

**Course Name – Artificial Intelligence, Law and Justice**  
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**Week – 02**  
**Lecture – 07**

Use of AI in Law in India- Part-II

 **Artificial Intelligence, Law and Justice** 

**Session 7**

**Use of AI in Law in India- Part-II**

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A video player interface showing a slide from a lecture. The slide has a light green background with a decorative orange and white wave at the top. It features the NPTEL logo on the left and the NALSAR University of Law logo on the right. The main title is 'Artificial Intelligence, Law and Justice' in a large, bold, orange font. Below it, 'Session 7' is written in a smaller orange font. The subtitle is 'Use of AI in Law in India- Part-II' in a dark grey font. The speaker's name and title are listed below the subtitle. A small video inset of the speaker is visible in the bottom right corner. The video player controls at the bottom show a progress bar at 0:22 / 40:27.

Use of AI in Law in India- Part-II. Artificial Intelligence Law and Justice Session 7. This is the second class on the topic of the use of AI in law in India.

Use of AI in Law in India- Part-II

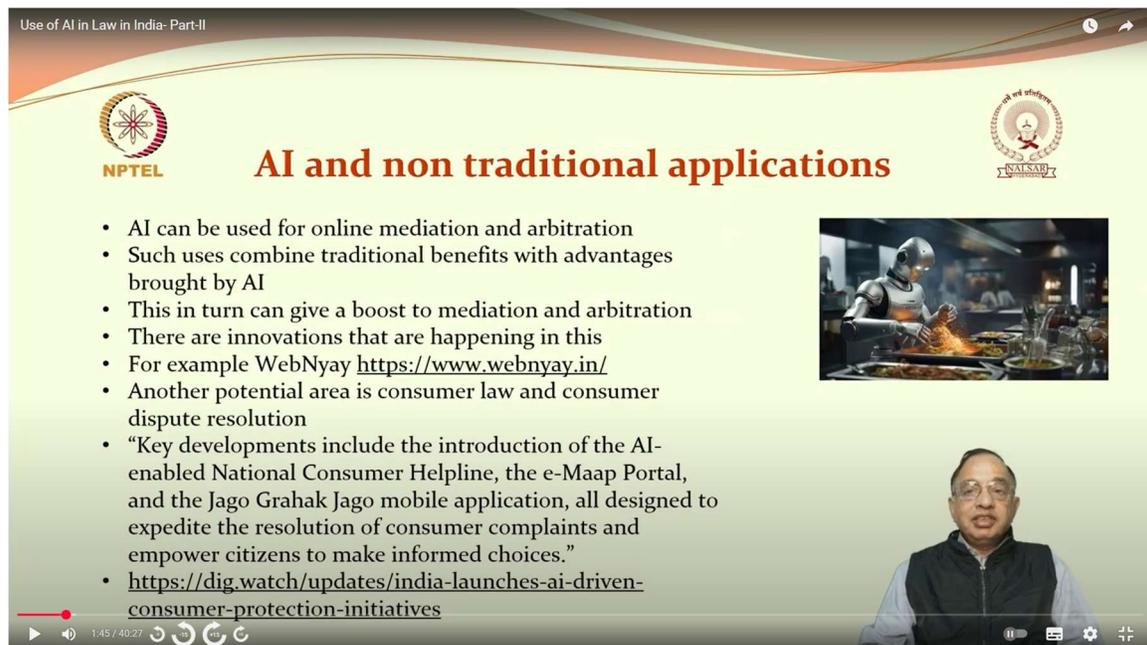
 **Recap – Use of AI in Law in India** 

- In the last session we learnt about important applications of AI in law
- How AI can make a real difference in practice of Law and why there is a move towards greater utilization of AI in legal sector
- Also touched upon how a large legal firm is using AI besides giving some examples
- Finally we flagged other issues like legal tech innovation and whether AI can transform legal profession and law as a career

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A video player interface showing a recap slide from a lecture. The slide has a light green background with a decorative orange and white wave at the top. It features the NPTEL logo on the left and the NALSAR University of Law logo on the right. The main title is 'Recap – Use of AI in Law in India' in a large, bold, orange font. Below it, a bulleted list summarizes the key points from the previous session. A small video inset of the speaker is visible in the bottom right corner. The video player controls at the bottom show a progress bar at 0:36 / 40:27.

We will do a quick recap of what we have discussed. In the last session, we learned about the important applications of AI in law and how it is really used. We also pointed out that AI can make a huge difference in the practice of law and why the legal sector is becoming more and more attracted to AI on account of its potential. Further, we also provided some examples of how law firms are using AI, in addition to giving examples of applications. Finally, we also touched upon and highlighted that legal tech innovation in India is happening, but it may not be occurring at the pace we would like, and whether AI can really transform the legal profession and law as a career. Some of these questions that we discussed in the previous class will be addressed in this class as well, so that when you complete this class, or this part 2 of this subtopic, you will gain a better understanding of the use of AI in law in India. You will also be able to understand why the AI law in India is a growing, very interesting, but complex field.



