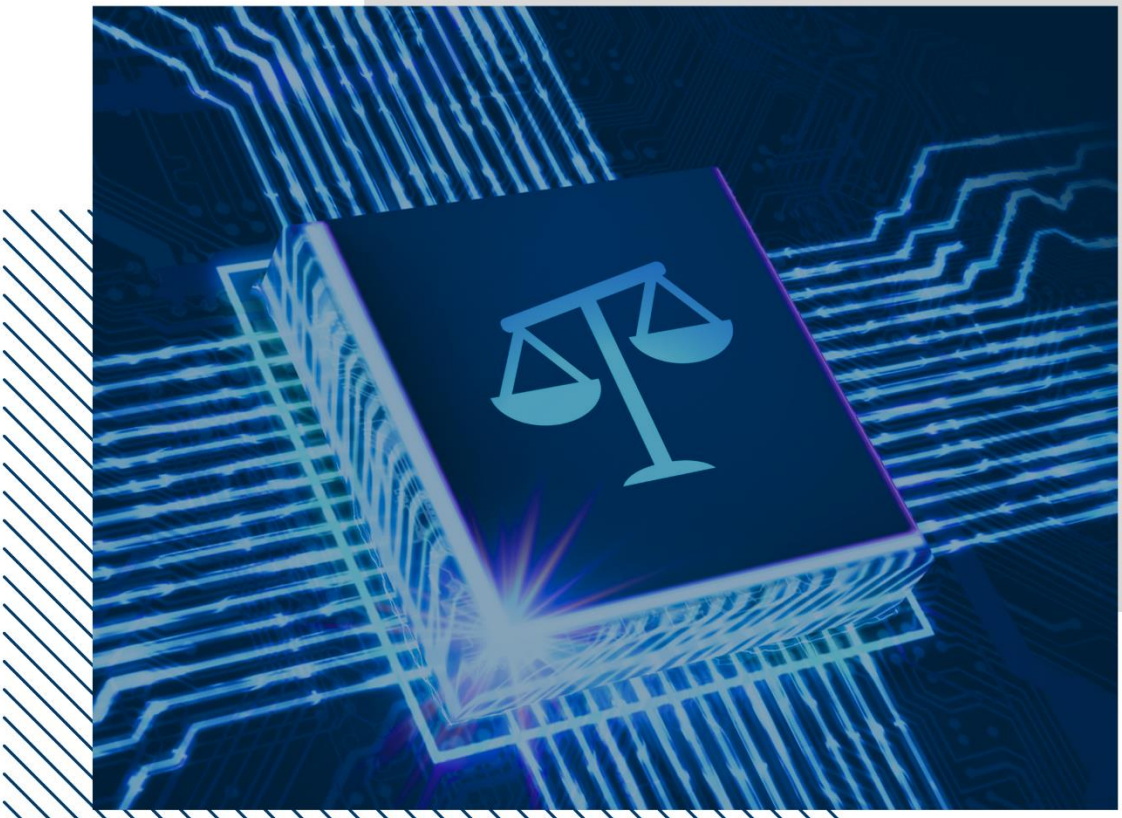
Adopting AI in the Israeli Legal System



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Introduction

Would you trust an AI judge with deciding your fate in a criminal trial? This provocative question was central to a roundtable discussion held in December 2024, bringing together prominent figures from Israel's legal community. The answers revealed a striking divide. On one side, proponents highlighted AI's potential for consistency, efficiency, and impartiality, arguing that machines could overcome human biases, swiftly analyze vast legal precedents, and deliver decisions rooted in objective criteria. On the other hand, critics expressed profound concerns about AI's inability to grasp the nuances of context, emotion, and morality that define justice. They questioned accountability - who is responsible for errors or perceived injustices - and raised issues of transparency, privacy, and biases.

While the ethical debate over an "AI judge" scenario seem purely theoretical, maybe even one taken out of a science fiction novel or a futuristic movie, AI's increased presence in our lives, and its power to reshape what was previously perceived as simple facts of life, is undeniable. Take, for instance, the impact of generative AI on the legal profession itself. When discussing automation and efficiency in the legal field, a key question arises: If tasks that once required hours of meticulous work can be completed in minutes, to what extent can - and should - AI replace lawyers and judges? How should law firms adapt to a reality where increased efficiency reduces billable hours, and how should future legal professionals be trained to navigate an industry being reshaped by automation?

Another potential effect of an AI-integrated legal system is change in the access to justice. Through 'outsourcing' certain elements for the legal process to AI-powered systems, we can enhance accessibility to justice by reducing costs, expediting processes, and enabling smaller players to leverage sophisticated tools previously reserved for well-funded entities. These advancements, on the other hand, could actually perpetuate and possibly deepen existing inequalities, with powerful actors harness superior AI-driven resources to their advantage, creating an uneven playing field for smaller firms, individuals, or underprivileged groups.

Beyond concerns about accessibility, another pressing challenge is the disparity between AI adoption in the private and public sectors. While private entities are expected to swiftly integrate AI-powered tools to streamline legal work, the public judicial system is at risk of lagging behind. This imbalance could have severe consequences: as AI-driven automation accelerates the preparation and filing of legal claims, courts may find themselves overwhelmed by an unprecedented surge in lawsuits. If judicial institutions fail to keep pace, the resulting backlog could erode the effectiveness of the legal system, undermining its ability to deliver timely justice. Addressing this gap will be critical to ensuring that AI enhances, rather than disrupts, the administration of justice. And, perhaps most crucially, we must consider whether the growing reliance on AI could undermine public trust in the legal system and the ideals it stands for.

This policy paper aims at addressing these prominent practical and ethical concerns, and offers a comprehensive evaluation of the way to integrate AI into the Israeli legal system while taking these risks into account. The paper begins with an evaluation of the current challenges facing the Israeli legal institutions, followed by a deep dive into the ethical dilemmas, opportunities, and risks, posed

by integrating AI in the legal system. This analysis examines how AI could transform justice, while emphasizing the importance of aligning its adoption with the values and principles that support the legal profession at large. In the third chapter, we offer a review of existing trends and practices in the integration of AI in the legal system in a number of countries, providing a comparative dimension and additional context for the discussion. Finally, we propose a four-stage model for implementing AI in Israel's legal sector, offering a structured roadmap to navigate this complex transformation responsibly and effectively.

Chapter 1: From Overload to Opportunity - Israel's Legal System at a Crossroads

Rising Demand, Rising Costs - Challenges Facing Israel's Legal System

Israel's legal system faces significant challenges that impact its efficiency, accessibility, and fairness. According to the Ministry of Justice "Access to Justice" report, [1] one of the most critical issues plaguing Israel's justice system is the severe backlog of cases. Each year, approximately 1 million new cases are filed, while the average time to resolve a case in Israel is 333 days — 73% higher than the OECD average.

These delays have wide-ranging consequences: for individuals, protracted legal disputes often lead to emotional distress and financial hardship. For businesses, the uncertainty surrounding legal outcomes deters foreign investment and disrupts commercial operations. A study by consulting firm Shaldor estimates that these delays cost Israel's economy between 9 and 16 billion shekels annually in loss of productivity, due to individuals and businesses dealing with prolonged legal processes.

The procedural complexity of Israel's legal system exacerbates these delays. Legal disputes often require extensive documentation, expert testimony, and specialized knowledge, leading to lengthy processes that are both time-consuming and costly.

The financial burden is particularly heavy for individuals and small businesses, who may struggle to afford quality legal representation. While wealthier individuals and organizations can afford to navigate the system more effectively, those with fewer resources face longer delays, higher risks, and limited access to quality representation. These disparities undermines the principle of equal access to justice, contributes to a growing sense of inequality within the system and further deepens socioeconomic divides.

