SCG Legal: Applications and Use Cases

Session 4

July 10, 2025

AGENDA

Responsible Deployment

AI Governance

Benefits of GenAI

Broad vs Narrow

Use Cases per Practice Area

Responsible Deployment

Session 1

Deployment of AI in 2025 Raises a Host of Issues

- Client Confidentiality

- Model Selection and Transparency

- Ethics and Professional Responsibility

- Policies and Supervision

- Vendor and Technology Risk

- Security and Compliance

Confidentiality

- **Client confidentiality**: Ensure AI tools do not retain or learn from privileged or sensitive information.
- **Data residency and sovereignty**: Verify where client data is stored and *processed*, especially in cross-border matters.
- **Access controls**: Limit who can input, view, and retrieve sensitive content from AI systems.
- **Data leakage risks**: Understand how models (especially third-party tools) handle input data, caching, and outputs.

Model Selection and Transparency

- **Open vs. closed models**: Evaluate trade-offs between transparency, control, and vendor risk.

- **Fine-tuning vs. RAG**: Consider whether the model is trained on firm-specific data or retrieves from it (retrieval-augmented generation).

- **Bias and accuracy**: Assess for hallucinations and ensure outputs are reliable and verifiable in legal contexts.

Ethics and Professional Responsibility

- **Compliance with legal ethics**: Align with rules of professional conduct around competence, diligence, supervision, and candor.

- **Transparency with clients**: Decide whether (and how) to disclose use of AI in client matters.

- **Unauthorized practice of law (UPL)**: Ensure AI use doesn't cross into activities requiring licensed human lawyers.

Policies and Supervision

- **Review and supervision**: Maintain a clear policy that all AI-generated outputs must be reviewed by qualified attorneys.

- **Audit trails**: Keep records of prompts and outputs for accountability and audit purposes.

- **Feedback loops**: Build mechanisms for human correction and iterative improvement.

Vendor and Technology Risk

- **Due diligence on vendors**: Assess security posture, indemnity, data handling practices, and ongoing model updates.

- **Contractual safeguards**: Include clauses around data ownership, IP rights, liability, and uptime.

- **Dependency risk**: Avoid over-reliance on a single AI vendor or platform.

Security and Compliance

- **SOC 2 / ISO 27001 compliance**: Ensure tools meet basic security certification standards.

- **Integration with existing systems**: Prevent vulnerabilities by ensuring AI tools work securely within the firm's tech stack.

- **Incident response planning**: Prepare for security breaches or output-related liabilities.

AI Governance

Risk Mitigation

- Hallucination detection

- Client terms alerts and tracking

- Usage tracking and audit trail

- Data redaction

- Walls against foundation models

AI Governance Tools
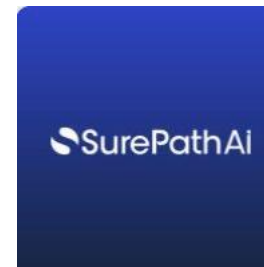
Benefits of GenAI

Benefits of Large Language Models

Increased Efficiency	**Sparks Creativity**	**Improved Outcomes**	**Streamlines Tech Needs**
Minimizes Human Error	**Access to Data**	**Improved Communication**	**Eliminates Drudge Work**
	Pace of Work Increases	**New possibilities**	

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Competitive Edge

- Productivity gains
- Ability to do things that *were not possible before*

⟹   New, improved outcomes, faster

Broad vs Narrow

How are firms investing?

Breadth:
- One solution that does most things
  - Covering core functionality of GenAI
  - Often in addition to practice-specific workflows
- Can be integrated into existing solutions OR separate

Focus:
- Additional investment in narrow solutions that address specific use cases
- Priority areas
  - Point solutions usually go deeper with richer functionality in key areas

Sample buy structures

Large law

- Microsoft CoPilot
- Harvey / CoCounsel
- Draftwise
- Clearbrief
- Handful of vLex licenses
- Lexis +AI
- Centari
- PatSnap
- aiR for Review by Relativity

Mid law

- Microsoft CoPilot
- Clio Duo
- Everlaw
- Lexis +AI

Consider:

- Wexler or Clearbrief

Use Cases per Practice Area

Litigation

- Drafting pleadings - broad
- Discovery - narrow
- Automated chronologies / timelines – broad + narrow
- Cross examination / deposition outline - broad
- Automated eDiscovery responses - narrow
- Transcript management - broad
- Fact management - narrow
- Inconsistency detection – narrow
- Case management – narrow
- Settlement estimates – narrow
- Business development – narrow
- Legal research – broad + narrow

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M & A

- What's Market - narrow
- Contract analysis and review – broad + narrow
- Due diligence review – broad + narrow
- Data room management - narrow
- Redlining at scale – narrow
- Playbook redlining - narrow
- Contract drafting – broad + narrow
- Summarizing – broad
- Corporate structure diagrams - narrow

Intellectual Property

- Patent application drafting – broad + narrow

- Identifying infringements - narrow

- Predictive analytics - narrow

- Patent classification – narrow

- Prior art search - narrow

- Patent / trademark docketing - narrow

Immigration

- Application drafting – broad + narrow

- Case management - narrow

- Visa processing – narrow

- Research – broad + narrow

- Workflow automation – broad + narrow

Real Estate

- Lease review – broad + narrow
- Drafting agreements – broad
- What's market – narrow
- Data visualizations – narrow
- Land use analysis - narrow
- Predicting outcomes – broad + narrow
- Caselaw research – broad + narrow

Securities & Capital Markets

- Drafting - broad

- Co-editing prospectus - narrow

- Legal verification - narrow

- Circle up - narrow

- Financial disclosures drafting - narrow

Employment

- Employee handbooks – broad + narrow

- Compliance checks - narrow

- Legal updates - broad

- Regulatory queries – broad + narrow

- Organizational charts – narrow

- Caselaw research – broad + narrpw

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Upcoming LTH MidLaw Events
DC – September 3
Boston – October 15
Miami – October 29
Atlanta – November 18

Need help selecting the right tools?

Get in touch!