OK, Computer: Harnessing AI in Contracts to Change How Our Students Will Practice and How We Will Teach

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PROFESSOR NEED: Hi, everybody! I'm Mark Need. I come to transactional conferences occasionally. I'm not a regular but I see faces of some of you that I recognize, too, from the transactional competitions. We participate in a lot of the transactional competitions. You'll hear a little bit of a startup bent in some of the things that I talk about. I run the Elmore Entrepreneurship Law Clinic at the Indiana University Maurer School of Law. I certainly have some side hustles, and we teach a pretty venture capital-oriented version of an entrepreneurship law clinic. I say that our students are adding value by understanding the intersection of law and business. One thing I love to say is that business moves at the speed of law. And the students get really excited about that. They think that that means something great. And I say, think about that for a second. Law constrains the speed of business, and you've got to understand the business dimensions to everything you do.

Thank you for coming and talking a little bit about AI. I know we're all going to have different levels of experience and different levels of willingness and exposure. I am not going to try to proselytize because clearly I'm going to be proselytizing because of where I am on this. I'm an early adopter of a lot of technology and a believer here. I can tell you my views as a startup guy looking at today. So, I love the open conversation that we had, so please don't wait until the end to speak. Raise your hand, throw a shoe at me, whatever you need to do to stop me, because these are important conversations to have on something that we certainly couldn't possibly all be in agreement on, because it's evolving so quickly. I don't know who in the room considers themselves an early adopter and who's kind of played around in this pool a little bit. Looks like about half and half. That's where we are. So yeah, about half and half. So that's good. Feel free interrupt me and have a conversation during the presentation because those of you that are playing in this playground know this already— it's evolving so quickly. It's like nothing I've ever seen before. I'm a 1992 graduate of my own law school. I've been practicing for thirty-one years, and I've never seen anything evolving this quickly. In fact, the deadline for the proposals for this

conference was around August and my proposal was almost obsolete by the time I was halfway to the to the presentation. So, we had a little bit of that phenomenon there as well.

Okay, I'm going to warn you that I am going to proselytize a little bit. If you came out of that last presentation, you may have that that everybody was trying to be even handed, and say, "You know, do with this as you might." I want to be the guy that's a clinician and a startup guy and a skills guy that's catching students at the end of their law school careers as 3Ls or, in the case of the students that I direct, fourth year JDMBAs who are going to be using this stuff in ten minutes. And I'm that person at the faculty meeting that that is saying this—I think it's irresponsible of us to not start embracing AI and playing in this playground right away and saying that it's time for us to understand the tools and not just stick our head in the sand and pretend that this isn't coming, and that this isn't the way that they're going to practice law. Now that'll be a great discussion for us to have, because I completely understand the concern of not teaching them some of the foundational skills, some of the cognitive skills and problem-solving skills that they need to have themselves.

Today, I'm going to get to just one person's idea of a way in the classroom that you might strike that balance. I've been trying to strike that balance and it's been working a little bit. I tried to get cute here, are there any Radiohead fans in the room? I was trying to make songs on *Ok Computer* fit each part of this presentation. I'm let down by a lot of my fellow faculty members today. My message today, if you walk away with nothing else, is to go get in this sandbox and start playing around with it. It's coming. And that's not a bad thing. I hope by the time we get to the end here, you see a couple of examples you can use in your own teaching and in your own classes and get excited about at least dipping your toe in and starting to play around with your students, whether they're being honest or not, which is another issue.

Your students are using it, right? And we need to be at least seeing what's out there and helping them think about how they might be using it going forward. That's not a warning. My goal for this presentation—it's kind of like when I have my students on the first day of the of the clinic. They're

coming from all different backgrounds and all different summer experiences, and probably have different experiences from the experience of others in the room. When you teach clinic interns, you're not teaching a bunch of people that are at the same level. You're just trying to bring everybody up. Some people are really far and they're not what I'm really trying to get to here.