Use of AI in Law in India- Part-II

NPTEL

## AI and non traditional applications

- AI can be used for online mediation and arbitration
- Such uses combine traditional benefits with advantages brought by AI
- This in turn can give a boost to mediation and arbitration
- There are innovations that are happening in this
- For example WebNyay <https://www.webnyay.in/>
- Another potential area is consumer law and consumer dispute resolution
- “Key developments include the introduction of the AI-enabled National Consumer Helpline, the e-Maap Portal, and the Jago Grahak Jago mobile application, all designed to expedite the resolution of consumer complaints and empower citizens to make informed choices.”
- <https://dig.watch/updates/india-launches-ai-driven-consumer-protection-initiatives>

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We need to look at what we can call non-traditional applications. The traditional applications, by which we mean traditional applications are those where people go to a court or a tribunal, argue, and then use the typical legal mechanisms available to them by invoking different forums and going to different tribunals and other forums.

But AI can also be used for online mediation and arbitration. Now we know that online mediation and arbitration are also available options, and they are legally acceptable as well. In fact, the government is trying to promote both mediation and arbitration, although we have not been able to achieve significant success in that. On the other hand, for many people, mediation and arbitration are more preferable for the simple reason that they are not so cumbersome, can be done easily, and, more importantly, do not go through the typical procedures in the courts, which means that they need not wait for the courts to take up the matter, need not wait for the courts to adjourn or to decide upon, and rather the solution can be quicker; often, it is less expensive and less time-consuming. But mediation and arbitration are yet to pick up on a large scale in India.

The traditional benefits of going to court are there, but the traditional benefits of mediation and arbitration are much more than that. But when AI really steps in, AI tools are used for online mediation and arbitration. They make it a game changer in the sense that online mediation and online arbitration using AI tools can make a huge difference for the simple reason that AI tools make both arbitration and mediation much easier to handle and much more efficient. And this adoption of AI on a large scale is likely to give a big boost to mediation and arbitration in India. And then there are many innovations happening in India.

For example, "WebNyay." WebNyay is a legal startup that specializes in online mediation. Of course, they have other products and services. Another potential area where there is huge potential for AI products is in consumer law and consumer dispute resolution. Now the typical traditional consumer dispute resolution that goes through consumer courts and consumer grievance redressal forums is all there, but they are also time-consuming, and more importantly for the consumer, quicker resolution is very important.

Often, the matter or subject that has to be debated or decided upon is not all that complex; that is why arriving at simpler and better solutions using AI for such applications is much more preferable. And the government is also trying its best to do so. For example, key developments include the introduction of the AI-enabled National Consumer Helpline, the "e-Maap Portal," and the "Jago Grahak Jago" mobile application. Now, all these are expected to quickly resolve the consumer complaints and empower citizens to make informed choices. But these tools are available now, and some of them are AI-enabled ones.

To what extent they have really been able to meet the need and what the demand for them has been, we are not sure. Because some of them are very new, it will obviously take time for consumers to be aware that they are available. And so is the case with anyone in the business or for anyone who deals with consumers on a day-to-day basis. So, it's also likely that the AI-driven consumer protection initiatives need to be given much more publicity, and then much more awareness has to be created.

Use of AI in Law in India- Part-II




## AI, Innovation and fragmentation

- There is a proliferation of start ups developing AI based innovation
- But there is no big legal tech firm focusing on killer apps or large scale Innovation
- In legal research there are new tools mostly from traditional providers of databases and literature
- Thus innovation scattered across applications and firms with no firm offering a comprehensive boutique of services and products




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As we said in the last session, there's a proliferation of startups developing AI-based innovation. But strikingly, there is no big legal tech firm focusing on killer apps or large innovation. Otherwise, what we are seeing is that there are many innovative firms specializing in one application, specializing in two applications, or looking at only one aspect of the boutique of AI services that a company can offer, or offering only in some specialized field, like doing something such as legal research or online mediation, or developing tools that will help the legal sector rather than developing tools that could be used broadly by both the public and the legal sector. In legal research, as we said, the new tools are mostly from the traditional providers of databases and literature, but of course, there are also a lot of new developments that have come up. And another thing is that these innovations are scattered across firms and applications, with no firm offering a comprehensive bouquet of services and products. Or in other words, there is no mall, no supermarket, or no super bazaar for AI-based innovations in legal tech in India.

In the sense that there is no one single shop, even online, so that you can quickly see what applications you need to access, what applications you would prefer to test, and what applications you would try to buy, since there is so much fragmentation happening. Even with about 800 firms trying to compete in a small market and trying to do too many things, there is too much fragmentation there. But this fragmentation can also result in a lot of innovations and the development of larger AI-based firms, which could again come together and then get consolidated. So, the situation today is not something that is hopeless. It could improve within five years, and in a decade or so, we may find larger legal tech firms specializing in legal research offering various services and also becoming something like a unicorn.

