

BPM's Mark Li Discusses the Future of Crypto in Legaltech News

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Sometimes, there are things that you just can't predict. For all of the talk about artificial intelligence, maybe it's blockchain tech, or analytics capabilities, or other types of automation that emerge as the big tech trend of 2020. Maybe the big tech trend won't be an actual technology at all, but rather new education methods and ways to apply pre-existing technology that today's law firms and corporate legal departments have never even dreamed about.

Today's set of predictions, the final one of our series to begin 2020, is about those new ideas. It's where lawyers and technologists let their minds run free, talking about those trends that are just beginning to take shape and may explode in the coming year. And whether it's new areas of litigation like cryptocurrency or simply breaking down silos, there's a lot to look forward to in the coming year.

This is the final of a six-part series of 2020 predictions from Legaltech News. Last week, we ran experts' predictions for e-discovery, the CCPA, privacy and cybersecurity in 2020. Yesterday, we focused on predictions for artificial intelligence. The quotes below are in alphabetical order by name, and some have been edited for length.

Stephen Allen, head of innovation and digital, Hogan Lovells: "In 2019, many law firms and legal departments were building out their legal tech capabilities in areas such as automated contract review, automated document creation, and matter management and budgeting tools. Some, more advanced teams also looked at legal research and collaboration technologies. Fewer still process automation. For many, adoption remains an issue. Looking ahead at 2020, we are likely to see less buying and more cultural change projects to drive adoption. The more advanced law firms and teams will also be looking to automate processes, developing 'stacked' solutions that pull together single point legal tech solutions. A very small number will be looking at data science and predictive models."

Ryan Anderson, CEO and co-founder, Filevine: "Joint business and law degrees will be a differentiator: According to the ABA, since 2010 the legal profession has grown twice as fast as the U.S. population. As the field grows, attorneys and law students face a difficult decision on if they should specialize and on what area of law to focus. Factors influencing specialization include market demand, geographic location and interest. Future popular legal specializations include joint degree programs, environmental law, admiralty law, and constitutional law. Students should gradually work into it—don't make a wholesale move. Take stock of options, find area of expertise, attend conferences and make connections. You can always continue your general practice while building a book of business in specialized fields."

Tony Chan, head of services, development solutions, icourts: "Law firms will have to innovate faster than ever before to secure the best talent. Today's potential employees expect flexible working conditions so they can meet both professional and family demands. The most astute law firms will rely more on custom application development to attract the best and brightest. Apps that enable lawyers to work anywhere will differentiate those firms offering truly flexible working conditions."

Dario de Martino, co-chair of Blockchain and Smart Contracts group, Morrison & Foerster: "Aligning the ostensibly diametric pair—active, data-analyzing artificial intelligence (AI) with the immutable, data-agnostic blockchain—is a powerful combination that will likely lead to improvements across a broad array of industries. For example, AI technology requires access to big data sets in order to learn and improve, yet many of the sources are hidden in proprietary silos. With blockchain, stakeholders can contribute data to an openly-available and distributed network with immutability as a core feature. With a potentially larger pool of data to work from, the machine learning mechanisms of a blockchain-enabled and AI-powered solution could improve far faster and optimize data evaluation, management, security, and compliance, among others."

Jonathan Emmanuel, partner, Bird & Bird: "As we look towards 2020, it is not all doom and gloom [for blockchain]. Following the completion of R&D programs and pilots (some unsuccessful), organizations have begun to understand the specific benefits of particular blockchain platforms and the use cases they can be appropriately deployed towards. For businesses, the future of blockchain appears to be private or permission blockchain networks focusing on practical uses cases around better data transparency, exchange and identity management: blockchains for tracking and tracing goods, blockchains for identity management (e.g. better exchanging of KYC/AML documentation) and blockchains to solve document heavy transactions involving disparate parties sharing information in different ways (e.g. trade finance). Watch out 2020!"