So, here are some pie charts showing some Maurer faculty answers to various survey questions on AI, and we won't get to all of them. This was before we did a couple of workshops on AI, and we asked questions that are pretty obvious. How familiar are you with the basic concepts and technologies behind AI? Have you used AI again? I'm not going to get into the exact science of our survey here other than to tell you we were pretty careful with our questions. Look how split up we are. You guys have probably already sat in these faculty meetings yourself. You've just got this wide range from "no way am I coming anywhere near it—it's banned from my classroom, and I don't want to touch it" to "we're using it every day in the classroom and here's how we're using it." Another question was "Have you used them in your research or other professional activities?" I'm a clinician, and I'm not one of those clinicians that sort of crosses over and does a little research on my own. So, I was outside of this one. But we got the same results. We have a pretty mixed bag there of those that are embracing it in their research. I guess I fall on the other professional activities, as I'll confess.

Another question was "If you're open to using AI tools in your teaching or other work, how confident are you in your current ability to do so?" With our faculty, if we're going to have a workshop a third of the group in the room is going to go, "Yeah, yeah, yeah, I didn't need this workshop," and a third of them are going to say, "This is kind of interesting," and a third of them are going to say, "I hate this, and I'm not going to use it in my classroom." I'm hoping to pull everybody along here from the last two. Some additional questions include: Are you aware of your students using AI tools in their law school class work? And does your syllabus have an AI policy? I certainly agree with the last presenter that spoke about AI. We all need to have it in our syllabus now. Maybe I'm preaching to the choir, and everybody in the room already does. There are plenty of examples out there. If you kind

of feel like you're on that spectrum by the end of this presentation, I'm happy to share what I put in the syllabus. I teach a transactional drafting class mixed with real estate acquisition in one semester in a garden variety. We call it Entrepreneurship by Acquisition, buying like a family size business. Then I teach the class that goes with the clinic, and I'm happy to share my syllabus language in that regard.

But if we do this survey a year from now at Maurer, I expect the only faculty without an AI policy in their syllabus would be those that forgot or didn't put it in their policy. I don't know if anybody's polled their class on this one—are you aware of your students using AI tools in their law school class work? What's your belief of their use? Because I got there the first day in transactional drafting, and was right away telling them I embrace it, and I want to talk about where we use it. I told them I'm not an expert, and we're going to fall through this together. So, I asked the question and one international student, who was a software engineer, raised his hand. I said, "Who's using ChatGPT and playing with it?" And I just wanted to scream. I mean no way right. But it was day one, and I thought, we're going to get there over the next six or seven weeks and they're going to see the ways that I want to use it in exercises. But I want them to learn on their own and do the best I can to strike that balance. I asked that question a week ago. Maybe two other people indicated they used AI other than using it in the classroom.

AUDIENCE MEMBER: So, if you are using it, what do you show them? Do you show students the way you should compose a prompt?

PROFESSOR NEED: I love that question. The technical answer to your question is, I'm going to. We're not there yet. And you'll hear a lot of people refer to what we call prompt engineering, which is a skill that's going to be more than a day in a transactional drafting class a year from now, two years from now. How do you best draft the prompt to get the best output, that you still shouldn't rely on, but to reduce the number of iterations to get you to a prompt that makes sense? I don't have an example of that here. I have an example of prompt engineering for us as teachers to get good exercises out there, which is something that I hope if you're not using it yet, you go,

"Wow! Hadn't thought about using it that way before." That's where we're headed.

AUDIENCE MEMBER: *Indistinct Question*

PROFESSOR NEED: The question is, have we as faculty asked the students how they want to use it, and how they anticipate using it so that we can talk about learning about it together more collaboratively? Not yet, but again we don't have a policy, and I don't think you should have a policy. It depends on where they are in the process of learning, and on the foundation they built, and otherwise. But I think it would be a valuable question for each of us to consider in our specific classes, if we think that we're going to show them how we're using it and how they use it to collaborate. We're in a funny space. It's been foisted upon us, but we don't know how to use it yet, either. So show a little vulnerability. You can say to your students, "I haven't played with this, either. I'm not showing you the best way to do this. Are you using it? And what's worked for you? And what hasn't worked for you?" We'll get here in a minute, but if you're a transactional drafting professor, I think it's a great exercise because they have to learn how to review other people's work. And ChatGPT is not perfect in its work. One potential exercise is to generate an answer with ChatGPT, and have the students poke holes, which has the the instant, sort of granular purpose served of the student's learning how to review somebody else's work. It also has kind of this macro benefit or meta benefit, if you will, of them realizing that they can't rely on this all the time. I saw myself, based on best practices I learned in class, all of the ways that it fell short. And I appreciate that I don't know if anybody else has any sense for whether their students are using it or not. If they say they're not, if you're in a classroom and you get up and walk around the class as you're teaching and you see laptops starting to shut, you'll have some idea of who's telling the truth and who's not.