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## AI, Innovation and fragmentation



- Big law firms develop proprietary AI tools, databases and other innovations for internal use. It is also true that many firms use tools developed elsewhere such as ROSS which is an AI powered legal research service but India based alternatives are in the offing
- <https://www.thehindubusinessline.com/news/lexlegisai-launches-indias-first-ai-driven-legal-platform-with-large-language-model/article6855508.ece>
- Interestingly developing legal innovations using AI for broader public use or for lawyers is not part of Ecourts modernization or any other public sector project
- <https://economictimes.indiatimes.com/news/india/ai-can-assist-but-cannot-replace-human-judgment-says-former-cji-chandrachud/articleshow/118607172.cms?from=mdr>
- There is a divide in terms of innovation focus, accessibility and use




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The sector itself is highly fragmented and divided because large law firms operate on their own. They do a lot of innovative work in-house. Of course, they also rely on third-party consultants and others. They do buy, borrow, mix, and match. So big law firms know what they need. They know where they can seek help and what they cannot develop internally. They can always buy it. They can hire a consultant to have it exclusively developed for them. And it is also true that many firms, including individual researchers, are using tools developed elsewhere, such as "ROSS," which is again an AI-powered legal research service. But we are also seeing many India-based alternatives available in legal research for it.

Interestingly, we do not find much of interest developing in e-courts modernisation or in any other government project for firms that specialise in public service-oriented legal tools using AI. In fact, flagging this concern, former CJI Chandrachud that whether AI can assist or cannot replace human rights is an important matter, but that there could be marginalization; the legal tools we need may not be available for the people who are already marginalized, and he cautioned against it. So, if we look at it, the stark reality is that there is a divide in terms of innovation, focus, accessibility, and use. Or in other words, much of the innovation that happens today is not oriented toward meeting the needs of the public who need access to these sophisticated tools and also to meet the needs of the people who otherwise require them. Because for them, even the traditional court mechanisms or the traditional legal avenues are either too expensive or inaccessible. So, we are not only seeing fragmentation, but we are also seeing a deep divide on account of the innovations in the AI sector.

Use of AI in Law in India- Part-II




## Legal Tech Start Ups

- While no precise data is available a study done in 2022 highlighted the potential and scope
- With 650+ startups, India ranks 2nd in terms of the number of legal tech startups in the world. USA ranks 1st with over 2500 startups.
- Legal tech in India mainly encapsulates four product categories - Legal Service Delivery, Process Efficiency, Access to Legal Recourse and Do-it-Yourself (DIY) tools - that service three customer segments - citizen, legal service providers and judiciary.
- While Artificial Intelligence is believed to hold promise for many legal tech models, the vernacular nature of documentation currently poses a challenge.




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While there is no precise data, a study done in 2022, which I am going to cite, said that there are about 650 startups, and India ranks second in the number of legal tech startups. But then we do not know the survival rate. We do not know how many of them have been able to really come up with a product or how many of them have been able to survive on their own without venture capital backing or any other funding mechanism. Legal tech encompasses four major categories.

Legal service delivery, process efficiency, access to legal resources, and do-it-yourself tools. These services serve three customer segments: citizens, legal service providers, and the judiciary. So, this is the broad picture we are getting. A major issue here is that although these four categories are present, a lot of the innovation that is happening is not evenly spread. In fact, a lot of the innovation happens in 1, 2, 3. Rather, the do-it-yourself tools are quite limited. And more importantly, the legal service delivery and process efficiency are the areas that are receiving more attention because that is where companies can derive the maximum benefit in the initial years of deploying AI. So, the potential of AI in promise is very much present. But another major hassle, or another major constraint which we also discussed in the previous class, is that there is a whole lot of vernacular nature to the documentation. It is very much there in the sense that most of the contracts and a good number of judgments delivered by different courts at the district level are in the vernacular languages or in Indian languages.

So for a traditional legal firm to build an LLM, or to build a huge database, or to give an AI tool, say, on property in India, or even to access the registered properties in this particular area, or even to map what ways they can analyse all these things and then come up with a quicker understanding to develop tools for specific sectors, like legal sector-oriented tools for real estate, legal tech-oriented tools for the banking sector, or legal tech for the consumer service sector, will be very difficult because there is a lot of fragmentation, and much of the documentation or much of the information is not fully available in English.

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## Legal Tech Start Ups

- The opening up of a large domestic market to tech interventions, increasing
- investments and acquisitions of startups, and validation of new technology led
- models like Online Dispute Resolution (ODR) are making the sector buoyant.
- The next wave of legal tech startup growth could potentially come from ODR,
- Succession Management, Litigation Finance, Court Management, Due Diligence
- Management and Legal Transcription and Translation”
- **Beyond the Bench: Promise of Indian Legal Tech Startups** CIIE, IIM-A 2022




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But the opening of the large domestic market to legal tech interventions is happening. And then there are a lot of increasing interventions in the acquisition of startups and validation of new technology. So new options like online dispute resolution are making the sector very buoyant. And then the legal tech startup's growth could potentially come from online dispute resolution, succession management, litigation finance, court management, due diligence, management, legal transcription, and translations. This is what a study conducted by IIM-A in 2022 pointed out. It was named "Beyond the Bench - Promise of the Legal Tech Startups"; it identified the constraints, the potentials, and the directions the legal tech sector could take.

