

Introduction: Welcome to the Enchanting Lawyer Podcast. The show that walks you step by step to improving strategies you can use today to grow your business. We show you how being kind, useful and, of course, enchanting will bring you more clients and build a thriving community. Now here's your host from sunny San Diego, Jacob Sapochnick.

Jacob: Hello everybody, this is Jacob Sapochnick with the Enchanting Lawyer podcast. This is the show where we interview the most inspiring entrepreneurs and business people from all over the world who inspire us to do our job better and we learn from them every time something new.

As you know, I mean in the past few episodes in the past few months, I've been really, really passionate about legal tech. I've been visiting several companies in the Bay Area – most recent one was Legal.io who are revolutionizing the way lawyers connect with lawyers and the clients. With this trend I'm very excited to speak with a company founder today, very innovative company all the way from Israel. This is a company called LawGeex.

I think that one of the reason why I'm excited is – and I've been telling my people who ask me about legal tech is biggest companies out there, the one that took pretty much basic industry has been turning upside down. We have Uber, Airbnb; many other companies who do similar thing. And I think this company, LawGeex, are definitely on the path to do something very similar with the law which is one of the oldest industries.

If you think about it, not too many things have changed in law in the recent years. We've got companies who offer [unclear 00:01:53] online document services, we've got CRM companies, but there's not really anything innovative that came out of law in recent years. I think that LawGeex is aiming to turn law upside down. They bring legal technology expertise with innovation. I was playing a little bit around with learning a bit what they do and I'm super excited about this and I'm very excited to share this with you guys.

We have the company founder with us today. Noory, how are you today?

Noory: I'm doing well, Jacob. Thank you for having me.

Jacob: Absolutely. It's a pleasure.

Like I said, I'm very excited about it because I feel that there's something different here. Why don't you tell us a little bit about this company and why you decided to start this.

Noory: Sure thing.

I'll start by telling a bit about myself. I was an international business lawyer for many years, working at the biggest law firm here in Israel. Like many of your listeners, I did a lot of commercial flesh corporate work representing startups, entrepreneurs, VC's in the big corporations. After doing that for several years I started getting the feeling that things in the legal world simply weren't optimal. Then I started thinking "How can this be and more importantly how can we improve it?"

I started seeing all the patterns that managers in legal, in contract, in agreement. I [unclear 00:03:44] understand that legal is actually a language and it's a language which is once you get to know it more simple than other languages. Has a small vocabulary although it looks complicated to others from the outside. The vocabulary is very limited. This is why I came up with the idea for this company. And that essentially was to teach the computer to understand the legal language, language of contract.

I decided to become an entrepreneur. I left my law firm after doing my Executive MBA at Northwestern at Kellogg and I partnered up with a technology guy named Ilan. He was a very, very tech savvy person. He was a VP R&D of several internet companies – some of them in the US. We took this challenge to teach the computer to understand the language. We were fortunate enough to raise some funding from the Israeli government that supports R&D and from Israeli angel investor that believed in us. We managed to develop an engine that can read legal documents, understand what they are about, and what legal provisions they include.

LawGeex, which is our online service, is designed for pretty much anyone. From the average Joe to business person or an entrepreneur that wants to understand the contract he's about to sign before he signs it.

So, like you mentioned before, there are a lot of online services out there helping people find templates or generate what we call legal forms. But there aren't really any services helping people understand the contract they are about to sign. So these are the weaker sides in every transaction, the one that don't control the draft. So it would be, you know, the employee or the tenant.

In the business world the one that is required to sign a non-disclosure agreement or an investment term sheet. So these guys typically have less resources than the other side. They do want to understand the contract before they sign it to avoid making major mistakes. This is what LawGeex aims to help.

The ideas for these people to come to the online platform, upload the document, and get it analyzed automatically using our system. What the system does is read the contract, compare it to a database or other similar contract, and identify discrepancies between the specific contract and the database. So, for

example, you can identify where a clause – it is very common in specific agreement – is missing.

