

Venture-backed, technology-focused law firm launches

BY [JASON TASHEA](#)

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The founders of Atrium, from left, Augie Rakow, Bebe Chueh, Chris Smoak and Justin Kan/Courtesy of Atrium.

With \$10.5 million, serial entrepreneur Justin Kan is about to take on Big Law.

After [three months](#) operating under the radar, Atrium LLP publicly launched on Thursday with the stated goal of building “the technology-first law firm of the future,” according to the website. Atrium LLP will compliment, but is separate from, Atrium Legal Technology Services, also operated by Kan. Atrium LTS will develop the technologies and processes that automate repetitive tasks and manage the firm’s operations.

While Kan is not an attorney, the firm’s founding partners are. Augie Rakow is a former partner at Orrick, Herrington & Sutcliffe, while Bebe Chueh is an attorney and founded AttorneyFee.com, which sold to LegalZoom in 2014. The other co-founder and Atrium LTS chief technology officer, Chris Smoak, is a serial entrepreneur and software engineer. Kan is the founder of live-streaming sites Justin.tv and Twitch.tv, selling the latter to Amazon for nearly \$1 billion in 2014.

“What’s fundamentally more different is that we’ve taken the pretty radical step of letting the lawyers focus on the legal work and handing over all the operational aspects to Atrium LTS,” Rakow said in an [interview](#) with Robert Ambrogi, who broke this story. “We’re taking all the business and operational and technology aspects and essentially outsourcing that to a very well-funded technology operation.”

Firmly opposed to the billable hour, Atrium LLP currently offers two products: Atrium Counsel and Atrium Financing. Atrium Counsel will provide legal services to startups at fixed rates of \$2,000 to \$10,000. Atrium Financing is a legal and advisory service for fundraising startups. That service will be on a fixed rate between \$25,000 and \$45,000.

While separate entities, the financial relationship between Atrium LTS and Atrium LLP is inextricable. Atrium LTS provided the firm a loan to cover all startup costs, and Atrium attorneys are being paid through options in Atrium LTS or a salary for advising the technology company.

During this initial phase, the firm will focus its practice on venture-backed startups, with the intent to scale quickly.

“Our goal is to build the largest multi-practice firm in the United States,” Rakow told Ambrogi.

The firm currently has seven lawyers in its San Francisco headquarters. Rakow says they anticipate adding two to four attorneys a month and open offices in New York and Los Angeles soon.

In June, Atrium LTS closed a Series A funding round worth \$10.5 million, which was led by General Catalyst, a venture capital firm focused on early stage investments. Other investors included Jack Newton, CEO of legal technology company Clio.

PwC, the Accounting Giant, Will Open a Law Firm in the U.S.

By ELIZABETH OLSON SEPT. 22, 2017



PwC headquarters in London. The accounting giant plans to open a Washington law firm this month to attract global business clients based in the United States. CreditPictures Ltd., via Getty Images

Law firms already elbowing one another for multinational clients will soon have a new competitor: The Big Four accounting firm PwC, formerly known as PricewaterhouseCoopers, plans to open a law firm in Washington, D.C., next week.

The law firm, ILC Legal, will advise clients on international matters such as corporate restructuring. Its lawyers will act as special legal consultants, rather than fully licensed United States lawyers, allowing them to provide counsel on foreign law but not United States law.

ILC Legal, nonetheless, aims to vie with big law firms as a one-stop shop offering multinational companies access to other PwC services, including tax consulting and its network of 3,200 lawyers spread across 90 countries. The firms in that network operate separately but follow the same standards and practices under the PwC brand name.

“We won’t be a traditional law firm, where legal services are offered in isolation, but one part of a broader offering,” said Richard J. Edmundson, a British solicitor based in London who is PwC’s leader of international business reorganizations.

Mr. Edmundson will lead the new firm. “There will be five international lawyers and myself, from London,” he said in a phone interview on Friday. “They are Spanish, Canadian, Polish and German attorneys who have been practicing at PwC network member firms outside of the U.S.”

