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| SPEAKER1 | 00:59 | Hello , Peter |
| SPEAKER2 | 01:00 | Federico . How are you doing ? |
| SPEAKER1 | 01:02 | Good , good you . Nice to meet you . Nice meeting you , too . Thank you . Thank you for your availability . I guess you're not in the UK . |
| SPEAKER2 | 01:10 | No , I'm not . I'm currently in the Philippines . |
| SPEAKER1 | 01:13 | Thank you . |
| SPEAKER2 | 01:14 | Yeah , it's quite nice . I like to escape European summer where possible and then head back Europe for the summer . Enjoy the fun there . |
| SPEAKER1 | 01:23 | That's a nice way of living . Yeah , yeah , I they want you to waste your time , so I try to be as quick as possible . I start with a small question . Do you mind if I record our voices just to be sure that I don't lose any more information ? Of course , is be good animals . Nobody's going to read your statements , and I'm |
| SPEAKER2 | 01:45 | sure it sounds good . OK , thank |
| SPEAKER1 | 01:46 | you . I just explained to you my project briefly . Basically , I'm a management student at business school , and I'm trying to aim for a project thesis to assess the potential influence that the emergence of legal technology may have on businesses , especially SMEs . But businesses in general , they are not a legal firm or legal businesses , so it's kind of an indirect effect on different aspects . I'm at an exploratory stage , so I'm trying to cover the most famous bosses themes as possible . And so this is a this is the project for now . So I would start asking to you , what are the major like contributions that legal technologies right now are giving in in terms of the most used services technology use the what is happening right now ? |
| SPEAKER2 | 02:43 | Sure , I start off with the caveat that my focus area is on large law firms . And so within the legal market , I only talk about legal technology . There's a couple of different players . You have large dollar firms who serve corporates , you have corporates who have in-house legal teams who have specific legal technology for them . And then you may have law firms who target other areas of the market , like your startups or estimates that kind of thing . So I've had most exposure to large law firms who target very large corporates . And so let me know if it's most useful for you for me to talk about that segment . Large , large law firms and large corporates . Or if you're more interested in the segments that would touch on startups and SMEs , well , |
| SPEAKER1 | 03:34 | um , at the end , I think I would be more interested with startups and SMEs . But there's also an aspect to that . Usually , those startups , um , collaborate through partnerships or other relationships with big corporates . So like if you can talk about both with it will be fine . Of course , if you can concentrate a little bit more with SMEs , it's better , but also aspects relating to , you know , collaboration with big corporates can be relevant . So go ahead . And what do you want to say ? It's an exploratory stage , so the more teams pop up , the better it is for my research . So don't worry . |
| SPEAKER2 | 04:14 | OK , so what I'll do is talk with some of my experiences and what I see , and I'll give some additional flavor on that to kind of see how that may apply to if applied to the SME space as well . So your first question around the main aspects which take effect is established so some of legal technology tools in use within large law firms will discuss the impact of those you have the likes of matter and management systems, which are similar to project management tools, and you have data rooms which are similar to very secure file sharing. So if you think about Google Drive or Box , but very much enhanced for a corporate environment , you have document automation, which is where when lawyers go to draft a document rather than starting from scratch or what is also common is they may have a particular template that has square brackets in a template , and they will go and replace those square brackets with the particular details of of a matter to dealing with example parties , names , payment terms , that kind of thing . With document automation , you've actually codify these templates so that lawyers can answer a questionnaire that generates the first draft of a document to speed up the process to create and the first draft of legal documents. You have a AI extraction technology , which is used when legal teams are reviewing a very large volume of documents, so if they're looking for specific information within those documents. And rather than having to manually go through and control or search through those documents, they can apply to pull out some terms that it recognizes within those contracts . You have drafting assistance which are effectively oftentimes are a word plugins , so that as a lawyer is drafting a document or reviewing a document , then this technology may, for example, identify errors that they have within the documents, like spelling errors or also identify where they have definitions that are not in use within a given document . So it's kind of assistance to them as a word plug in as they go to draft a document, you have comparison tools that allow users to easily compare previous and current versions of documents to see how they've changed over time as they're in negotiation with their parties. And you have the likes of e-discovery tools, which help with the litigation process and to identify particularly important information within large volumes of documents when it comes to a litigation case . So that's common things, but I see you may have a question. There's a pause before I mentioned how some of that may apply to smaller and startup space as well . |