Use of AI in Law in India- Part-II




## Legal Tech Start Ups

- While the number has grown, investments are in a limited scale and most legal tech firms are in early stages of innovation.
- There are news stories about legal tech firms attracting investments whether will be there an legal tech unicorn is a big question
- On the other hand big players like IBM are also in the legal tech domain, although as part of their global operations
- Thus legal tech in India is yet to attract massive investments from Venture Capital Firms or similar investors

<https://inc42.com/features/how-are-legaltech-startups-making-their-case-in-india/>




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But the core issue here is that the numbers are big, but they are in the early stages of innovation. And then whether we get a legal tech unicorn is a different issue. Are they really getting funding that is commensurate with their needs, or is it not clear how much of the venture capital funding goes to this sector? But according to different estimates and different websites, including the one I have cited, legal tech firms are not able to attract good investment or attract investment to the scale that is needed.

And more importantly, very few legal tech firms get sizable investment from venture capital funds. Or in other words, the venture capital funds that finance them are also quite limited, and more importantly, they go for round one and round two, but even then, that is very limited in terms of millions of dollars. So, the legal tech environment and the startup ecosystem are flourishing, but access to funding seems to be a major hassle there. But the legal tech firm globally is also a firm where a lot of other people are involved. For example, major service providers in the software sector are also very much present, and most of the major companies, including Infosys, TSS, HCL, and IBM, have their own legal tech wings, firms, or units that focus on legal tech applications, which they develop and then sell or make available to third parties.

So, the availability of expertise in India in legal tech, particularly in using AI across different companies, is a good sign that the sector is bound to grow well. While legal tech is yet to attract massive investments from venture capital funds or similar sources, one hopes that the central government will step in and try to come up with some incentive or a specific fund to promote legal tech innovations, particularly those that are socially oriented.

The image is a screenshot of a video lecture. At the top left, it says "Use of AI in Law in India- Part-II". The slide has the NPTEL logo on the left and the Indian Institute of Technology (IIT) logo on the right. The main title of the slide is "Will there be a AI lawyer (and an AI Judge ?)". Below the title, there is a bulleted list:

- So some roles are likely to be redundant and realigned
- Some skills will be more valuable with new topics such as legal analytics or lawyers with skills in AI tools development becoming more valuable
- Hybrid roles with enhanced skills and responsibilities – A lawyer who can work or collaborate with AI tools or manage a team with AI tools than just as a lawyer

There is a small inset image of a courtroom scene. At the bottom right, there is a video feed of a man speaking. At the bottom left, there is a video player control bar showing a progress bar at 14:58 / 40:27.

A crucial question that we talked about earlier is whether there will be an AI lawyer and, of course, whether there will be an AI judge. Now, given the pace of adoption of AI in the legal sector, not only in India but globally, some roles are likely to be redundant and realigned. When we say that they will be redundant, for example, the entry-level jobs in

the legal sector, like someone preparing the drafts of a contract or someone going through the draft of a contract based on a template or someone preparing the basic level documentation or basic level documentation analysis and then coming up with a summary, those mundane tasks where entry-level jobs or even middle-level jobs where people spend hours in document management or typing out documents or merging documents to come up with a legal document, those skills may become outdated or they may become very redundant.

So, those who are playing those roles could have their jobs realigned, or they could become totally redundant, or there could be job displacement. Contrary to this level, some skills may become more valuable with new topics, such as legal analytics. Legal analytics is very similar to data analytics, again specialising in law. And then, obviously, legal analytics means that it will have its own insights and tools. More importantly, legal analytics is an area that is bound to grow in the future, particularly with the advent of AI-based tools, algorithms, and LLMs that are very specific to the legal sector being developed.

So, the lawyer of the future will definitely need a lot of skills to deal with AI tools, manage them, use them very constructively and efficiently, and also derive value from them. So, what could happen is that the traditional typical lawyer today is an expert with a lot of skills and a lot of experience in many cases. But the role again is focused on what a lawyer or a team of lawyers can do using their brains and hands, and not on collaborating with AI-based tools or digital tools. In the future, these roles may undergo a change in the sense that the roles could become hybrid roles, where, with enhanced skills and responsibilities, a lawyer would be required to deal with different tools or collaborate with AI tools or manage a team with AI tools rather than just a lawyer or two. Now, when we say that, we are also talking about certain things that are coming up in a large way, which we will see later.

So, when you need to talk about collaborating with AI tools, we talk about that in an active sense, not in a very passive sense. In the sense that we also talk about AI tools being interactive, AI tools can be autonomous, AI tools can also make decisions, and AI tools can also collaborate. How this will happen and why this will happen, we will discuss a little later in this session. But if there is going to be an AI lawyer, will there also be an AI judge? Yes, there will be an AI judge in the future, possibly. But before an AI lawyer and AI judge come in India, the system itself should become more flexible or should become more oriented towards these professions, and more importantly, it should reach a level of maturity so that these things can happen.