Another advantage of opening ILC Legal in Washington is its proximity to clients based in the United States, Mr. Edmundson said. “We can talk to them in real time and put them in contact with others more easily,” he said.

ILC Legal hopes to attract multinational companies seeking counsel in areas like digital security and data protection, dispute resolution, international corporate structuring, and mergers and acquisitions, Mr. Edmundson said. It will operate like a traditional law firm, soliciting clients and billing them directly for services.

Although overall client demand for legal services is flat and corporations are increasingly handling routine business internally, Mr. Edmundson said he hoped ILC Legal would eventually add more international lawyers. “We hope it will grow,” he said.

PwC is not the only accounting giant offering legal services. Deloitte, KPMG and Ernst & Young, now known as EY, also have more than 2,000 lawyers each.

“The difference is that PwC is the first to create a separate legal entity,” said Jeffrey Lowe, the law firm practice group leader at Major, Lindsey & Africa, a legal recruiting firm in New York.

Traditional law firms can take some solace in the restrictions that ILC Legal must follow in the United States. Current law generally does not allow accounting firms to provide nonauditing services, including legal services, to companies they audit. That means ILC Legal can provide services only to companies that are not PwC auditing clients.

PwC's decision to open a law firm in the United States, which was first [disclosed this week in The American Lawyer](#), faced another restriction: Most American jurisdictions prohibit nonlawyers from owning or operating law firms or sharing fees with nonlawyers. Washington, however, does not ban firms owned by nonlawyers.

Allen & Overy Latest Firm to Launch Legal Tech Incubator

28th March 2017 artificiallawyer Legal Tech Incubator 1



Global law firm **Allen & Overy** has become the latest law firm to embrace the incubation of legal tech companies with a plan to launch a collaborative platform to foster legal, regulatory and deal-related tech companies.

The platform, which will be called, **Fuse**, will support companies in three core areas:

- legaltech: technology supporting legal advice, law firms and in-house legal functions;
- regtech: technology supporting regulatory compliance; and
- dealtech: technology that transforms how companies and financial institutions transact and negotiate deals with each other.

In a statement the global firm said that early-stage and more mature tech companies can apply to work in a specially-designed area for 60 individuals housed within Allen & Overy's London offices on the boundary of Shoreditch and the City of London.

Once in residence, companies will have access to the expertise of Allen & Overy lawyers, technologists and clients to co-create practical solutions to some of the challenges faced by companies, financial institutions and law firms today.

Fuse is being led by **Jonathan Brayne**, Fuse Chairman, and **Shruti Ajitsaria**, Head of Fuse.

The move follows the development of Nextlaw Labs by Dentons and the launch of an incubator at Mishcon De Reya, suggesting that law firms are now seeking to actively embrace start-ups in the legal field and beyond, even if these may potentially disrupt their own business.

It suggests that lawyers are recognising that it is better to be part of the solution and partner with legal tech pioneers and other types of tech company that connect to their work, rather than wait on the sidelines and wait to be impacted by new inventions.

The firm added in its statement that the launch of this space builds on **aosphere**, its online subscription business, and **MarginMatrix**, a digital derivatives compliance system.

Applications for Fuse will open in April 2017 and applicants will undergo a selection process before successful companies move into the space in September 2017.



Wim Dejonghe

Wim Dejonghe, Allen & Overy's senior partner, commented: 'Developments in tech are rapidly transforming our industry and we are determined to play a lead role in harnessing the power of new solutions for the benefit of our clients.'

'Fuse offers us a fantastic opportunity to collaborate with both our clients and some of the brightest minds in the tech sector, particularly those who have synergies with our business. I'm convinced this will not only put us at the forefront of developments in this field but will also be a key differentiator for Allen & Overy in the years to come.'

Exploring the Ethical Duty of Technology Competence, Part I



Legal Analytics and Commercial Law

December 8, 2017

Tech Savvy Is a Requirement, Not an Option

Introduction

This is not yet another article about e-discovery. We will not discuss confidentiality issues. Technology competence is broad, it is more than data security, it is more than e-discovery—it is about everything that lawyers do and every tool that we use to serve our clients.