| SPEAKER1 | 07:19 | Mm-Hmm . OK , OK , that's fine. Thank you. Among these services that you just mentioned when you think that, um, the services that may be more impactful in terms of like Inter Companies collaboration, Inter Companies transparency is something that enhances relationships among the among different parties, different companies to collaborate. |
| SPEAKER2 | 07:43 | So good question when it comes to I think it's worth kind of touching on the within legal, there's typically two main areas, I think very, very high level. The two main areas, one area is for litigation . So where something has gone wrong, the party is bringing issues in either party or as an issue that you are trying to resolve. The other one relates That is very , very common at a very high level is transactions . Is anything to do with contracts . And so for contracts , that process is typically one party will draft a document . Then internally , there'll be some reviews of that document before it is sent by email as a word attachment to an external party . Got External Party will review the document . They will provide some input on it , and then there will be the same email ping pong back and forth of a word document . So where you talk about potentially enhancing collaboration , there's there's definitely opportunity to enhance that negotiation stage where I where a document is being sent back and forth between given parties. But I assume some companies have tried to tackle that and try to solve that. What it's worth bearing in mind lawyers, especially in a large law firm environment, they live in Microsoft Word almost all the work is Microsoft Word or Outlook. I'm trying to get them out of Microsoft Word onto another tool to do just that. It is more challenging certain people within the in-house environment . So the in-house teams , so those legal teams that will sit within corporates , those teams may be using the likes of Google Docs . And so with Google Docs , you can have your kind of collaboration features and it is possible that in that environment that those teams may be using Google Docs and have that kind of collaboration . But typically, within the large law firm environment, it's predominately word based and it's very hard to get people heard the word document . |
| SPEAKER1 | 09:49 | OK , so they're kind of slow in the adoption of like new tools . I don't know , on contract lifecycle management tools or others that may help this negotiation process. So you're saying |
| SPEAKER2 | 10:02 | so for the contract lifecycle , I guess that's a tool that focuses on the corporate in-house market, and there are certain for sure there are definitely that's becoming more popular and there are quite a lot of corporates that are starting to use that . And some of those lifecycle management tools also have that in those in-built negotiation feature where it can do the end to end of a document so they can create it within the contract lifecycle management tool. They can have their internal approvals before inviting other parties to that product and in their negotiation on that product . So that is possible within that in-house environment . And that's why at the start , when it kind of classified the large law firms , in-house legal teams and small things because the behaviors are very different between the different target groups . So whenever discussing about kind of legal trends and the tools and what's happening , it's important to kind of define the segments that we're talking about because it's quite different between different segments . |
| SPEAKER1 | 11:03 | Yeah , yeah , I see . Well , since you mentioned , I think I'm more interested in the in-house legal departments because they they belong to modernization mostly , um , for example , um , talking about these in-house legal departments , um , these tools you were mentioning like for negotiation or contract automation collaboration . Um , is it possible that they are implemented for , uh , like there's the in-house legal legal department that have to establish a contractual relationship with a party , but also with other parties ? Is it possible to create like a kind of a multi collaboration that also the external parties use the same tool to connect with themselves like contract ? |
| SPEAKER2 | 11:45 | So if I replay what you're saying , they understand you're talking about multiple different people from different organizations working on a single document. And so like with that functionality is possible as it stands within Google Docs already . And like Google Docs, is something that's more popular, especially with, like some of the smaller teams that are scaling quickly that are just using whatever tools and most practical with the club systems , it's probably possible to have multiple parties from different organizations involved in it as well . When that is the case , and it is really important to have kind of overall control of what is changing and having that full history of what is happening to the document and legal documents , to what is contained within them when they are signed is very important . So there has to be that overall kind of governance of . What are people agreeing to what is changing ? And yeah , but that you're in summary . Is it possible for multiple parties from different companies to all be in a single document collaborating ? That is possible ? For example , if you wanted to use Google Docs , you could do that immediately . |
| SPEAKER1 | 13:01 | Yeah , of course . Um . OK . There's a need that also the external party have they they their in-house legal departments to use like a CLM tool are for contract negotiation or , um , it's unnecessary because I'm thinking like a bigger organization that is collaborating with , like smaller firms . I guess it means that usually they don't have their in-house legal departments . So do you think that these tools and and how may help the smart interface with the bigger company or something? That is not applicable |
