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# **Generative AI in Practice: Clients Are Using AGI. What This Means for Attorneys**

**Mid-Hudson Chapter  
WBASNY  
January 2026**

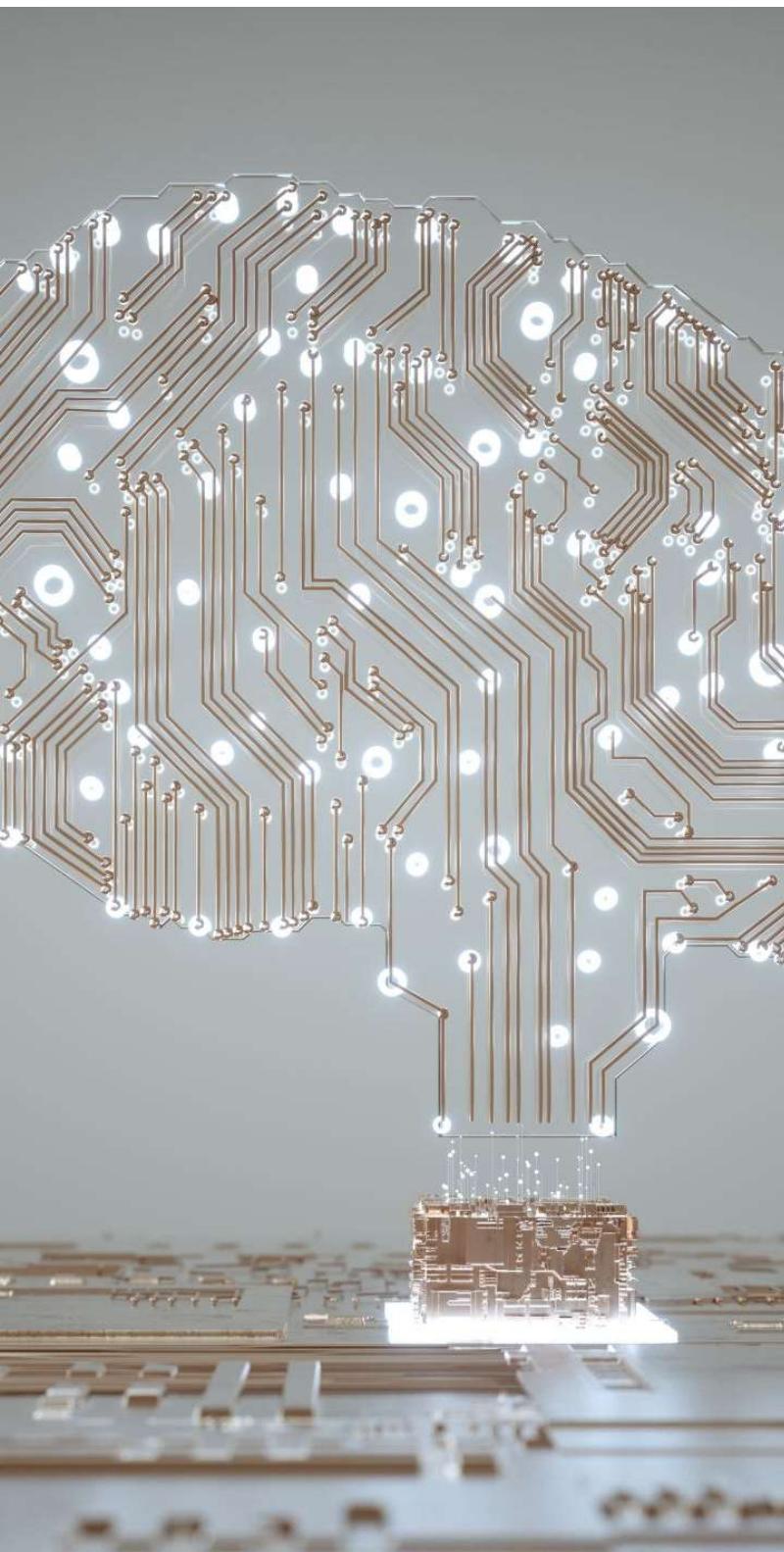
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# Roadmap

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- I. Framework for Discussion**
- II. Pros and Cons**
- III. How are clients using AI**
- IV. How do attorneys respond**
  - A. Ethical considerations**
  - B. Proposed Rule 161**
  - C. Court considerations**
  - D. Practical responses**
- V. Considerations for GAI and the Legal Practice**



# Framing our Discussion

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1. **AI (Artificial Intelligence)**: The field of computer science focused on creating intelligent machines capable of mimicking human cognitive functions like learning and problem-solving. This could be email autocomplete, PDF summary...
2. **Generative AI**: More specific than AI. This includes algorithms which can create new content such as text, images, pictures, synthetic data (DALL-E, Chat GPT, Co-Pilot, Spellbook)
3. **Artificial General Intelligence (AGI)**: Artificial General Intelligence (AGI): AI with human-level intelligence and ability to apply its intelligence to an intellectual human task.... Deep research (Perplexity, Claude, Gemini)

