

Legal Technology in 2020

Forecast by the European Legal Tech Association

The European Legal Tech Association (ELTA) relies on a strong network of influential legal tech pioneers from all over Europe and beyond. Therefore, we asked our Board Members and Ambassadors to look back at 2019 to analyse the takeaways of another exciting year for the European legaltech scene, and to share with us a forecast for 2020 with deep insights from their jurisdiction.

BULGARIA

Ivan Rasic

2019 has been the year where initial awareness of legaltech started to appear. I feel this trend will continue in 2020. Legal professionals will continue to be more aware of various possibilities, both in terms of maintaining their business models, and in terms of disruption. One law company here announced a few weeks ago they will be using AI as their back-office legal assistant. That is a huge leap for the local market. I believe Bulgaria will just enter the Gartner cycle this year and may decide to experiment with various tools (the frontrunners, at least).

CROATIA

Marko Porobija

In general, we can see the legal tech market in Croatia waking up in 2020 and moving from "let's see what others are doing" to "let's make a viable product" phase. Some products are being built from the ground up, taking into consideration local needs and distinct market limitations. One of the already existing products on the market is "eOvrhe", a document automation tool specialized in creating debt enforcement requests (currently in its beta phase). Also, one of the emerging providers is BonsAI, a generic AI-development company that is diverting part of its resources into legal tech. Users and potential users of legal tech are currently still looking for legal tech solutions outside the country (at least those that are language agnostic or customizable to the local language). One viable idea for creating legal tech solutions in Croatia is to "regionalize" the products, as the language and legislature in Croatia, Bosnia & Herzegovina, Serbia and Montenegro are similar enough to enable the providers to sell the same version of the product on all these markets.

FINLAND

Kaisa Kromhof

We are seeing increasing networking between various players in the legal tech field, from law firms, vendors, knowledge management professionals, to in-house lawyers and legal tech leaders in various companies. This kind of organic movement gives a foundation for people to share their views about the adoption of legal tech. In addition there is interest in deepening the collaboration between Nordic countries as well, which could bring these countries closer as their markets are quite similar. More companies are also exploring the area of legal tech. Not only startups, but companies that have been mainly active in other areas are now looking into the possibility of serving the legal industry. This applies, for example, to companies that have developed machine learning or AI related technologies for other industries and are now looking for use cases in the legal profession. This fits well with the data-centric culture that many are adopting, seeing AI, data and analytics as elementary parts of their future success. At the same time, companies are looking for “business as usual” solutions that help them solve everyday problems. Also, public authorities want to find ways to increase efficiency; various digitisation projects of the government aim to achieve this. Legal design plays an increasing role in legal services and thus client-centricity will become an even more intrinsic part of firms’ client offerings.

FRANCE

Grégoire Miot

France remains one of the most active legaltech scenes in Europe with more than 250 operating legaltech startups. Although far from reaching the same levels as in the United States, French legaltechs are getting an increasing interest from investors with a new record in 2019 of 52.1 million euros raised (+111.8% in comparison with 2018). Yet, 2019 was also the first year where a few legaltechs disappeared, along with a decline of legaltech launches. 2020 will most likely confirm this tendency: mature startups will occupy more space on the legaltech scene, as strategic acquisitions will intensify.

Despite a reluctant approach during the emerging years of the French legaltech

community, legal professionals have now acknowledged the impact of these technologies. Strong disparities subsist between proactive lawyers and more traditional practitioners. However, at least half of the legal profession has started planning a digital transition in the next year on some aspects of their daily work.

In that sense, 2020 will certainly start transforming the preexisting interest for digital tools into a more mature movement towards specific solutions. Besides, as in many jurisdictions, AI keeps raising curiosity regarding its true capacities when applied to law as no solution really stands out. 2020 will most likely allow AI solutions to demonstrate their real value, especially for contract management which is still seen as the best playground for its first applications.

GERMANY

Markus Hartung

The hype about legal tech is gone. The focus in 2020 will be on the effective contribution that legal tech companies offer. It is crucial that new tools can be integrated into the software environment of companies. The German legal tech market is rather small compared to the UK, for example. However, there has always been software for law firm management for small and medium-sized law firms as well, plus two market-dominating databases for legal literature, which, however, have a high technological need for development (Legal Tech 1.0). Apart from that, platforms, workflow engines, document automation tools and AI companies are particularly active here. All these companies will grow, but we will not see any significant new start-ups. AI software will receive a boost towards the end of 2020, as the EU Commission and the German government plan an initiative to promote AI.