The inability to resolve disputes efficiently also weakens public trust in the justice system, eroding its credibility and undermining its role as a cornerstone of democracy and rule of law, which is a cornerstone for social stability. In a similar manner, recent surveys have consistently shown a decline in public confidence in the Israeli legal system.

Revolutionizing Justice - Opportunities of AI Integration in the Legal Sector

For centuries, the legal profession has been driven by human intellect — by critical reasoning, rhetorical skills, and the ability to interpret complex nuances of language and law. Similarly, courts have relied on precedent, judicial discretion, and an intricate balance between logic and morality to base their rulings. Unlike other domains, such as finance or manufacturing, where technology was seamlessly integrated to optimize efficiency, The legal system has remained largely resistant to innovation. However, the introduction of AI technologies has made change inevitable. These developments fostered by AI have the potential to better workflows, services, and more.

[1] דו"ח נגישות למשפט בישראל לשנת 2023
https://www.gov.il/he/pages/access-to-justice-report

AI presents new opportunities for advancements in the legal field, offering tools that can boost efficiency and accuracy for lawyers and judges. **Legal research**, for instance, can be revolutionized by AI's ability to sift through vast databases of case law and legislation in seconds. Instead of spending hours combing through precedents, an attorney can leverage AI to quickly identify relevant cases and statutes, and thus construct stronger arguments, grounded in comprehensive research. Likewise, **document drafting and reviewing** are made easier thanks to AI: contracts, motions, and briefs often involves repetitive language and standard clauses, making their drafting and proofreading a perfect task for AI models, executed with precision. This not only saves time but also reduces human error, enabling lawyers to focus on strategy and nuanced legal analysis.

Moreover, AI is not only about speed; it's also about insight. Advanced AI algorithms (known as reasoning models) can perform **predictive analytics**, analyzing patterns in past cases to predict litigation outcomes or suggest optimal legal strategies. For example, an AI platform called Pre/Dicta analyzes dozens of data points about judges (from their prior rulings to their professional backgrounds) and claims it can predict how a judge might rule with around 86% accuracy.[2] Such predictive tools can guide lawyers in advising clients whether to settle or proceed with a case, and even help them tailor arguments that resonate with a particular judge's tendencies.

In the same vein, AI-driven insights can assist judges by highlighting relevant precedents or pointing out consistencies across rulings, promoting more uniform decision-making. As mentioned, Israeli courts face significant caseloads and backlogs, and AI presents an opportunity to save valuable judicial time, reduce case delays, and enhance the accessibility of legal services.

Another exciting opportunity is how AI can **democratize access to legal services**. In Israel and beyond, many individuals and small businesses forego legal advice due to cost. AI-driven legal apps and chatbots can help bridge this gap by providing basic legal guidance or generating simple contracts at low cost, thus empowering people who cannot afford advising a lawyer. As these tools evolve (and with proper oversight), they could significantly lower barriers in access to legal help.

The Disruption Dilemma: Is AI a Partner or a Competitor?

With recent technological advancements in AI, we can envision AI fully taking over some legal services, particularly those that adhere to clear templates and straightforward rules. If an AI system can accurately navigate procedural legal steps, one could question if human involvement is always necessary. So much so, in fact, that it can be suggested that AI technologies can disrupt the legal profession so completely that some roles of lawyers or judges become obsolete.

Indeed, a 2023 Goldman Sachs report estimated that up to 44% of legal tasks could be automated by AI.[3] Another study by researchers from Princeton University, the University of Pennsylvania, and

[2] https://www.axios.com/2023/09/12/ai-judges-trials-predictions

[3] Jan Hatzius, Joseph Briggs, The Potential Large Effects of Artificial Intelligence on Economic Growth, Goldman Sachs, (26.3.2023), https://www.ansa.it/documents/1680080409454_ert.pdf

New York University concluded that the legal field is among the industries most vulnerable to disruption by the AI revolution.[4]

One of the more provocative ideas to emerge from this discussion is the concept of the AI judge. It would be easy, for instance, to make the case for an AI judge, who can operate around the clock, tirelessly, and apply the law impartially, free from personal bias or emotion. For Israeli courts, already overwhelmed with heavy caseloads, one might wonder if, in the future, an AI system could independently manage the entire legal process.

However, most experts believe that AI will supplement rather than completely replace legal professionals, at least for the foreseeable future. The role of lawyers and judges involves nuanced judgment, ethical considerations, and interpersonal skills that remain beyond AI's reach today. Even as AI handles more tasks, human oversight is crucial. Interestingly, a recent survey of Israeli lawyers found that while they do see a significant portion of their work potentially automated, they generally do not believe **most** of their job will be taken over by AI: about 60% of lawyers estimated that no more than 30% of their tasks could eventually be done by AI, while only about 1% of the surveyed population believed that over 80% of their work could be automated by technology.[5]

In other words, majority of Israeli attorneys expect AI to handle some tasks, but not to render human lawyers irrelevant. This cautious view reflects a reality: even the best AI tools currently lack the ability to exercise moral judgment, creative legal reasoning, or empathy – all essential in law. Clients still want a human advisor for important decisions, and society expects human accountability in the justice system. Additionally, apart from the human preference and accountability considerations, there are numerous technological and ethical challenges associated with AI tools, which will be discussed in the next chapter.

That said, the disruptive potential of AI cannot be dismissed. Law firms that fail to adapt may find themselves outpaced by "AI-enhanced" competitors who can offer faster and cheaper services. Young lawyers entering practice now are already expected to be proficient with AI research tools instead of book-bound libraries. The legal profession in Israel is thus on the cusp of change: not a wholesale replacement of humans with machines, but a redefinition of roles.

Challenges and Limitations of AI in the Legal System

While AI offers transformative opportunities for the legal sector, there are still significant challenges and limitations in the way of full integration. In this section, we will examine the key obstacles to incorporating AI into the legal field.

Accuracy and Reliability: The Risk of AI Hallucinations

One of the most pressing concerns regarding AI in the legal field is its reliability. Generative AI systems can produce responses that seem authoritative but may be entirely inaccurate or even fabricated, a phenomenon known as "AI hallucinations." This issue has already caused significant

[4] Ed Felten, Manav Raj, Robert Seamans, How will Language Modelers like ChatGPT Affect Occupations and Industries?, (1.3.2023), https://arxiv.org/ftp/arxiv/papers/2303/2303.01157.pdf

[5] ניצן שפיר, האלגוריתמים שעושים את העבודה של עורכי דין, גלובס, (26.2.2023), https://www.globes.co.il/news/article.aspx?did=1001439329

consequences in legal proceedings. For example, in New York, two lawyers were sanctioned after submitting a legal brief that cited six non-existent court cases generated by an AI chatbot.[6] Israeli courts have faced similar challenges, such as a recent case before the Supreme Court, where a petitioner referenced judicial precedents that did not exist, that appears to be generated by AI. The Court dismissed the petition and fined the petitioners 7,000 shekels for misusing AI-generated materials.[7]

Recent studies underscore the ongoing challenge of AI "hallucinations" in legal research, with even advanced AI tools like Lexis+ AI and Westlaw AI-Assisted Research experiencing hallucination rates between 17% and 33%.[8] The 2024 Generative AI in Professional Services Report by Thomson Reuters highlights that concerns over accuracy continue to limit AI adoption among legal professionals.[9] Moreover, the Harvey "BigLaw Bench" dataset stresses the need for sophisticated evaluation metrics to assess AI performance in complex legal tasks, reinforcing the necessity of human oversight.[10] In a profession where precision and reliability are paramount, addressing these accuracy challenges is essential for AI's integration into the legal sector.