# GAI Platforms

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## LAW

**Casetext**

**Co-counsel**

**Spellbook**

**Westlaw**

**Lexis+AI**

## NON-LAW

**Gemini**

**Perplexity**

**Chat GPT**

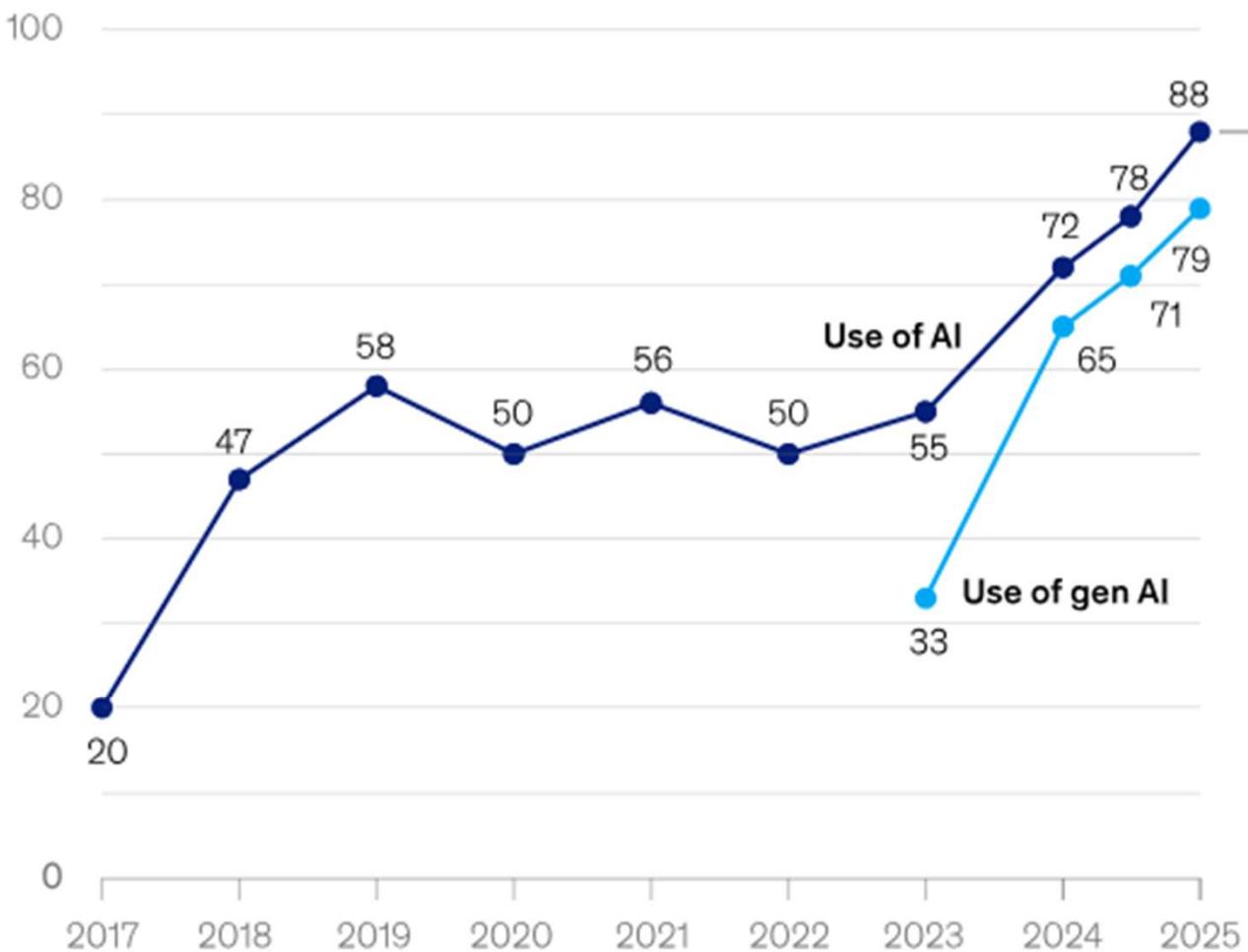
**Open AI**

**Deepmind**

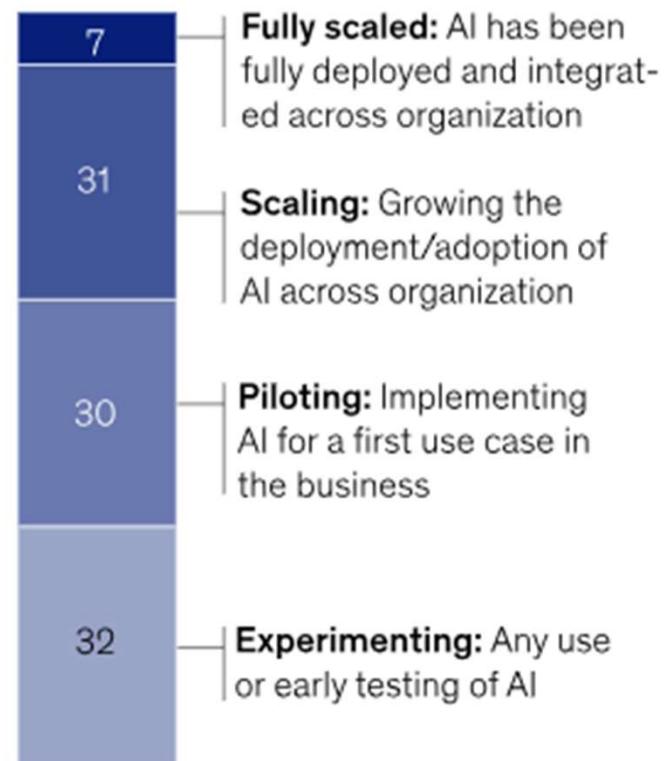
**Claude**

## Use of AI by respondents' organizations, % of respondents

Organizations that use AI in at least 1 business function<sup>1</sup>



Phase of AI use among organizations using AI in 2025



## McKinsey Study

<sup>1</sup>In 2017, the definition for AI use was using AI in a core part of the organization's business or at scale. In 2018–19, the definition was embedding at least 1 AI capability in business processes or products. From 2020, the definition was that the organization has adopted AI in at least 1 function, and in 2025, the definition was regular use of AI in at least 1 function.

Source: McKinsey Global Surveys on the state of AI, 2017–25

<https://www.mckinsey.com/capabilities/quantumblack/our-insights/the-state-of-ai>



23% percent of respondents in a McKinsey survey report organizations are scaling an agentic AI system somewhere in their enterprises (that is, expanding the deployment and adoption of the technology within at least one business function),



Additional 39% say they have begun experimenting with AI agents.



Most of those who are scaling agents say they're only doing so in one or two functions.



In any given business function, no more than 10% say their organizations are scaling AI agents



Source: McKinsey AI 2025  
<https://www.mckinsey.com/capabilities/quantumblack/our-insights/the-state-of-ai>

## Statistics



# Legal Statistics

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30-63% of lawyers using generative AI for tasks

Tasks include

- Legal Research (73%)
- Document Review (74%)
- Drafting (59%),
- Summarization (72%), driving efficiency but raising concerns about ethics and data security;
- Larger firms lead adoption,
- Smaller firms favor general tools like ChatGPT,
- Most legal pros expect AI to be central to their workflow within five years

Source: Bloomberg

<https://news.bloomberglaw.com/bloomberg-law-analysis/analysis-generative-ai-in-legal-practice-whos-using-it-and-how>

# Current Client Uses of GAI

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DOCUMENT/LETTER  
DRAFTING



FINDING RELEVANT  
CASES



ANSWERING LEGAL  
QUESTIONS



ANALYZING  
CONTRACTS



DETERMINING HOW  
OTHERS ANSWER A  
QUESTION



ANALYSIS OF  
DISPUTE  
RESOLUTION

# Why will Clients Use GAI

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Fast,  
immediate  
answers

Desire to do it  
yourself

Save money

Double check  
*the attorney's*  
work

Is there a  
confidence  
issue?

## Client Uses of GAI - Examples

“Do you mean my Chat GPT letter is not sufficient?”

“According to Claude we have 120 days to file an appeal.”

“You can fire someone after they run out of workers compensation time and you can cut off their health benefits immediately.”

1) It is here to stay.

2) GAI will only improve

3) If *you* don't use it,  
*you/your firm* will be left  
behind

5) Explain your value

6) Educate on GAI

# Rules of Engagement in the Client use of GAI World

**Lawyer**

**GAI**

With regard to...

Regarding

Above referenced . . .

Above mentioned

That it....

It

Designee . . .

Designer

Be in excess of. . .

More than

Legalese  
v English

# GAI Use Reality

**“GENERATIVE AI USE IS THE BEST THING IN THE WORLD TO GET YOU FROM ZERO TO ‘NOT BAD’ IN 60 SECONDS.”** NILOY RAY, CO-LEAD AI PRACTICE AT LITTLER MENDELSON QUOTED IN CNN ONLINE 12-30-25

# Current Attorney Uses of GAI

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1. **Document Review and E-Discovery**: Quickly analyzing vast amounts of documents for relevant information, privilege, and responsiveness.



2. **Legal Research**: Assisting lawyers in finding relevant case law, statutes, and regulations.



3. **Contract Analysis**: Reviewing and extracting key clauses and information from contracts.



4. **Predictive Analytics**: Forecasting litigation outcomes or the likelihood of certain legal events.



5. **Automated Document Generation**: Creating standard legal documents based on templates and user input.

# Pros and Cons of AI in Law

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## Pros

Efficiently performs repetitive tasks

Reduces human error

Increases efficiency

Augments human intelligence.

## Cons

Widen Justice Gap: Those with access to AI can achieve more. Lesser fortunate communities may not be able to access AI and thus not take advantage of it as much.

Data Privacy: The more use of AI means the more data is collected, stored and potentially used for nefarious purposes.

