



LEGAL
HACKERS
SEOUL

한국 Legal Technology 의 현황과 발전 과제

Current State and Future of Legal Technology in Korea

2019.03.28

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01. Intro to Legal Hackers Seoul

(1) Who We Are

- Legal Hackers is a global movement of lawyers, policymakers, designers, technologists, and academics who explore and develop creative solutions to some of the most pressing issues at the intersection of law and technology. Legal Hackers Seoul Chapter was organized in 2017.
- Various events are hosted by local chapters including:
 - ✓ AI & Law
 - ✓ Coding for Lawyers Workshop
 - ✓ Cybersecurity Workshop
 - ✓ Legal Hackathon
 - ✓ Regional / Global Summit



01. Intro to Legal Hackers Seoul

(2) What We Do

- 'Policy Session' that features discussions on regulation & innovation
- Coming Up Next: 'Tech Session' to discuss law & technology and to educate legal professionals about technology
- Hosting bimonthly meetings to discuss and learn together!
- If you would like to join in the organizing committee of LHS, please let us know!

Follow Legal Hackers Seoul on   

- Facebook: <https://www.facebook.com/groups/legalhackseoul/>
- LinkedIn: <https://www.linkedin.com/company/legal-hackers-seoul/>
- Twitter: <https://twitter.com/legalseoul>

02. Korean Legal System Overview

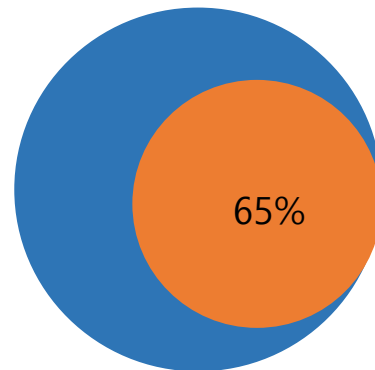
(1) Education System for Legal Professionals

- From 1967 to 2017, the state national bar exam (사법고시, "Sabup-gosi") was at the heart of education system for legal professionals
- Once passing the bar exam, one should receive two years of mandatory professional training at the Judicial Research and Training Institute, which entitles him/her to be a judge, public prosecutor or attorney-at-law
- In 2009, a law school system, modeled after the 3-year JD program of USA/Japan, was adopted to revamp legal education
- The bar pass rate for law school graduates has increased to 87% in 2012, which was striking given that the rate was only under 2% in previous state national bar exam.

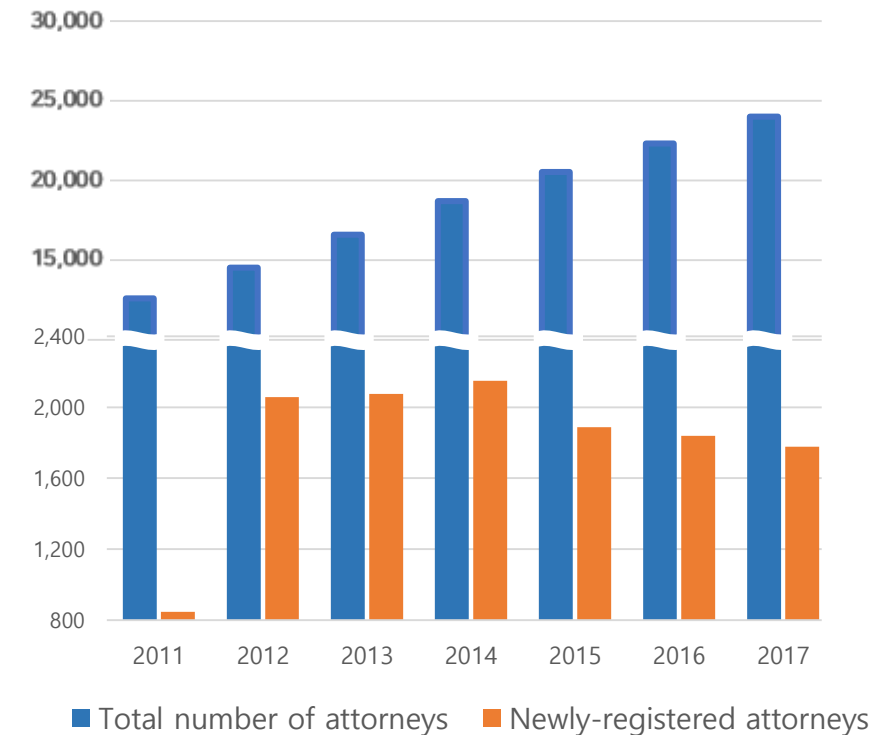
02. Korean Legal System Overview

(1) Education System for Legal Professionals

- The number of licensed attorneys in Korea has experienced a sharp increase since a law school system was adopted.