Ultimately, the legal profession bears responsibility for ensuring the accuracy of information, regardless of the tools used.

Confidentiality, Data Security, and Ethical Constraints

Another significant barrier to AI adoption in the practicing of law is the handling of sensitive legal data. AI systems, which are based on "learning" from current and previous cases, require access to large volumes of legal documents, client information, and case files to function effectively. Using AI-powered tools in legal practice frequently involves cloud-based storage and third-party servers. While the safety of online data storage is an issue not unique to AI systems, and is likely delt with in many law firms regardless of AI tools, the sheer amount of data required to train AI models makes concerns about confidentiality, data breaches, and compliance with professional ethical standards all the more pressing.

Israeli lawyers must navigate complex privacy regulations to ensure that client data is protected when leveraging AI tools. The potential for data leaks or unauthorized access to privileged legal information poses a serious ethical risk. Law firms and courts must implement strict encryption, secure storage solutions, and controlled access mechanisms to mitigate these vulnerabilities. Additionally, there is a growing need for transparency in how AI interacts with legal data, ensuring that both clients and practitioners understand how their information is being processed and stored.

[6] https://www.theguardian.com/technology/2023/jun/23/two-us-lawyers-fined-submitting-fake-court-citations-chatgpt
[7] https://www.calcalistech.com/ctechnews/article/rnluzwzhf
[8] **Hallucination-Free? Assessing the Reliability of Leading AI Legal Research Tools** https://law.stanford.edu/wp-content/uploads/2024/05/Legal_RAG_Hallucinations.pdf
[9] **2024 generative AI in professional services** https://www.thomsonreuters.com/en/reports/2024-generative-ai-in-professional-services
[10] https://www.harvey.ai/blog/introducing-biglaw-bench

Bias and Fairness

The risk of bias in AI-driven legal decision-making is another critical challenge. AI models are trained on vast datasets, which may contain historical biases embedded within previous legal rulings, sentencing patterns, or case law. If left unchecked, these biases could be perpetuated—or even amplified—by AI systems, leading to discriminatory legal outcomes.

One of the most well-known examples of AI bias in the legal field is **COMPAS** (Correctional Offender Management Profiling for Alternative Sanctions), a risk assessment tool used in the U.S. to predict the likelihood of recidivism. COMPAS analyzes factors like prior convictions, offense severity, employment status, and personal relationships to generate risk scores for defendants.

However, a 2016 ProPublica investigation found that COMPAS disproportionately classified Black individuals as high-risk for reoffending compared to White individuals with similar criminal histories.[11] Among defendants who did not reoffend, Black individuals were twice as likely as White individuals to be incorrectly labeled as high-risk. Conversely, White defendants who later reoffended were more often labeled as low-risk, despite similar backgrounds.

The lack of transparency in AI decision-making, often referred to as the "**black-box problem**", has fueled ongoing debates about AI fairness. Ensuring fairness requires continuous evaluation, ongoing updating of data used to train the models, regulatory oversight, and bias mitigation strategies to prevent AI from reinforcing systemic inequalities.

Regulatory Barriers

The integration of AI into legal practice is shaped not only by technical and ethical concerns but also by regulatory barriers. Many jurisdictions, including Israel, have strict laws that limit the provision of legal advice to licensed attorneys, preventing AI-powered tools from fully operating in legal advisory roles. A striking example of this occurred in January 2023, when the American company DoNotPay developed a lawyer-bot intended to represent a client who had received a speeding ticket. The plan was for the client to appear in court with an earpiece, through which the bot-lawyer would relay defense strategies and guide the client on what to say. However, this vision of a futuristic courtroom was quickly halted due to strong opposition from the U.S. Bar Association and threats of imprisonment for the client, leading the company to retract its announcement of the groundbreaking launch.[12]

[11] https://www.propublica.org/article/how-we-analyzed-the-compas-recidivism-algorithm
[12] Bobby Allyn, "A robot was scheduled to argue in court, then came the jail threats", NPR, (25.1.2023), https://www.npr.org/2023/01/25/1151435033/a-robot-was-scheduled-to-argue-in-court-then-came-the-jail-threats

Spotlight: Utah's Legal Services Regulatory Sandbox

Utah's Legal Services Regulatory Sandbox, launched in 2020 by the Utah Supreme Court, serves as a pioneering model for integrating legal technology through regulatory flexibility. The sandbox allows both traditional and non-traditional legal service providers, including startups and legal tech companies, to experiment with new business models and innovative technologies under relaxed regulations. This flexibility includes permissions for non-lawyers to invest in or own legal firms and the use of AI-driven tools to streamline processes such as e-discovery, contract analysis, and litigation prediction.

The sandbox is designed to promote competition and innovation in a traditionally rigid sector by reducing the regulatory barriers that often hinder technological progress. By relaxing specific rules—such as fee-sharing and ownership restrictions—the sandbox fosters an environment where firms can innovate, experiment, and gather data on the effectiveness of AI tools and other technological solutions. This regulatory model has attracted a range of entities, including those focused on using AI to reduce legal costs and improve operational efficiency.

This experiment in regulatory flexibility demonstrates that traditional legal services can benefit from increased competition, leading to the development of more cost-effective and technologically advanced solutions.

The sandbox has received positive feedback and is regarded as a success in terms of fostering innovation and competition. By allowing controlled, data-driven experimentation, Utah provides a valuable example for other regions looking to balance regulatory oversight with the need for innovation in the legal sector.

Towards a Hybrid Economy: Balancing AI and Human Judgment

While AI offers undeniable benefits for improving efficiency, accuracy, and accessibility in the legal sector, significant challenges remain that prevent full automation. Issues related to reliability, ethical concerns, bias, confidentiality, and accountability underscore the necessity of human oversight in legal decision-making. AI may assist lawyers and judges, but it cannot replace the depth of human reasoning, moral judgment, and contextual interpretation required in the legal profession.

The future of AI in law will likely follow a hybrid model, where AI enhances the work of legal professionals rather than supplanting them. Courts and law firms must strike a balance between leveraging AI's capabilities while maintaining the core principles of justice, fairness, and public trust. As AI continues to evolve, its role in the legal system must be carefully managed to ensure that technology serves as an instrument of legal enhancement rather than a source of legal uncertainty.

Chapter 2:
Global Approaches to AI Integration in the Legal Sector

The integration of AI into the legal sector is a challenging endeavor, involving multiple facets of state-level strategic planning and policy implementation. Different countries have approached AI adoption with a variety of perspectives, each focusing on several key areas to advance legal systems. These perspectives include:

- **Frameworks and standards for AI Use by Legal Professionals**: Developing and implementing ethical standards and guidelines to govern the use of AI in legal practice and judicial decision-making.
- **AI Literacy for Legal Professionals**: Initiatives aimed at enhancing the technological literacy of legal professionals, ensuring they are equipped to work with new technologies effectively.
- **Integration of AI into State Legal Systems**: Incorporation of AI tools into national judicial processes, including smart courts and virtual hearings to improve efficiency and access to justice.
- **Support for Legal Tech Startups**: Encouraging the growth of new legal technology companies through funding, mentorship, and collaboration initiatives to innovate in legal practice.

This chapter explores some of these global initiatives, highlighting key examples from various countries that demonstrate their approaches to AI integration in the legal sector.

