



ABSTRACT

Artificial Intelligence (AI) is transforming sectors of the world, and the legal sector is no different. The emerging use of AI technologies into the judiciary has gigantic potential and issues. However, AI holds the potential to enhance the efficacy of legal processes by automating routine tasks like document searching, legal analysis, and contract analysis,

THE IMPACT OF ARTIFICIAL INTELLIGENCE ON LEGAL SYSTEMS

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INTRODUCTION

Artificial Intelligence (AI) is one of the most revolutionary technologies of the 21st century, and its impact extends across multiple industries, from healthcare to finance, and more and more into the legal industry. The ability of AI to emulate human thinking, sift through immense quantities of information, and learn and enhance with each iteration has immense innovation potential in legal frameworks. Legal practitioners, like professionals in most fields, are now embracing AI-driven tools that promote productivity, improve operations, and improve decision-making processes. The incorporation of AI into the legal profession is promising to yield advantages such as cost reduction, improvement of efficiency, and improved accuracy in legal decision-making. With more influence of AI entering legal practice, however, it introduces a host of ethical, legal, and regulatory challenges.

It was always associated with long, gradual processes such as document analysis, reading, and writing documents. Processes that were traditionally performed by legal professionals, whose plates are full of long and process-based work, are now automating rapidly under



reducing the cost of legal services, and making legal services more accessible. Artificial intelligence technologies such as predictive analytics also possess the ability to facilitate better decision-making by having the ability to distinguish between case law trends and predict outcomes. However, the universal application of AI also presents firm ethical, legal, and privacy concerns. Of these is the possibility of algorithmic bias, which can lead to biased or discriminatory judicial decisions. Another problem is a lack of transparency in AI decision-making, and therefore it can be difficult to explain how algorithms make decisions. Also, AI poses problems for traditional legal systems, as they were designed to take into account passive systems, not active ones. This paper discusses the advantages as well as challenges of AI legal systems, having a detailed look at their implications for lawyers, clients, and lawmakers. By this analysis, the paper emphasizes the need for a balanced regulatory environment for ensuring ethical use of AI while protecting individuals' rights and upholding justice in the legal system.

Keywords: Artificial Intelligence (AI), Leal Systems, Algorithmic bias, Ethical concerns, Predictive analytics, Legal frameworks

machine learning, natural language processing, and predictive analysis. Computer applications powered by artificial intelligence like ROSS Intelligence, Lex Machina, and Kira Systems are revolutionizing legal research and contract analysis, enabling lawyers to search enormous databases much quicker than humanly possible. Predictive analytics based on artificial intelligence is being used to predict the outcome of cases using information in the past, which would enable lawyers and clients to make better decisions (Katz, 2013).

For all the revolutionary potential, bringing AI into the legal system does have risks. The most significant risk, at least, is that of algorithmic bias. AI learns from past data to which it is exposed, but if the data itself are biased i.e., if they are based on racial, gender, or socioeconomic disparities then the AI can reproduce and even extend those biases in legal decisions. This is particularly unsettling in areas like sentencing and criminal justice, as AI systems are used to predict recidivism rates and sentences. If the AI systems are improperly calibrated, they



could enshrine biased distinctions in the legal system that yields discriminatory outcomes against marginalized communities (O'Neil, 2016). Further, the "black box" nature of the majority of AI algorithms introduces a significant issue. Such AI systems generally operate or yield results in such a way as to hide from users, if not even from themselves, the rationale for their decision-making. This transparency deficit is not acceptable, especially in the legal context, where the decisions made can irreparably impact the life and livelihood of people. The fact that one cannot explain how an AI system reached a particular decision would make the public doubt the integrity of the legal system and question accountability (Pasquale, 2015). Furthermore, the legal profession is also being challenged in terms of replacing traditional legal work. With increasing competence in AI technologies, the fear of job loss, especially in aspects of legal research, document review, and contract management, looms large. Although the opinion among most experts holds that AI will not replace lawyers but augment their task, the risk posed by automation in displacing human jobs questions the viability of the legal workforce in the future. Finally, there is the issue of regulation. As AI continues to develop at a furious pace, regulatory frameworks that will be able to manage its use in legal systems are more crucial than ever. Current regulations and laws were not written with the issues that autonomous systems bring in mind and thus are not best suited to tackle issues such as accountability, data privacy, and bias in AI decision-making. Policymakers, legal practitioners, and technologists must collaborate to put in place frameworks for ensuring ethical and responsible deployment of AI within the legal profession. In this context of challenge and possibility, this paper writes exclusively narrates the impact of Artificial intelligence's contribution to legal systems. It follows recent developments in the use of Artificial Intelligence in law, covers ethics and regulation of use, and proposes means to making deployment of Artificial Intelligence successful and fair. The article claims that while there are enormous advantages to the legal profession from AI, proper consideration should be accorded to the ethical, legal, and regulatory aspects of embracing it. The aim of this article is to critically analyze the use of Artificial Intelligence in the legal practice, its novel benefits, and its related ethical, juridical, and regulative problems. Among the specific objectives are to research the capability of AI, to computerize legal processes such as document analysis, legal analysis, and contract review and analyze its capability to make the process more efficient and