This series will focus on the ethics of technology competency. Competency directly relates to performing our duties as an attorney (Model Rule 1.1) and indirectly relates to fees and billing (Model Rule 1.5). Our ethical duties require us to do more than just to maintain client confidences, therefore our duty to be technologically competent must extend beyond confidentiality, too. A lawyer must be competent in all matters reasonably necessary for the representation.

Relevance

Technology is becoming increasingly important in the business and practice of law, as evidenced by the ABA Ethics 20/20 Commission (the “Commission”) which studied technology in law and then revised ABA Model Rules of Professional Conduct (the “Model Rules”) accordingly. States started adopting revised Model Rule 1.1 in 2013, with the first state being Delaware on March 1, 2013. The most recent state to adopt the rule was Colorado on December 28, 2016. At the time of drafting, 26 states had adopted some version of the new Model Rule. In addition, California and New Hampshire have not adopted the Model Rules, but have made other efforts to acknowledge a duty of competence.

On January 1, 2017, Florida became the first state to require technology training as part of its continuing legal education (“CLE”) requirement. Now attorneys licensed in Florida must obtain three additional hours of technology CLE during each three-year reporting cycle. Though Florida is the first state to take the additional step of requiring attorneys to complete technology CLE courses, it probably won’t be the only one for long.

Technological Competence is a Mandate, Not an Option

Updating the Existing Duty of Competence

A lawyer's fundamental duty has always been to provide competent representation to her client. In the past, lawyers thought of competence as focused solely on the substantive knowledge of a certain area of law combined with the experience and ability to adequately represent a client in a specific engagement. As times changed, so did the view of what it meant to be competent.

The technology update does not change the duty to maintain competence under Model Rule 1.1, it merely clarifies that maintaining technological competence is part of meeting that duty. In short: lawyers can no longer be proudly unaware of technology and still claim to ethically serve their clients' needs.

Model Rule 1.1 provides: "A lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation." And now Comment 8 to Model Rule 1.1 provides: "[8] To maintain the requisite knowledge and skill, a lawyer should keep abreast of changes in the law and its practice, including the benefits and risks associated with relevant technology, engage in continuing study and education and comply with all [CLE] requirements to which the lawyer is subject."

It is most beneficial to view the amendment to Comment 8 as a codification of changes to the practice of law that have already occurred. Lawyers were keeping up with technology because life was keeping up with technology. Eventually the technology of life made its way into the practice of law. Comment 8 merely makes the duty to stay abreast of technology explicit—for attorneys who were not actively resisting technology, this rule is not new.

Becoming Technologically Competent

Competence does not mean perfection, expertise, or paranoia. It does not mean that lawyers must now become early adopters, anxious to discover, purchase, and learn every possible new piece of legal tech. But it does require a baseline understanding of, and reasonable proficiency in, the technology at hand. Of course, specific proficiencies and competencies will vary between lawyers and practice areas.

If a lawyer is incompetent, the lawyer has three choices:

- Sufficiently learn the necessary information before undertaking the matter.
- Associate or consult with technical consultants and competent counsel.
- Decline the representation.

Lawyers may seek help in meeting their duty of competence. But they may not delegate all technology duties to others in their firm. This would be an abdication of their responsibility to understand technology.

Stop Looking Backward: Resistance is Futile

There's a temptation to resist change, especially in law. However, arguing that this rule requires lawyers to become experts or to become their own IT departments is intellectually dishonest. It is clear that expertise is not required. Similarly, arguing that it's acceptable to hunt and peck on a keyboard and barely able to format a document to meet court requirements also ridiculous. Any lawyer who relies on these arguments to avoid learning is setting herself up for ethical violations, such as suspension or disbarment.

