

# VQ FORUM

Scandinavia's leading legal innovation event

## VQ Forum 2017 on digital transformation and legal AI

This issue of VQ Newsletter is dedicated to the eighth VQ Forum, held on 19 October 2017 in Stockholm. More than 220 law firm managers, general counsels and other legal market professionals attended the forum for discussions on the changing legal market and the future of legal service.



This year's main theme was digital transformation and legal AI. During the day, the speakers explored the impact of the technological advances and the potential disruption of the legal market, with case studies and examples of successful reinventions in practice. A special focus was also given to the use of new technology in arbitration and litigation, to issues regarding digitalization and compliance and to new business opportunities with AI.

In addition to providing insights on the changing legal market, the forum also aimed to create a platform for inspiring meetings and exchange of ideas between law firms and clients on how to adapt to the new legal market in a constructive way and how to further develop successful client-law firm relationships.



## Articles and photos from VQ Forum

[Digitalisering i fokus på årets VQ-dag](#) - InfoTorg Juridik (*in Swedish*)

[IBM Watson Partners With MAQS, Lindahl + VQ to Build Legal AI Tool](#) - Artificial Lawyer

[Digitalisering och artificiell intelligens i juristbranschen](#) - Realtid.se (*in Swedish*)

[Photos from VQ Forum 2017](#) - by Björn Leijon

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[IBM Watson Partners With MAQS, Lindahl + VQ to Build Legal AI Tool](#) - Artificial Lawyer

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## Summary of the sessions

VQ founder **Ann Björk** and moderator **Patricia Shaughnessy**, Director of the Master of International Commercial Arbitration Law Program, Stockholm University, opened the forum with an introduction to the main theme of the day, which key note speaker Mats Lewan continued in the first session on digital transformation.



**Mats Lewan** is a futurist and research analyst focused on the future and technology. In his speech, he explained how digitalization hit the music industry first, because it was easy, but how digitally-driven change will eventually transform all fields, including health care, finance, transportation, industry, retail and, notably, the legal business.

Mats mentioned self-driving cars as an example of how the car industry is changing from a hardware industry to a software service. It will soon no longer be about *which car* you have, but about *who is driving* you. Change and innovation are exponential, and with every innovation put back into the loop, the pace of change increases. The big question is whether digitalization and AI is a threat or an opportunity for legal services.

Today, AI is being used within the legal field for (i) reviews - to understand and analyze the information, not just to search or structure it, (ii) for predictions - based on previous cases an AI solution can provide a probability estimate as to the outcome in a petition, and (iii) answering legal questions - based on research and analysis tool such as for example ROSS, and (iv) contract review. As a legal service provider the key is to understand the mechanism of digitalization and AI and find out how to add value and benefit from the new developments. Mats advice is to let the machines do the repetitive, "boring", tasks and focus on the human skills like creativity, convincing and motivating skills and empathy.

**Dr. Christian Sandström**, Associate Professor at Chalmers and the Ratio Institute, continued to explore the digitalization trend and where it is taking us. The past year, his research has focused on how digitalization and automation, free access to information, technology developments and new kinds of competition affects the legal sector in Sweden.



He has also recently published a report based on this research with the Swedish Competition Agency that can be downloaded here (*in Swedish*): [Disruptiv digitalisering inom marknaden för juridiska tjänster](#)

Generally, as concluded in the report, the legal industry is a very fragmented sector and some law firms have not yet reached more than the first wave of digitalization, i.e. when previous analog information is made available digitally (a book is made online or similar). In the second wave, the technology is used for more dynamic tasks, like for example creating documents via digital automation such as [VQ Legal](#)'s service.



In the third wave, the digitalization uses artificial intelligence to replace legal work.

About two years ago, the Swedish legal market reached awareness of the third wave, which has now started to reach the level of evolution where the larger law firms are doing actual experiments on AI solutions.

**Ralph Versweyveld**, Business Manager, Wolters Kluwer, then welcomed the delegates to the coffee break by explaining the challenges legal software providers face and how they try to meet the new developments and investments needed, while yet maintaining the same service level for the current business. A challenge law firms are increasingly starting to face as well.



