

The Rise of AI in Legal Practice: Opportunities, Challenges, & Ethical Considerations

By Joely Williamson / March 21, 2025

I. Introduction

With the arrival of artificial intelligence (AI)-based technologies, which can automate legal routine work, legal research, document review and examination, and predictive analytics, the legal profession is undergoing a monumental change. This blog post discusses substantial findings from recent literature and reports relating to the profound effects of AI on the legal profession.

II. The Growing Role of AI in Legal Tasks

Some of the most prominent contributions of AI towards the practice of law are document review, legal research, review of contracts, and risk assessment. Technology-assisted review (TAR) helps attorneys review huge data volumes within a fraction of the previously required time, with minimal errors and with increased efficiency.^[1] AI-based research instruments facilitate summarizations of legal principles, legislation, and case law, which makes it easy for attorneys to find persuasive precedents under a time crunch.^[2] For example, AI-based legal research instruments like Westlaw Edge and Lexis+ AI use machine algorithms to produce relevant case law within seconds, significantly reducing the time used for conventional searches.^[3]

Innovations in generative AI (GenAI) have further streamlined legal procedures. GenAI solutions are capable of drafting contracts, legal memorandums, and replies to requests for proposals.^[4] Although review by a human in the loop is unavoidable, the time spent drafting the initial version is shorter, and attorneys can focus their time and attention on higher-level thinking and strategy.^[5] Certain law firms, such as Ballard Spahr, have introduced proprietary GenAI solutions, such as Ask Ellis, which helps attorneys draft legal documents and supply a secure means of handling confidential client data.^[6]

III. AI in the Courtroom and Litigation Strategy

In addition to transactional work, AI is gaining ground in court and litigation. Legal analytics powered by AI allow attorneys to review trends within a case, predict judges' actions, and strategically plan litigation.^[7] Legal

analytical tools powered by AI can also scan past judgments, the actions of judges, and jurisdictional bias to make strategic suggestions.^[8] Predictive tools such as Gavelytics have already been used to predict judges' rulings based on past records.^[9] However, the use of AI for court advocacy is not controversy-free. The use of artificially manufactured legal citations with false cases has shown the need for a human validation process. For example, a Wyoming federal judge disciplined attorneys with Morgan & Morgan PA and the Goody Law Group for filing pretrial motions with citations fabricated by artificial intelligence.^[10] The judge withdrew the pro hac vice status of lawyer Rudwin Ayala and fined him \$3,000 for drafting the motions without verifying the legitimacy of the artificially generated citations.^[11] Attorneys T. Michael Morgan and Taly Goody were each fined \$1,000 for signing the documents without reading them.^[12] The discrepancy was found after defendants Walmart and Jetson Electric Bikes realized the cited cases weren't found in legal databases, but made up by ChatGPT.^[13] The attorneys have withdrawn the motions, apologized, and made moves against future misuse of the technology.^[14] This recent example serves as a reminder for attorneys to verify artificially generated citations to avoid sanctions and uphold the integrity of the legal profession.

AI usage is also improving e-discovery by reducing the time and manpower spent wading through tens of thousands of documents looking for the right evidence.^[15] Machine algorithms can identify patterns within data, flag anomalies for reviewers, and suggest case-related material, thereby streamlining any pre-trial preparation.^[16] In a recent benchmark study by Vals AI, manual lawyers were beaten by AI software, like Harvey, for summarization work within documents and demonstrated the ever-growing potential of AI for helping with lawsuits.^[17]

IV. Ethical and Professional Issues Regarding AI

Despite its advantages, AI has raised professional and ethical issues amongst the legal field and profession. Major issues include:

a. Accuracy and Reliability. AI software occasionally delivers inaccurate or deceptive results. Benchmark testing has indicated that while AI solutions perform optimally for straightforward legal queries, they are not very good with complicated legal reasoning.^[18] Even the best AI software requires scrupulous cross-checking by professional attorneys to ensure their results are accurate.