less expensive and to discuss the moral concerns that AI poses in judicial systems, such as algorithmic bias, transparency, and impartiality of AI-based decision-making. Artificial Intelligence (AI) is being widely integrated into legal systems, bringing huge advantages such as greater efficiency, cost-effectiveness, and improved decision-making. However, the widespread use of AI also brings severe challenges, particularly ethical concerns of algorithmic bias, transparency of AI decision-making, and displacement of traditional legal work. In addition, current legal frameworks are not adequately equipped to manage the ethical, legal, and societal effects of AI technologies. This research will explore both the potential benefits and risks of AI in court systems and identify the need for carefully balanced regulatory policies for ethical use to uphold equity and justice. The significance of this research is in developing legal practice in speaking about the potential of AI to automate routine legal work, ultimately improving the efficiency of legal operations and reducing the cost for legal professionals and clients.

Literature Review

The primary source of information for this study is a literature review, which involves searching scholarly articles, books, white papers, industry studies, and case law studies. Literature review targets recent research discussing adoption and impacts of AI in legal areas such as research law, review of contracts, predictive justice analytics, and the application of AI in decision-making. These are the primary sources that are taken from databases such as JSTOR, LexisNexis, and Google Scholar and consulting firms such as McKinsey & Company that give insights regarding the current status of AI usage in law firms. The impact of Artificial Intelligence (AI) on the law system has been a topic of increasing scholarly and professional concern during the past ten years. There are a number of issues to consider when thinking about using AI in legal systems: the automation of legal tasks, the role of AI in decision-making, ethical issues (in particular, bias), and the regulation needed to oversee AI in legal uses. This literature review addresses these broad themes by means of a survey of modern research into the potential influence of AI on the practice of law, its drawbacks, and the disagreements inherent in how best legal systems may respond to technological change .

Automation and Efficiency

One of the area's most contentious with respect to AI in the law is the manner in which it will be able to automate legal tasks that have traditionally been



performed by human lawyers. Document review, legal research, and document management are time-consuming and painstaking tasks that have long awaited automation. AI technologies like natural language processing (NLP) and machine learning are now being used to perform these tasks more efficiently. In a study by Katz (2013), AI legal predictive analytics were employed, showing the way AI could be used in forecasting the success of legal cases based on an analysis of previous cases, thereby improving lawyers' abilities to foretell the consequences of their actions. Automating mundane work offers potential for reducing the costs and becoming more efficient for legal practices. McKinsey & Company (2019) puts the figure of automation at 22% of the work lawyers currently do, which can substantially reduce customers' expenses and improve the availability of legal services. Artificial intelligence programs such as Kira Systems and ROSS Intelligence are already being utilized by law firms for contract review, extracting important terms, and reviewing large legal data. They allow lawyers to spend more time on higher-value tasks, such as strategic guidance and advising clients.