Security: Is the ghost in the machine and will it jeopardize not just computer security but actual security. (e.g. Ring, Simply Safe)

Reduction in creativity: Just as AI may foster creativity and innovation (e.g. create a rap song using a Shakespearian sonnet) many may decide to use AI instead of thinking or creating themselves.

Nuance of language. 'Similar' and 'equivalent' do not have the same meaning. AI may use them interchangeably and thus be less effective creating an argument.

Data Bias

(Source: NYSBA Report on AI, April 2024)

# Attorney Considerations with client use

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Ethics

Court Rules

Attorney  
Value Added

Hallucinations

The future!



# NYC Bar Opinion on Generative AI in the Practice of Law

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**“OPINION:** When using generative artificial intelligence tools, a lawyer should take into account the duty of **confidentiality**, the obligation to avoid **conflicts of interest**, the duty of **competence** and **diligence**, the rules governing **advertising** and **solicitation**, the duty to comply with the law, the duty to **supervise** both lawyers and non-lawyers, the duty of subordinate attorneys, the duty to **consult** with clients, the duty of **candor** to tribunals, the prohibition on making **non-meritorious** claims and contentions, the limitations on what a lawyer may **charge** for fees and costs, and the prohibition on discrimination.” [Formal Opinion 2024-5]



# Ethical Considerations

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**Competency Rule 1.1:** *“A lawyer should provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation.” NYS Rules of Professional Conduct (22 NYCRR 1200 et. seq.)*

# Diligence Rule 1.3

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a) *“A lawyer shall act with reasonable diligence and promptness in representing a client.”*



b) *“A lawyer shall not neglect a legal matter entrusted to the lawyer.”*

## **Confidentiality Rule 1.6 (CPLR 4503)**

*“Unless the client waives the privilege, an attorney or his or her employee, or any person who obtains without the knowledge of the client evidence of a confidential communication made between the attorney or his or her employee and the client in the course of professional employment, shall not disclose, or be allowed to disclose such communication, nor shall the client be compelled to disclose such communication, in any action, disciplinary trial or hearing, or administrative action, proceeding or hearing conducted by or on behalf of any state, municipal or local governmental agency or by the legislature or any committee or body thereof.”*

## **Confidentiality Rule 1.6 (CPLR 4503)**

‘Once a legal relationship is established, privilege encompasses confidential communications made between the client and attorney, which was made for the purpose of obtaining or providing legal assistance to the client.’ (see *Ambac Assur. Corp. v Countrywide Home Loans, Inc.*, 27 NY3d 616, 624 [2016]; *Spectrum Sys. Intl. Corp. v Chemical Bank*, 78 NY2d 371, 377-378 [1991]).



## Fees and Division of Fees Rule 1.5

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*“A lawyer shall not make an agreement for, charge, or collect an excessive or illegal fee or expense. A fee is excessive when, after a review of the facts, a reasonable lawyer would be left with a definite and firm conviction that the fee is excessive. The factors to be considered in determining whether a fee is excessive may include the following: (1) the time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly; (2) the likelihood, if apparent or made known to the client, that the acceptance of the particular employment will preclude other employment by the lawyer; (3) the fee customarily charged in the locality for similar legal services; -6- (4) the amount involved and the results obtained; (5) the time limitations imposed by the client or by circumstances; (6) the nature and length of the professional relationship with the client; (7) the experience, reputation and ability of the lawyer or lawyers performing the services; and (8) whether the fee is fixed or contingent.”*



## Fees and Division of Fees Rule 1.5

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*“A lawyer shall communicate to a client the scope of the representation and the basis or rate of the fee and expenses for which the client will be responsible. This information shall be communicated to the client before or within a reasonable time after commencement of the representation and shall be in writing where required by statute or court rule.”*

# Proposed New Rule 161 – Generative AI

“... the AI Advisory Committee believes that the best way to address the issue of AI-generated fabrications is through a certification, “implicit in the act of signing the paper” that the paper does not contain any false or fictitious material, which is already provided for in 22 NYCRR 130-1.1a. That approach is proposed in the model rule.”

- November 17, 2025 letter from OCA seeking public comment on proposed new rule 161.