Use of AI in Law in India- Part-II



## Will there be a AI lawyer (and an AI Judge ?)



- AI is slowly and steadily transforming legal profession
- This is happening in many ways
- For example use of AI tools can automate routine tasks with savings in time and energy boosting efficiency
- Legal tech innovations need interdisciplinary collaborations
- Legal research with AI can augment thinking and analytical capabilities
- AI based tools can streamline and manage tasks in large law firms thereby bringing changes in workflows, roles and organizational structures



18:33 / 40:27

The transformation of the legal profession is happening slowly and steadily, but in many ways. AI tools, as we said, can really automate routine tasks such as docket management and case management, and also in different ways; what the teams earlier would do, one AI tool can comfortably manage today. And when these tools can automate routine tasks a good amount of the time that is spent on them could be saved, increasing efficiency. And more importantly, the automation of these routine tasks can take the firm's efficiency to the next level. And more importantly, the legal tech innovations may need interdisciplinary collaboration.

This should be obvious because any tech innovation, including legal tech using AI, often needs interdisciplinary collaboration, between a developer, a model builder, or someone who really does data analytics would need expertise from a lawyer or someone who has experience as a judge, or who has significant experience, whether it is in employment law, contract law, environmental law, or labour law, to develop the tools that are appropriate for that specific sector as well as for that specific application. So, in the future, legal tech innovation would be run or driven by interdisciplinary collaborations, including experts from different domains coming together. More importantly, the legal research today by the lawyers, either as teams or individually, is very limited because it is based on their individual capacity or their collective thinking as a group. On the other hand, legal research with AI can augment thinking and analytical capacities because it can provide ideas we never thought of, match patterns, or identify certain recurrences that a person might not even realize while going through the documents, in the sense that AI can pick up certain things that humans will not be able to. To give an example, AlphaFold by Google synthesised thousands of proteins that humans never thought about.

And more importantly, in some applications in science, AI tools are doing certain things that humans have never even imagined in the sense that they are not only faster and more efficient but also very innovative and creative. So, if AlphaFold can give conjectures and then can also synthesize proteins whose structure we were not even aware of, or we were

not even aware that such proteins were feasible by synthesis bias, a similar thing can happen, if not on the same scale or in the same depth, in the legal field as well. So, the legal research in AI can really augment thinking and analytical capabilities, in the sense that the use of AI tools can result in two or three ways of impact. One, it can augment, supplement, and complement the traditional thinking role, resulting in a win-win synergy for both. The other synergy could be that the legal person or the lawyer could get overwhelmed by the quick and fast analysis of the AI tools in the legal sector, and then when he or she works with them, they may get awed or they may think that whatever AI does, predicts, or gives as outputs is much better, and we need not even question it, or that AI as a tool should be relied upon more than questioned; this could be the second option.

The third option could be that as people use AI tools more and more in a profession like law, their thinking capacity may itself become diminished over time for the simple reason that they may take AI for granted and rely upon it. And more importantly, as they get used to using more and more AI tools, they may lose the tendency to independently do analysis, independently go through the documents, develop their own insights, and come up with their own findings. So, these are the three potential options that could happen: win-win, and then AI tools could lead people to become so accustomed to them that they do not even try to question what they do and instead go with the flow of the AI tools; or the third option could be that the very analytical and thinking capacities themselves could be adversely affected, if not totally adversely affected. So, these are the three possible ways in which tools could impact the legal thinking and analytical capacity of lawyers.

But this, again, is a hypothesis. Because it need not happen. People can come up with their own ways to deal with them, and then their win-win scenario, which we said might prevail. AI-based tools can streamline processes in large firms; what happens is that they arrange the workflow, roles, and organisational structures. When workflows are being arranged or reorganised, it will have an impact on the organisational structure. For example, if a large firm had three teams working solely on contract management, docket management, or document management, those three teams would not be required, and then that team could be reduced in terms of size or in terms of personnel, and an AI tool could simply supplement what they have been doing over a period and then take over the task as well.

So, the workflow arrangement and workflow management can also change the structure because some roles may become redundant and might not be required to the same extent as they were earlier. And then the organisational structure may also change as a result of that. So, the traditional law firm, or for that matter the legal services industry itself, may undergo a change on account of that. Which also means, as we said, that some skills will be more valuable or may become more in demand, and how this will impact the organisational structure, again, is something we have to see.

Use of AI in Law in India- Part-II



## Ethics, Responsibility and Accountability

- With advent of AI and its large scale adoption Ethical norms, professional responsibility and accountability will have to rethought and revised
- Policies on Ethical Development and Deployment of AI products and services have to be developed and applied
- Emerging expectations from society and stakeholders on the legal profession will have to be taken note and addressed
- Similarly new concerns on data governance, privacy and risks and liability from AI will arise and have to be dealt with



25:14 / 40:27

But all these things are also about certain unwritten assumptions that we normally believe: that lawyers are ethical persons, responsible, accountable, and also good human beings who adhere to a good code of conduct, internal self-discipline, and the professional conduct rules.