Importantly, Model Rule 1.1 is elastic. It is currently expanding as legal technology solutions expand. The ever-changing shape of this rule makes clear that a lawyer cannot simply learn technology today and never again update their skills or knowledge. There is a continuing duty to learn about technology.

Identifying Technology in Your Practice

Technology is now a major part of the practice of law. And competence is more about the tools that lawyers use to practice law than the substance of the law that we practice. The software that we use in the business of law is necessarily included in the mandate. There are no longer any business, practical, or ethical excuses that lawyers can make to avoid learning about, understanding, and adopting technology. Lawyers who refuse to keep up with modern technology risk violating ethical obligations and face becoming obsolete.

No state has published a list of technology programs that lawyers must learn or skills that lawyers must possess. However, if such a list were to be made, it would include case management software, document management software, billing software, email, a PDF system with redacting capabilities, and the MS Office Suite, particularly MS Word. All lawyers will use these programs, particularly MS Word, because all lawyers write—regardless of practice area. Any lawyer who does not have basic skills in these six types of software is risking ethical rebuke.

Seven Benefits of Artificial Intelligence for Law Firms

Avaneesh Marwaha July 13, 2017 Looking Ahead 0 Comments

Have you heard the buzz? Artificial intelligence is taking the legal world by storm—and lawyers are embracing the change, despite their traditional resistance to technology.

In today's world, data is growing explosively. While that massive store of data contains correspondingly voluminous and useful information—especially for the practice of law—it also takes massive time to analyze. And then there's the monotony, boredom, and frustration felt by humans who are trying to plow through a Sisyphean task, and the ever-increasing need for speed in response to client, court, and regulatory agency demands. Together, these challenges add up to a seemingly insurmountable obstacle to maintaining a smart, functional legal practice—at least for mere mortals who occasionally have to stop to eat and sleep.

Thankfully, computers are evolving just as quickly as the data boom, and they're here to save us from ourselves. Artificial intelligence, or AI, refers to computer software and systems that don't just do tasks they've been programmed for in advance—they actually *learn* as they go, improving their performance through feedback. These programs can quickly learn to complete data-intensive tasks that were previously relegated to bored and weary humans. By recognizing patterns in the relationships between words or data points, computers learn how to identify relevant information, recognize mistakes, and spot inconsistencies—all faster, and usually better, than humans do.

What does all this mean for lawyers? The primary areas where AI is being applied in the law, so far, include the following broad categories:

- review of documents for discoverable or otherwise relevant information, generally referred to as technology-assisted review (TAR).
- legal research through automated searches of a universe of case law and statutes.
- contract and legal document analysis.
- proofreading, error correction, and document organization.

How can your law firm benefit from these AI applications? In this article, we'll discuss the seven top benefits of applying AI solutions in law firms. As you'll see, these benefits are all interrelated. It's easy to recognize how saving time can save money—but spending less time on mundane tasks can also save lawyers' creative energy and reduce their stress. Together, more creativity and less stress make lawyers more productive, letting them complete work faster, which in turn saves time—and the entire process starts over.

When analyzing how AI can benefit your law firm and your legal practice, be sure you're thinking holistically and identifying all of the potential benefits. (You may find some benefits, unique to your practice area or your firm, that we didn't call out in this article!)

AI Saves Time

The biggest, most obvious benefit to AI applications is time savings. Computer systems can analyze more information, more thoroughly than humans can, in a tiny fraction of the time. For example, one of our users reported that she spent an hour proofing a document and then ran the original through AI software

as a test. In less than a minute, it found and fixed all the errors she had painstakingly identified. This benefit applies to all types of AI applications. Computers can quickly:

- search through and identify discoverable or potentially relevant data of all forms and file types,
- conduct legal research that would take a skilled attorney days to complete, and
- analyze contracts and other documents for errors, missing information, and inconsistent language.

Obviously, those time savings can translate into monetary savings, since less attorney or staff time is involved in finding answers and identifying mistakes. Those savings can quickly make up for the cost of new technology and thereafter can be passed along to clients.