- The total number of active attorneys as of 2011 (10,976)
- Newly registered legal professionals from 2012 to 2014 (7,818)



02. Korean Legal System Overview

(2) Legal Market Opening to Foreign Law Firms

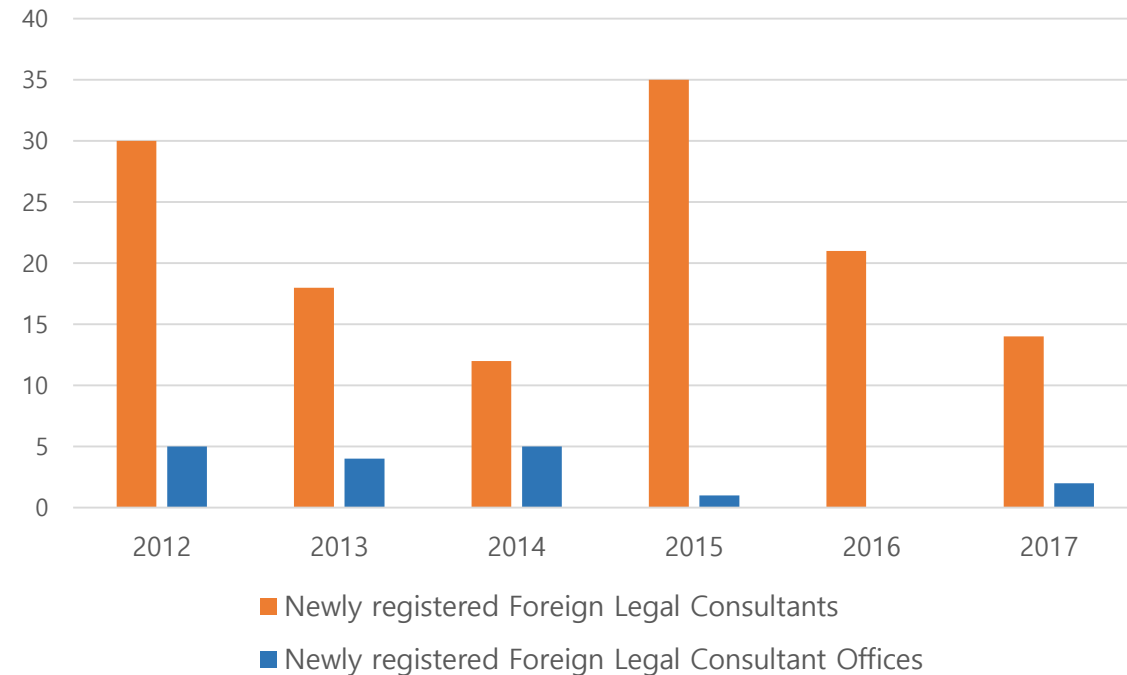
- The FTA (Free Trade Agreement) has provided a regulatory framework for Korean legal market liberalization:
 - ✓ Phase 1) Permitted foreign law firms to establish branch offices in Korea (so-called "Foreign Legal Consultant Office") and to advise their clients only on foreign law
 - ✓ Phase 2) Permitted foreign legal consultant offices to make a partnership and a fee arrangement with Korean law firms for cases in which both Korean and foreign laws are applied
 - ✓ Phase 3) Permitted foreign and Korean law firms to establish a joint venture that may hire Korean attorneys and handle either Korean or foreign legal matters
- Despite the Korean legal market liberalisation, the foreign law firms entry to Korea is relatively slow
 - ✓ It is often pointed out that the Foreign Legal Consultant Act obstructs legal market liberalisation by limiting partnership between foreign and Korean law firms (a foreign participant's share of a joint venture law firm \leq 49%)

02. Korean Legal System Overview

(2) Legal Market Opening to Foreign Law Firms

***Note:**

The Simpson Thacher & Bartlett LLP Foreign Legal Consultant Office (US) opened in 2012 and has withdrawn from Korea as of November 30th, 2018



03. Legal Tech Innovation

(1) What is Legal Tech?