Frameworks and standards for AI Use by Legal Professionals

Several countries have taken steps to issue formal guidelines on the use of AI in their judiciary systems. In 2023, **UNESCO** called for formal guidelines for AI use in courts and tribunals to ensure alignment with justice, human rights, and the rule of law.[13] In the **United Kingdom**, the Courts and Tribunals Judiciary published guidance for judicial office holders in 2023, outlining AI's role within judicial processes. Similarly, **Brazil's Conselho Nacional de Justiça** (CNJ) introduced Resolution No. 332 in 2020, addressing ethics, transparency, and governance in AI's use in the judiciary.[14] **New Zealand** also released guidelines for the use of generative AI in courts and tribunals in 2023. Additionally, **Canada's Federal Court** issued interim principles and guidelines in 2023, alongside a notice to the legal profession about AI's use in court proceedings. In the United States, **the American Bar Association (ABA)** issued its first Ethics Guidance on the use of AI tools by lawyers. This guidance

[13] https://www.unesco.org/en/articles/unesco-launches-open-consultation-new-guidelines-ai-use-judicial-systems

[14] For guidelines issued by the bodies that govern the judiciary and courts, see: UK Courts and Tribunals Judiciary, 'Artificial Intelligence (AI) - Guidance for Judicial Office Holders' (2023) <https://www.judiciary.uk/wp-content/uploads/2023/12/AI-Judicial-Guidance.pdf>; Conselho Nacional de Justiça, 'Dispõe Sobre a Ética, a Transparência e a Governança Na Produção e No Uso de Inteligência Artificial No Poder Judiciário e Dá Outras Providências' (Conselho Nacional de Justiça (CNJ) 2020) Resolução No 332 <https://atos.cnj.jus.br/atos/detalhar/3429>; Courts of New Zealand, 'Guidelines for Use of Generative Artificial Intelligence in Courts and Tribunals' (2023) <https://www.courtsofnz.govt.nz/going-to-court/practice-directions/practice-guidelines/all-benches/guidelines-for-use-of-generative-artificial-intelligence-in-courts-and-tribunals/>; Federal Court, 'Interim Principles and Guidelines on the Court's Use of Artificial Intelligence' (2023) <https://www.fct-cf.gc.ca/en/pages/law-and-practice/artificial-intelligence>; Federal Court, 'Notice to the Parties and the Profession: The Use of Artificial Intelligence in Court Proceedings' (2023) <https://www.fct-cf.gc.ca/Content/assets/pdf/base/2023-12-20-notice-use-of-ai-in-court-proceedings.pdf>

underscores the importance of maintaining client confidentiality, understanding AI's limitations, and avoiding biases in AI-driven recommendations, ensuring AI is used responsibly and transparently in legal practice. These diverse guidelines reflect a global commitment to establishing ethical standards for AI in the legal field.

The Ethics Committee of the **Israel Bar Association** has also published a formal opinion addressing the ethical risks that lawyers may face when using AI platforms.[15] This guidance emphasizes the importance of responsible and ethical AI integration, focusing on transparency, privacy, and accuracy in legal practice. Lawyers are advised to maintain professional oversight when using AI tools for legal drafting or advice. The opinion also highlights the risks of bias in AI systems and stresses the need to protect client confidentiality when employing such technologies.

AI Literacy for Legal Professionals

Several international bodies and state-led initiatives are working to enhance AI literacy among legal professionals and ensuring the effective adoption of these technologies. In this spirit, **UNESCO** has been providing specialized training for judges on technological issues, including AI, and has launched an online course to train legal professionals on AI's use in judicial systems.

The European Union (EU) has developed comprehensive training programs and resources to bolster legal tech literacy among legal practitioners, as part as its AI4Lawyers initiative. These programs focus on familiarizing lawyers with AI applications in the legal field, ensuring they can leverage these technologies responsibly and effectively.[16]

The Dubai Legal Affairs Department offers courses and training programs to equip legal professionals with the necessary skills to navigate the evolving landscape of AI in the legal sector.[17]

In the United States, **the American Bar Association (ABA)** launched the AI in Legal Services Program to promote AI adoption in legal practices by offering best practices, guidelines for ethical AI use, educational resources, and support for pilot projects to integrate AI.

The Singapore Academy of Law (SAL) has also been instrumental in advancing legal tech adoption. Through initiatives like the Future Law Innovation Programme (FLIP), SAL provides mentorship and funding to legal tech startups, offers workshops and training for legal professionals on AI applications, and fosters collaborative projects to test AI tools in real-world legal contexts. Additionally, in partnership with AI Singapore, SAL introduced a certification scheme to recognize lawyers specializing in responsible AI, covering ethics, governance, and privacy in AI use.[18] This scheme complements SAL's existing Specialist Accreditation in Data & Digital Economy and keeps legal professionals updated on AI regulations in major jurisdictions.

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[15] https://www.gov.il/BlobFolder/generalpage/ai_info_law/he/%D7%92%D7%99%D7%9C%D7%95%D7%99%20%D7%93%D7%A2%D7%AA%20%D7%91%D7%A2%D7%A0%D7%99%D7%99%D7%9F%20%D7%A9%D7%99%D7%9E%D7%95%D7%A9%20%D7%91%D7%91%D7%99%D7%A0%D7%94%20%D7%9E%D7%9C%D7%90%D7%9B%D7%95%D7%AA%D7%99%D7%AA%20%D7%91%D7%A2%D7%91%D7%95%D7%93%D7%AA%20%D7%A2%D7%95%D7%A8%D7%9B%D7%99%20%D7%94%D7%93%D7%99%D7%9F%20(2024).pdf

[16] Material – AI4Lawyers

[17] https://training.legal.dubai.gov.ae/law-gpt-the-future-of-legal-practice-with-ai-part-1/?lang=en

[18] https://connect.aisingapore.org/news/providing-lawyers-with-a-leg-up-in-navigating-ai-for-legal-practice/

Integration of AI into State Legal Systems

State systems around the world are increasingly incorporating AI into the legal framework to enhance judicial efficiency and access to justice:

Canada launched the Civil Resolution Tribunal in British Columbia, the country's first online tribunal, which serves as an accessible and affordable platform for resolving disputes without requiring a lawyer or court attendance.[19] This Online Dispute Resolution (ODR) system utilizes AI to provide free legal information, assist with negotiation and mediation, and offer adjudication as a last resort.

Estonia, known for its advanced digital infrastructure, has implemented a digital court system that leverages AI to streamline judicial processes through automated document management and virtual hearings. Estonia has also announced plans to use AI as a judge for small claims disputes not exceeding €7,000, with the option for parties to appeal AI decisions to a human judge.

In **India,** virtual courts were initially introduced as a response to the COVID-19 pandemic and are now being proposed for regular use. The Indian Supreme Court issued guidelines for operating courts through video conferencing, and AI has been applied for tasks like translating legal documents into regional languages and conducting data mining for legal research.[20]

In **China**, the integration of AI into the judicial system is advancing rapidly through the development of "smart courts," where AI can issue judicial decisions. Judges who wish to deviate from these AI-generated rulings must submit written justifications, reinforcing the influence of algorithmic recommendations. The first such initiative, the Hangzhou Internet Court—established in 2017—was designed to handle civil and administrative cases entirely online. Elsewhere, the Hainan High People's Court uses AI to standardize sentencing practices, aiming to reduce disparities across similar cases. In Shanghai, the No. 2 Intermediate People's Court has implemented the "206 system," an AI-powered tool that supports the management of criminal trial procedures.

Investment in Legal Technology

Countries have been investing in legal technology to facilitate the adoption of Artificial Intelligence across the legal sector:

Singapore has launched several initiatives to support legal technology adoption among law firms. Beginning in 2017, the "Tech Start for Law" program,[21] a collaboration between the Ministry of Law, the Law Society of Singapore, and SPRING Singapore, was created to help law firms leverage technology for improved service delivery. Under the "Tech-celerate for Law" program, law practices can receive up to 70% funding support for adopting baseline and advanced technology solutions, with funding caps of up to $30,000 for baseline tools and $100,000 for advanced ones. Recognizing the challenges faced by small and medium-sized firms in going digital, the Ministry also developed the Legal Technology Platform (LTP), launched in 2022, to integrate legal workflows with commonly used legal tech tools and public services, simplifying matter management and collaboration.