# Proposed New Rule 161 – Use of Generative Artificial Intelligence Technology

161.1 Application

161.2 Definitions

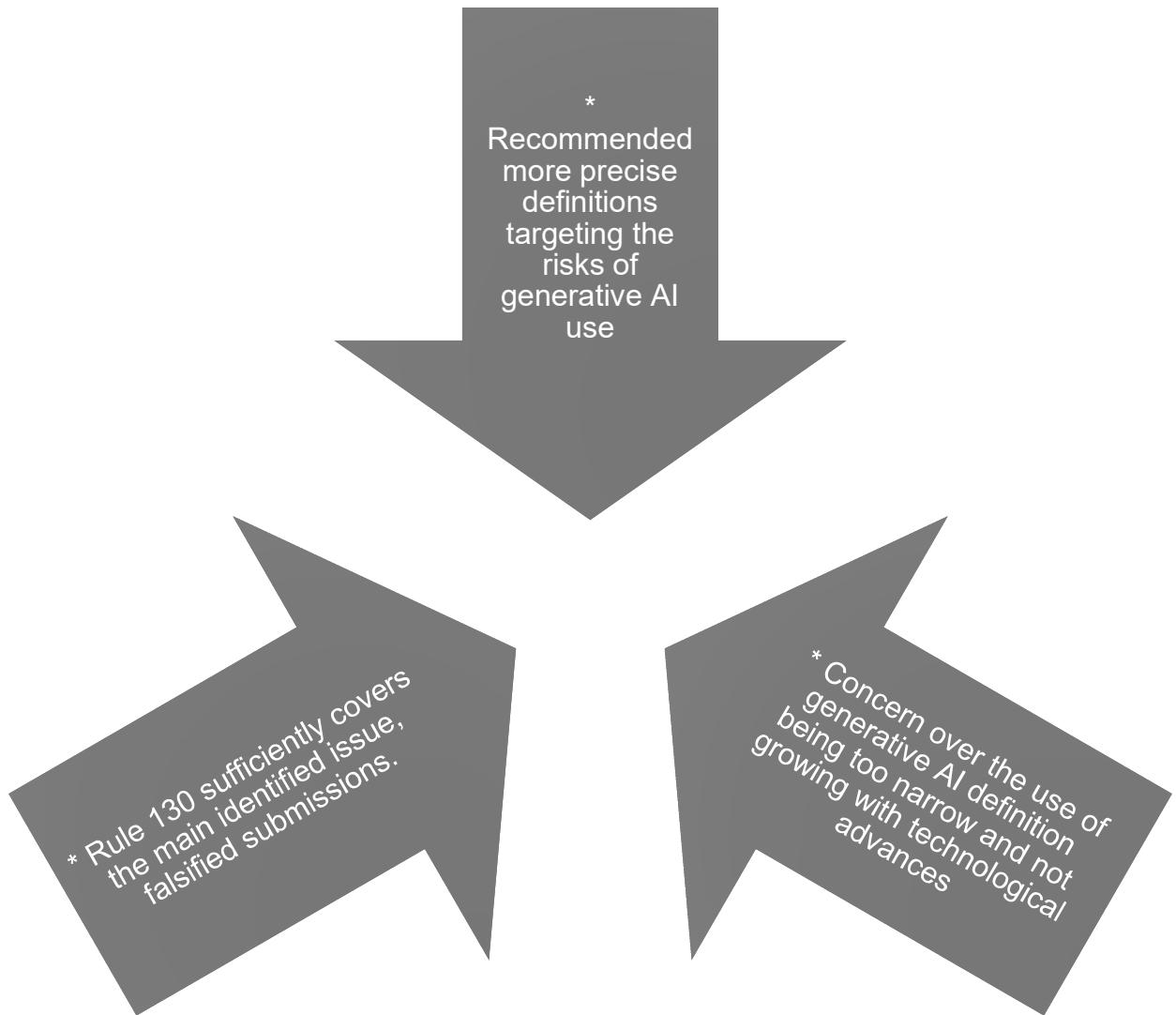
161.3 Policy

161.4 Model Rule

Every attorney or party who uses a generative artificial intelligence (AI) tool in preparing any paper submitted to this court is expected to understand that tool's capabilities and limitations. Attorneys and parties need to be aware that generative AI tools, among other risks and limitations, can generate fabricated information or fictitious citations to authority (commonly known as hallucinations). Under existing rules, by signing a paper and submitting it to this court, an attorney or party certifies that the paper does not contain any false material factual statement or any frivolous legal argument (see 22 NYCRR 130-1.1, 130- 1.1a), and an attorney who submits any paper to this court is additionally bound by the Rules of Professional Conduct. Accordingly, any attorney or party who uses a generative AI tool, as defined in 22 NYCRR 161.2(b), in preparing any paper, as defined in 22 NYCRR 161.2(c), filed in or submitted to this court or served on another party in a case before this court is required to carefully review the paper and independently ensure that it contains no fabricated or fictitious cases, statutes, or other material. By signing such paper, an attorney or party certifies that such a review has been conducted and that the paper contains no such fabricated or fictitious content. If this court determines that this requirement has not been satisfied, such attorney or party may be subject to sanction or other remedial action.

## Model Rule

# WBASNY'S Comment on Proposed Rule 161



# Court(s) Treatment

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***Mata v.  
Avianca,  
Inc., 2023 WL  
4114965  
(S.D.N.Y. June 22,  
2023):***

“THE COURT: Did you say, well they gave me part of Varghese, let me look at the full Varghese decision?

MR. SCHWARTZ: I did.

THE COURT: And what did you find when you went to look up the full Varghese decision?

MR. SCHWARTZ: I couldn't find it.

THE COURT: And yet you cited it in the brief to me.

MR. SCHWARTZ: I did, again, operating under the false assumption and disbelief that this website could produce completely fabricated cases. And if I knew that, I obviously never would have submitted these cases.”

# **Kruse v Karlen, et. al (EDI 11172 (Mo. Ct. App. Feb. 13, 2024)**

Particularly concerning to this Court is that Appellant submitted an Appellate Brief in which the overwhelming majority of the citations are not only inaccurate but entirely fictitious. Only two out of the twenty-four case citations in Appellant's Brief are genuine. The two genuine citations are presented in a section entitled Summary of Argument without pincites and do not stand for what Appellant purports.



# Florida Court Addressing Confidentiality and AI

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A lawyer's first responsibility when using generative AI should be the protection of the confidentiality of the client's information as required by rule 4-1.6 of the rules of regulating the Florida Bar. The ethical duty of confidentiality is broad in its scope and applies to all information learned during their client's representation regardless of its source [Proposed Advisory Opinion 24-1 Regarding Lawyer Use of Generative AI (11-13-23)]

# Ohio - Standing Order Governing Civil Cases

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***“No attorney for a party, or a pro se party, may use Artificial Intelligence (“AI”) in the preparation of any filing submitted to the Court. Parties and their counsel who violate this AI ban may face sanctions including, inter alia, striking the pleading from the record, the imposition of economic sanctions or contempt, and dismissal of the lawsuit. The Court does not intend this AI ban to apply to information gathered from legal search engines, such as Westlaw or LexisNexis, or Internet search engines, such as Google or Bing. All parties and their counsel have a duty to immediately inform the Court if they discover the use of AI in any document filed in their case.”***



# How do Attorneys Work with Clients who are Using GAI?

Strategize with clients

Personal, direct representation

Does a client really just want the answer?

Does a client only want to know what the law says?



**What do WE add to the  
'attorney and counselor  
at law' equation?**

- 1) HUMAN Intelligence**
- 2) Analytical holistic  
thinking on complex  
decision making**
- 3) More than a mash up of  
prior ideas**

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- 4) Creativity**
- 5) Solutions, not just legal  
answers**



# Lawyers Add HUMAN Intelligence Value:

No hallucinations

Lexis, Casetext, Reuters make 100% hallucination free claims. None are empirically supported.

Source: [https://dho.stanford.edu/wp-content/uploads/Legal\\_RAG\\_Hallucinations.pdf](https://dho.stanford.edu/wp-content/uploads/Legal_RAG_Hallucinations.pdf)

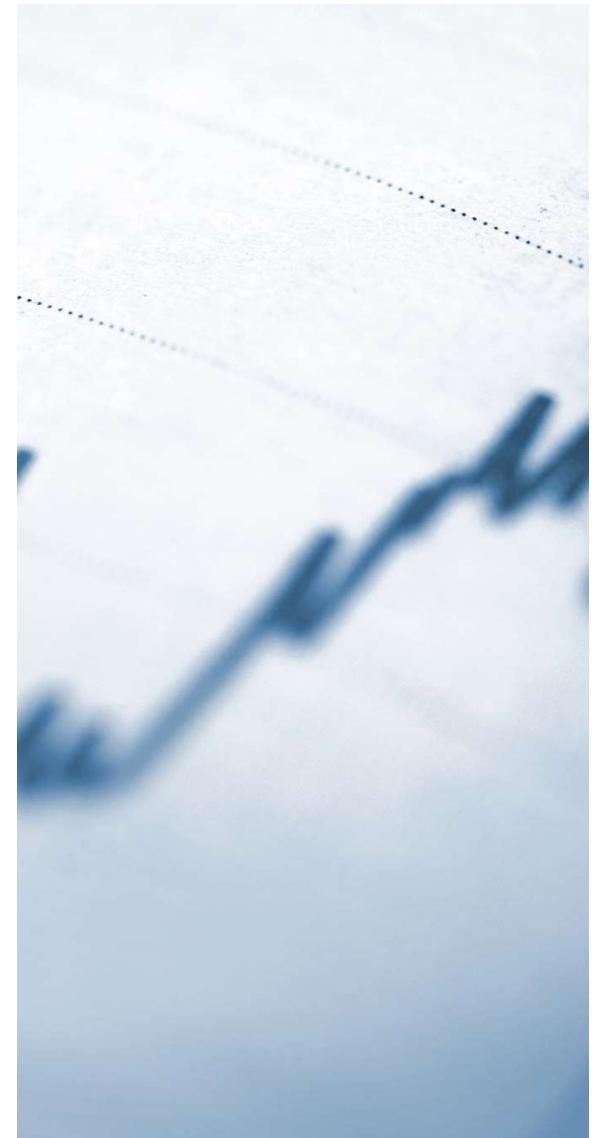
# Hallucinations

Lexis+ AI: 65% of queries answered accurately

Westlaw's AI-Assist: 42% accurate

Thomson Reuters PL AI provided incomplete answers on over 60% of queries.