GREECE

Konstantinos P. Anagnostopoulos

Even though the Greek legal tech market is at its infant stage of development, we have witnessed a growing interest from the market and a series of infrastructural investments that can propel its growth.

One of the major developments in R&D is the decision of Ernst & Young International to create an Artificial Intelligence Center of Excellence in Greece, in cooperation with the Demokritos National Center for Scientific Research and its Software and Knowledge Engineering Laboratory. A group of researchers – 20 in the first year, to be expanded in subsequent years – will work on how AI can improve text mining, an important framework that can liberate and attract language-specific tech applications.

In regard to the local ecosystem, a few players stand out: A marketplace for lawyers and the most popular online hub for all things legal (Lawspot) , an operations management software for law firms (Tipoukeitos) which was acquired by the biggest telecommunications company (Cosmote) recently and a music rights management platform that has been growing fast in Athens and Los Angeles (Orfium).

Additionally, in the past year, fast-growing international legal tech providers have approached top tier law firms offering solutions on due diligence and contract and document automation. As far as the public sector is concerned, there are quite a few ongoing pilot projects on the digitisation of the court systems and new partnerships have been forged between academic technology centres and stakeholders of the judicial system (The Council of State, Bar Associations, etc).

The trends we forecast for 2020 involve the education and training of lawyers about the new technologies that disrupt traditional ways of doing business, contract and document automation and management and a deeper investment on behalf of law firms and legal departments in operations management software solutions. As the ELTA Ambassador for Greece and director and co-founder of Athens Legal Tech, I am very excited about the future of the legal tech market in Greece and cannot wait to contribute to advancing its growth.

HUNGARY & CENTRAL EASTERN EUROPE

Orsolya Szabó

Hungary — together with Estonia, Poland and the Czech Republic — is one of the top contributors to the CEE legaltech market. Legal technology tools and services originating from these four countries jointly encompass almost 70% of the legal tech startups in CEE.

In a recent report focusing on the status of legal tech in CEE, we grouped NewLaw players in the region into three main categories:

1. Startups or scaleups developing software tools for the legal industry at large (i.e., we found their product and service offering to be relevant across the CEE region, potentially even beyond);
2. Startups or scaleups developing software tools for a given local jurisdiction only (i.e., country-specific solutions); and
3. Innovative legal service providers that perform a range of tasks enabling the growth and expansion of the CEE newlaw ecosystem: studios and boutique firms offering consulting services for the more traditional players of the legal industry.

- Legaltech tools in Hungary and other CEE countries cover a whole range of tasks. The top categories to be noted for 2020 are the following:
- Document management,
- Legal drafting automation and/or digital contracting;
- Legal matter, time and/or workflow management;
- GDPR & data security; legal search & research; and
- Access to justice.

Law firms and corporate legal departments in Hungary (and CEE generally) are increasingly experimenting with legal tech tools. Some local or regional law firms recognize the potential of new business models to transform the industry and engage with innovative service providers to develop collaborative solutions for clients. Going forward, it will be particularly important that legaltech tools from CEE (and beyond) are not only further developed and scaled, but also successfully implemented in legal workstreams.

ISRAEL

Zohar Fisher

Israel is home to many influential startups, such as Waze, Wix, Mobileye, Fiverr, Moovit and more. The country has well established its ability to raise capital and dominate many high-tech fields in just a few years, and with a population just short of 10 million people.

Though Israel is new to the legal tech market, it is clear that the country is determined to keep up the pace with the rest of the world, as law firms and in-house departments are slowly but surely adopting legal tech products. While the Legal-Tech is not a novel field in the 'Start-up Nation' of Israel, there is still much room for growth. The trend is promising, but it has not yet reached its full potential, as many 'old school' lawyers' recoil from adopting new technologies.

There is potential for growth in Israel, both by improving the accuracy of legal systems and by providing legal solutions to law firms. Israel, which was previously ranked 6th in the start-up ecosystem worldwide, has a great infrastructure to get a range of startups up and running, including new:

- **Law firms** - Israel has the highest number of lawyers-per-capita in the world, ahead of countries such as the U.S., Canada and Germany with a figure of almost 600 lawyers per 100,000 people.
- **Legal Tech Startups** - These tech-savvy lawyers are already taking their places in high positions at their law firms and either influence their firm to use more legal tech products.
- **Legal Tech Organisations** - Tech&Law (Israel) department is Israel's first legal-tech platform, bringing together and connecting the different players in the Israeli legal-tech market and is considered the gateway to Israel in this fascinating field.