But these things, however well established and however well they have been practiced, need a revision and then a rethink on account of the advent of AI tools. Why? Because the large-scale adoption of AI tools will also raise questions about professional responsibility and accountability in the sense that there are potential risks in using AI tools, there are lots of benefits, potential unanticipated consequences, not only potential risks but also huge costs of accountability and risk management. So, the ethical guidelines, ethical principles, or ethical frameworks that lawyers typically operate under today will become totally obsolete when they use or align with AI tools in their practice. So, questions need to be raised.

Answers have to be found. There is no other option. So that would mean the ethical guidelines, professional guidelines, and the professional good practices of today will have to be revisited, revised, and made in tune with the times. More importantly, as society expects more and more from AI, particularly in the legal sector, those in the legal profession will have to be very sensitive to that. In addition to revising their ethical guidelines, practices, and other matters, they need to know how they can meet the expectations of society and assure that their professional practices will not in any way be diminished by the deployment of AI in terms of customer service or meeting the expectations of the people. And then there are issues like data governance, privacy, risk, and liability from AI. Some things, like data governance, are not small issues that lawyers can solve or find amicable solutions for.

They are part of the larger problem with AI. So are the questions of privacy. And then the risks and liabilities from AI tools again are the larger issue. So, when we deal with all

these things and issues, it is also important for us to analyse that some of the things we talk about today are not even clear in terms of what the questions are or what exactly we need to debate. So, we need to really bear in mind that ethics, responsibility, and accountability are going to be major factors or major critical items for the lawyers of today, as well as those of the future, to think about when they embrace AI tools with a lot of enthusiasm.

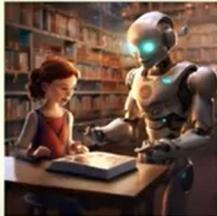
Use of AI in Law in India- Part-II



## AI in Real World



- The Covid Pandemic was a transformation point as it made law firms and others to realize that digitization is to stay and legal system was in the cusp of transformation.
- It spurred many lawyers and firms to move to understanding and using digital technologies as courts became virtual courts and digitization transformed court practices.
- The advent of ChatGPT and rapid growth of AI applications in different sectors accelerated adoption of AI
- Many large legal firms had already digitized documents and were using digital technologies while digital data bases and availability of huge literature including judgments made a big difference



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So, what exactly has happened?

Use of AI in Law in India- Part-II



## AI agents and Law



- AI agents are next level of innovation in legal services but AI agents are emerging in other sectors as well
- “AI agents in legal services are intelligent, autonomous systems that perform legal tasks with minimal human intervention. These agents can understand legal language, analyse documents, track regulatory changes, conduct legal research, and provide strategic recommendations — all based on predefined goals and continuous learning”
- <https://www.xenonstack.com/blog/agent-ai-legal-firm>



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AI agents and law - We are coming to something interesting, perhaps something that was not even anticipated a few years ago in the legal field, and everywhere else. Now, AI agents are the much-talked-about topic. AI agents are like human agents in the sense that you know you want someone to go and book a ticket for you, or you ask a travel agent to organise a tour for you, giving instructions that you want to fly from here, you want to fly out there, and in between you want to reach this place, and then the travel agent will have to identify the shortest possible time or the least expensive travel trip that you want to undertake. Now this task you can do, but then you should delegate it to the travel expert or travel agent because he or she is an expert; they can handle it in a much more professional way. Imagine that you are going to have an AI agent that can handle it. Now an AI agent can be your stockbroker, can be your travel agent, and can also play the role of an advocate or a lawyer. So, whether we like it or not, AI innovations are going to be the next level of innovation in legal services, and they are emerging everywhere.

So, we will tell what this is exactly about. AI agents in legal services are intelligent autonomous systems that perform legal tasks with minimal human intervention in the sense that AI agents need to be told what is expected of them and what they should do, and it's not necessary to tell them each and every step in between. You don't tell your travel agent that when you plan my travel, you ensure that flight availability is there, or when you plan my travel, you ensure that the train arrives on time so that I am able to catch the next train. And these are the fundamental things that are taken so you don't tell the travel agent these fundamental things again and again, nor do you tell them that you need to do this repeatedly because they know the job. Now, if an AI agent can do that without human intervention, it is as good as a human being in dealing with those topics. So, in legal agencies, they are much more sophisticated because they can understand legal language, analyse documents, track regulatory changes, conduct legal research, and provide strategic recommendations, all based on predefined goals and continuous learning.

Now, this talks about something that is potential and likely to come within the next few years. But this potential is too real in one sense. For some people, it might be too worrisome. At the same time, this potential also raises many questions. For example, all along, we have been talking about only one thing: humans using AI tools, but not getting replaced by AI tools.