| SPEAKER2 | 13:40 | interesting? And so what might I again with the caveat that's not the market I focus on . But what I would for ? What I would say is that oftentimes when small companies are interacting with large companies, they have very little power of what is going to change the document. So if you're buying a product or service , if you're a small company and you're buying something from Microsoft , that contract is not going to change. Much like here are the terms signing or talent that there's very much a balance of power when it comes to negotiation on a document with most of the power residing with the larger organization, or potentially with depending on who is if it's a commercial transaction, who is buying, who is selling it a very kind of balance of power and the. Yeah , it's definitely an area overall that is not solved in that I know people regularly reference how negotiation or collaboration a document is a pain in particular is how you most frequent it is word documents with red lines going back and forth . And so , yeah , that is definitely still a challenge that has not been solved . |
| SPEAKER1 | 14:53 | Hmm . Thank you . Um , you , you gave me a suggestion . Next question . What about the situation in which there's , um um , the same evenly distributed bargaining power? So we're talking about small firms that have to collaborate. Um , there may be in between them like a legal service provider . So a legal firm , uh , not necessarily a big one . Um , that um , by using legal tech technologies , whatever technology have these two firms , um , like um . And establish a transparent contractual relationship . This is the question . OK . You see this possibility and how? |
| SPEAKER2 | 15:43 | Yeah , so if I repeat that for a second , because as you were speaking , I was also thinking with similar things to this . It's a case of if you had a legal if you see parties who are involved in a negotiation and you had a legal third party , who's involved not is there anything that they anything that any kind of technology a third party could use to facilitate more streamlined negotiation? Is that your question? |
| SPEAKER1 | 16:03 | Exactly . |
| SPEAKER2 | 16:04 | OK . Yeah . |
| SPEAKER1 | 16:06 | I'm sorry , mostly to make the the situation in which the two parties are negotiating are small firms, the sole firms that didn't have access to a lot of economical resources. They're not big. This is the situation I'm imagining. |
| SPEAKER2 | 16:21 | Yeah . So an example of some things you can do to help with that collaboration and negotiation to bring transparency to it . One example is a company called Term Scout, and what they do is for given I think they focus on technology product contracts. They affect a rate or rank different contracts . So they view of, you know, how fair is a contract or if there’s different terms in a contract to be aware of. So because they have done that review of those contracts and they have a they have a view of what contracts are like across the SaaS and product space they can like , they can tell what is market , what is most common and that kind of outlined what is fair and what is not fair. And I think they also provide a seal of approval or stamp so that those who are using that contract know that it has been kind of pre reviewed by a third party that has indicated how fair it is to both parties. |
| SPEAKER1 | 17:22 | So , OK , so this company, these terms , now that you're telling me they are the third party they are, they do not provide a tool for the third party . They are the third party . |
| SPEAKER2 | 17:33 | So they are the third party who effectively they review contracts and then they kind of give their view of how fair those contracts are. There are also products that will help with the first review of a contract. So you could say upload a contract to a platform and then do a quick scan of the document to outline if there are any particular risks to be aware of within that document, I may give a score for that document . And the idea behind that is that like if there are any issues that can be flagged very quickly , yeah . Or if it looks like there may not be any issues that can help people get to signing the deal, signing the contract a lot faster. |
| SPEAKER1 | 18:17 | OK . Am seeing that there because I open their website , they're using A.I. . OK , so |
| SPEAKER2 | 18:24 | you'll be hard pushed to find a legal tech vendor who doesn't say they use A.I. Okay , so you can take it , you can take it as a given that every company uses AI . |
| SPEAKER1 | 18:36 | OK , OK . And just easy question , are they affordable for a small company ? Do you think |
| SPEAKER2 | 18:43 | there's a I don't know the cost , OK |
| SPEAKER1 | 18:47 | and check that? Check it , |
| SPEAKER2 | 18:50 | whatever . Yeah , but I would what I would say in general, when you think about small companies that most companies don't want to use , lawyers , not lawyers are really expensive . And if you could do a deal or transaction without having to involve a lawyer for most small companies , great . Most small companies when they're starting out , if it comes to , you know , putting terms and conditions or end user agreements on their website , they just go off and find something online and stick on their site . They'll do whatever they can to avoid using lawyers because lawyers are very expensive . So , yeah , it's kind of a case of how do you minimise the input of lawyers for small companies. And also when they need to use them , how can they use legal services that hopefully are tech enabled to reduce the actual lawyer time needed on a given matter. |
| SPEAKER1 | 19:46 | Hmm . I see . Yeah , that's perfect . Uh , I will skip a little bit . Uh , some questions I would ask you just briefly since we we started talking about , uh , SMEs . If you see , um , like new innovations or new products that are just trying to be established in this area. So legal tech services that may be impactful for our SMEs in the future. |