When I started practicing in 1992, I had the curmudgeonly old partner that said we didn't need word processors. I brought in my own computer, and he said there was no need for that. That's a true statement. I'm a living, breathing individual that can stand up in front of you, and I practiced at a time that they were using typewriters. Who remembers bag

phones? You thought you were James Bond. I had a small business practice and I had a bag phone. I was the first person I knew who had one. I had a best friend growing up, a doctor out in Missoula, and I called him one night I was coming back from a hearing about an hour from the house. I called him when I got in the car, and I talked to him for about fifteen minutes, and then I said, "I got the coolest thing to tell you. I'm talking to you from my car." We talked all the way home, and then I got the bill at the end of the month for talking to Missoula, Montana. And I had partners that were saying, "Why in the world do we need to talk to people all the time? We have a phone in our office. I don't know why we need those." You can see where I'm headed here. I'm long enough in the tooth to remember my Indiana University issued computer that I got when I started with the clinic in 2006—a big, clunky, chunky notebook And I had the pleasure of sitting through faculty meetings where we had long arguments about whether we were banning laptops or not. School wide. It's funny now. It wasn't funny at the time. We burned an hour or more talking about whether we needed to ban laptops or not. And what were we afraid of at that time? It was distractions and unnecessary expenses.

But the response was that all of these adopters, those that were the adopting the technology, in the student body were saying, "This is where we're going. This is how documents are going to be composed from now going forward. Get on! The this train is going that way. Get on board, or don't!" This is the way people are going to be communicating now. You can say that you don't need it. You can decide when it's for you to to jump on that train or not. There are plenty of class settings where you either close laptops or don't use them for purposes of discussion, and I'm open to suggestion. But I don't think anybody's got a law school policy that bans laptops on their campus. We were having that discussion in 2007.

So back to AI—this is the way are going. What are we afraid of? Where are we going here? I'm trying to get you less afraid, and I'll kind of reveal the end—it's a tool. It's an imperfect tool. But I think if you understand where it comes from and what it's doing, you'll use it for these reasons, and you won't be as afraid of it. I think a lot of the anecdotal evidence that we need to stay away from it is because people are using it for

the wrong purpose. What are we afraid of? That it'll know and when it knows, it's going to replace us. We hear that one all the time. Or the one that we hear in our world all the time, that it doesn't know enough and that it hallucinates. I'll pick on those that that can't wait for it to hallucinate on my own faculty, because that means they don't have to pay attention to it. They're thrilled when they see it hallucinate, because they say, "Aha! See, it's no good. Now I don't have to learn about it, or figure out how to deploy to my classroom or otherwise. It's bad because it's wrong, because it doesn't know this the way that we know this." I challenged my faculty, and I brought a significant number of people on board, more than I thought, for a narrower, narrower slice of of uses. I brought them a board to say, what does it mean to know something? I'm not trying to get off on some esoteric sidetrack here. I'm trying to say, if we think about AI in this way, you'll think about ways that you could use AI and make your your teaching more efficient and bring it into your classroom. And you'll think about ways that we all know that it can hallucinate, and that you shouldn't be using it in that way in the first place.