[19] Home - BC Civil Resolution Tribunal
[20] **Urvashi Aneja and Dona Mathew, 'Artificial Intelligence in India's Judicial System: A Case of Organised Irresponsibility?' (2023)**:
[21] https://www.mlaw.gov.sg/news/press-releases/govt-steps-up-support-to-help-singapore-law-practices-adopt-tech/

LawTech UK, an initiative backed by the Ministry of Justice in the **United Kingdom**, plays a pivotal role in driving digital transformation within UK's legal sector. LawTech UK supports legal tech startups through funding, grants, and resources, helping to advance AI and other digital solutions within legal services. Additionally, LawTech UK fosters a community of innovators by sponsoring hackathons, workshops, and roundtables that bring together legal professionals, technologists, and academics to develop AI-driven tools for case management, contract analysis, and Online Dispute Resolution (ODR).

The global experiences reviewed in this chapter demonstrate a wide range of strategies for integrating AI into the legal sector - each shaped by distinct legal traditions, regulatory frameworks, and institutional capacities. These examples offer valuable insights into both the promise and complexity of leveraging AI to enhance legal systems. As Israel begins to chart its own course, it can draw on this international knowledge base while tailoring solutions to its specific legal, technological, and societal context. The next chapter outlines a strategic framework for advancing responsible and effective AI integration within Israel's legal ecosystem.

Chapter 3: Roadmap to AI Implementation in the Legal Sector

A Four-Stage Model for AI Adoption Across Sectors

The four-stage model for AI adoption is an analytical framework designed to streamline the integration of AI across diverse sectors. Developed by RISE-Israel as part of the AIForward project, this model offers a structured roadmap that provides a practical yet comprehensive approach to AI implementation. With suitable modifications, this model can be adapted for various other sectors, enabling a clear breakdown of the adoption process into well-defined stages and facilitating comparative analysis of AI adoption across different sectors. One key assumption of the model is that **technology, and especially AI, is moving much faster than the ability of public systems to change**.

AI's disruptive potential, coupled with its rapid evolution, means we can't clearly predict what systems like courtrooms, classrooms, medical centers, or transportation will look like in ten years. This makes it difficult to lay out a fixed roadmap from the outset. Instead, we need to remain flexible and ready to adapt as we go, while still working within a certain framework. The power of the proposed model lays in its comprehensive approach, considering both **short-term pragmatic solutions and long-term systemic changes**.

Applying the Model to the legal sector

The legal sector is characterized by some different key factors, compared toother fields examined in this project, such as education and healthcare. Unlike these primarily public sectors, the legal field is mainly private, with various public entities overseeing its operations (such as the Bar Association, the Ministry of Justice, and the Court Administration). This sector is also unique in that it spans both

lawyer-client and government-citizen relations and requires adherence to strict ethical and professional regulations and standards.

Although interest in AI among lawyers and judges is growing, it remains a relatively new field, still in its early stages. The legal profession, known for its adherence to tradition, encounters challenges in adapting to change, as established work practices and the current structure of billable hours can sometimes discourage the rapid adoption of efficiency-driven innovations. Additionally, the sector is grappling with significant infrastructural hurdles, including the need for comprehensive digitization of the court system. There are also numerous ethical and privacy concerns regarding the use of AI in managing sensitive legal proceedings.

On the other hand, there is also a risk that the use of AI will rapidly expand in the market without the judicial system being adequately prepared to handle it. As AI-driven technologies make legal services more accessible and reduce the cost of filing lawsuits, there could be a significant increase in the number of claims filed. This could inadvertently increase the workload on courts in ways they are not equipped to manage, exacerbating existing pressures. Therefore, it is crucial for courts to actively embrace the AI revolution and initiate the integration of AI into their operation. Failing to do so could leave the judicial system struggling to cope with new demands, ultimately creating a more severe challenge than the one we face today.

Our model offers a clear roadmap, guiding the legal sector's evolution through a phased, four-stage approach. Adapting the legal sector to the era of AI requires a balanced approach that includes continuously enhancing the skills of legal professionals, carefully selecting and implementing effective AI tools, upgrading digital infrastructure to support secure and private data management, and revising legal practices to integrate AI while maintaining ethical standards. Additionally, it will be necessary to reform regulations and legislation as needed to accommodate new AI applications.

Stage 1: Experimentation – The virtual Paralegal

Stage 1 focuses on introducing AI tools to the legal sector with the primary goal of encouraging stakeholders to explore and experiment with these technologies. This stage engages three key groups: legal professionals, the judicial system, and litigants. It aims to help them harness the potential of AI tools while emphasizing the importance of responsible usage and fostering foundational skills for effective and ethical integration in the future.

Stage 2: Assistance – Streamlining Legal Processes

Stage 2 marks the transition of AI from private experimentation to an integral part of the legal system. It introduces AI tools in areas where their data analysis capabilities provide significant value, while minimizing involvement in ethically complex decisions. This phase allows the system and the public to adapt to AI's presence, fostering confidence and ensuring its integration enhances efficiency and aligns with foundational principles.

Stage 3: Synergy – AI-Based Court

Stage 3 represents a pivotal step in the integration of AI into the legal system, transitioning from a supportive role to a central component in judicial processes. During this phase, specific areas are selected for pilot programs to fully incorporate AI in case management and decision-making. These pilots focus on cases where the use of AI can provide faster and more efficient resolutions, ensuring that the tools are applied in contexts that minimize ethical complexities while maximizing procedural efficiency. This approach not only tests the feasibility of AI-driven decision-making but also lays the groundwork for broader adoption in the future.

Stage 4: AI-Driven Justice – Transformative and Preventive Systems

Stage 4 represents a visionary future for the legal system — one that is still unknown, but full of possibility. In this phase, AI may go beyond improving existing processes to fundamentally rethinking how justice is achieved, shifting from reactive responses to proactive and preventive approaches. While we can't predict what lies ahead, we must dare to imagine — and begin laying the groundwork for what may come.

Stage 1: Experimentation – The virtual Paralegal

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Legal Professionals (Lawyers and Judges)

A recent UNESCO survey provides valuable insights into how legal professionals are engaging with AI, particularly generative AI, across the globe.[22] Conducted between September and December 2023, the survey gathered responses from 563 judges, prosecutors, lawyers, civil servants, and researchers in 96 countries. The results show that 44% of respondents had used AI tools in their professional activities, with 41% specifically using generative AI chatbots like ChatGPT. Legal professionals reported using AI chatbots primarily for searching (43%), drafting documents (28%), and brainstorming (14%). As the use of generative AI tools is rapidly increasing, these numbers are currently much higher and will continue to grow.

However, organizational support for AI use appears limited, with only 9% of respondents indicating that their organization had issued guidelines or regulations for using AI, and the same percentage had received AI-related training. Interestingly, 18% of respondents were unsure whether their organizations provided any such guidelines, highlighting a gap in awareness and institutional readiness for integrating AI into judicial workflows. This data reflects the early stages of AI adoption in the legal sector, where AI tools are beginning to play a role, but regulatory frameworks and training are still lacking.

At this first stage, we propose enhancing the use of AI tools by lawyers and judges, encouraging immediate experimentation. The goal is to guide legal professionals on **how to explore these tools wisely**, ensuring they maximize the benefits while understanding and managing the associated risks and challenges.

In the first stage of AI adoption in the legal sector, lawyers and judges can already utilize available tools to enhance their work efficiency. These AI-based tools can function as a **"virtual paralegal"** for each lawyer or judge, significantly saving time and improving the quality of legal services provided. Just as with a legal assistant or intern, it remains the lawyer's or judge's ethical duty to review the AI-generated output, ensuring accuracy and accountability to the client.