- Analytics
- Compliance
- Document Automation
- E-Discovery
- Legal Research
- Legal Education
- Marketplace
- Practice Management
- Online Dispute Resolution

⋮

<The Number of Global Legal Tech Players>
(as of September 2018)

| Type | Number of Players |
|---------------------------|-------------------|
| Document Automation | 258 |
| Marketplace | 217 |
| Practice Management | 198 |
| Legal Research | 79 |
| Analytics | 50 |
| Legal Education | 39 |
| Online Dispute Resolution | 32 |

03. Legal Tech Innovation

(1) What is Legal Tech?

- Legal Technology:
 - ✓ The application of technology and software to help law firms with practice management, document storage, billing and electronic discovery (Wikipedia).
- Computational law:
 - ✓ An approach to automated legal reasoning focusing on semantically rich laws, regulations, contract terms and business rules in the context of electronically-mediated actions. (Nathaniel Love, Michael Genesereth, "Computational law")
- Reg Tech:
 - ✓ The use of technology (in particular IT), in the context of regulatory monitoring, reporting and compliance.*
 - ✓ Reg Tech in AML, KYC procedures
 - ✓ FATF FinTech& RegTech Initiative: "FATF delegates agreed to explore the opportunities that new financial and regulatory technologies present for improving the effective implementation of AML/CFT measures". **

* Douglas W. Arner, Janos Barberis, Ross P. Buckley, "Fin Tech, Reg Tech and the Reconceptualization of Financial Regulation", Northwestern Journal of International Law&Business, 37:371(2017)

** [http://www.fatf-gafi.org/fintech-regtech/fatfonfintechregtech/?hf=10&b=0&s=desc\(fatf_releasedate\)](http://www.fatf-gafi.org/fintech-regtech/fatfonfintechregtech/?hf=10&b=0&s=desc(fatf_releasedate)), accessed at March 20, 2019)

03. Legal Tech Innovation (Korea)

___ ...is in an early stage due to market situation and regulatory issues

(2) Legal Tech Players in Korea

Marketplace

- LawTalk (<https://www.lawtalk.co.kr/>)
 - ✓ Online marketplace for attorneys/clients
 - ✓ Provides an AI chatbot which helps clients identify legal issues
 - ✓ "Contract Express" helps attorneys to draft documents in a short time
 - ✓ Acquired by Thomson Reuter in 2012
 - ✓ 1,200 attorneys registered on the platform, and more than 157,615 matches have taken place as of December 2018
- HelpMe (<https://www.help-me.kr/>)
 - ✓ Online marketplace for attorneys/clients
 - ✓ Features a legal writing automation service for corporate registration and inheritance

03. Legal Tech Innovation (Korea)

___ ...is in an early stage due to market situation and regulatory issues

(2) Legal Tech Players in Korea

Legal Research

- Intellicon
 - ✓ Develop an Artificial Intelligence (AI) system focused on intuitive legal search, legal inference, and legal Q&A optimised for continental law
 - ✓ DR & AJU, one of the largest law firms in Korea, announced that it adopted U-Lex, a legal search engine based on the Intellicon's system
- Bubbi (<http://talk.lawnorder.go.kr/web/index.do>)
 - ✓ An AI chatbot service for legal Q&A and legal research for the public in 2017 provided by the Ministry of Justice
 - ✓ Built based on a database of Supreme Court precedents, legal counseling cases, and applied examples

03. Legal Tech Innovation (Korea)

___ ...is in an early stage due to market situation and regulatory issues

(2) Legal Tech Players in Korea

Document Automation

- Amicus Lex
 - ✓ Provides extensive legal contract writing automation services
 - ✓ Claims that the time and costs for legal documentation can be reduced by 80% with its service
 - ✓ Free-of-charge, unless the users request online document review services by the attorneys
- Comake (DLN Company)
 - ✓ Provides online contract service based on blockchain technology
 - ✓ <https://comake.co.kr/>
 - ✓ Let's have a talk with Mr. Won-hee Cho (CEO of DLN Company)!

03. Legal Tech Innovation (Korea)

(3) Dispute Resolution Innovation

- Introduction of an electronic case filing system and e-discovery rules since 2010:
 - ✓ Has been used for any legal case except criminal cases, which will be subject to the system in 2020
 - ✓ 65.7% of total civil lawsuits filed were processed through electronic case filing system, while more than 80% of civil lawsuits were filed online in southern and central district courts in Seoul*
 - ✓ The courts also adopted electronic courtrooms for civil lawsuits beginning from 2010, which are equipped with digital facilities to access the online lawsuit records anytime and to share documents with the judges, lawyers and the parties at the same time**
 - ✓ The e-discovery system has been partially adopted in criminal cases with the revision of the Criminal Procedure Act in 2007.

