred on strategy and business.

A company using generative AI technology in a business environment is different from consumers using it for private, individual use. In that sense, and hand in hand with appropriate regulation, ways must be found to train Als with up-to-date and appropriate data. Moreover, they should only be used under the supervision of professionals at the core of the legal function. This development of Al is excellent news for lawyers because current legal tech providers will need to integrate the latest generation of technology to avoid being overtaken by the new Al providers that will emerge all the time. Integrating Al into their offering will give them an unprecedented leap in quality.



# **About Bigle Legal**

Bigle Legal is a cloud-based all-in-one Contract Lifecycle Management (CLM) software that automates the legal operations of companies, improving security and minimising the risk of legal contingencies. The platform is flexible, intuitive and provides full control over the entire document lifecycle.

Bigle Legal's CLM incorporates Artificial Intelligence, an AI based on natural language processing (NLP) that facilitates contract management and offers tools that make document automation easier.

The company is a pioneer in the field of no-code document automation, with a global presence, and its customers include large companies and large law firms. Bigle Legal's mission is to make Legal Operations Easy.

To learn more about Bigle Legal, visit the website: biglelegal.com

For other enquiries, please contact **communication@biglelegal.com** 





165 kg of wood



16,200 litres of water



450 kg of CO<sup>2</sup> gases



12.5 kg of waste

\*Taking into account that it does not print paper and that, on average, a person consumes 50 kg of paper per year in the office.