Let's say, for example, if we're talking about residential leasing. In some jurisdictions it's very common to allow the tenant to find an alternative tenant if you want to leave the contract early, right? So if this clause is missing from the contract our system can automatically flag it and tell the user, "Listen, there's a clause which is very typical in this actual contract. It helps because it allows you to leave the contract early if you find an alternative tenant. You might want to ask your landlord to put it in. Similarly it identifies things which are in the document but shouldn't be there. So, things which are in common.

For example in some jurisdiction, yeah, there are various restrictions on people's ability to bring pets into the apartment. So this is something that any tenant would want to pay attention to if he has a pet but he wants to bring to the apartment. He want to make sure that there isn't some kind of provision preventing him from doing so.

If we're talking about more commercial contract, let's say services agreement between a service provider and a client, if this contract includes some element or non-compete then obviously the service provider would want to pay very close attention to it to make sure that he's not limiting himself too much.

This is it. Essentially it's really – like you mentioned, the next generation of legal services. It takes artificial intelligence or more professionally machine learning technology implementing them into the legal world together with text analytics. This allows us to really understand the contract and build the database so similar ones and provide inputs to the users, helping them to make better, smarter, legal decisions on their own before they even consult with a lawyer.

So, it's not an alternative to a lawyer but still it can definitely help someone kind of get a first impression on what the contract is about, what are the main problems, and then you can decide if you want to hire the lawyer or do it himself.

Jacob: What is interesting to me about this is that right now when people come to an attorney there's a lot of confusion, there's a lot of ambiguity. They don't know where to start, they don't know if the attorney is actually taking them for a ride because he wants to charge them more. I think with a service like this, when you analyze a contract and you find out all the main problems with it, potential issues, you can go to an attorney much more informed as oppose to you coming just there with no information. It gives the power to the users.

It also helps the attorneys because the attorneys are now – they know that these are the main issues but they can say, "Well, by the way, I found some more

issues,” and this is how I provide value to you, the customer, because you can see that I’ve worked on these issues. We found some other issues. And it kind of gives it a little bit of power to the user in a way in an industry that was completely controlled by maybe attorneys that say, “You pay me \$200 an hour and I’ll deal with your issues. Whatever it’s going to take me,” right? So this is really pretty amazing.

Noory: Yeah, definitely. We are all about empowering the users to make better decisions. I completely agree with you that the lawyer will also benefit from the fact that the users come more prepared, understand what’s in front of them better. And then the lawyer and the client can have a more deeper discussion about the contract and obviously this is where the lawyer’s expertise, experience in specific cases, in specific circumstances come into play. This is something that an automated system can never do and this is where, I believe, that the lawyers will bring the most value in the future.

Jacob: Right.

Noory: Yeah.

Jacob: Noory, what do you think will be a typically ideal customer for this service? Also, what do you think are the most common legal documents that you see people are going to be using in this service?

Noory: Great question.

We are trying to think constantly about who would be the typical user for us. Like I mentioned, we believe that these would be the ones that don’t control the contract, the one that don’t reacted initially to be [unclear 00:12:02] every transaction. I believe personally that anyone with, for example, an employment contract, any employee with an employment contract in his hand would eventually use this type of system before he signs the contract. Right? Similarly, anyone that plans to enter into a lease would use it to make sure that the landlord is not too aggressive in what he’s requiring from the tenant.

So this would be a tool that allows the weaker side to level up the playing field. Initially we are currently targeting community of entrepreneurs, freelancers, and startups. We believe that these guys do handle more agreements compared to the average Joe. So we are trying to target these guys and help them. But in the future, we definitely see this service being available pretty much to anyone, with a contract in his hand, that just want to understand more and better about the contract before he signs it.

Jacob: Noory, I’ve seen on the website – Again, I haven’t used the system myself yet but I’ve seen that you have particular sign up for lawyers. So, you separate it from

users or be like startups or small users and then attorneys. How do you see attorneys benefit from this service today and what are some of the potential tools they could use to make their practices better?

Noory: We were actually approached by various lawyers that read about us and [unclear 00:13:53] and say, "This is great. We actually would also [unclear 00:13:58] to help us practice better to make sure we don't make mistakes." One of the area which we are looking at is expanding the service to lawyer. This would obviously be a more sophisticated version of the system that would allow lawyers to also do their job better. So this is one thing which we have in the pipeline.