So, what's it mean to know something? My thesis is that understanding generative AI will lead to best uses of AI. I'm glad that Kristen and I didn't overlap here. I am going to say a little bit about what it does. I'm not going to get super into the details, and I don't pretend to to understand the whole thing. It's generative because it creates new content. That's important. I could almost stop there. It's generating new content. It's forward thinking. I thought of this on the way over here, I could incorporate Tina Stark's thinking about representations as being a past or existing and warranties as being in the future. That's kind of where I end up getting on generative AI, to use it for forward thinking. It's got a lot of value using it to think backward for facts and that's where we're going to get in trouble. It creates new content, based on the data that it's trained upon. To understand it, and I beg you, we need to stop confusing ourselves by humanizing it. It is not a person. It is a tool. It is an algorithm. And again, if you understand it that way, it will help you use it that way. It doesn't know anything. Even if it gives an answer or appears to have a chat with you that makes sense and is sort of a sequitor and and feels good, it doesn't know what it's saying. It's an algorithm, It's neither right nor wrong. We've been misled by everybody

who's developing it to think of it a person, which then causes us to criticise it and say it's hallucinating, or it's wrong. And this causes us to be less entertaining of the idea of using it where it could be helpful. We'll use AI properly when we understand that it is a powerful predictive text algorithm. I'm sure some people in the class have heard this description before. This was super helpful to me, and seemed to turn a light on for a lot of my colleagues.

AUDIENCE MEMBER: *Indistinct Question*

PROFESSOR NEED: I want to put a pin in that and come back to it if we have time at the end because I'm going to make a kind of controversial suggestion that we're going to arrive at a place where it won't matter. Because we're going to be teaching skills for students to add value in other ways. We're going to have to acknowledge that there's some things that we're teaching them now that we're not going to need to teach them, at least in not as in detail as we were before. Because we can look at the fact that we can't recognize whether a document is something that AI generated or not as a bad thing. Or we can look at it as a good thing. You can look at it as progress, that it's generating something that we don't recognize one way or another. Except it matters in our narrow little world, where we're trying to teach them to generate that on their own first and to understand it. We'll get to navigating that in a minute.

Alright, so thinking about a predictive text algorithm—everybody in the room knows who Mitt Romney is? I'm not at all trying to get into politics today, I was trying to come up with a good example. So imagine you have Mitt Romney behind the podium, and that I said to Mitt Romney, "Tell me about reasonable government regulation to assist in a healthy market." I hope you know enough about Mitt Romney to guess what kind of answer I'm going to get from my hypothetical Mitt Romeny. This is a quote from Mitt Romney: "The invisible hand of the market always moves faster and better than the heavy hand of government." Now imagine my seventy-eight year old aunt. Even if you don't know her, you know her. She could be your aunt. She could be your neighbor. She could be somebody at your office or otherwise, sitting in her in her lounger all day staring at one news channel all

day. And then she calls her eighty-eight year old sister—my mother—and tells her eighty-eight year old sister how dumb she is. My mother then calls her fifty-seven year old son, and says, "I don't know what I'm supposed to do. Your aunt called me, and have you heard about the latest?" And I have to say, "Mom." Again, not getting into politics. But guess what, if I said something to my aunt about, "Tell me about reasonable government regulation to assist in healthy markets." She would say something along the lines of big government's bad, and it gets in the way. She'd say there's no need for it. My point is. It's going to be worded a little bit different way. She's going to say about the same thing that Mitt Romney is saying based on the data that she's trained on.

Now imagine Charlie, who lives across the street from me. Charlie's got a microphone. He's proselytizing. If I went over to Charlie and I said, "Hey, Charlie, don't worry about what this means or anything, but if you hear the words government or efficiency or regulation. . ." He would respond along these lines of big government's bad, and the invisible hand of the market always moves faster. You guys know here I'm headed here? Which of these people knows conservative regulatory policy? My point is this. They all are going to say the same thing. That's the same as generative AI. What's it do? I won't wade in too far to the technicality. It takes the text that you enter. It breaks it into chunks. Those chunks are smaller than single words. They refer to them as tokens. I'm about to get out past my ability to speak to it. It assigns vectors to those tokens special numerical values, I'm told. I understand that it feeds those numerical tokens through a layered algorithm, and determines what words are likely to appear in response or near the prompt tests. And then it fine tunes the response to make it semantically smooth. You know what Charlie does? It says people that use these words also want to hear responses that have these words. Take what Charlie's doing and turn it into a superpower. That's all that it's doing. It's a powerful predictive text algorithm.