AI in Legal Decision-Making

The possible application of AI to legal judgment is another subject of interest in the literature. AI systems have started to be applied within predictive analytics for criminal justice, e.g., machines that predict recidivism or set sentencing guidelines. Those applications raise very important questions regarding the fairness and transparency of those tools. Research by Angwin et al. (2016) established that recidivism-risk assessment algorithms applied within the criminal justice system to determine risk of recidivism are discriminatory, such as assigning a higher risk score to black defendants despite controlling for comparable criminal histories. In addition, the use of AI in case decision-making in legal proceedings does not remain limited to the criminal justice system but carries over into civil actions. Case history is examined under machine learning protocols to identify patterns and make probable conclusions regarding the disposition of suits. A report by Katz et al. (2017) provides an insight into how AI programs are employed to support litigation planning, analyzing past case results in order to predict future decisions. But this raises the questions about the reliability and accuracy of AI predictions. Use of AI in legal decision-making is also furthered by the transparency of AI algorithms, which operate as "black boxes" where even experts cannot know how an AI came up with a particular decision.



Ethical Concerns: Algorithmic Bias

The ethical implications of AI use in the legal system are an important area of interest in the literature. The most frequently discussed issue is probably algorithmic bias. AI systems are only as good as the data they are trained on, and if that data is biased—either by design or by accident—then those biases can be baked into AI outputs. O'Neil (2016) demonstrates how intelligence artificial systems such as predictive police work or threat-based programs of risk assessment when applied in the judicial system enlarge the existing discriminatory bias in the broader society against races, women, and economic underclasses. This bias will enhance and perpetuate disparities within the legal environment to lead to discrimination against groups who are defenseless. For instance, in the justice system, recidivism risk-prediction algorithms might be based on past arrest history, which could itself be biased against particular groups. This is a self-reinforcing cycle whereby the algorithm's predictions could disproportionately target minorities, thereby continuing disparities in sentencing and parole (Angwin et al., 2016).

Regulatory Frameworks and Legal Ethics

As AI takes on more of a role in the practice of law, regulation is the most important question. Current regulatory frameworks for the practice of law were not drafted with the ethical and practical problems generated by AI systems in mind. Many legal practitioners and ethicists have called for the development of new laws and norms specifically crafted for AI in the legal practice. Pasquale (2015) argues that legal and regulatory frameworks must be modernized to enable AI technologies to function in a way that is transparent, accountable, and harmonious with human rights norms. AI systems ought not only to be tested for bias but also for decision transparency. Then there is the issue of liability when AI systems make decisions that result in harm. Who is responsible for a wrongful decision by an AI in a court case the developer of the software, the law firm, or the AI itself. Current regulations on AI are piecemeal and limited in scope, with only a few jurisdictions, such as the European Union's General Data Protection Regulation (GDPR), providing any guidance. A framework of regulation is needed that balances the usefulness of AI in legal systems with measures to thwart its misuse.



Methodology

The research of the present paper is qualitative in nature, using literature review, case studies, and expert interviews for studying the significance of Artificial Intelligence (AI) in legal policies. Since AI is a multidimensional problem and has various things to do with the legal fraternity, a mixed-methods approach is used herein to present an overall idea on the theoretical as well as practical implications of AI over the legal sector.

Case Studies

This research also draws on case studies of AI application within real-world legal systems. These are:

- ROSS Intelligence application in the automation of legal research and predictive analysis of case outcomes.
- The COMPAS criminal justice system, which uses AI to assess recidivism risk.
- AI-driven contract review tools like **Kira** Systems, which automate reviewing and extracting essential information from contracts.

These case studies offer concrete examples of the potential benefits of AI and how challenging it is to implement it in legal frameworks.

Expert Interviews

To supplement the case studies and literature review, the research draws on insights from interviews with policy analysts, AI developers, and lawyers. Practitioners who have direct experience in the application of AI tools in law firms and legal departments were interviewed. The interviews span the actuality of AI implementation, the advantages of AI, and the challenges that legal professionals experience while attempting to implement AI in their practice. The qualitative data gathered from the interviews offer real-world insights into the role of AI in law.

Data Analysis

Data obtained from the literature review, case studies, and interviews shall be thematically analyzed. The analytical theme will be to identify emerging common themes, trends, and contradictions in the adoption of AI in legal systems. Examples of such themes are the efficiency and cost-saving potential of AI compared to issues of ethical concerns of bias, privacy, and fairness.



