In 2016, after years of using legal technology to stay ahead of their large law firm competition, three boutique Los Angeles law firm leaders began looking for a product that would automate parts of the litigation process using artificial intelligence (AI).

They couldn’t find one, so they decided to create it on their own, and thus, LegalMation was born.

LegalMation’s CEO James Lee, COO Thomas Suh, and former CSO Enoch Liang initially approached Walmart, one of their former law firm’s clients, about the idea. Walmart, which had been paying outside counsel to draft answers and responses to discovery requests, was interested in the potential benefits—and agreed to help LegalMation build out its proof of concept.

After two years in development, LegalMation’s Complaint Analysis module was released in March 2018. In under two minutes, the tool can read, analyze, and understand a complaint and produce a complete set of initial responsive documents tailored to the jurisdiction where the action was filed.

Discovery Analysis, which allows users to upload a written discovery request and receive a set of draft objections and a fully formatted shell (template) for the response in just minutes, debuted in late summer 2018.

Today, in addition to Walmart, LegalMation counts labor and employment law firm Ogletree Deakins, several major insurance companies, and a number of other law firms and corporations among its clients—and it is working on new tech offerings designed to help law firms and in-house counsel streamline operations.

We recently spoke with LegalMation’s Senior Director, Client Experience, Stephanie E. Fox about AI’s ability to allow attorneys to focus on high-level work, the company’s current products, and the technology its platform uses to trim hours off complaint and discovery request fulfillment.

Intuitive AI capabilities help this tech provider’s products trim the time needed to respond to complaints and discovery requests.
LegalMation’s Complaint Analysis and Discovery Analysis modules were released in spring and summer 2018.

Walmart was LegalMation’s first client. What about Complaint Analysis initially intrigued the company?

They could easily see how they could save significant amounts of time and money. In fact, it changed the way Walmart handles litigation. Previously, the company assigned all incoming complaints directly to outside counsel, who’d charge both for the creation and editing of the responsive documents. By using LegalMation, Walmart can keep the creation part in-house, and outside counsel is responsible only for editing and finalizing answers and discovery responses.

We reduce work that can take up to six to 10 hours, depending on the nature of the complaint, down to a matter of minutes—usually under two. We’ve done a number of studies with customers that reflect anywhere from 60 to 80 percent in time savings and upwards of 50 percent or more in cost savings.

How does the technology behind LegalMation’s platform work?

For the Complaint Analysis module, you upload a complaint. Then the system outputs an answer to the complaint and an initial set of discovery requests. While the set changes slightly from jurisdiction to jurisdiction, it is primarily made up of a draft set of interrogatories and a request for production.

We also offer our clients customization/optimization services that allow them to add documents that are part of their organization’s initial set of discovery documents, such as a notice of deposition. We use our client’s own examples to train the AI to output organization-specific documents.

On the Discovery Analysis side, when you receive a request for production, admissions, or interrogatories, you upload that document, and we provide a shell (template) for the response, as well as draft objections. Our output is the same quality as a senior paralegal/junior associate and is intended to be reviewed by the attorney who signs his or her name to the document.

We use a combination of machine learning and a supervised learning process to train the system. The AI is analyzing and understanding the document by extracting data from specific sections, (e.g., the caption, the allegations, etc.). Attorneys at LegalMation go through the output, mark it up, and re-run it through the system to help the AI understand certain things, such as in personal injury cases, medical records are an essential request, while in employment cases, you would ask for employment records.

What makes the platform different than other products on the market?

While there are many contract lifecycle products out there, there are virtually no products focusing on litigation. I’m not aware of any that automate the early stages of discovery, such as answering a complaint and responding to discovery requests. And e-discovery products come into play after the stage of discovery we’re addressing.

Sometimes we get asked how we compare with document automation products. With other products, you, the user, have to code templates, usually based on past examples, which may or may not be current or directly applicable to the cases they’ll be used for going forward. Plus, the templates are static, so they need to be updated manually by someone within the organization. Those products are basically sophisticated mail merge offerings.

Our system is very different in that it does all the work. You don’t have to tell it what part of a document represents the caption or what fields to fill in—the AI understands what it’s actually reading and makes decisions about what should be included or excluded, in terms of objections and defenses.

You don’t have to worry about someone going into a document management system and using an unrelated answer as a template or using a document that someone created five years ago that is now out of date because the law has changed, or because new objections or defenses are available.

Who uses LegalMation’s products?