AI Literacy for Legal Professionals

To promote a deeper understanding of AI among legal professionals, it is essential to integrate AI training into every stage of legal education and law practice:

- **Law schools** should embed AI-focused courses into their curricula, equipping students with the foundational knowledge needed to integrate AI into their future legal practice. For practicing lawyers.
- **The Bar Association** should play a leading role by offering ongoing, subsidized training programs that adapt to the rapid pace of technological advancement. These programs should focus on practical applications of AI.
- **The court administration** should provide specialized training for judges, focusing on how AI can support judicial tasks while emphasizing the preservation of judicial independence and discretion.

[22] UNESCO Global Judges' Initiative: survey on the use of AI systems by judicial operators - UNESCO Digital Library

Ethical and Regulatory Frameworks

Alongside investing in AI literacy and promoting its responsible use, it is crucial to **establish clear regulatory and ethical frameworks for the use of AI by lawyers and judges**. While the Israeli Bar Association (IBA) has released initial guidelines for the use of AI in legal practice, ongoing updates and refinements are needed to address evolving needs and technological developments. To enhance the IBA's framework, it is essential to incorporate comprehensive ethical guidelines that include concrete examples and emphasize the necessity of ongoing training for legal professionals. Additionally, clear client communication protocols, comprehensive privacy and data security measures, and structured risk assessment frameworks, are essential to ensure that AI is used judiciously and transparently. By incorporating these elements, the IBA can provide a more robust and practical guide for integrating AI into legal practice, enabling lawyers to navigate the complexities of this transformative technology responsibly.

Moreover, the lack of a specific regulatory framework for judges' use of AI underscores the urgent need for tailored protocols that ensure both the responsible and effective integration of AI within the judiciary.

Furthermore, as part of the experimentation phase, we **recommend establishing a regulatory "sandbox" similar to the model implemented in Utah**. Such initiative would allow non-licensed individuals to provide legal services under controlled conditions, fostering innovation and expanding access to justice through technology. This approach involves temporarily adjusting traditional professional ethics rules concerning the exclusivity of the legal profession. Within this controlled environment, innovative service delivery models can be tested over a defined and limited timeframe, generating valuable insights while minimizing potential risks.

The Judicial System

The judicial system can benefit greatly from experimenting with AI tools in administrative processes. As a starting point, during the initial experimental phase, we believe it would be most appropriate to focus on the judicial system as a service provider to a broad population. Early efforts should prioritize the implementation of **AI-powered chatbots to improve communication between court secretariats and litigants**, streamlining processes and making information more accessible.

These chatbots can handle routine tasks such as scheduling hearings, filing motions, and providing procedural guidance. Introducing AI into these administrative workflows offers multiple benefits: reduced bottlenecks, faster service delivery, and more efficient allocation of human resources. This experimentation phase provides a low-risk opportunity to assess the practicality, limitations, and scalability of AI tools within the judicial system.

It is important to emphasize that this experimental phase is intended to be brief, serving as a foundation for a rapid and measured expansion of AI integration into more impactful areas of the system. By proving the effectiveness of AI tools in administrative functions early on, the judicial system can build confidence and momentum for broader adoption, ensuring that progress does not stall or become overly prolonged.

Spotlight: Los Angeles - Gina, the Online Traffic Avatar

The Superior Court of Los Angeles County has introduced an innovative online assistant named "Gina" to manage the high volume of traffic citations, approximately 1.2 million annually. Previously, individuals needing assistance with traffic issues faced wait times of up to 2.5 hours due to courthouse closures and reduced staffing. Gina, also known as the "Jury Bot," leverages machine learning for real-time language translation and natural language understanding, allowing it to serve users in five different languages.

Each week, Gina assists over 4,000 residents, helping them with tasks such as paying fines, scheduling court appearances, and navigating the legal process related to traffic tickets. This digital avatar has successfully reduced wait times to just 8-12 minutes, significantly enhancing accessibility and providing a user-friendly experience in Los Angeles' traffic court system.

Litigants

For clients, AI tools can democratize access to legal information and improve their understanding of their rights. One practical application could **be integrating an AI-powered chatbot into Israel's "Kol Zchut" platform**. The Kol Zchut website is a platform that consolidates laws and rights, making them accessible to the public. The website is supported by the Ministry of Justice and the National Digital Agency. such chatbot would provide personalized, easy-to-understand guidance on various legal issues, empowering individuals to navigate their situations with greater confidence. By simplifying access to legal knowledge, AI tools can reduce the barriers faced by individuals who lack legal representation or struggle to engage with the complexities of the judicial system. These early experiments can pave the way for broader adoption of AI in client-facing services, ultimately improving access to justice.

Summary of Recommendations for Stage 1

In the first phase, the focus should be on building foundational skills, fostering AI literacy, and establishing a regulatory and ethical framework to guide the responsible adoption of AI tools in the legal sector. This phase emphasizes gradual implementation and ensuring accessibility for all stakeholders.

1. Legal Professionals (Lawyers and Law Firms)

AI Literacy for Legal Professionals:

- Introduce AI courses in law school curricula to prepare future lawyers, providing them with basic AI literacy as well as relevant guidelines on the legal use of these tools, ensuring they understand their ethical, regulatory, and practical implications in legal practice.
- Incorporate AI competency as part of the bar exam.
- Provide subsidized training programs for practicing lawyers and judges to ensure they remain up-to-date with AI advancements.

Ethical and Regulatory Frameworks:

- Updating the Israeli Bar Association Framework.
- Establishing a Dedicated Framework for Judge.
- Adapting Relevant Regulations - Identify and implement necessary adjustments to existing laws, such as privacy legislation, to accommodate AI integration in the legal system.
- Creating a Regulatory Sandbox: Develop a controlled environment, similar to the initiative in Utah, where traditional professional ethics rules regarding the exclusivity of the legal profession are temporarily modified.

2. The Judicial System

Gradual Introduction of AI Tools:

- Implement AI-powered chatbots in court secretariats to handle administrative tasks, such as scheduling and filing, to streamline court operations and reduce the workload on human staff.

3. Litigants

Enhancing Public Access to Legal Information:

- Develop client-facing tools, such as AI-powered chatbots on platforms like "Kol Zchut," to provide accessible and accurate legal guidance.

This foundational phase sets the stage for further AI integration, equipping all stakeholders with the skills and tools needed to engage with AI responsibly and effectively.

Stage 2: Assistance – Streamlining Legal Processes with AI Integration

Stage 2 marks the transition of AI from individual experimentation to an integral part of the legal system. It introduces AI tools in areas where their data analysis capabilities provide significant value, while minimizing its involvement in ethically complex decisions. This phase allows the system and the public to adapt to AI's presence, fostering confidence and ensuring its integration enhances efficiency and aligns with foundational principles.

The Judicial System

In the second phase, we propose integrating AI more deeply into the judicial system, focusing on tools that support and enhance the work of judges and the overall management of the courts. The aim is not only to make judicial processes more efficient but also to ensure they are data-driven and less prone to error.

As noted earlier, integrating new technologies into the judicial system presents significant challenges. These include concerns over the reliability of the technology, the difficulty of implementing change in a traditionally conservative system, and the need to maintain public trust. Therefore, we suggest that at this stage, the emphasis should be on tools that accompany and assist judges without interfering with their decision-making.