| SPEAKER2 | 20:13 | Yeah , even . Oh , what's the one where I called ? Record , I think about it afterwards to send it on to you , but what you have , what's becoming more common is there are some companies who do mission different services that they might have a site , not a portal that people can log in to and get kind of self-help materials about particular topics . So maybe guidance around kind of employment law or also sample documents that you can use for site consultancy agreements or different things like that. So there's quite a few companies targeting the SME sector even. I think that you check out the likes of it's like rocket , like a lawyer or legal zoom , and there's a few there's quite a few targets . Let me check , even within my , there's another one that should be here. What are they called ? Spark legal, a legal so there's one of those many companies who effectively you sign up for a monthly subscription and then you go in and you have your information on certain key topics for SMEs. And you can also potentially like leverage sample documents. They may be perhaps and document automation. I'm not sure if they do , but maybe you can get in contact with a lawyer as well if you have any particular questions . So there's there are companies that target SMEs at all. |
| SPEAKER1 | 22:00 | Okay , that's uh , that's nice . What about the regulatory aspect like , um ? Because I guess SMEs as well companies in general , they're subject to regulations and different laws . Do you have any thoughts about , uh , how the emergence of an illegal tech tool or a tool as a blockchain enabled tool that you know , may , may address this ? Uh , this issue is a regulation . She says I have data about data because now I'm thinking that a lot of digital startups are popping up , so maybe especially these aspects . |
| SPEAKER2 | 22:43 | Yeah , so as a start , I'd say that the amount of regulation that applies to arrest me would be very dependent on the industry that they operate in . So for example , if you operate a medical or banking or some other sectors , way more regulation that you need to be aware of , and they will have a lot more engagement for lawyers at an earlier stage . For all other activities , they have to be aware of things like GDPR and how they use data and stored data and all that kind of stuff . I'd say for most , it depends on the scale of the business . For most startups , they just ignore it . Usually you see a thing as lawyers are very expensive . And if you have a startup in the early days , people that mean most people just kind of forget about the legal side of things . But yeah , they need to be aware of , you know , especially when it comes to how they handle data that the majority of startups will have should be aware of how GDPR applies to them if they have , if they're operating in Europe or have European customers. And I think the market is probably broken into at the very early stage . They are just oblivious or do not care. Then you have those who are more established and need to start caring. And at that point , they probably engage with outside legal guidance around how do they clean up the mess that they have created from not caring about GDPR for their first couple of years in terms of technology that can help with that stuff ? And examples of that actually even discussing this with someone recently is that for all these digital startups, if you have a presence online , you have a website you're going to have oftentimes they have a digital product , so there will be terms of service around that digital product that may include what they do for data and which have a kind of general terms and conditions. I've seen cases where there are services providers that are kind of like combining technology and legal input where you can say outsource your terms and conditions or you end user agreements and you will have those and then the lawyers will make any required updates to those documents. If the law changes to those sets kind of outsourcing the problem to someone who take care of it for you. and for that stuff , I'd say that technology doesn't make a mass like the technology side of things is relatively straightforward. I don't think blockchain comes into it at all. And just one thing to be mindful of overall with regulation is that there's likely to be more regulations coming related to A.I. . So in particular , with the use of large language models that are starting to become popular over the last couple of months , there will be regulations that kind of govern what data has gone into the large language model kind of copyright law around data privacy, that kind of thing. So I think digital startups who are using AI or large language models may need to be more aware of these regulations in their coming years because they are likely to be additional regulation through it , actually , and say on the blockchain point , I don't think blockchain solves any of those problems , but it's more a case of there are going to be more rules and regulations related to blockchain. So even some of the larger companies , whether it be Coinbase or others they are now this question marks about whether some of the products they offer are legal or do they have to , you know , take back some of their products or whatever it's going to be . So there are there's a technology point of view . It's more a case of as time goes on . More regulations come in for new technology because it takes time for the regulations to catch up with technology . So there's more regulations to be aware of . But I don't think the technology makes too much of a difference about on the legal side of things , although maybe at some point in the future it may be possible . You know , people talked about using , say , like saying , it's my models are chat bots or whatever to be able to query the laws to see if you are in line with regulation or it's kind of self-serve on those . So that's an area that may change, to be fair . |