And we also talked about certain things that certain skills may become redundant. But we never said that lawyering as a profession or legal services as a profession will become redundant. But with AI agents, it is possible, at least theoretically as of now, that an AI agent is capable of doing what an ordinary lawyer would do, provided the AI agent is clearly told what is expected and what the expected outcome is.

Use of AI in Law in India- Part-II

NPTEL

## AI agents and Law

XENONSTACK

Agentic AI architecture in Legal Services

Data Sources

- Case Management Systems
- Legal Precedent Databases
- Client Communication Tools
- Document Repositories

Data Aggregation

Master Orchestrator Agent

Coordinates

- Analyzes Cases → Legal Insights → Legal Insights
- Documents Reports → Document Review Agent → Identified Issues
- Compliance Agent → Regulatory Updates → Compliance Reports
- Client Interaction Agent → Client Updates → Strategic Recommendation
- Tracks Performance → Performance Metrics → Strategic Recommendations

Legal Service Optimization

Enhanced Client

Clients

Enhanced Client Service

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So, this is an example of an agentic AI architecture in a legal service. This again is a big hypothetical one, put forth by this company called "Xenonstack," which is dealing in this.

So, it talks about a whole lot of agents, like you have a document review agent, which again is an AI agent; then you also have agents that deal with other things, like a client interaction agent, which could be a chatbot. Then you also have, on the left side, certain things like data aggregation and flow of work, and then on the right side, you have analysing cases and identifying issues, and then you also link up certain things by enhancing client service. Agentic architecture and legal services can play different roles, including multiple roles such as client updates, identifying the needs of the client, communicating with the client, updating the most recent legal developments, and performing certain tasks that are typically done by teams of individuals. For example, if there is going to be a master orchestrated agent that can act as a team leader, coordinate, perform multiple functions, and interact with other AI agents. Normally, AI agents today are not thought of in terms of a single agent; they are also thought of in terms of multiple agents or agents working in tandem.

For example, in a factory, an AI agent can look at the work floor, or the agent can look at the production side, while another AI agent can look at the warehousing side; another AI agent can look at the order situation and inventory control, and then try to match the order situation with the workflow in the factory so that, as and when orders are received, they are quickly recorded and the orders that are to be met are delivered on time. So, a team of, a group of, or as some people say, a swarm of AI agents, when they work together in tandem, can do many things because they can interact. Just like chatbots that can talk to each other, AI agents can also talk to each other, interact, and do a lot of analysis by themselves because AI agents have the capacity to learn, understand, and improve their skills and understanding.

Use of AI in Law in India- Part-II




## AI agents in Legal Services

- Although there do not seem to be any development of AI agents in legal services in India they being developed cannot be ruled out as AI agents are being developed and deployed in other sectors
- But AI agents raise many concerns about ethics, responsibility and accountability particularly when they operate as autonomous entities
- Do AI agents foretell the next wave of autonomy or liability? <https://www.thehindu.com/sci-tech/technology/do-ai-agents-foretell-the-next-wave-of-autonomy-or-liability/article68598314.ece>




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Having said that, we should also be aware of one thing: there do not seem to be any developments of AI agents in India now, at least, but they are being developed elsewhere, and development in other sectors is happening. So, it's a question of time, if not the level; it's a question of time, if not today, as there are some legal chatbots.

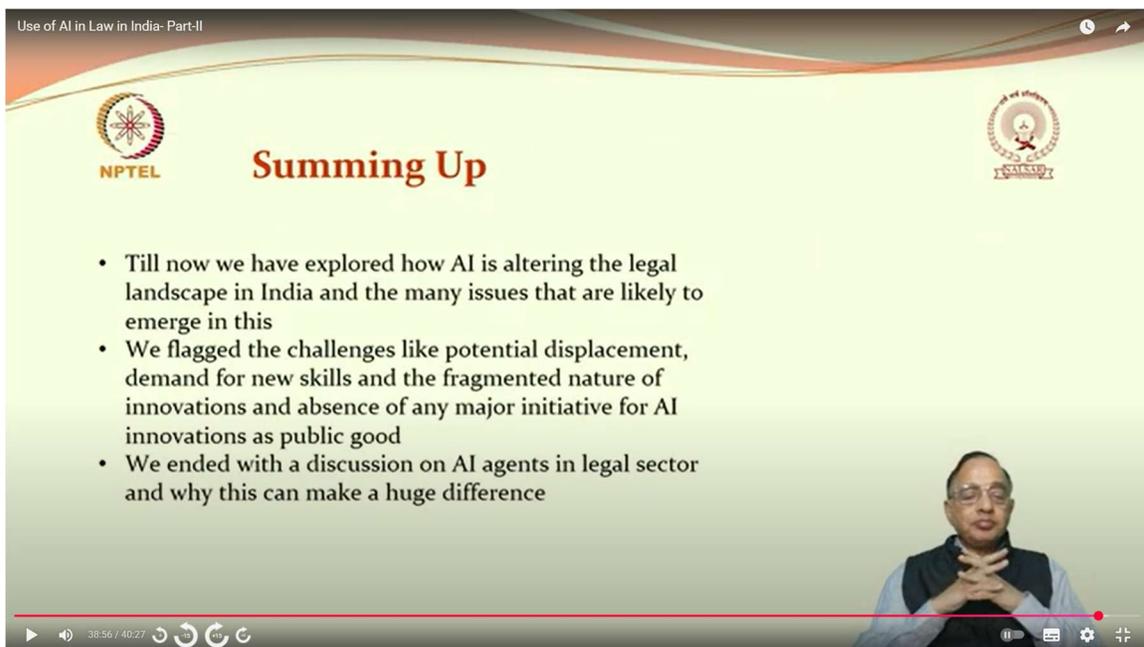
AI agents will also be available in another few years, if not fully applicable in all applications or to meet all the needs. There could be something like AI agents that can interact as the consumer interface, AI agents that can do very mundane jobs, and AI agents that can coordinate. AI agents also raise huge questions about ethics, responsibility, and accountability, particularly when they operate as autonomous entities. As AI agents can operate as autonomous entities with the capacity to learn, the capacity to make decisions, and the capacity to interact among themselves, many questions arise. To give you an example, an AI agent or a chatbot was used by a consumer in Canada who booked an air ticket.

