Wednesday, October 23, 2019
3:30 PM – 4:15 PM

Workshop 7

Using Artificial Intelligence in Your Real Estate Practice:
Practical Tips and Ethical Issues

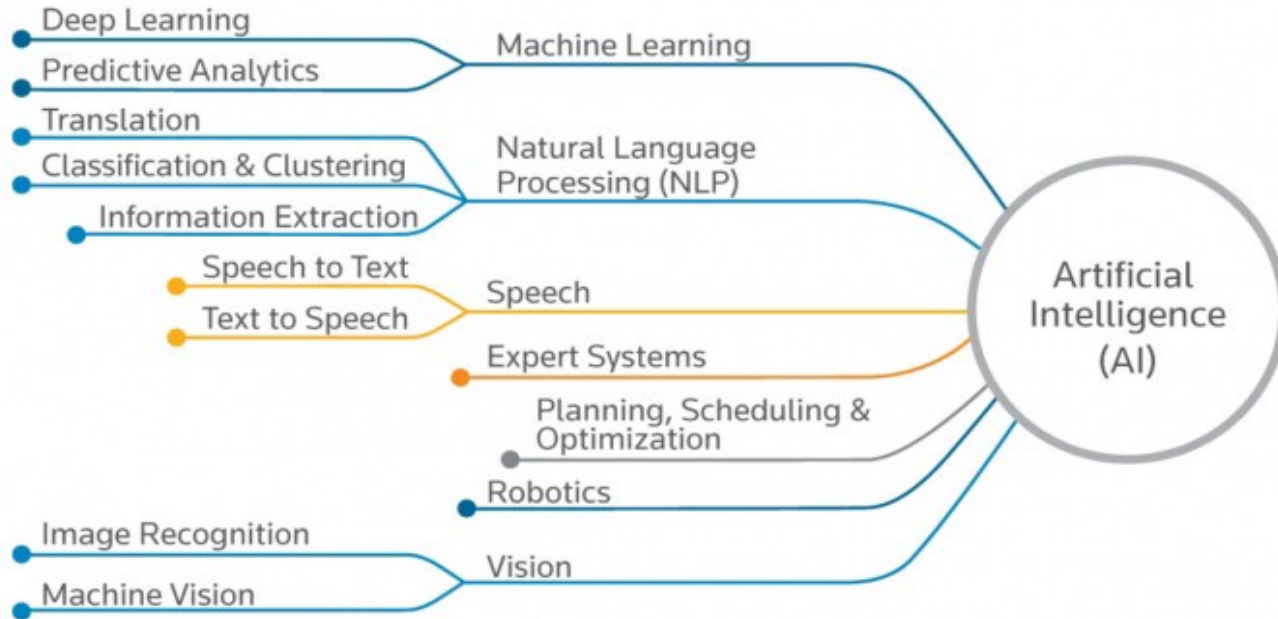**Rachael Philbin**
Perkins Coie
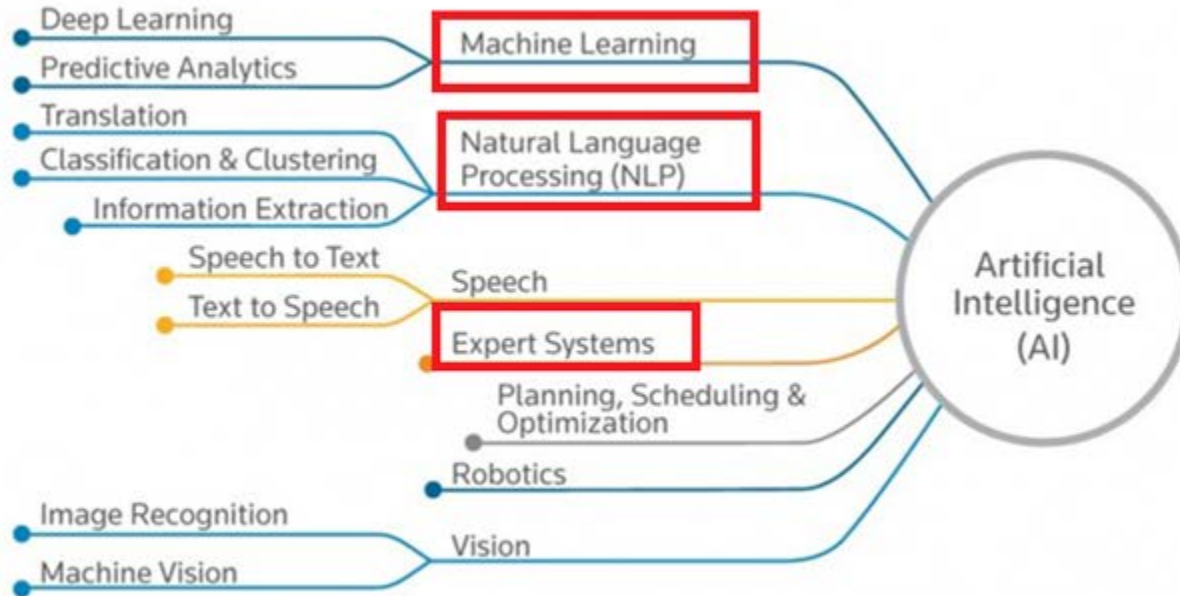Chicago, IL

Lindsay Smith
Kira Systems
Chicago, IL

"It's only AI when you don't know how it works; once it works, it's just software."

-Unknown

ARTIFICIAL INTELLIGENCE IN CONTEXT

Branches of AI

Branches of AI

Text

1. Text **RACHAELPHILB827** to**22333**
2. Text in your message

Are you currently using AI in your legal practice?

Yes

No

What are your concerns about using AI in your practice?