b. Confidentiality and Data Protection. AI solutions are trained with vast amounts of data, thus raising client confidentiality issues. Businesses need to ensure their AI solutions are adhering to stringent data protection protocols so as not to leak data inadvertently.^[19] Ballard Spahr's internal application was developed with the ability to operate within a closed

network where client data would not be exposed to publicly available AI algorithms.^[20]

c. *Fairness and Bias.* AI algorithms are known to replicate biases present within their data. Attorneys need to carefully review the results provided by AI to ensure discriminatory results are avoided, especially when applying to criminal justice and labor law issues.^[21] The potential for AI to reinforce systematic bias has been demonstrated through experiments with predictive policing software targeting the enforcement actions against minority communities with fairness and equal protection implications.^[22]

d. *Regulatory and Ethical Principles.* State bar associations and the American Bar Association (ABA) have implemented guidelines for using AI within the practice of law through accountability, transparency, and informed client consent standards.^[23] For example, the State Bar of California provided guidelines for discouraging attorneys from using too many AI-generated sources and for requiring attorneys to affirm the use of AI-generated citations.^[24]

V. AI's Impact on Legal Firm's Business Models

The increased use of AI is transforming law firm business models. The billable hour model has long ruled the legal profession; however, it is now being questioned by the efficiency gains that AI is ushering in.^[25] Greater rates of work by leveraging automation using AI translates to demands for alternative pricing models, including fixed fees and value-based billing.^[26] Because of this, law firms should consider moving away from billable hours for work done by AI and instead provide flat fees for using AI-driven review services, making it less expensive for the client and more efficient.^[27] In addition, clients are also putting pressure on law firms to adopt AI in order to save costs, thus introducing competitive pressure among law firms to implement AI solutions.^[28] Some law firms are also inventing their own AI-based platforms to make themselves stand out in the market, with improved contract review capabilities, automated compliance tracking, and instant legal risk assessment.^[29] Linklaters LLP, for instance, has created an AI sandbox for testing and implementing legal AI solutions, enhancing better risk handling and compliance tracking.^[30]

As companies embrace AI-based legal assistants, hybrid work patterns are emerging. In these patterns, AI attends to routine cases while attorneys deal with complex lawsuits and client matters. Smaller law firms can now compete with larger firms by providing quality legal advice at reduced expenses, creating new business opportunities.

VI. Future of AI in Legal Education and Training

With the increasing use of AI in the practice of law, law schools are updating their curriculum with courses intended to make future attorneys AI-literate.^[31] Law students are preparing for careers where they will likely encounter AI with a boost from courses that cover AI ethics, the use of legal tech, and data privacy.^[32] The capabilities and limits of AI will be essential for new attorneys entering the profession.^[33]

To adapt, schools like the University of California, Berkeley, and Arizona State University have introduced law courses and centers exclusively for studying how AI operates within the practice of law.^[34] Other law schools have introduced standalone AI clinics and labs, where students work with actual AI legal software and gain hands-on experience with how AI resources are used effectively and ethically.^[35]

Continuing Legal Education (CLE) courses are also evolving because licensed practitioners need to remain current with the latest developments in AI and ethics.^[36] The ABA is encouraging competency standards for AI to ensure that attorneys understand how AI impacts client advocacy and legal determination.^[37]

VII. Role of AI in Access to Justice

AI's most prominent role within the legal field is bringing justice closer to those who cannot access it. Legal aid groups and legal non-profits use AI-based virtual legal assistants and legal bots to provide preliminary legal advice to poor communities.^[38] AI-based tools can help people draft legal documents, navigate the process of claiming minor sums through the court process, and get legal advice translated into their languages.^[39] For instance, AI-based chatbots like DoNotPay help people challenge parking tickets and navigate consumer protection claim procedures, facilitating legal assistance with affordable prices.^[40]

Nonetheless, the divide remains. Although AI may improve accessibility, unequal technology expertise and connectivity may hinder marginalized communities from obtaining complete access to legal remedies powered by AI.^[41] To bridge the legal justice gap in the future, it will be crucial to make legal instruments powered by AI inclusive to all demographics.

VIII. Conclusion

AI's entry into the legal world is unavoidable as much as it is revolutionary. As great as the advances in efficiency and accuracy brought in by AI and risk management are, the demands for regulation to meet professional and ethical issues are just as daunting. Law firms have to balance their adoption of technological innovation with upholding the fundamental ethos of the practice. As AI continues to develop, careful regulation and moral guidance will lead to its responsible implementation in the legal profession.

In the coming years, legal research, litigation, and client service will be dominated by the role of AI. Lawyers and attorneys must be sufficiently AI-literate to remain a relevant piece of the legal puzzle. When law firms navigate this new world, the ones who harness the power of AI responsibly and creatively will be better placed for the future of the legal profession.

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