AI Allows Earlier (and more accurate) Risk Assessment

TAR tools, including predictive coding, can be used to review information in real time. This allows lawyers to identify potential risks earlier, advise clients wisely about their exposure, and head off legal problems before they even occur. When a lawsuit has been started, or even merely threatened, these smart solutions allow law firms to quickly identify relevant information and to define the universe of data and custodians that must be protected. With this increased information, law firms can more accurately assess outcomes, minimizing costs and limiting risks while protecting their clients'—and their own—reputations.

AI Produces Higher-Quality Work

Work produced by intelligent software—which doesn't get tired, bored, or distracted—can be truly error-free. Specialized document software can enhance the organization of documents and flawlessly maintain that organization, including all internal cross-references, through the life of the document. Such software can also ensure that language is applied consistently, no matter how many attorneys had a hand in the drafting. Through document comparison and automatic learning, software such as contract comparison tools can identify missing clauses or conditions, inconsistently used terminology, or undefined terms, both within a single document and across a pool of similar documents.

AI Improves Organizational and Logical Structure

With automatic document comparison and organization, attorneys can more quickly identify holes or gaps in their documents and even in their legal analyses. For example, contract analysis programs that have learned through repeated analysis can identify missing terms or definitions in known types of contracts. Similarly, document analysis can uncover a logical connection that hasn't yet been firmly established in a legal memorandum, allowing attorneys to revisit and strengthen their weak points. For both, smart software that maintains internal organization and allows attorneys to quickly and conveniently switch between different levels and views enhances the overall structure and logical flow of the document.

AI Enhances Creative Analysis and Identification of Persuasive Precedents

With the time savings of automated review, research, and document quality control, AI frees up attorneys' time and mental energy for higher-level work. This enhances creativity, allowing attorneys to add unique value and focus completely on the work that computers can't do. Increased confidence in results also

gives attorneys the free hand they need to take risks and evaluate alternatives. With intelligent legal research software, attorneys can test out variations in fact patterns or legal analyses to identify the most advantageous strategy. Comparative analysis between cases in different states or between state and federal courts no longer takes days of exhaustive (and exhausting) scanning.

AI Reduces Attorney Stress and Frustration

Document review, proofreading, and legal research can be tedious, mind numbing work. While these tasks must be completed in the course of competent and ethical representation, no one said that attorneys had to do them! Allowing software to do at least the first round of “heavy lifting” reduces stress and boredom, minimizing the time that attorneys must spend on preliminary or low-level review. At the same time, knowing that their AI solution has already completed a comprehensive review gives attorneys more confidence in the results. This allows attorneys to dive into the creative, intellectual analysis that they are trained to do—and that computers can’t replicate, no matter how smart. Together, these dramatically improve attorney work satisfaction.

AI Improves Client Relations

Building from the previous points, AI solutions allow attorneys, freed from the tedium and minutiae of low-level tasks, the time to engage in the more satisfying, creative, human-specific work of legal representation. This includes talking to clients; fully developing, exploring, and explaining strategies, theories, and outcomes; and keeping clients better informed at every stage of the legal process. Not to mention, better and more consistent results by themselves lead to greater client satisfaction.

As we discussed at the outset, these benefits are interrelated, with each type of benefit leading to and fostering additional benefits. That interrelationship also harnesses the power of momentum. Just as an early mistake can rapidly spiral into more (and more serious) later mistakes, high-quality work also builds on itself and supports the production of more good quality work.

In short, deploying an AI solution can create a positive momentum throughout a law firm. As attorneys come to trust AI software, they can relax and let the computers attend to the monotonous details. No longer “stuck in the weeds,” these attorneys are more likely to engage in strategic problem-solving, which can enable them to enjoy their work more. (Aren’t our creative problem-solving abilities part of what drew us to the law in the first place?) Happier, more satisfied attorneys are less likely to take sick days or suffer burnout. They’re also more likely to have adequate time (and patience) to thoroughly counsel their clients and mentor their subordinates. All of this adds up to a much better working environment for everyone.