* The Judicial Yearbook published by National Court Administration in 2017

** Court of Korea website, <<http://www.scourt.go.kr/judiciary/information/etrial/index.html>> (accessed 18 January, 2019).

03. Legal Tech Innovation (Korea)

e.g. Open Intelligent Court in Korea

- Korean Supreme Court declared its plan to establish "Open Intelligent Court" based on Big Data and AI by 2024.



* Source: Supreme Court Press release (April 2018)

03. Legal Tech Innovation (Korea)

e.g. Open Intelligent Court in Korea

- May proceed lawsuit at home with smartphone.
- Several clicks will work for preparing documents for the lawsuits, without any need to wander around to prepare for them.
- May freely search for judicial decisions and ask questions to AI chatbots.



| | | |
|---|---|--|
| <p>소송하면 이길 수 있을까?</p> | <p>처음 소송하는데 어떻게 해야 하지?</p> | <p>이 많은 첨부서류들 일일이 발급 제출해야 하나?</p> |
| <p>사법정보 공개포털</p> | <p>지능형 나홀로소송</p> | <p>사법정보 공유센터</p> |
| <p>소 제기 前 내 상황과 유사사건 판결문을 키워드 몇 개로 간편 검색</p>  <p><small>※ 민간 리컬테크 회사의 판결문 분석서비스도 이용 가능</small></p> | <p>인공지능 챗봇이 소송절차 24시간 응대. 묻고 답하기 식으로 손쉽게 소장 작성 완료</p>  | <p>클릭 몇 번이면 법원 방문, 행정기관 방문, 서류출력, 스캔할 필요없이 정보 연계로 OK</p>  |
| <p>내 재판은 어떻게 진행되고 있지?</p> | <p>재판 받으러 법원에 가기 힘든데...</p> | <p>내가 원하는 날짜에 재판받을 수 없을까?</p> |
| <p>사법 통합민원포털</p> | <p>온라인 재판</p> | <p>모바일 앱</p> |
| <p>현재 진행상태, 다음 재판일자, 유사사건 소요기간까지 한번에 확인. 스마트폰에도 자동 알람</p>  | <p>집, 사무실에 앉아서 스마트폰 앱으로 온라인 법정에 접속하여 재판</p>  | <p>스마트폰으로 재판가능 날짜 중 원하는 날 선택</p>  |

* Source: Supreme Court Press release (April 2018)

03. Legal Tech Innovation (Korea)

(4) Tough regulatory environment towards Legal Tech

- Restrictions on the ways to practice law in the Attorneys' Act:
 - ✓ Any person who is not licensed to practice as an attorney in Korea is prohibited from practicing law, including advising or representing clients in lawsuits or arbitration in exchange of any economic profits.
 - ✓ Attorneys-at-law are not allowed to be hired as an employee of any commercial corporations or entities without permission from the Korean Bar Association (which was originally designed to prevent any situation where attorneys are hired by brokers who illegally connect attorneys to clients)
 - ✓ Attorneys are not allowed to operate their business in partnership with non-attorneys
 - ✓ The ways that the attorneys advertise themselves are strictly restricted according to the Act
- Fierce competition in legal markets in Korea

03. Legal Tech Innovation (Korea)

(5) Regulatory Innovation

- Changing restrictions on attorneys pursuant to the Attorneys' Act
 - ✓ In May 2018, Sung Ho Chung, a congressman of the ruling party, hosted a discussion session regarding the revision of the regulatory framework for technological innovation to enhance efficiency in the legal service market
 - ✓ Scholars argue that current limitations will make the entry barrier to the legal tech industry too high
 - ✓ The regulatory sandbox which will be effective from the first half of 2019 can be an opportunity for some legal technology startups to be granted exemption from the current regulations to a limited extent.
- Limited access to judgments of civil and criminal cases
 - ✓ The revised rules on perusing and copying of these cases allow anyone to be able to peruse and copy decisions on criminal cases from January 2019