These are the areas we believe should be the primary focus of attention:

- **Real-Time Transcription of Court Proceedings**: AI-powered transcription tools can provide accurate, real-time records of court hearings. This reduces the administrative burden on court staff and ensures that judges and attorneys have immediate access to detailed transcripts, which can improve case management. Additionally, the systematic transcription of court proceedings facilitates the collection of comprehensive legal data in Hebrew, which can be invaluable for advancing research, developing AI tools tailored to the judicial system, and promoting data-driven policymaking in the future.
- **Evidence Organization and Case Fact Management**: AI systems can process and organize large volumes of evidence and case facts, presenting them in a clear, structured manner. This allows judges to focus on the substantive aspects of cases without being overwhelmed by administrative details, ultimately leading to better-informed decisions.
- **AI-Driven Case Assignment and Management**: Intelligent systems can optimize the routing and allocation of cases by considering factors such as urgency, required expertise, and judges' workloads. This ensures cases are assigned to the most suitable judges, enhancing efficiency and reducing delays in the judicial process.
- **AI-Powered Anomaly Detection for Judicial Decisions**: As a more advanced step, we propose the introduction of AI-powered anomaly detection tools to review judicial decisions post-ruling. These systems can identify potential inconsistencies or deviations from legal precedents, promoting fairness and alignment with established jurisprudence. It should be clarified that these tools are intended to serve as an additional internal layer of support, complementing rather than substituting judicial judgment.

By focusing on these areas, we believe that the judicial system can reap the benefits of AI while addressing the unique challenges for its implementation, laying the groundwork for a more efficient, accessible, and fair judiciary.

Legal Professionals (Lawyers and Law Firms)

As law firms increasingly acknowledge the value and potential of AI tools, their adoption into the practice of law is expected to accelerate significantly.

To fully realize the potential of AI in the legal sector, collaboration between leading law firms and the judicial system is crucial. We propose the **creation of a centralized Hebrew-language legal database** as a key initiative in Phase 2. This database would enable the development and training of AI models specifically tailored to Israel's unique legal framework, improving the precision, relevance, and effectiveness of AI tools for the Israeli legal context. By fostering data sharing and cooperation among stakeholders, this initiative can lay the foundation for more advanced and impactful applications of AI in the legal profession.

Litigants

In the second phase, we propose integrating AI into areas where it provides direct value to clients and litigants interacting with the judicial system. This phase focuses on leveraging AI to improve access to justice and streamline legal processes for the public, making them more efficient, accessible, and user-friendly.

The Pre-Trial AI Mediation Pilot

As a key initiative in this phase, we propose an innovative pilot project: **The Pre-Trial AI Mediation Pilot.** This project aims to help litigants in small claims courts to gain a clearer understanding of their case's potential outcomes **before** entering formal legal proceedings. By offering data-driven insights, the AI pilot encourages parties to consider mediation as an alternative to litigation, thereby reducing the need for court trials.

How the Pilot Works:

1. **Case Submission**: The process begins with both parties in a small-claims dispute submitting their side of the story, in plain language, along with any initial and easily accessible evidence they have — such as screenshots, messages, contracts, or other relevant documents — into a secured AI system.

2. **AI Analysis and Outcome Preview** : AI analyzes the information and provides each party with a "preview" of their case's likely outcome, including potential risks and success probabilities. This insight mimics the reasoning and potential decision of a judge.
3. **Mediation Opportunity**: Based on the AI-generated analysis, the parties are offered an optional mediation period, enabling them to resolve the dispute independently with the AI insights guiding their negotiations. The outcome represents prediction and forecasting only, and it is not binding on the parties, let alone a human judge who may adjudicate the case if it proceeds to trial.

Goals and Benefits

- **Informed Decision-Making:** The AI pilot empowers litigants by offering a realistic understanding of their case's strengths, weaknesses, and likely outcomes. This helps them decide whether to pursue mediation or proceed to trial.
- **Encouraging Mediation:** By providing a clear perspective on risks and opportunities, the system promotes early resolutions through mediation, minimizing the need for formal trials, and allowing courts to allocate resources more efficiently.
- **Faster and Cost-Effective Resolutions:** Litigants benefit from quicker, less costly dispute resolutions, compared to traditional court proceedings.
- **Accessibility and Simplicity:** Designed specifically for small claims courts, where parties often represent themselves without legal counsel, the process is accessible, straightforward, and easy for non-legal professionals to understand.

The Pre-Trial AI Mediation Pilot exemplifies how AI can enhance access to justice while improving efficiency and outcomes for litigants and the judicial system alike. By focusing on small claims courts as a starting point, the project sets a precedent for broader applications of AI in resolving disputes and optimizing legal processes.

Summary of Recommendations for Stage 2

In the second phase, we focus on moving from individual experimentation with AI tools to an institutionalized and organized implementation within the legal system. The goal is to streamline processes, improve efficiency, and create tangible benefits for all stakeholders, while addressing challenges related to trust, technology adoption, and reliability.

As part of Phase 2, we propose focusing on the following areas:

1. The Judicial System

- **Real-Time Transcription**: Introducing AI-powered transcription tools to provide accurate, real-time court records. This reduces administrative workloads, improves case management, and facilitates the creation of a comprehensive legal Hebrew database to support future AI advancements.
- **Evidence Organization**: Deploying AI systems to process and structure large volumes of evidence and case facts, enabling judges to focus on substantive decision-making.

- **AI-Driven Case Assignment and Management**: Developing systems to route and allocate cases efficiently, considering factors like urgency, judge expertise, and workloads to minimize delays.
- **AI-Powered Anomaly Detection for Judicial Decisions** can be introduced to flag inconsistencies in judicial decisions, ensuring alignment with legal precedents while respecting judicial independence.

2. Legal Professionals (Lawyers and Law Firms)

- **Establishing a Hebrew Legal Database** - Promote collaboration between leading law firms and the judiciary to create a comprehensive Hebrew-language legal data repository. This database will support the development and training of AI models specifically tailored to Israel's legal system, enhancing their accuracy, relevance, and effectiveness.

3. Litigants

- **Pre-Trial AI Mediation Pilot**: AI should also deliver direct value to clients by simplifying access to justice and streamlining legal processes. A key initiative is the Pre-Trial AI Mediation Pilot for small claims courts: The proposed AI Pilot enables parties in small claims cases to submit their arguments and receive AI-generated predictions of likely outcomes and risks. This data-driven insight encourages mediation as an alternative to litigation.

Stage 3: Synergy – AI-Based Courts

The Judicial System

In the third phase, or the "Synergy Phase," we recommend introducing well-defined pilot projects that utilize AI to handle legal proceedings autonomously. These pilots will focus on straightforward cases involving low financial stakes, where AI systems can resolve disputes efficiently and fairly. The process will be fully automated and expedited, with human oversight and an option to appeal decisions to a human judge. Initially, participation in these pilots will be voluntary, offering litigants a faster, more affordable, and lawyer-free alternative to traditional court proceedings. This approach aims to encourage public participation and build trust in AI-driven judicial systems. The most suitable areas to begin this initiative are traffic courts (for minor violations) and Local Affairs Court.

AI-Based Courts: Key Elements of the Pilot

Focus on Traffic and Municipal Cases

The first pilot will address minor traffic violations and municipal penalties, which are ideal for automation due to their simplicity, clear legal frameworks, and standardized nature.

- **Automated Case Submission**: Litigants will submit their cases, evidence, and objections via an online platform.
- **AI-Driven Evaluation**: AI systems will analyze the information, cross-reference it with legal precedents and laws, and propose resolutions based on predefined legal parameters.

- **Transparent Decisions**: The system will issue rulings accompanied by detailed explanations to maintain trust and clarity.
- **Human Oversight and Appeal**: Litigants can appeal AI decisions to a human judge, ensuring access to traditional judicial review when necessary.