The tool itself, more often than not, is being used by lawyers and paralegals in corporate legal departments and insurance companies or professionals in the knowledge management department of a law firm. In many instances, paralegals run a complaint or discovery request through LegalMation first, and then, depending on their seniority and experience, may make some edits to the output before it gets to an attorney. Ultimately, lawyers are the ones who are making the strategic decisions that need to be made—for example, should we leave this defense in or take it out?

Law librarians and knowledge management professionals who lead the information center at firms and corporations are often the ones who bring us in.
to present the product; they recognize it could be valuable to their attorneys. We really appreciate them, as they’re frequently advocates and evangelists for us within those organizations.

**How have your products helped customers deliver legal services more effectively?**

Law firms are understandably trying to generate revenue and keep ahead of the competition. Being able to say, “I can cut your cost in this particular area by at least 50 percent, and my competition can’t do that” is something they are uniquely positioned to do if they’re using our service.

It can actually help law firms with branding and establishing a reputation of being able to reduce the cost of high-volume repetitive tasks so they can focus on work that is of greater value to their clients. Corporations use our services to help reduce overhead—such as paying overtime for paralegals to do this work—and minimize outside counsel spend.

**Does LegalMation have any new solutions in development?**

We’re currently working on a service that will analyze internal firm data to provide very granular insights regarding where money and time are being spent on cases, which opposing counsel poses the greatest risk for specific types of claims, and which teams are best equipped to handle certain claims, among other things.

A law firm may know how many employment cases it has and approximately how much revenue they bring in, but it may not be able to tell you whether certain partners or attorneys are better at handling mental disability claims, as opposed to physical disability claims. This type of unprecedented insight into a firm’s litigation data has been called the holy grail of data analytics by every one of our clients and those who have seen a preview. Our analytics offering will fundamentally transform how cases are handled, assigned, settled, valued, and resolved.

**Do you plan to change any of your current products?**

We have a whole bunch of things in the pipeline. We’re currently working on developing case summaries. Basically, when you upload a complaint, you’ll be able to get an outline of the case—a summary of the parties, allegations, and timeline—before even reading the complaint.

With Discovery Analysis, because we don’t know what documents a firm or corporation may have to actually respond to a request for proposal, for example, we currently provide a shell (template) for the response, as well as suggested objections. Speaking to customers, we’ve learned that responses for certain types of requests are repetitive enough that there are patterns the tool could learn from. Using those types of examples, we’re working on being able to actually respond to discovery requests for certain types of cases—and we’re always looking to expand our jurisdictions and practice areas, as well.

The much larger transformational platform we will be releasing in the near future is our Matter Analysis Profiling Platform (MAPP). A user will upload a copy of a lawsuit and the system will automatically, and nearly instantly, generate sets of documents that are currently produced separately—and manually—by law firm and corporate legal staff, such as a case summary, litigation hold notice, conflict check, or data analytics. We will be reducing what currently takes up to 20-plus hours of work to two minutes or less.

**How do you think AI might factor into the future of legal work?**

One thing we hear often from attorneys is, “You’re trying to take my job away from me.” That is not how we see AI playing out in the legal industry. AI is going to help the industry focus on things only human beings can do—things that require strategic and higher-level thinking.

For example, only a human can say, “My client comes across really well in front of a jury, so I want to try the case.” A computer can’t see that. What it can do is [handle] repetitive work that is basically taking attorneys away from higher-value strategizing—and the work that makes them money—and allow them to focus their energy on what people go to law school to do: to try cases, take depositions, or participate in tough negotiations.

Across the board, lawyers don’t always trust technology, especially when it comes to it doing the work a lawyer does. They don’t necessarily trust a computer can do it as well or better. The evidence, however, is in the output. We simply ask the attorneys to look at what LegalMation produces. When they see that it’s not only right, but that it’s more inclusive, consistent, and accurate than what some of their own staff is producing, their reaction is “Wow, that took under two minutes and would have taken us six hours.” While there are some AI products out there that many people are comfortable with, we found that even those people who are very skeptical of AI at first become believers after we’re done showing our products to them.

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**LEGALMATION**

**Founded:** 2016

**Headquarters:** Los Angeles

**Number of employees:** Approximately 30

**States LegalMation’s products are available for:** New York, California, Texas, New Jersey, Pennsylvania, Florida, and Illinois

**Practice areas it covers:** Employment law, personal injury/torts, financial services, and first-party insurance claims