He queried whether he is entitled to a concession or not. The AI agent or the chatbot said yes. So, based on that understanding, the consumer booked the ticket. But then the company later found out that the AI agent or the chatbot's understanding was wrong and that the consumer was not entitled to that concession. Now, where do we fix this problem? Is there a problem with the understanding of the AI agent, or is there a problem that the AI agent has not been trained well to understand fully, or is it that the AI agent simply missed certain things, but the decision was taken, the ticket was issued, and then the consumer also paid the money? So, this error was discovered later. Assuming a similar situation in the legal profession: an AI agent in the legal service mistakenly files a wrong affidavit in the wrong forum.

The implications could be huge, or an AI agent gives wrong advice to a client by stating that they are not entitled to this relief or that they will not be able to file and claim this because this forum does not recognize them as someone who should be represented in

that. Now these are hypothetical examples, but as we delve more into autonomous AI agents—agents that can act on their own and make decisions independently or in association with others—we will see many such questions arising. I discussed that in an earlier article, the link to which has been provided here, so AI agents and legal services are going to be the next big thing. But how big it will be and how drastically it will affect legal services is not clear.

However, in the next few years, you will find AI agents coming into that. Another important thing I want to talk about regarding AI agents is that when they are introduced, the earlier services we discussed, the AI tools that could be used, may be replaced by the AI agents themselves, in the sense that AI agents will become the next generation of AI tools that can supersede the AI tools we discussed in case management, legal research, and other areas. Therefore, there is going to be a leapfrogging situation when it comes to applying AI in legal services, whether it happens in India or globally; it is happening. So, this gap of us getting into digitalisation and then to AI, and then suddenly switching over to AI agents, is going to create not only a lot of confusion but could also create a lot of unease for people even to deal with them because the time between AI adoption and the time between AI agents getting adopted is likely to be a question of a few years. So how the legal sector will deal with these autonomous agents, when they themselves are not sure about the ethical responsibilities, liabilities, and how to manage the risks that could emanate from AI tools, is a big question. But there is no other way; we need to deal with the technology and its consequences.



Use of AI in Law in India- Part-II

**NPTEL** **Summing Up**

- Till now we have explored how AI is altering the legal landscape in India and the many issues that are likely to emerge in this
- We flagged the challenges like potential displacement, demand for new skills and the fragmented nature of innovations and absence of any major initiative for AI innovations as public good
- We ended with a discussion on AI agents in legal sector and why this can make a huge difference

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Summing up, in two sessions, we explored how AI is altering the legal landscape in India in terms of innovations and applications, and the many issues that are likely to emerge in these are as of now and in the near future. Moreover, we also flagged some challenges and concerns, such as potential displacement, the demand for new skills, the fragmented nature of the innovations, and the absence of any major initiative for AI innovations as a public good. Although we did not delve in-depth into it, to me this is a major concern

because most of the AI innovations today are oriented towards the private sector, meeting the needs of large firms or the specific people in the legal sector, rather than the larger consumers of legal services, including the common citizens who would benefit more from these AI tools. And then we also ended up with a discussion on the AI agents in the legal sector and why this could make a huge difference. Of course, whether this will make a huge difference itself, we are not sure because we are on the cusp of the AI revolution in the legal sector in India. Whether there will be a leapfrog, a generation gap, or sweeping changes, we are not sure.



Use of AI in Law in India- Part-II

 **Next Session** 

- In the next session we will discuss more applications based on AI in India
- Provide an overview of the legal tech start ups and their role
- Discuss the issues and challenges in deploying AI in legal field
- Contextualize that in light of global developments in deploying AI in law and practice

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