| SPEAKER1 | 27:04 | OK , so that's OK . So maybe I'm just trying to elaborate a little bit , uh , a possibility , maybe that you were mentioning the outsourcing of, uh , like the check of user services and other and other aspects. Maybe there may be some , you know , the query , as you mentioned the use by the UM , the law firm or the lawyers that receive the outsourcing, that they may use this kind of technology to. To check the regulation compliance quicker let's say I guess it's . The only application that now I can foresee, |
| SPEAKER2 | 27:45 | and it could be a case of us potentially that the smaller businesses would have less need to go to law firms or lawyers if they were able to self-serve . So if they had access to those regulations , if they could get the answers they want without having to go to a legal professional |
| SPEAKER1 | 28:03 | OK , so maybe it's maybe a legal tech provider. Let's say a tech provider may jump in between this kind of need and link the SMEs with the regulation check without the need of a physical person and then in between them . |
| SPEAKER2 | 28:18 | Exactly , but one thing that's worth bearing in mind is that there are relatively important regulations around who can provide legal services . And so in order to provide legal guidance , you need to be regulated by the relevant legal authority . You or I could not just go and give legal advice to somebody . There's a very there's a line between kind of general high level . I cover in exact terms , good guidance versus advice and guidance I think is just general . Generic stuff is OK . But once you start to get a bit more specific to advising someone and suggesting steps to take , that starts to step into the regulated space , which is not possible for people who are not lawyers . |
| SPEAKER1 | 29:05 | Yeah , I see . I understand this is a relevant topic , of course . I think we more or less we cover the . Everything like scattered here and there and uh , yeah , just a little smoke where if you have two minutes left . Otherwise , uh , sure . Um , if you , uh , now a little more specific , if you have any idea of any legal tech , correct proptech , any kind of , uh , this kind of provider that can help SMEs or startups in their early stages of their business . So like , I'm like the first two years , like the ability to to raise financing or to , I don't know , register the company in some way , structure the company , the hurdles that are faced by businesses in the first in the early stages of their development . |
| SPEAKER2 | 30:04 | Yeah , sure , there are definitely a bunch of businesses there . So what certain providers focus on is allowing the early stage start ups to auto-generate quickly develop in documents that they have to have . So we're talking about automation . The startup goes into a questionnaire and there's a bunch of questions , and it'll create the relevant documents that they need , whether it be safe registering a company or helping with raising capital or interacting with investors. And it is quite a few companies that focus on that . And and then when it comes to just raising fundraising, I know that there are other companies that just support with that process. So it's there was definitely quite a few legal technology providers that also focused on that early stage startup. |
| SPEAKER1 | 30:50 | If you if you have an example , it would be helpful because then basically from interviews, I review secondary data . So I go into the show, |
| SPEAKER2 | 30:59 | I'd suggest , well , a law firm that focuses on that money know that they've set up some of their own materials or products , as well as Wilson . So they're at the very large law firm in Cisco . |
| SPEAKER1 | 31:11 | Was it spelled ? |
| SPEAKER2 | 31:11 | Well , we'll send everywhere . So and I think it sends the second where it is Willson Sonsini . So maybe so and CNI or something along those lines . They do a lot of work with startups , so we good to see particular products that they , I think they will call neuron and bunch of other stuff that kind of help with that . But there are definitely companies that help with when it comes to the cap table. So kind of overall the allocation of shares and managing that ownership within a company to quite a few. I don't know, off the top of my head because that's not an area that I'm focused on, but I know there are some that exist |
| SPEAKER1 | 31:49 | in the UK and those there's a sea eagles that do that . |
| SPEAKER2 | 31:52 | Yeah , yeah , I've heard of them . |
| SPEAKER1 | 31:53 | Yeah , yeah . But I guess it's kind of a niche market because I I didn't discover any other companies similar to them . So I guess they're I think , |
| SPEAKER2 | 32:05 | let me just check one more . I think it was one click tone or something . Tom.com ? These guys are worth a shot here . So he also focus on a big focus . |
| SPEAKER1 | 32:36 | Thank you . Yeah . Yeah . OK , OK , OK , I can check them out . |
| SPEAKER2 | 32:45 | OK , cool , cool . |
| SPEAKER1 | 32:46 | I think we're done . If you have any person that you know that works with, the startups were in touch with the legal tech field, a little tech field. To that , you can suggest me for a for an interview. I will be grateful. So maybe I can contact them. |
| SPEAKER2 | 33:03 | OK, sure, yeah, I'll reach out to them first, just to check availability , and if they have anybody that I can let you know . |
| SPEAKER1 | 33:08 | Yeah, sure . You've been really, really kind . Thank you very much for your time and uh , enjoy your your evening night . |
| SPEAKER2 | 33:15 | Yes, we really speak to you and better luck with the work that you do . |
| SPEAKER1 | 33:19 | Thank you. Thank you . Bye . Have a nice day . All right . |