Source: Hallucination Free? Assessing the Reliability of leading AI Legal Research Tools, Stanford University.  
[https://dho.stanford.edu/wp-content/uploads/Legal\\_RAG\\_Hallucinations.pdf](https://dho.stanford.edu/wp-content/uploads/Legal_RAG_Hallucinations.pdf) (2025)





# Our jobs -- Educate Clients on GAI

- Failings of GAI
- Limitations of GAI
- Liability exposure
- “AI tools for legal research have not eliminated hallucinations. Users of these tools must continue to verify that key propositions are accurately supported by citations.” [https://dho.stanford.edu/wp-content/uploads/Legal\\_RAG\\_Hallucinations.pdf](https://dho.stanford.edu/wp-content/uploads/Legal_RAG_Hallucinations.pdf)

## Also Consider

Openness with clients on  
research tools

Firm Policy on AI

Fee structures

Time demands of associates



# Future Uses in Law

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- **Deep Understanding of Legal Principles**: AGI could possess a nuanced understanding of legal doctrines, precedents, and statutory frameworks, going beyond keyword matching to grasp the underlying logic and intent.
- **Complex Case Analysis**: It could analyze intricate factual scenarios and legal arguments with human-level reasoning, identifying subtle connections and potential outcomes that might be missed by humans or narrow AI.
- **Hypothetical Scenario Generation**: AGI could generate and analyze various hypothetical scenarios to assess the strengths and weaknesses of legal strategies

# Future Uses in Law (con't.)



**Intuitive and Contextual Research:** AGI could understand the intent behind complex legal queries and conduct research across diverse sources, synthesizing information in a coherent and insightful manner.

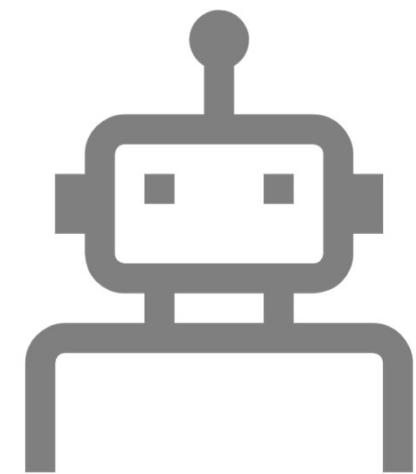


**Identify Novel Legal Arguments:** By understanding the underlying principles and identifying gaps or inconsistencies in the law, AGI might even be capable of generating novel legal arguments.

# “Gemini, what is the future of law and AGI?”

“AGI, by definition, would possess human-level cognitive abilities across a wide range of intellectual tasks, including understanding, learning, reasoning, and problem-solving. If true AGI were achieved and successfully applied to law, it could revolutionize the field.”

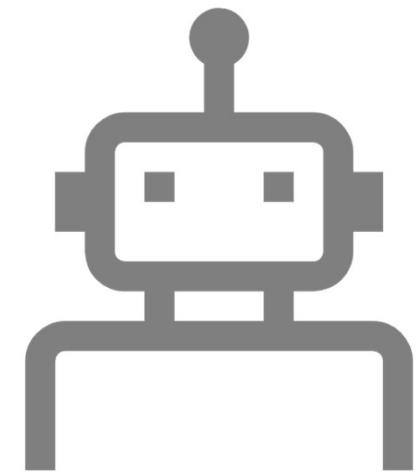
*Gemini April 14, 2025*



# “What is the future of law and AGI?”

“AGI will likely transform law by automating routine legal work while creating unprecedented regulatory challenges around liability, rights, and the governance of systems that can reason and act autonomously at or beyond human capability.”

*Claude December 29, 2025*





**Is this  
our  
future?**

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# Thank you/Questions

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Mid-Hudson Women's Bar Association  
January 29, 2026

**Real Cases or Hallucinations:  
Generative AI in Legal Practice: Insights and Updates<sup>1</sup>**

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*“It's important to clarify that AI is not fully replacing attorneys, but it's significantly changing how people interact with legal information and perform certain legal tasks.” Gemini March 20, 2025*

*“Generative AI will likely transform law by automating routine legal work while creating unprecedented regulatory challenges around liability, rights, and the governance of systems that can reason and act autonomously at or beyond human capability.” Claude December 29, 2025*

**I. Defining Artificial Intelligence (AI)**

- A. Computer systems performing traditional human tasks
- B. Computer systems compile, aggregate, large amounts of data, process it and generate responses based upon it. These responses can be words, visuals, decisions, etc.

**II. Definitions within AI<sup>2</sup>**

- A. General Terms
  - 1. AI (Artificial Intelligence): Term referring to the field of computer science focused on creating intelligent machines capable of mimicking human cognitive functions like learning and problem-solving.
  - 2. Generative AI: Algorithms which can create new content such as text, images, pictures, synthetic data (DALL-E, Chat GPT, Gemini, Co-Pilot)

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<sup>1</sup> Gemini and Perplexity assisted various aspects of research and sourcing. All sources provided by generative AI were verified by the author. Any verbiage was reviewed, edited, and revised. The contents of this document is not and should not be construed as legal advice and does not constitute an official legal opinion or recommendation.

<sup>2</sup> Definitions in part assisted in part by Gemini.



3. **Artificial General Intelligence (AGI)**: Artificial General Intelligence (AGI): Hypothetical AI with human-level intelligence and ability to apply its intelligence to an intellectual human task.
4. **AI Assistant**: An AI assistant is a type of AI system designed to assist users by performing tasks based on their requests. These systems are typically reactive, meaning they require user input to function. AI assistants use natural language processing (NLP) to understand commands and provide support with tasks such as scheduling, sending messages, or answering questions. (Perplexity, Notebook LM)
5. **Algorithm**: A set of instructions that a computer follows to perform a specific task. In AI, algorithms are often designed to learn and improve over time.
6. **Machine Learning**: A type of AI where algorithms can learn from data without explicit programming.
7. **Deep Learning**: A subset of machine learning inspired by the structure and function of the human brain. Deep learning models use artificial neural networks with many layers to process information.
8. **Data Science**: A field that combines computer science, statistics, and domain knowledge to extract insights from data. Data science plays a vital role in training and developing AI models.
9. **Big Data**: Large and complex datasets that traditional data processing techniques are inadequate for handling. Big data is often used to train AI models.

## **B. AI Processes**

1. **Natural Language Processing (NLP)**: This field of AI deals with the interaction between computers and human language. NLP tasks include speech recognition, text translation, and sentiment analysis.
2. **Computer Vision**: A field of AI that enables computers to interpret and understand visual information from the world, like images and videos. Applications include facial recognition and object detection.
3. **Machine Translation**: The use of AI to translate text from one language to another automatically.

## **C. AI Applications**



1. Chatbot: A conversational AI program designed to simulate conversation with human users. Chatbots are often used for customer service applications.
2. Generative AI: AI models that can generate new data, such as images, text, or music.

## **D. Other Relevant Terms**

1. AI Ethics: A branch of ethics concerned with the development and use of AI in a responsible and beneficial way for society.
2. Bias: In AI, bias refers to prejudice reflected in data or algorithms, which can lead to discriminatory outcomes.
3. Hallucinations: Factually inaccurate, irrelevant, nonsensical and/or fabricated responses by AI.