Emily Foges, CEO, Luminance: "2019 was a record year for legal technology, with annual investment expected to hit £1 billion. This is only set to continue in 2020, as legal technology becomes increasingly more widespread. As technologies are enhanced, there is no doubt that the ethical debate will be ramped up and so, it will remain fundamental for organizations to ensure they are

deploying the right technology, in the right way. No lawyer should have to cede control to a machine. Humans have a crucial role to play in the decision-making process and must never be bypassed.”

John Harrity, managing partner, Harrity & Harrity: “By the end of 2020, we will see the beginning of widespread adoption of automation software for the drafting of patent applications. This development will completely change the patent law field, enabling law firms and companies to produce more work in less time, putting significant downward pressure on pricing. In the next few years, law firms will be forced to either adopt software automation or cease drafting patent applications for Patent 300 companies.”

Lori Lorenzo, research and insights leader of chief legal officer program, Deloitte: “Catching-up and keeping-up with tech advancements for the legal function will remain a top goal for chief legal officers in 2020. Of course, addressing legal team tech skills gaps may drive inclusion of professionals with diverse skillsets, like data scientists, automation experts and the like, into the legal function.”

Mark Li, partner, BPM LLP: “As cryptocurrency gains broader acceptance in 2020, we may see companies or governments launching their own digital assets, including stablecoins and centralized cryptos. Digital assets are currently the biggest use case of blockchain technology and this continued acceptance could lead to an increase in interstate commerce regulations. While some states have already implemented protocols for the technology (e.g., the New York Department of Financial Services’ BitLicense), other states may follow similar paths as the use of blockchain, digital assets and commerce come together.”

Steve McNew, senior managing director, FTI Technology: “The second half of 2019 brought a wave of new litigations around cryptocurrency misuse, fraud and theft. We’ll see even more of this in 2020 from the state level, all the way up to far-reaching cross-border cases, as criminals find new ways to leverage crypto markets to further their malicious interests.”

Robert Plotkin, co-founder, Blueshift IP: “Quantum computers are on the verge of transitioning from academic curiosities to real-world machines that can outperform the fastest supercomputers for certain tasks. Companies that are innovating in this space have an opportunity to obtain pioneer patents for quantum computing that could give them a significant advantage over their competitors for decades to come. The rapid pace of innovation in quantum computing will require innovative companies and their patent lawyers to stay on top of new developments, to file new patent applications quickly, and to adapt their legal strategies flexibly to as patent offices struggle to examine patents for a technology that straddles the line between computer science and quantum physics.”

Nik Reed, SVP, product and research & development, Knowable: “In as much as we have seen the general adoption of legal analytics by law firms over the past five years, in 2020, GCs and other in-house lawyers will leverage contract analytics to drive better business results. Law departments will adopt ‘lawyer-in-the loop’ AI systems that can deliver the accuracy and quality needs of the profession, while benefiting from technology to drive down costs and deliver more value.”

Lilya Tessler, New York head of FinTech and Blockchain practice group, Sidley Austin: “January 1, 2020, will ring in a year of blockchain adoption in real estate, energy, healthcare and consumer products. The use-cases may include tracking goods across the supply-chain, and using cryptocurrencies as the form of payment. The slow adoption of digital assets in financial services may give way to a revival. We will see further guidance from SEC, CFTC, and FinCEN regarding digital asset securities, stablecoins, blockchain wallets, and smart contracts. This clarity should drive banks, broker-dealers, and investors to expand existing capabilities. Further, several pivotal digital asset court cases may set precedents for the years to come.”

Kristin Tyler, co-founder, LAWCLERK: “Sometimes, with technology, it isn’t about creating new products, it’s about using the ones we have more wisely. In 2020, this will become a reality as the industry turns its focus towards ‘solution-based’ technology that brings disparate products together to solve real problems and drive down costs. Instead of siloed point products used by traditional brick-and-mortar offices, this approach will give rise to alternative business models like virtual law firms. By stitching together products like lead capturing systems, document automation and online freelance marketplaces, we’ll see workflows emerge that are optimized to successfully win and work cases in more efficient ways.”