Another thing is we are constantly thinking about how we can get a lawyer involved with us because a part of the value that we offer our users is also guidance. So it's not just identifying what's better than what's not. Also, explaining in simple English what are the issues and what you need to pay attention to. We definitely understand that with our limited resources we cannot cover everything. Like you have a specialty in your area, practice area, in your specific jurisdictions, many other lawyers have their own specialty.

So, if we can harness these lawyers and bring them into the system and allow them to express themselves and provide guidance to users, I think that would be a win-win situation for everyone. So, the way this can play out if the user uses the system as an initial pass on this contract but then wants to go on and speak with one of the lawyer which is related to the system which he saw that wrote an interesting piece about, let's say, labor law or immigration law. After he gets the initial review by the system he wants to now speak with the lawyer and he can approach this guy.

Jacob: Right.

Noory: So, this is another way for us to get lawyers involved.

Jacob: Noory, you in Israel, you practice in Israel – we have people who listen to this show from all over the world. I'm curious, what do you think are the differences between the way lawyers practice, for example in Israel and in the US, and how the implementation of technology will differ between the countries. For example, maybe in the US some attorneys will be more inclined to start using technology as oppose to other countries where it's been more traditional. So, how do you see that product playing around in the worldwide market which I think you're aiming to.

Noory: Yup. We definitely plan on starting with the US market – this is the biggest one. But, for example, we're already approached by lawyers and other [unclear 00:16:52] from Australia, from Hong Kong, from the UK telling us, "We face the same issues. We are in dire need of these types of innovative technologies to

make our practice better and to allow us to compete better in a commoditize world,” right? Everybody is talking about the legal profession becoming commoditized and I think this is not just a US issue. It happens in the US, it happens in the UK, it happens here in Israel. These are trends which are global. So, I do think that these types of technologies are the future of law anywhere, not just in the US.

Our system specifically can be implemented in different jurisdictions because – There obviously are differences between the jurisdiction but once you start looking at it from a concept level ... So the concepts aren’t very different, it’s just the way that they are implemented in a different jurisdiction and there are specific laws which change the contract a bit. The concept which you find an employment contract or a real estate contract in the US, in Israel, in the UK are not very much different. But still there is a business logic behind everything you find in a contract.

Jacob: Right. The common law principles which, you know, can apply to the way they structure paragraph wise and things like that.

Noory: Exactly.

Jacob: As I’m thinking about what you’re doing, I’m thinking in my head, what if ... There’s a lot of clients who come to attorneys and they wanted to review correspondence or they want to be able to modify correspondence and respond. Do you think that your technology could eventually evolve to – you build a database, demand letters, or cease and desist and stuff like that, that you put it in the system then it spits out, “You know what, if you change this and this it’s going to be like very, very effective. It will match like our top templates.” Do you think that things like that could happen? And if so, to me it looks like it will change the way lawyers and clients interact because now you have this superior templates. We try to aspire to get it using your unique algorithm.

Noory: Right. So definitely. I don’t have litigation experience myself so I’m always thinking about implementation of this technology in the sense of commercial law. But definitely this can also be implemented into every kind of legal document. So creating a database on this document then comparing once with your document to this database and identifying the discrepancies and thinking about how it can be improved.

So like I said, we do strive to be able to handle every type of legal document in the future and allow every user that needs to sign a legal document or send out a legal document to understand what he’s doing better and improve this document and make better decisions.

Jacob: Excellent.

Noory, you've been involved in legal tech for a while now and I'm curious to know what do you think are some of the things that are missing in legal tech right now? I mean we have – I know there's a lot of companies trying to do CRM, we've talked about it before. What are some of the things you feel that could be improved the way lawyers practice or just use their tools as we had in the next five years?

Noory: Yeah. I think still – if you look at the way lawyers work – things have not changed significantly in the last decade.

Jacob: That's right.

Noory: Still lawyers are working in computer with Microsoft Word open ten hours a day, reading documents, drafting documents, summarizing documents. So I think – there could be, first of all, a big revolution like we are trying to bring but also there's a lot of room for smaller innovations in every aspect of the way lawyers work.