## **III. AI Legal Platforms**

### **A. CoCounsel**

### **B. Casetext**

### **C. Spellbook**

### **D. Westlaw (Westlaw Precision)**

1. AI-Assisted Research: Westlaw Precision offers a feature called "AI-Assisted Research" powered by generative AI. This uses a large language model (LLM) to help legal professionals find answers to complex research questions. The LLM can analyze vast amounts of legal documents and case law, identify relevant information, and even provide summaries or highlight key points [2, 3].
2. Improved Search Functionality: AI is likely used behind the scenes to enhance Westlaw's search capabilities. This might involve techniques like natural language processing to understand user queries more effectively and surface more relevant search results.

### **E. Lexis+ AI Legal Assistant. Key Features**

1. Conversational Search: Unlike traditional keyword-based search, Lexis+ AI allows lawyers to ask questions in natural language. The AI



can understand the context and intent behind the questions and retrieve the most relevant legal documents and information.

2. **AI-powered Summarization:** Legal documents and case law can be lengthy and time-consuming to read. Lexis+ AI can automatically summarize these documents, helping lawyers grasp the key points quickly.
3. **Drafting Assistance:** Lexis+ AI offers features to assist with legal document drafting. It can analyze vast amounts of legal precedents and contracts to identify patterns and generate first drafts that lawyers can then review and refine.

#### **IV. Uses in the Legal Profession**

- A. **Legal Research and Case Analysis:** AI-powered legal research platforms can analyze vast amounts of legal documents and case law. They can identify relevant precedents, highlight key arguments, and even predict the potential outcome of a case based on historical data. This frees up lawyers' time for more strategic tasks.
- B. **E-discovery and Document Review:** E-discovery involves identifying, collecting, and producing electronically stored information (ESI) relevant to a legal case. AI can automate much of this process by reviewing massive amounts of documents to find pertinent information. This can significantly reduce the time and cost associated with e-discovery.
- C. **Contract Review and Analysis:** AI can streamline contract review by identifying boilerplate language, flagging potential risks, and ensuring consistency across agreements. This can help lawyers negotiate better contracts and avoid costly errors.
  1. **IBM Watson Discovery and Contract PodAI:**
    - a. “IBM business partner ContractPodAi offers an end-to-end contract management solution designed by lawyers for lawyers. The solution aims to dissolve traditional complexity around contract management by providing a single platform designed to augment a legal department’s ability to assemble, approve, sign and manage their inventory of contracts. Using IBM Watson technologies, ContractPodAi helps counsel easily and cost-effectively manage any contract throughout its lifecycle.”<sup>3</sup>

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<sup>3</sup> <https://www.ibm.com/blog/watson-discovery-contractpodai-legal-excellence/>

2. “Enterprise businesses often have a serious volume of contracts, sometimes millions, stored within multiple repositories from multiple years. In some industries, contracts must be preserved indefinitely. ContractPodAi’s platform gives counsel a core repository for contracts and enables a streamlined approach to creating new agreements and managing existing ones. It can also analyze a business’s historical inventory of contracts to provide insight into patterns and uncover best practices. And in an e-discovery event, contract management systems are indispensable for cost, risk mitigation and legal defense.”<sup>4</sup>

- D. Litigation Support and Strategy: AI can analyze legal arguments and predict the persuasiveness of different approaches. This can help lawyers develop more effective litigation strategies and improve their chances of success.
- E. Due Diligence and Compliance: AI can assist with due diligence tasks by analyzing large datasets to identify potential risks and ensure compliance with regulations. This can be especially helpful in areas like mergers and acquisitions.
- F. Presentations on Legal Topics: Every attorney attends and sometimes presents legal programs. AI can assist in content generation for such programs. For example, it can provide standard definitions of terms, help search for cases applicable to the topic and offer insight on common uses of particular legal tools.

#### G. Supplement vs Supplant

- 1. Scholars have suggested AI should be viewed as a supplement to litigation methods for lawyers, not a supplanting.<sup>5</sup>
- 2. Others offer it as a valuable tool to assist and supplant mundane tasks such as preparing initial witness questions or a complaint.<sup>6</sup>

### V. You ARE using AI Now!

#### A. Examples

- a. Outlook
- b. PDF

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<sup>4</sup> Id.

<sup>5</sup> Kwan Yuen IU & Vanessa Man-Yi WONG, “ChatGPT by OpenAI: The End of Litigation Lawyers?” (February 2, 2023) [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4339839](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4339839)

<sup>6</sup> Andrew Perlman, “The Implications of ChatGPT for Legal Services and Society,” (February 29, 2024) [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4294197](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4294197)



- c. Google/Gemini
- d. Social Media
- e. ChatGPT, Gemini, Co-pilot, etc.

B. Categories of Use in Law<sup>7</sup>

- a. Unstructured data analysis and due diligence. AI can uncover background information – contract analysis, document review, electronic discovery.
- b. Legal research and analytics: Recent evolution of AI in law focuses the AI on legal research specifically.
- c. Practice management applications such as billing and document automation.
- d. Drafting

**VI. Pros and Cons of AI in the Practice of Law**

A. Benefits

- 1. Efficiently performs repetitive tasks
- 2. Reduces human error
- 3. Increases efficiency
- 4. Augments human intelligence. Specific to the legal industry
- 5. Access to Justice: Legal representation in a civil matter is beyond the reach of 92% of the 50 million Americans below 125% of the poverty line. Globally, there are an estimated 5 billion people with unmet justice needs. The justice gap between access to legal services and unmet legal needs constitutes two-thirds of the global population, and these justice needs extend from minor legal matters to more grave injustices.<sup>8</sup>

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<sup>7</sup> Ronald Yu & Gabriele Spina Ali, "What's Inside the Black Box? AI Challenges for Lawyers and Researchers," Legal Information Management, Volume 19, Issue 1, March 2019, pp. 2 - 13  
DOI: <https://doi.org/10.1017/S1472669619000021>

<sup>8</sup> NYS Bar Association Task Force on Artificial Intelligence, Report and Recommendation to NYSBA House of Delegates, April 6, 2024 at 20, <https://nysba.org/app/uploads/2024/02/Task-Force-on-AI-Report-final.pdf>

## B. Detriments/Risks<sup>9</sup>

1. Widen Justice Gap: Those with access to AI can achieve more. Lesser fortunate communities may not be able to access AI and thus not take advantage of it as much.<sup>10</sup>
2. Data Privacy: The more use of AI means the more data is collected, stored and potentially used for nefarious purposes.
3. Security: Is the ghost in the machine and will it jeopardize not just computer security but actual security. (e.g. Ring, Simply Safe)
4. Reduction in creativity: Just as AI may foster creativity and innovation (e.g. create a rap song using a Shakespearian sonnet) many may decide to use AI instead of thinking or creating themselves.
5. Data Bias: AI based on neural networks identify recurring patterns on existing datasets. It then makes future predictions based on those patterns. This methodology creates a strong risk that AI may reiterate and even amplify biases and flaws and datasets.<sup>11</sup>
6. Inference and predication: algorithms are not good at distinguishing between causation and correlation. This creates a risk that conclusions may be based on wrong inferences. A simple example might be that everyone who drinks water dies. There is a correlation but no causation. AI may not be able to distinguish.

## VII. How are Clients Using AI

- A. Drafting basic contracts or documents (letters)
- B. Legal research
- C. Document review
- D. Searching answers to frequent questions
- E. Challenging their attorney's advice!

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<sup>9</sup> Id.

<sup>10</sup> Id.

<sup>11</sup> Yu/Ali at 4.