ITALY

Nicolino Gentile

I expect a notable growth in the legal tech market in 2020. The legaltech "thing" has finally reached universities, politics, the legal and innovation press and magazines and law professional societies; also legal tech events are well known and participated in. So, legal tech is no longer just something that's known to big law firms and internal legal departments. VC and startup programmes are becoming interested in legal tech; investment from big players such as consultancies and tech companies is changing the legal tech landscape daily. It is still early days, but 2020 is going to be crucial in the affirmation of legal tech as a leading sector in the innovation and investments market in Italy.

NETHERLANDS

Jeroen Zweers

Six years ago the legal sector in the Netherlands was getting slowly excited by the buzzwords reaching our small country, such as AI (Artificial Intelligence). The response was restrained. That may have made sense, because, in spite of the economic crisis, this sector was not hugely hit. There seemed to be little incentive to change. Jelle Veenen (co-founder of Dutch Legal Tech) and I were uncomfortable with this attitude. What if we could introduce legal tech and innovation to the Dutch market in a practical way?

Dutch Legal Tech was created from the mission that Jelle and I had to strip all technological trends from their stylish market jackets and expose the stripped down version, the technology itself, to the sector. Even now, four years on, we still feel that it's our duty to assess, together with the sector, the actual added value of every development in the daily practice of Dutch lawyers. To exchange thoughts about how this applies within the legal domain. We have also started a number of initiatives to bring legal tech to people's attention. For example, last year we began with a concept focusing on students and education. From our perspective change starts with young people. We organised a number of student meet-ups and recruited student ambassadors.

This has led to Dutch Legal Tech being closely involved in the initiative to incorporate legal tech in law studies at institutes for higher professional education. Gradually new ideas are developing across the board, leading to new technological applications which in turn result in the required changes in the legal working climate. This means, however, that we have to change the way we look at legal services: more from the client's perspective and from the possibilities of legal tech. With Dutch Legal Tech we want to further enhance these ideas.

RUSSIA

Holger Zscheuye

After reaching a plateau in 2019, where vendors were looking for new clients and potential clients were looking for new products, legal tech sales and implementation will gain traction again in 2020. There are several factors that support this outlook:

- The worsening economic climate will force more legal departments to automate and optimize processes to cut legal spend, or do more work with existing budgets.
- Law firms are, albeit slowly, opening up to the idea that legal tech gives them a competitive edge. This could reverse the trend of legal work moving in-house and might open new market possibilities. Consolidation among law firms will enhance this trend.
- The government and regulators will continue to develop the necessary infrastructure legal tech products can build upon (especially by further automating the judicial system). The Federal Bar Association started a project for a country-wide legal tech platform for members of the bar (ca. 70,000 lawyers). Based on ongoing development projects there will be several new legal tech products entering the market in 2020, including AI-based tools.

SERBIA

Srdjan Dejanovic

Due to the fact that Serbia doesn't yet have an officially established legal tech community (I'm currently working on it), the legal tech market consists merely of a few companies that operate in this market segment, probably without even knowing it. Therefore, I see 2020 as the year where the awareness of legal technologies will start to form and grow.

With the exception of Big Law, financial institutions and a few other key stakeholders, currently there is a very low percentage of legal services providers who use beyond basic software tools for everyday work. Big and mid-sized companies will continue to be open for new ways to optimise their processes, and micro and small legal professionals will first have to get education on innovation and technology so demand for legal tech can increase in this segment. Technology wise, Serbia has a strong IT sector and it is a great place to outsource technology creation, which is perhaps a good place to start facilitating legal tech growth.

SPAIN

María Jesús González-Espejo

2020 will certainly be a year of consolidation for legal tech in Spain. Supporting innovation, digital transformation and legaltech is already a priority on the agendas of almost all relevant organizations (the barprofessional associations, CGAE, CGPJ, Procurators, Registrars and Notaries).

Legal tech is already well catalogued. There are also several LegalTech directories and maps: Finnovating, Legaltechies and our Comparador LegalTech.