When I was practicing law I was amazed by the inefficiencies created by the small thing. For example, people that don't know how to type well, right? Just a lawyer that doesn't know how to type well can spend a couple of hours each day more than a lawyer that types well, right?

Jacob: Right.

Noory: And then the client has to pay the bill. So, these types of things will just help the lawyer become more efficient. And I did encounter this argument saying, you know, because lawyers are billed by the outwork it's not worth for us to be efficient but everybody now understand that this is changing and that the world is becoming more commoditized and lawyers need to find innovate ways to practice law.

Jacob: Of course. Because, you know, the days of getting those huge bills are over. Clients are more savvy. They know how long it may take an average lawyer to do stuff. So you really have to justify every time you bill somebody and I think, again, technology like yours can definitely make things much easier, much more efficient both on the lawyer and the client side.

Noory, I have kind of a personal question for you because I look at your journey and you are an attorney and then you turned around and you became an entrepreneur. I get the questions and emails from a lot of people that say, "You know what, I'm practicing law but I have all these ideas." How do you transition from an attorney to an entrepreneur? What are some of the tips you can give somebody who's listening right now and they have some ideas like that?

Noory: I can tell that it's not easy. Especially as time goes by and you are making a name with yourself and a legal career, it becomes harder to leave everything. I myself was on a [unclear 00:23:21] to partnership at the law firm where I was working at and it was - [unclear 00:23:29].

Jacob: Yeah.

Noory: So it's not easy.

For a person with a family also you need the whole family to support it. Entrepreneurship itself is a very difficult – they have a very, very difficult challenge. So, it's not for everyone.

There are a lot of things you can do while you practice law. I know that the job is difficult and demanding and you work crazy hours but still there's a lot of things – If you have an idea that you want to explore there are a lot of things you can do while still practicing. You don't need to leave everything immediately and we [unclear 00:24:14] entrepreneur you can do a lot of testing, validating, talking to people, reading about it and laying the ground work before you actually need to do the job from being a lawyer to [unclear 00:24:28] entrepreneur but don't wait too long because it might become impossible. Also, obviously, we're living in a competitive world where if you don't execute quickly someone else will probably do it before you.

Don't leave immediately. This is one tip I would give. Do what you can while working. This would allow you to mediate your risk of not getting paid a salary while you're working on your [unclear 00:25:05] initially. Find the good technology person that compliments your capabilities and have him start working with you, helping you, thinking together, and researching together. It's very important to have someone like this involved from the get-go because it really affects a lot in terms of even the way you approach to solve the problem that we are talking about. So this worked well for me.

I think one would think about lawyer is that they have a very good network because they work with people. For me, for example, there are a lot of people which were a part of my network as a lawyer, as a business person that are now involved in this venture whether as advisers or investors or partners. So, these are things that lawyers do have to their benefit and they can leverage them when they become entrepreneurs.

Jacob: Excellent! This is perfect advice and, again, people will think about it. We all know people and we have the passion within. It's important to act quickly once you know what you're doing but at the same time pace yourself. I love that.

Noory, I want to share the link to your site with the audience. It's lawgeex.com, right?

Noory: Yes.

Jacob: And then if attorneys want to check it out they'll just go to the link where they can sign up as lawyers and then somebody from your company will contact them, correct?

Noory: Yeah, for sure. But they can also feel free to just sign up and upload a document. We have a list of documents which we currently support. They can check it out and upload a document. We'll be happy to write to our system and then get back with our feedback.

Jacob: Perfect. We'll post the link in the show notes so attorneys are welcome to try. Like I said, it's a brand new technology from Israel and I think we are the first to showcase it right here and so we're excited about it. Noory, I'm very happy that you took some time – I know it's night over there – to be on the show. Thank you very much.

Noory: It was a great pleasure. Thank you very, very much.

Jacob: Thank you, Noory.

To our listeners, if you have any questions about this technology, please email me jacob@enchantedlawyer.com or you can actually communicate directly with the website and we'll put it in our show notes.

Thanks for listening and we'll catch you in our next episode.

Closing: Thanks for listening. You can find even more resources, including the show notes for this episode, at enchantedlawyer.com. That's www.enchantedlawyer.com.