Spotlight: British Columbia's Online Dispute Resolution (ODR) System

British Columbia, Canada, is leading the way in using technology to modernize its justice system with the Civil Resolution Tribunal (CRT), the country's first online dispute resolution system. The CRT was launched to handle small claims and property disputes, allowing citizens to resolve legal matters entirely online without needing a lawyer or visiting a courthouse. This system represents a step toward a "smart court" model, making the legal process more accessible, efficient, and affordable.

Through the CRT, users can file claims, submit evidence, and participate in online mediation or adjudication from home, offering flexibility and convenience, especially for individuals who cannot afford legal representation or spare the time to attend court. The system also includes automated tools which guide users through the legal process with simplified instructions and case-specific legal information.

The CRT focuses on small claims (up to $5,000) and property disputes, areas that often create significant backlogs in traditional courts. By shifting these cases online, British Columbia has reduced the strain on its judicial system, providing quicker resolutions to disputes that might otherwise take months or years to resolve.

The CRT enhances access to justice by lowering costs and removing many procedural barriers found in traditional court systems. Since users aren't required to hire a lawyer, the process becomes more affordable, and the online nature of the tribunal allows for greater geographical access, helping individuals in remote or underserved areas to participate in legal proceedings.

Benefits of AI-Based Courts

- **Efficiency**: Automates routine cases, reducing backlogs, accelerating case resolution, and minimizing resource expenditure.
- **Accessibility**: Digital platforms enhance access to legal processes, particularly for individuals facing barriers in traditional courts.
- **Consistency**: Ensures uniform application of legal standards, reducing variability and potential biases in rulings.
- **Cost Reduction**: Lowers operational costs, making legal proceedings more affordable for both the judiciary and litigants.

Legal professionals (lawyers and judges)

The integration of AI-based judicial processes might initially raise concerns about the reduced involvement of human legal professionals in certain cases. However, we view this as a positive and transformative development. It will enable lawyers and judges to allocate their resources toward improving service quality, alleviating the heavy burden currently placed on the judicial system, and focusing on more complex cases, strategic management, and delivering better service to clients.

Summary of Recommendations for Stage 3

In the third phase, the focus is on piloting AI-based courts for specific types of cases, establishing safeguards to ensure trust and fairness, and designing systems that prioritize accessibility and affordability for the public. This phase seeks to demonstrate the potential of AI in case management and decision-making while maintaining the integrity of the judicial process, by following the outlined steps:

- **Launch Pilot Projects for AI-Based Courts:** Begin with minor traffic violations and municipal penalties, using AI to automate the resolution process.
- **Allow Human Oversight and Appeal**: So litigants can appeal AI-courts' decisions to a human judge, ensuring access to traditional judicial review when necessary.

Stage 4: AI-Driven Justice – Transformative and Preventive

Stage 4 is not a prediction, but a conceptual exercise. We present it as a way to challenge conventional thinking and explore how technology might fundamentally reshape, rather than simply optimize, legal systems. It encourages us to ask how technological tools can help achieve the underlying goals of justice in new ways: not only by improving existing processes, but by rethinking their very design. There are many possible versions of this future, and the purpose of this stage is not to define a single path, but to highlight the importance of preparing for a range of possibilities, some of which may exceed what we can currently imagine.

Rather than merely refining existing processes, Stage 4 invites us to consider how AI could transform the very experience of justice. The shift from human-dominated decision-making to AI-powered systems may alter the roles of judges, lawyers, and litigants in ways we are only beginning to understand. A key feature of this transformation is the automation of legal tasks traditionally performed by human professionals. Routine or procedural matters may be handled entirely by AI, reducing, or in some cases eliminating, the need for human involvement. This raises fundamental questions about what it means to participate in the legal process, and where human judgment should remain essential, particularly in complex or subjective legal matters.

This transformation is not abstract, it has tangible implications for specific domains of law. AI systems could become central players in areas such as contract law, intellectual property, and family law. They could automate tasks like document review, legal research, and drafting, using advanced machine learning models to streamline legal procedures and produce faster, potentially more consistent outcomes. At the same time, these developments would confront the limitations of AI in understanding the nuanced human experiences, emotions, and values that often influence legal decisions. In sensitive areas such as criminal law or child custody, where the consequences go far beyond data points, these limitations become especially critical.

In this new AI-driven legal era, the role of legal professionals is likely to evolve significantly. Lawyers may move away from traditional tasks toward roles that involve managing, designing, and auditing AI systems. They could play a central role in ensuring these technologies are developed and deployed ethically, addressing issues such as bias, transparency, and accountability. Additionally, they may support clients in navigating new, technology-driven forms of conflict resolution: from AI-assisted mediation to fully automated legal services.

A particularly significant aspect of Stage 4 is the potential disruption of the court system itself. Traditional courts may no longer be necessary in some types of disputes, as alternative mechanisms emerge. For example, smart contracts, self-executing agreements with terms encoded directly into software, could eliminate the need for judicial intervention in routine transactions. These contracts might include built-in dispute resolution protocols, automatically triggering responses when certain conditions are met. While such tools could streamline justice in routine matters, they also raise serious concerns around fairness, procedural safeguards, and the capacity of AI to navigate the full complexity of human conflict.

Stage 4 will demand continuous vigilance, adaptability, and collaboration across the legal ecosystem. As AI technologies become increasingly embedded in legal processes, policymakers, legal professionals, and technologists must work together to navigate the ethical, institutional, and societal challenges ahead. Questions around accountability, transparency, and the role of human judgment will only grow more urgent as automation expands.

While the future of AI in law is uncertain, its transformative potential is undeniable. Stage 4 serves as a call to action: for governments, legal professionals, and the public to engage actively in shaping this future. It is an invitation to rethink legal systems from the ground up, ensuring that technology serves the enduring principles of justice, fairness, and equity. Above all, it reminds us that imagination can, and should, outpace reality, and that we must begin preparing the ground for what may come.

Stage	Judicial System	Legal Professionals (Lawyers and Judges)	Litigants (Clients and the Public)
Stage 1: **Experimentation** **The Virtual Paralegal**	Introduce AI tools into **administrative tasks** (e.g., AI chatbots for scheduling hearings, filing motions). - Focus on low-risk, foundational experiments to reduce bottlenecks and build confidence.	- Encourage experimentation with AI tools. - Promote AI literacy through law school courses, bar exam competency, and subsidized training programs for lawyers and judges. - Develop guidelines for ethical and responsible AI usage. - Creating a Regulatory Sandbox where traditional professional ethics rules regarding the exclusivity of the legal profession are temporarily modified.	- Improve access to legal knowledge through tools like AI-powered chatbots on platforms such as *Kol Zchut*.
Stage 2: **Assistance - Streamlining Legal Processes**	- Deepen AI integration to streamline processes: 1. **Real-time transcription** for court hearings. 2. AI-assisted **case allocation** to optimize judicial efficiency. 3. **Anomaly detection tools** to review judicial decisions. 4. **AI-Powered Anomaly Detection for Judicial Decisions** to flag inconsistencies in judicial decisions.	- Promote collaboration between law firms and the judiciary to establish a **Hebrew legal database** for AI development.	- Pilot pre-trial AI mediation tools for **small claims courts**, offering litigants insights into case outcomes and encouraging mediation as an alternative to trials.
Stage 3: **Synergy – AI-Based Courts**	- Launch pilot projects for AI-driven courts to resolve simple, low-stakes cases. - Maintain transparency and human oversight to ensure trust and fairness in AI rulings.	A shift in the perception of the professional's role and the allocation of resources to areas where the human element holds greater value.	- Provide access to **AI-based courts** for minor cases (e.g., traffic and municipal violations), offering faster, cost-effective resolutions with an option to appeal rulings.
Stage 4: **AI-Driven Justice – Transformative and Preventive**			

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