In the field of B2C there are Spanish legal techs successfully claiming against companies, such as Reclamador or Indemnizame. In family law, 2bepart is very likely to be consolidated. Also legal tech that sell contracts like Bigle Legal, Legaliboo or Milcontratos.com are now mature, as well as Testamenta and those that advise on matters of separation and divorce. The announcement that Arcano will invest in

the financing of Reclamador legal proceedings shows the maturity of a sector where Banco de Sabadell's BStartUp is also a relevant financier.

In the B2B this year we are sure that many firms will acquire software for the management and automation of documents, such as DocXpresso. Some B2B legal techs have already gone international.

For corporate lawyers, it is clear that their organizations are putting pressure on them to reduce costs and be more efficient and proactive. Most of them are in the phase of receiving "in company" training, joining the masters courses of CEU and IE or taking the online courses of UNIR, Escuela de Práctica Jurídica de la Complutense or ESADE.

There are already several events announced for 2020, which we plan to update in this agenda. We expect more books to enlarge the still limited legal tech library, and we expect the specialized media to increase its space devoted to legal tech news. In conclusion, 2020 will be a year of growth and consolidation.

SWEDEN

Helena Hallgarn & Ann Bjork

In Sweden there is a large interest in legal tech in general and many law firms are discussing and working strategically to achieve innovation and digitalisation. One of the largest law firms has even started an innovation lab to support and collaborate with tech start-ups and researchers.

So far, though, the focus for legal innovation on the Swedish market has been on efficiency and cost-squeezing, not on innovation as a game changer to provide new disruptive kinds of legal services. AI has been around for a while, with the larger law firms in Sweden all purchasing the standard AI document review tools. However, we still do not really see any AI tools being used to their full capacity, due to the time and investment needed to train them.

Since there is no monopoly on legal services in Sweden, there should be a good possibility for developing new legal offerings here. So far, we have seen this development in family law, where there are two providers for online legal services who are both widening their service offerings. We also see some other interesting legal start-ups about to launch their services on a larger scale, as well as an increased interest in the concept of Legal Operations, with GCs picking up on the idea and a new Executive Education for Legal Leaders being launched this fall at the Stockholm School of Economics. But there is still an uncertainty what the Legal Ops concept really means and how it should be applied to combine legal processes with

technology, or where such services can be obtained. We hope that 2020 will be one step closer to getting where we need to be, where technology has changed the delivery mechanisms and opened up the market to more alternative service providers delivering accessible and affordable legal services, potentially solving the current “access to justice” problem for individuals and small businesses.

Our conclusion is that there is promising technology behind many legal tech ideas but it has not yet been connected in the right way to the legal practice and processes. In other words, technology and practice are still far apart.

UNITED KINGDOM

Greg Wildisen

There has been further investment in legal tech by venture capital firms seeking to benefit from the noise and hype around legal tech. Legal tech is still largely focused on point solutions solving specific legal issues; these solutions have become highly nuanced, but it can be hard to deploy within corporations. There needs to be continued investigation into the capability of enterprise technology to solve legal automation challenges. There has been continued uptake of Office 365 into corporate and law firms, and a slow but steady increase in Legal Ops positions within corporate legal departments. Law firms continue to invest in innovation departments, but these have remained largely sideline business units.

ABOUT ELTA

What do we do at ELTA?

Our main objective is to strengthen legal technology (Legal Tech) at a European level. Our goal is to represent the interests of our members. The Association is actively involved in social and political debate in order to speak up for the concerns and interests of our members and to strengthen the position of legal technology in the European legal market. In so doing, we address topics that are relevant for the use and continuous development of legal technology, develop specific proposals, and advocate these vis-à-vis the political sphere, business, media and society.

The Association promotes science and research, as well as European and international communication in the legal technology field and its neighboring disciplines. With this in mind, we encourage a dialogue between legal technology users and developers. ELTA regularly informs its members about important current topics, trends and developments. In addition, there are regular in-person and online events designed to promote networking at a European level between all those who share an interest in legal technology.

What are our goals?

- 1.To raise awareness of technology and software supported solutions and processes in the European legal market.
- 2.To create a transparent platform to facilitate and support networking among the various European protagonists and stakeholders in the fields of legal tech.
- 3.To regularly inform our members about important current topics, trends and developments as well as arranging legal tech events.
- 4.To promote academic surveys and studies, as well as research in the fields of legal tech and its neighboring disciplines.
- 5.To contribute to vocational training and to ongoing and further education in the fields of legal tech.

More information?

[More information can be found on their site here.](#)