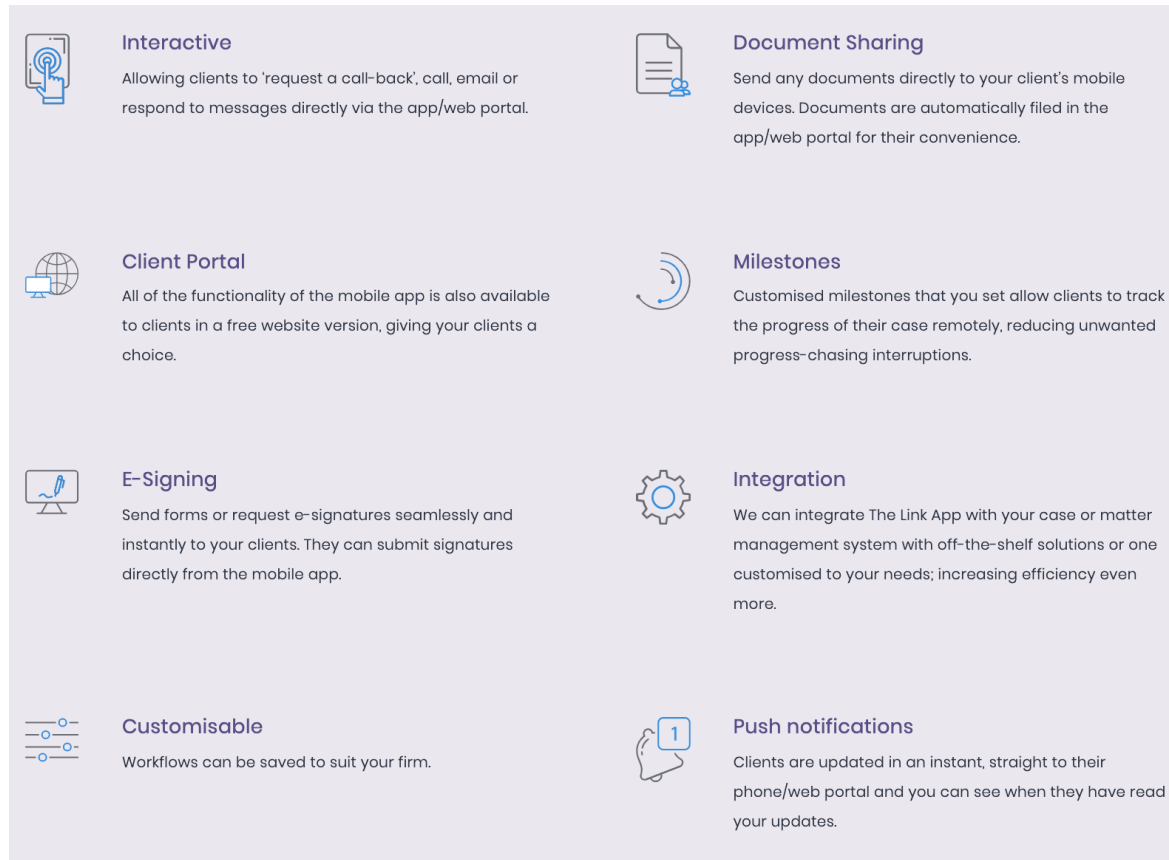
04. Legal Tech Innovation (Global)

(1) Singapore

- Josh Lee (Attorney-at-law in Singapore)
 - ✓ Co-founder of LawTech.Asia and a member of Legal Hackers Singapore
 - ✓ SG Government's FLIP (Future Law Innovation Project) initiative
 - ✓ <https://lawtech.asia/legal-technology-in-singapore/>
- Intelllex (<https://intelllex.com/>)
 - ✓ AI-based legal analysis service based in Singapore
 - ✓ Swift, accurate searching
 - ✓ Covers cases in common-law based countries
- APAC Legal Tech Association
 - ✓ Initiated by Paul Neo (COO of Singapore Academy of Law)
 - ✓ Plan to build a platform to connect legal tech companies in APAC countries (Similar to International Legal Technology Association, <https://www.iltanet.org/home?ssopc=1>)

04. Legal Tech Innovation (Global)

(2) UK: The Link App



Interactive
Allowing clients to 'request a call-back', call, email or respond to messages directly via the app/web portal.

Document Sharing
Send any documents directly to your client's mobile devices. Documents are automatically filed in the app/web portal for their convenience.

Client Portal
All of the functionality of the mobile app is also available to clients in a free website version, giving your clients a choice.