**Francesc Muñoz**, CIO, Cuatrecasas, then explained how digitalization and innovation is part of the management of the firm's resources and how this ensures that Cuatrecasas can be able to provide the right tools to the lawyers for the future.



As practical examples, Francesc mentioned the use of Genius bars and Floor walkers to teach all lawyers how to be digital in their day-to-day work. He also explained how Cuatrecasas Acelera, the first legaltech startup acceleration program, will improve internal processes and develop new products and services to attain the most efficient and flexible advice for their clients.

A panel, moderated by **Dr. Christian Sandström**, with panellists **PG Ekbohm**, Partner, Hamilton, **Lena Almfelt**, General Counsel, EQT, and **Ralph Versweyveld**, Business Manager, Wolters Kluwer, then discussed different perspectives on digitalization and disruption. They all agreed that it is difficult to find the right revenue model and that legal tech developments will be driven by small startups. Lena explained that clients generally are not that interested in the technology used by the law firms, as long as they feel that they get good value and high quality advice.



Even though some clients might express a wish for assistance by their law firms as regards legal systems, the panel found it highly unlikely that larger clients would turn to law firms for legal tech advice. As regards the digitalization of documents and digital case files, law firms are however far

ahead, and PG was optimistic about law firms finding cost efficient solutions to benefit both firms and their clients.

In a following panel with **Zarina Virsholm**, Partner and Co-founder, Sharp Recruitment, **Filip Johnssén**, Senior Legal Counsel, Privacy, Klarna Bank, and **Christina Wikström**, Managing Partner & Attorney, Wikström & Partners Advokatbyrå, the increased importance of compliance was discussed.



The panel focused on issues such as the difficulties in finding the right competence, as well as discussing the opportunity in using AI and building better tools to easier become compliant and the new business opportunities in delivering tools and processes to handle these issues. As Zarina pointed out, if you are a legal professional interested in compliance you have every opportunity and do not have to worry about technology taking over as the demand for compliance officers to hire is huge.

**John Raunio**, Country Manager, CSI, welcomed the delegates to the lunch break by explaining how tools like CSI Lawyer can support legal professionals to meet the new demands.



After lunch, four of the sessions focused on new opportunities with AI, starting off with **Richard Tromans**, founder of TromansConsulting and the site Artificial Lawyer, which is dedicated to new developments in legal AI and automation. In his talk, Richard Tromans gave an overview of the growing adoption of legal AI and the consequences for the law firm business model.



The traditional pyramid model might not be overthrown to the extent that has previously been expected, instead Richard explained how it might change into something more similar to a Christmas tree. What he predicts is that most paralegals will be replaced by technology and that new professions will emerge within the firms with innovation and digitalization competence.

Used well, AI and other forms of automation, will augment the lawyer's capability and add greater utility e.g. productivity, but also new value by adding a new ability to provide data-driven insights. An 'Augmented Lawyer' sees a world of legal data that can be made more valuable with AI tools and extend their offering. Thus, AI can both boost profit and improve the lives of the lawyers.

**Adam Hembury**, Director of Innovation, DLA Piper, and **Gustaf Reuterskiöld**, Country Managing Partner, Sweden, DLA Piper, gave examples from some of the firm's ongoing projects and discussed how law firms can benefit from digitalization and the use of AI.



Both Gustaf and Adam agreed that law firms will not fully start to embrace the digitalization trend until the clients start to put higher pressure on smart solutions and reduced costs. The competition is still not scary enough to really drive change. Adam also pointed out that the competitive advantage of using new technology comes for the adoption of it; the issue is not how clever the system is, but how the law firm embeds it into the daily work.

The discussion about new opportunities with AI continued in a panel with **Adam Hembury** and **Gustaf Reueterskiöld**, as well as **Francesc Muñoz**, and **Christer Norström**, co-founder and working chairman, Recefox, and moderated by **Richard Tromans**. One of the questions discussed was if lawyers should start to learn how to code and program self-enforcing contracts.