### **VIII. Suggestions on Attorney Response to Client Use of AI**

- A. Educate Clients on AI Limitations: Inform clients about the limitations of AI in providing legal advice. While AI can offer general information and insights, it lacks the nuance and personalized judgment that a human attorney can provide. Emphasizing the importance of human expertise in complex legal matters can help clients understand the value of direct attorney-client interaction.
- B. Enhance Client Communication with AI Tools: Leverage AI to improve communication with clients. For example, AI-driven chatbots can provide instant responses to routine queries, freeing attorneys to focus on more complex issues. This can enhance the client's experience by offering timely and personalized communication.<sup>12</sup>
- C. Personalize: Highlight the benefits of personalized legal services that AI cannot replicate. This includes offering tailored advice, handling sensitive or complex legal issues, and providing emotional support during stressful legal process.
- D. Efficiency: By using AI to automate routine tasks, attorneys can reduce costs and increase efficiency. This can lead to more competitive pricing for clients, making direct attorney services more appealing compared to relying solely on AI tools.
- E. Educate on Risks: Attorneys should educate clients about potential risks associated with using AI for legal advice, such as privacy concerns, data security issues, and the possibility of receiving inaccurate or outdated information.
- F. Trust and Relationships: Fostering client relations is and always has been key to lawyering. Emphasize the *counselor at law* as well as the *attorney at law* aspect of your practice.

### **IX. Ethical Touchpoints**

- A. Transparency and Duty to Disclose: Attorneys should be transparent about their use of AI tools in client work. This includes disclosing when AI is used to assist in tasks such as document drafting or research. Obtaining informed consent from clients is crucial, especially if AI tools handle sensitive information.<sup>13</sup>
- B. Following is a review of state bar views over the ethical duty to communicate with clients means in the context of artificial intelligence:

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<sup>12</sup><https://powerpatent.com/blog/how-ai-can-transform-client-relationship-dynamics-in-law-firms-2>; see also, <https://legal.thomsonreuters.com/blog/does-ai-add-value-to-client-communication-and-service/>

<sup>13</sup><https://www.esquiresolutions.com/litigators-weigh-need-to-disclose-ai-use-to-clients/>



1. **California:** Disclosure of generative artificial intelligence tools is not strictly required, but lawyers should weigh ethical duty to communicate use “based on the facts and circumstances, including the novelty of the technology, risks associated with generative AI use, scope of the representation, and sophistication of the client.” State Bar of California, Practical Guidance for the Use of Generative Artificial Intelligence in the Practice of Law (Nov. 16, 2023)
2. **District of Columbia:** Lawyers have an ethical duty to communicate use of artificial intelligence tools if the lawyer intends to bill the client for out-of-pocket costs. District of Columbia Bar, Ethics Opinion 388 (Attorneys' Use of Generative Artificial Intelligence in Client Matters) (April 11, 2024).
3. **Florida:** Lawyer’s obligation to see informed client consent to use artificial intelligence tools depends on risk involved and client expectations. Lawyers are obligated to seek client consent if client confidential information will be disclosed as input to artificial intelligence tool. Florida Bar Ethics Opinion 24-1 (Jan. 19, 2024)
4. **Kentucky:** “Routine use” of artificial intelligence tools need not be communicated to client, unless client is being charged for AI-related costs or court rule requires disclosure to client. Client informed consent is required if confidential information will be provided as input to artificial intelligence tool. Kentucky Bar Association, Ethics Opinion KBA E-457 (March 15, 2024).
5. **New Jersey:** AI-related changes to billing practices must be communicated to clients. New Jersey State Bar Association, Task Force on Artificial Intelligence (AI) and the Law: Report, Requests, Recommendations, and Findings (May 2024).
6. **New York:** **Lawyers should consider including in the retainer agreement a statement that artificial intelligence tools may be utilized in your representation of the client and seek the client's acknowledgement. Lawyers may not rely solely on content generated from artificial intelligence tools.** Report and Recommendations of the New York State Bar Association Task Force on Artificial Intelligence (April 6, 2024).
7. **Pennsylvania:** Lawyers must inform clients of the use of artificial intelligence tools, providing explanations of how tools are used and their potential impact on case objectives. Lawyers must disclose AI-related expenses to clients. Pennsylvania Bar Association and Philadelphia Bar Association, Joint Formal Opinion 2024-200 (Ethical Issues Regarding the Use of Artificial Intelligence) (June 2024).
8. **Texas:** No definitive recommendations but notes guidance from Florida and California bar regulators that lawyers communicate adequately with clients



about use of artificial intelligence tools. State Bar of Texas, Taskforce for Responsible AI in the Law Interim Report (2024).

9. **Utah:** Seek and obtain client consent prior to using generative artificial intelligence tools such as ChatGPT. Treat AI-generated outputs like a draft from a law clerk. Utah State Bar Association, Using ChatGPT in Our Practices: Ethical Considerations (2023).
10. **West Virginia:** Lawyers should consult with clients prior to using artificial intelligence tools during representation and should obtain client consent for use in writing. West Virginia Bar Association, Legal Ethics Opinion 24-01 (2024).

#### C. Law Firm Policies

1. Consider AI policies for non-attorneys at your firm
2. Consider confidentiality policies for non-attorneys when using open source AI
3. Copyright including educating on copyright and use of AI sources

#### D. Proposed Rule 161

1. The Administrative Board of Courts in November 2025, sought comment on a new proposed new Part 161 to the Rules of the Chief Administrator of the Courts regarding the use of generative artificial intelligence in preparing court documents.<sup>14</sup>
2. The proposal was recommended by the Advisory Committee on Artificial Intelligence and the Courts ("AI Advisory Committee")
3. The proposal includes: (1) a statewide policy on the use of generative AI tools by attorneys and parties in preparing papers to be submitted to a court; and (2) a proposed model rule on that subject.<sup>15</sup>
4. Definitions
  - a. The term "artificial intelligence" or "AI" shall mean a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations or decisions influencing real or virtual environments, or generate content.
  - b. The term "generative AI" shall mean an AI program or system that is capable of generating text or other content in response to user prompts by being trained on material in large reference datasets.

<sup>14</sup> November 17, 2025 letter from David Nocenti to All Interested Parties re proposed new rule 161 (herein, "OCA Letter")

<sup>15</sup> Id.



- c. The term "paper" shall mean a brief, memorandum, affidavit, affirmation, pleading, or other document prepared by an attorney or party for submission to a court. This definition does not include materials constituting or proffered as evidence in the case, as such materials, and the use of AI technology in relation thereto, are subject to separate considerations and requirements.<sup>16</sup>
5. **Policy:** *"It is the policy of the Unified Court System that the use by attorneys and parties of generative AI tools in preparing papers submitted to a court should not be prohibited, as long as such use is in accordance with the duties and responsibilities that apply to individuals who submit papers to a court. Since those duties and responsibilities already apply to all submissions, regardless of whether generative AI tools were used, attorneys and parties should not be required, upon submitting papers, to disclose to the court that they have used generative AI in the preparation of such papers."*<sup>17</sup>
6. **Model Rule:** Courts in their discretion can adopt the model rule to apply in each court as they deem necessary. The Model Rule suggested in Proposed Rule 161 reads:

*"Every attorney or party who uses a generative artificial intelligence (AI) tool in preparing any paper submitted to this court is expected to understand that tool's capabilities and limitations. Attorneys and parties need to be aware that generative AI tools, among other risks and limitations, can generate fabricated information or fictitious citations to authority (commonly known as hallucinations). Under existing rules, by signing a paper and submitting it to this court, an attorney or party certifies that the paper does not contain any false material factual statement or any frivolous legal argument (see 22 NYCRR 130-1.1, 130-1.1a), and an attorney who submits any paper to this court is additionally bound by the Rules of Professional Conduct. Accordingly, any attorney or party who uses a generative AI tool, as defined in 22 NYCRR 161.2(b), in preparing any paper, as defined in 22 NYCRR 161.2(c), filed in or submitted to this court or served on another party in a case before this court is required to carefully review the paper and independently ensure that it contains no fabricated or fictitious cases, statutes, or other material. By signing such paper, an attorney or party certifies that such a review has been conducted and that the paper contains no such fabricated or fictitious content. If this court determines that this requirement has not been*

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<sup>16</sup> Id.

