Legal Ops & Tech

Legal AI's Draw for Big Tech Players

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Summary by Bloomberg AI AI Generated

- Big Tech companies like Google, Amazon, and Microsoft are building legal-specific tools for attorneys, increasing competition for startups in the legal tech market.
- In-house attorneys are using AI tools like Claude and ChatGPT, but legal-specific tools like GC AI are standing apart due to their ability to think like an in-house lawyer.
- Law firms are advised to build AI training programs to increase attorneys' ability to leverage AI, and to use secure enterprise tools rather than consumer accounts for legal work.

Big Tech Gives Legal Tech a Big Look

Venture capitalists aren't the only people who see the legal market as a growing opportunity for AI.

The same legal industry characteristics that have drawn billions in startup funding — it's word-heavy and process-focused — have also caught the attention of some of the world's most valuable companies.

Google, Amazon, SpaceX, Microsoft, Anthropic and OpenAI, are among those most responsible for the AI craze. The public ones have seen their stocks soar based on high hopes for the technology. Now, they're building legal-specific tools for attorneys to help make those high hopes a reality.

As startups keep plumbing the legal tech waters with tools for lawyers, they're forced to make room for bigger boats. Companies like OpenAI and Anthropic are ratcheting up competition, marketing additional capabilities tailored to lawyers needs.

"The model companies certainly keep us on our toes more, because they create a floor beyond which our products must always be better," GC AI co-founder Cecilia Ziniti told me.

Many in-house attorneys were already dabbling with Claude and ChatGPT before the Big Tech legal build-out, and Liquid Death general counsel Tiffany Lee said legal-specific tools like GC AI are standing apart.

"You can tell that the tool thinks like an in-house lawyer versus Claude and ChatGPT," Lee told me.

ICYMI: Big Tech Targets the Legal AI Industry as the Next Opportunity

Building That AI Muscle

Katherine Lowry is the chief information officer at BakerHostetler, where she plays a crucial role in AI innovation and helps decide how to best use the latest technology. She was previously the director of private services at the law firm. Lowry talked with Kaustuv Basu about the best ways to harness AI innovation while meeting client obligations and matching their desires for tech use. The conversation has been condensed and edited.

What AI tools are you using right now?

We have two significant tools for BakerHostetler, including Microsoft Copilot with the premium license as well as Vincent AI that we get from Clio. These tools are really our front door to AI and a variety of perspectives — whether they handle everyday workflows that we're trying to use to help manage our time, follow-ups and next steps, and meetings, all the way to integrating AI into the practice area. We have a catalog that has over a thousand different use cases in the practice areas.

What should in-house counsel be doing when it comes to AI tools?

In-house counsel should be looking beyond productivity gains and asking how AI can reshape legal operations. The real opportunity is not simply drafting documents faster. It's creating more efficient workflows, surfacing insights hidden in data, improving the consistency and quality of legal analysis, and allowing legal teams to provide strategic guidance at greater speed and scale.

What's the low hanging fruit in using AI?

Every firm should be looking at repeatable steps that they're taking. It's going to look different when you're looking at everyday AI use versus transformative market innovation AI.

On one hand it's going to be, how do I make sure that I have a nice checklist of my to-dos today and emails that I need to respond to, or follow ups on meetings that we just held? And then all the way on the other side of the spectrum, with that game-changing AI, it's looking at, how does AI help with first drafts? How does it help summarize vast data sets that we see in litigation, or that we see when we're working with trademarks or the like?

What is the best way to build AI training programs?

How do we build a training program to increase attorneys' ability to leverage AI, to know when to use it, and when not to use it? That's the critical piece because once they know how to use the technology, they'll start to identify all of these unique workflows or repeatable workflows that they're doing every day and give it a try. Just knowing how to use the tool is a really critical step.

What about smaller law firms?

They're not going to need to build a massive proprietary platform to be able to leverage AI, but they do need a secure enterprise tool. There are certain restrictions, or rather certain limitations, that you will see in consumer accounts. So I would highly urge them not to use consumer accounts for legal work. Go toward any one of these tools that has an enterprise offering.

What else should law firms be thinking about?

This is a journey that if they haven't started, they need to really catch up and understand because I think clients are going to ask you to use AI and you cannot wait for that. You need to already be building that muscle.

What Homer Can Teach Us About Lawyering



Odysseus, as imagined by Homer's epic and Christopher Nolan's film, is a man who must act in a "context of profound uncertainty, again and again." He has a mixed win-loss record, sometimes improvising brilliantly and sometimes to catastrophe. "What he doesn't do is wait for certainty," **Good Counsel** columnist and Cox Media Group GC *Eric Dodson Greenberg* writes.

But lawyers, from the first time they are **cold-called in a law school class** are always seeking the A+ answer, *Eric* says. "We rarely have it."

Every lawyer learning new technology and advising on rules that just changed **understands Odysseus' uncertain world**. "In boardrooms that ask for definitive answers, in filings that turn on argument by analogy, in agency actions that seem unpredictable, we too lack guideposts," *Eric* says.

"The point is that **even the most coherent, defensible analysis rests on information that is imperfect** and always will be. We must offer confident, coherent judgment anyway, knowing its limitations and knowing it can fail," *Eric* writes.

Law Firms Can't Afford to Dismiss Ford GC

All available evidence confirms Ford Motor Co. GC Steven Croley's contention that Ford's legal department is leading the way on AI adoption, *Casey Flaherty* of Baretz + Brunelle writes in a **Bloomberg Law Insight**. Croley is pressing outside firms to catch up — or Ford will leave them behind.

For most law firms, their clients aren't as far along as the Ford legal department, *Flaherty* writes. But survey data shows **most law firms think they are ahead of their clients now on AI adoption, and 94% say they will be in three years**. Lagging firms will bear the brunt of clients' outsize expectations, he writes.

But not all of these firms can be charging ahead of the pack. Even taking the paradigm at face value, *Flaherty* writes, "**winning requires a firm to stay ahead of both its competitors and its customers** — customers, and their tech vendors, are also competitors as AI enables more work to remain in-house."

Commentary & Opinion

Your Law Firm's Biggest Breach Risk Is an Unsupervised AI Agent

Most identities accessing organizations are machines — automated accounts, access keys, and AI agents — and they outnumber humans, writes OC2 Cyber's Kyle Salous. Firms must inventory every machine identity and bring these accounts into the same governance frameworks used for people.

USPTO's AI-Based Search Tools Send Warning to Patent Applicants

Given the US Patent and Trademark Office's use of artificial intelligence in patent examination, applicants should file robust, detailed specifications focused on particularized improvements in technical systems, processes, devices, and methods, Marshall Gerstein's Michael Anderson says.

ICYMI: Best Reads of the Week

Gen AI Is Making the Fractional GC Idea More Effective (Above The Law): AI tools allow a single lawyer to be a company's go-to legal resource by providing answers to specialized questions. **Read More**

Microsoft Gives Sellers Tips to Knock Down Anthropic, OpenAI: The world's largest software company is fending off challenges from AI's rising stars. **Read More**

AI Startup Releases First Model in Bid to Loosen AI Giants' Grip (WSJ): OpenAI's former technology chief is betting on more customizable artificial-intelligence models to chip away at the lead frontier labs hold. **Read More**



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