Even though no one thought that this was the case, the panellists all agreed that an understanding of technology is vital to any law firm. The competitive advantage will not come from the use of an AI system in itself, but from the best training of the machine.

**Christer Norström**, co-founder of Reacefox and with many years of experience from working within the robotics industry, showed how AI, big data and personalized data can be used to create digital personalized services.



With the Racefox app, cross country skiers can get direct feedback via digital AI coaching. But this concept can have a big impact in many professions, as it is based on understanding the domain, learning from data and understanding the user's challenge and current state and goal, and based upon that create an efficient personalized achievement plan.

**Stefan Grahn**, VP and MD Nordic, Deltek, then welcomed the delegates to the afternoon coffee break, and explained how a law firm can grow with comprehensive practice management tools.



**Paul Cohen**, barrister and the Editor-in-Chief of the Journal of Technology in International Arbitration, then gave his view on the use of technology in international arbitration and why so little has changed. Even though technology enables arbitrations to be conducted remotely or online, this is still rarely being used.

This issue was further discussed with the initiated panel moderated by **Patricia Shaughnessy**, Stockholm University, with panellists **Paul Cohen**, 4-5 Gray's Inn Square Chambers, **Christer Danielsson**, Partner, Advokatfirman Danielsson & Nyberg, and President of the Swedish Bar Association, and **Annette Magnusson**, Secretary General of the Arbitration Institute of the Stockholm Chamber of Commerce (SCC).



The panel agreed that there are a number of excellent technological developments that could facilitate arbitration proceedings and reduce costs, but that the risk of an award not getting recognition and enforcement makes most arbitrators chose traditional alternatives. In regard to low value disputes there are however some online systems gaining recognition, like eBay's buyer protection program, and new ways of serving being accepted by courts, such as for instance via Facebook. The use of new tools as offered by digitalization was also illustrated by SCCs recent crowdsourcing initiative [The Stockholm Treaty Lab](#) which seeks to advance international law to encourage green investments.

**Patrick Couch**, business development, IBM, then explained what has happened since IBM's AI tech beat the most successful Jeopardy! champions back in 2011 and what is real and what is not when it comes to AI. He emphasized that AI is to be seen as a tool box and that the use of cognitive systems is not a question of man vs. machine, it is about man AND machine working together.



Thus, for the future, humans should focus on the skills that humans excel at, such as common sense, solving dilemmas and moral issues, generalization, abstraction, compassion and imagination, whereas the cognitive systems should be used for the endless capacity, to eliminate bias, locating knowledge and for pattern identification.

Patrick also introduced the new joint project to develop a Swedish AI solution for the legal market with MAQS, Lindahl and VQ.



This project was further described by **Johan Engström**, Partner, and **Hans Hedkvist**, Knowledge Manager, MAQS law firm, with lessons learned as to processes and the combination of competences needed for the creation of a successful AI solution. For the demo of the solution, **Patrik ben Salem**, Head of IT, and **Tobias Wählén**, Chief Operating Officer, Advokatfirman Lindahl, and **Helena Hallgarn** and **Ann Björk**, founders of VQ, joined for a common launch and presentation of all project participants. The new AI solution called TrueAgreement is a contract review and advice system based on the IBM Watson platform. The system is being trained to identify type of agreement, find key clauses and then provide advanced legal advice on aspects of those clauses.

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## Cocktail Reception

As a pleasant closure of the day, a cocktail reception with music was held, where the discussions continued in a high-spirited way. Furthermore, an art exhibition was arranged by POM Gallery with a lottery of one of the paintings.



[More photos from the day are available here »](#)

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## Save the date for VQ Forum 2018

Next VQ Forum will be held on Wednesday 17 October 2018. Please note the date in your calendar and stay tuned for more information early next year.

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## Contact

You are most welcome to contact us should you like to know more about VQ and our services. Please see our contact details below.

Kind regards,  
Ann Björk and Helena Hallgarn



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