<sup>17</sup> Id.



*satisfied, such attorney or party may be subject to sanction or other remedial action.”<sup>18</sup>*

## **X. AI Cases – Don’t let this be YOU**

A. Mata v. Avianca, Inc. Mata v. Avianca, Inc., 2023 WL 4114965 (S.D.N.Y. June 22, 2023):

1. Summary:<sup>19</sup> Plaintiff Roberto Mata asserts that on August 27 or 28, 2019, he was severely injured when a metal service tray struck his left knee during an overnight flight from El Salvador to John F. Kennedy Airport in New York. Defendant Avianca, Inc. ("Avianca") moves to dismiss the Complaint pursuant to Rule 12(b)(6), asserting that Mata's claim is time-barred under the Convention for the Unification of Certain Rules Relating to International Carriage by Air, Done at Montreal, Canada, on 28 May 1999, reprinted in S. Treaty Doc. 106-45, 1999 WL 33292734 (1999) (the "Montreal Convention").
2. Plaintiff attorney used the generative AI tool ChatGPT for legal research. However, ChatGPT provided the lawyer with fabricated case citations, and the attorney failed to verify them before submitting a motion to the court. The court sanctioned the attorney for this, highlighting the importance of careful review when using AI tools in legal settings.
3. Court Decision:
  - a. "In researching and drafting court submissions, good lawyers appropriately obtain assistance from junior lawyers, law students, contract lawyers, legal encyclopedias and databases such as Westlaw and LexisNexis. Technological advances are commonplace and there is nothing inherently improper about using a reliable artificial intelligence tool for assistance. But existing rules impose a gatekeeping role on attorneys to ensure the accuracy of their filings."
  - b. "[The attorneys] abandoned their responsibilities when they submitted non-existent judicial opinions with fake quotes and citations created by the artificial intelligence tool ChatGPT, then continued to stand by the fake opinions after judicial orders called their existence into question."
  - c. Court Dialogue with offending attorney:

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<sup>18</sup> Id.

<sup>19</sup> Facts and quoted language are from the case at 2023 WL 4114965 (S.D.N.Y. June 22, 2023)



“THE COURT: Did you say, well they gave me part of Varghese, let me look at the full Varghese decision?

MR. SCHWARTZ: I did.

THE COURT: And what did you find when you went to look up the full Varghese decision?

MR. SCHWARTZ: I couldn't find it.

THE COURT: And yet you cited it in the brief to me.

MR. SCHWARTZ: I did, again, operating under the false assumption and disbelief that this website could produce completely fabricated cases. And if I knew that, I obviously never would have submitted these cases.”

B. Park v. Kim, 91 F.4<sup>th</sup> 610 (2nd Cir. Jan. 23, 2024):

1. Background:<sup>20</sup> Patient brought action in diversity against physician, alleging medical malpractice. The United States District Court for the Eastern District of New York, Pamela K. Chen, J., 2022 WL 3643966, dismissed action, after adopting the report and recommendation of Lois Bloom, United States Magistrate Judge, 2022 WL 4229258. Patient appealed.
2. “*We separately address the conduct of Park's counsel, Attorney Jae S. Lee. Lee's reply brief in this case includes a citation to a non-existent case, which she admits she generated using the artificial intelligence tool ChatGPT. Because citation in a brief to a non-existent case suggests conduct that falls below the basic obligations of counsel, we refer Attorney Lee to the Court's Grievance Panel, and further direct Attorney Lee to furnish a copy of this decision to her client, Plaintiff-Appellant Park.*”
3. Court found the attorney presented a false statement of law to court, which fell well below basic obligations of counsel, by relying on generative artificial intelligence.
4. Pertinent Aspect of the Decision: “*All counsel that appear before this Court are bound to exercise professional judgment and responsibility, and to comply with the Federal Rules of Civil Procedure. Among other obligations, Rule 11 provides that by presenting a submission to the court, an attorney “certifies that to the best of the person's knowledge, information, and belief, formed after an inquiry reasonable under the circumstances ... the claims, defenses, and other legal contentions are warranted by existing law or by a*

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<sup>20</sup> All quotes and summary are from Westlaw Park v. Kim, 91 F.4<sup>th</sup> 610 (2nd Cir. Jan. 23, 2024):



*nonfrivolous argument for extending, modifying, or reversing existing law or for establishing new law.”<sup>21</sup>*

## **XI. Future of AI Regulation in the United States**

A. Executive Order 14110 (Signed 10-30-23): Executive Order on Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence

- a. Goals
  - i. Promoting competition and innovation in the AI industry
  - ii. Upholding civil and labor rights and protecting consumers and their privacy from AI-enabled harms
  - iii. Specifying federal policies governing procurement and use of AI
  - iv. Developing watermarking systems for AI-generated content and warding off intellectual property theft stemming from the use of generative models
  - v. Maintaining US place as a global leader in AI
- b. Implementing
  - i. DHS develop AI-related security guidelines
  - ii. Dept Veterans Affairs start AI technology to reduce occupational burnout among healthcare workers
  - iii. Department of Commerce’s National Institute of Standards and Technology (NIST) develop generative AI focused resources

B. Repeal EO 14110 January 20, 2025

C. State Laws: Absent federal action it is likely state laws on AI will impose a range of regulations and requirements with far reaching implications.

### **a. New York State:**

- i. **A.768/S.1962**: Enacts the "New York artificial intelligence consumer protection act", in relation to preventing the use of artificial intelligence algorithms to discriminate against protected classes.
- ii. **A.3411/S.934**: Requires the owner, licensee or operator of a generative artificial intelligence system to conspicuously display a warning on the system's user interface that is reasonably calculated to consistently apprise the user that the outputs of the generative

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<sup>21</sup> Fed. R. Civ. P. 11(b)(2); see also N.Y. R. Pro. Conduct 3.3(a) (McKinney 2023) (“A lawyer shall not knowingly: (1) make a false statement of ... law to a tribunal.”). ”



artificial intelligence system may be inaccurate and/or inappropriate.

- iii. **A.3265:** Enacts the New York artificial intelligence bill of rights to provide residents of the state with rights and protections to ensure that any system making decisions without human intervention impacting their lives do so lawfully, properly, and with meaningful oversight.
- iv. **A.3356:** Enacts the "advanced artificial intelligence licensing act"; providing for regulation of advanced artificial intelligence systems (Part A); requires registration and licensing of high-risk advanced artificial intelligence systems and related provisions regarding the operation of such systems (Part B); establishes the advanced artificial intelligence ethical code of conduct (Part C)
- v. **S. 6578:** Establishes the artificial intelligence training data transparency act requiring developers of generative artificial intelligence models or services to post on the developer's website information regarding the data used by the developer to train the generative artificial intelligence model or service, including a high-level summary of the datasets used in the development of such system or service.