Milestones
Customised milestones that you set allow clients to track the progress of their case remotely, reducing unwanted progress-chasing interruptions.

E-Signing
Send forms or request e-signatures seamlessly and instantly to your clients. They can submit signatures directly from the mobile app.

Integration
We can integrate The Link App with your case or matter management system with off-the-shelf solutions or one customised to your needs; increasing efficiency even more.

Customisable
Workflows can be saved to suit your firm.

Push notifications
Clients are updated in an instant, straight to their phone/web portal and you can see when they have read your updates.

- There is a growing competition within the legal industry to secure more clients while also being cost-effective
- With the advent of new forms of technology, especially in the area of communication, clients are expecting higher standards when it comes to all forms of services
- The Link App considers itself as a SaaS but offers legal solutions to firms that wish to remain in close contact
- In the UK, clients are demanding more connectivity to their lawyers, and firms are facing more pressure to be more responsive
- The app includes the following features mentioned in the left diagram to address this growing trend

04. Legal Tech Innovation (Global)

(3) France

- IPwe
 - ✓ A fully automated transaction platform for patent analysis, transactions and related services
- AI technology used in patent licensing and transaction
 - ✓ Identification of patents that a licensor desires to license and/or a licensee desires to obtain a license under
 - ✓ Recommendation algorithm to introduce relevant patents to potential buyers
 - ✓ Self-execution of patent transactions through smart contracts (Hyperledger)
- Blockchain technology in patent DB and annuity payment
 - ✓ Aggregate patent information from patent offices and build DB on Blockchain
 - ✓ Patent-backed financing powered by smart contract
 - ✓ Easy and simple annuity payment management through blockchain patent DB

04. Legal Tech Innovation (Global)

(4) US

- COMPAS (Correctional Offender Management Profiling for Alternative Sanctions)
 - ✓ AI algorithms used in criminal sentence by predicting “risk for future crime” of defendants
 - ✓ The US courts and corrections departments use algorithms to profile defendant’s risk (in the state of Arizona, Colorado, Delaware, Kentucky, Louisiana, Oklahoma, Virginia, Washington and Wisconsin)
 - ✓ These algorithms are not developed by the government but bought from private businesses → ‘black-boxed’
 - ✓ There is no specific law or standard that requires the inspection of these algorithms
- *Wisconsin v. Loomis*
 - ✓ Defendant Eric Loomis was found guilty partially because he scored “high risk” of committing another crime in the COMPAS algorithms’ [137-item questionnaire](#).
 - ✓ Loomis challenged his sentence claiming that he was not allowed to assess the algorithms
 - ✓ The State Supreme Court ruled against Loomis, reasoning that the algorithm a sufficient level of transparency

04. Legal Tech Innovation (Global)

(4) US

- AI in Criminal 'Risk Assessment': Machine Bias?

Prediction Fails Differently for Black Defendants

| Data of 7,000 people arrested in Broward County, Florida, in 2013 and 2014 | WHITE | AFRICAN AMERICAN |
|--|-------|------------------|
| Labeled Higher Risk, But Didn't Re-Offend | 23.5% | 44.9% |
| Labeled Lower Risk, Yet Did Re-Offend | 47.7% | 28.0% |

Two Shoplifting Arrests

| JAMES RIVELLI | ROBERT CANNON |
|---|---------------------------------------|
| Prior Offenses 1 domestic violence aggravated assault, 1 grand theft, 1 petty theft, 1 drug trafficking | Prior Offense 1 petty theft |
| Subsequent Offenses 1 grand theft | Subsequent Offenses None |
| LOW RISK 3 | MEDIUM RISK 6 |

- ✓ White defendants were mislabeled as low risk more often than African American defendants — while the formula wrongly labeled African American defendants almost twice the rate as white defendants
- ✓ How to solve machine bias problem in Legal Tech?

Source: "Machine Bias", Propublica, (<https://www.propublica.org/article/machine-bias-risk-assessments-in-criminal-sentencing>, accessed on March 20, 2019)

05. Discussion

- Do you support legal tech innovation?
 - ✓ In terms of a competition in legal market, do you think it is desirable to move towards legal tech innovation?
- What sort of problems can legal tech bring about and how can we solve them?
- What do you think the Government and Korean Bar Association should do to support legal tech?
- What can we do to foster legal tech innovation?
- Can we find any ways to collaborate with legal tech service companies in other countries?

Thank You