Results and Discussions

AI's Impact on Legal Efficiency

The research reveals how technology is revolutionizing the effectiveness of the legal systems. AI systems such as machine learning, NLP, and predictive analytics speed up routine chores such as research, reading documents, and review of documents to improve productivity. McKinsey & Company (2019) polled that legal service providers can automate approximately 22% of work typically performed by lawyers, for instance, drafting and reviewing legal documents. With automation, it has lowered the cost so that legal services become cheaper for people and organizations that otherwise would not have been able to pay for them. In the outside world, tools such as ROSS Intelligence and Kira Systems are allowing law firms to sift through enormous sets of information better than before. These AI computer programs can read through and extract valuable information from thousands of legal documents in just seconds. For example, ROSS Intelligence uses IBM Watson's NLP capability to assist lawyers with legal research, which gives them relevant case law and information, conserving hours of time spent researching manually. Similarly, Kira Systems uses machine learning to review and analyze contracts, offering significant time and error reductions over human review (McKinsey & Company, 2019).

AI in Legal Decision-Making and Predictive Analytics

AI is also being utilized in playing a significant role in decision-making in legal systems. Predictive analytics that is AI-based possesses the capability of transforming case strategy thinking among legal practitioners. By analyzing big databases of past case results, AI systems have the capacity to make patterns that might not be immediately clear to human practitioners. For example, AI tools like Lex Machina provide data on the inclinations of judges, allowing lawyers to predict how a judge would rule on a particular case.

Predictive models such as COMPAS are used in criminal justice to determine the risk of recidivism, and the courts utilize it to determine sentencing and parole. However, it has been shown that such systems have the capacity to replicate existing biases. ProPublica investigated COMPAS and found that COMPAS would be more likely to incorrectly classify Black defendants as being a higher risk than white defendants even when they have similar criminal histories (Angwin et al.,



2016). This speaks to one of the largest problems for the implementation of AI within legal frameworks: algorithmic bias.

Ethical and Legal Implications: Algorithmic Bias and Transparency

Besides, the "black box" nature of so much AI code renders decisions opaque. Such opacity is especially worrisome in application to law, where consequences can penetrate deep into the life of a human. Without proper explanation of the chain of steps whereby an AI system comes to its conclusion, there is strong possibility that legal outcomes will be regarded as arbitrary or unjust.

Regulatory Challenges and the Need for Legal Frameworks

One of the central issues highlighted by the study is that there is a need for new regulatory frameworks that can control the use of AI in legal frameworks. Existing regulations and laws were not established with the intention of addressing the challenges that are being caused by AI, and hence, the legal sector is seeking a means of applying AI tools responsibly. Through writing, law professionals need to engage in creating legislation in order to ensure AI systems are transparent, accountable, and unbiased. Pasquale (2015) argues that AI should be subject to firm regulation, with firm demands for transparency and equity. This might involve subjecting AI systems to regular audits of bias and accountability, and making legal professionals and clients capable of challenging AI-made decisions.

The Future of AI in Legal Systems

In the near future, AI will play an increasingly large role in remaking legal systems but needs to be introduced very cautiously. The conclusions of this study are that although AI has the potential to introduce unparalleled efficiency and decision-making gains, it is also riddled with issues that must be resolved. Policymakers and lawyers alike share the responsibility of creating ethical frameworks and regulatory structures in order to provide a level playing field for AI, to be introduced transparently, and to be held accountable. The research question also outlines the necessity for ongoing training and education of legal professionals to function with AI technology. This will ensure that the benefits of AI can be fully tapped without causing potential harms. Subsequent studies should focus on developing ethical standards for AI, in addition to empirical examination of the long-term impact of AI on legal judgment.



Conclusion

The literature on the impact of AI on legal systems is voluminous and diversified, both in the context of the prospective advantages and to the gargantuan challenges posed by AI. While AI provides significant inputs to the legal system in the form of automation of routine tasks, increased efficiency, and increased access to justice. On the other hand, algorithmic bias, transparency, and demand for draconian regulation throw fundamental ethical and legal questions. While the AI technologies are being refined, the lawyers and the regulators will be obligated to join forces in order to ensure that the systems are made and rolled out in a fair, transparent, and accountable manner. Future research must be committed to the creation of more advanced AI systems for legal application, new regulatory standards, and social and ethical concerns related to their use in the legal system.

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