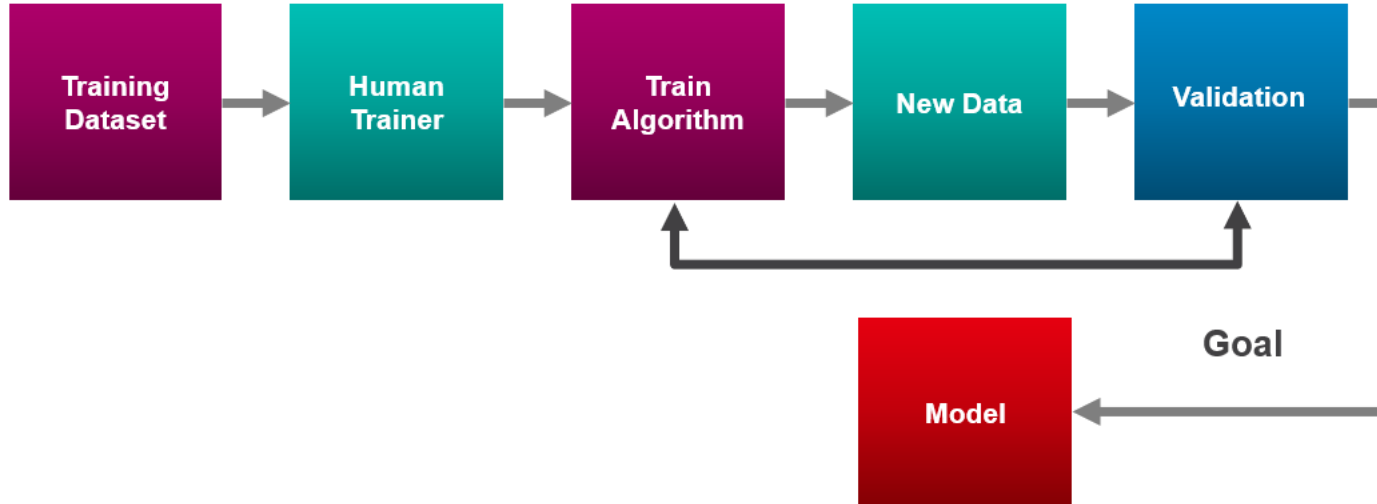*"Lawyers and machines are collaborators, not mortal enemies."*

- Mark Cohen, Legal Mosaic

AI IN TRANSACTIONAL LEGAL PRACTICE

➢ Supervised Machine Learning

➢ Unsupervised Machine Learning

➢ Rules Based Logic

Supervised Machine Learning Workflow

- Case Study 1
  - SML AI used to analyze 8000 documents to find "change of control" provision implicated by transaction.

  - Natural language processing AI harnessed to confirm results of SML AI

  - Reduced volume of review to 800 documents (10% of original data set)

- Case Study 2
  - SML AI used to identify relevant provisions for 300 documents in acquisition of multi-tenanted space
- Case Study 3
  - Used combination of "out-of-the-box" SML AI and custom-built SML AI model specific to the student housing practice to quickly extract relevant provisions in acquisition.

"Even a cat has things it can do that AI cannot."

- Fei-Fei Li

LESSONS LEARNED: USING AI IN TRANSACTIONAL LEGAL PRACTICE

Data Set: Is It Large Enough to Train?

- Small data sets may not be good use of AI
    - To train AI, you must have enough samples
    - Right number depends on length, complexity and variability of the language
- Example:
    - Legal team frequently referred to unique business agreements to verify terms. Not enough agreements to train models on.

Data Set: Is There Enough Time to Train?

- Model training and templates require time
  - Identify goals, configure technology, train
  - Subject Matter Expert must review and validate

- Example:
  - Last minute review needed for restrictive business terms in NDAs. With little time for model training, used a combination of existing models and manual review

Data Set: Is Your Model Biased?

- Your model could be biased
    - If using pre-trained models; you must understand what was used to train them.
    - Is the model appropriate for your data

- Example:
    - Out-of-the-box models are often trained on publicly available documents. These models may not be appropriate for documents from private or companies in a niche industry.

AI Challenges

A Tool, Not a
Complete Solution

Does Not Replace
Attorney Analysis

Lacks judgment

AI Makes Mistakes Too

After this presentation, are you likely to explore using AI in your legal practice or in-house legal department?

I'm already using it.

Yes, AI could help my practice/company achieve greater efficiency.

Maybe, I need to learn more.

No, it is not applicable to my practice

No, the benefits do not outweigh the risks.

In which part of your practice could you see using AI?

LEGAL ETHICS AND THE USE OF AI

As a lawyer, how would you rate your technological competancy?

Highly competent, I read WIRED and TechCrunch daily and I always have the newest device or gadget. **A**

Proficient, I feel comfortable with technology that I use but I would not say I am an expert. **B**

Technology is not my strong-suit, I can email but generally I rely on others to help me with that. **C**

Not at all. **D**

ABA Rule 1.1, Comment 8

A lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation.

[8] To maintain the requisite knowledge and skill, a lawyer should keep abreast of changes in the law and its practice, including the benefits and risks associated with *relevant technology*

ABA Model Rules 5.1 and 5.3 Rule 5.1

"[A] lawyer having direct supervisory authority over another lawyer shall make reasonable efforts to ensure that the other lawyer conforms to the Rules of Professional Conduct."

Lawyers who employ non-lawyers must also "make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the lawyer."

ABA Model Rule 1.5

"[L]awyer shall not make an agreement for, charge, or collect an unreasonable fee or an unreasonable amount for expenses."

(1)   the time and labor required,

(2)   the fee customarily charged in the locality for similar legal services, and

(3)   the time limitations imposed by the client or by the circumstances.

QUESTIONS?

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