As an example, so that the faculty would understand that they're already using it, I pulled up my Apple calendar and put it on the screen. I acted like I was entering a new appointment, and I typed PEA. It came out and made the suggestion for Pearl Jam. My wife and I have been in the pit

for a Pearl Jam show five times in the past eight or nine years. So the calendar said, "This guy's typing PEA.This poor kid, who can't get out of his youth, is going to a Pearl Jam show." And made that suggestion. I didn't have to go far to find a predictive text algorithm example—my phone texting app. Everybody uses this example all the time. If I say "Good to see you today, Brian. I don't know what's going on tomorrow. Would you want to . . ." And it will suggest, "go to lunch," or if it knows that it's me and Brian, it will suggest, "go grab a cocktail" or something along those lines. It's trained on a little bit bigger chunk of data to make it a little more powerful. Then there's Microsoft Word, if you all are using the predictive text algorithm, that's in Microsoft Word, it's doing the same thing. But it's a powerful predictive text algorithm, even more powerful because it's not just trained on my data. Word is trained on all kinds of data out there on what people are typing. Then ChatGPT, the super super super powerful version. That is a kind of simplistic way to think of it all.

So, what's all of this mean for AI in the practice of law? This is where the important distinction is for those that are a little bit afraid of it. One, for now it holds little value. For factual historical backward looking or reverse looking it doesn't hold utility in that regard. In fact, if you look at the bottom of ChatGPT–4, some of you may have seen this in tiny print that ChatGPT may produce inaccurate information about people, places, or facts. Almost all of the hallucinations that you hear in these stories around law are people that were counting on generative AI to tell them something about people, places, or facts. They're trying to screw a Phillips screw into the wall using a hammer. It's not designed for that. It doesn't mean that a hammer is no good. It means they shouldn't be using it that way.

Two, it holds great value, stepping into the realm of opinion, for creative forward thinking head starts. It's not perfect for ideas and for problem solving. What does all this mean for AI and the practice of transactional law? I would suggest to you, it is built for assisting in the creative problem solving process. That's what our students are going to use it for in practice in the coming years. We can help them learn how to do that in practice settingsand in transactional settings. And we can use it ourselves professionally in ways that I'll show here in a minute. And what are the

adopters saying? The adopters are saying. "This terrain's going that way. Are you getting onboard or not?" Whether they're being honest with it or not, this is already the thing that they're using. Let's stop pretending that it's not going to be part of what's going on. And let's figure out how to harness it again, balancing it with the need to have them learn the foundational skills around thinking like a lawyer, as we say, that they need to have.

Does anybody by name know who Scott Galloway is? He is a NYU business professor. He's one of those celebrity professors. Now, I don't know that he teaches a class in there anymore. I recoil at the term "thought leader," but he's sort of a thought leader around all kinds of technology and business and startups and investments. In the last session, she put up that quote that came from the person at Spellbook that said essentially that lawyers, your job isn't going to be taken by AI but it's going to be taken by lawyers who know how to use AI. Guess where that person got that quote from? Scott Galloway. Your job won't be taken by AI. Your job's going to be taken by someone who knows how to leverage AI to do your job better than you do.

Where am I going with all this? At the end of demystifying AI as a tool, we can see that AI can be a good thing and a bad thing. It's a tool. It's helpful. It increases efficiency. It helps us do either what we couldn't do, or I think in cases here, to do it faster, better, more efficiently. For now it's a forward thinking creative tool, useful for imperfect head starts. Anytime one of my faculty members jumps up and points and says, "Yeah, but that doesn't follow even your own best practices for transactional drafting." I say, "I can make it better." I was a partner in a complex commercial litigation section of a firm. My transactional drafting teaching is informed of that went terribly wrong in contracts. And I can say, "This seems a small issue to you. This is what our clients paid thousands of dollars to litigate. Do this in every document that you have going forward." We can always make it better.

Now how are we using it in practice? I'll mention third-party apps here. Harvey is kind of transactional, but I think it's reaching across legal disciplines and being developed in conjunction with some law firms that I think have some money invested, and are letting it be trained on some of

their date. CoCounsel. Lexis AI has been promised to us, and they keep moving the data out a little bit but it's coming. Everybody's saying it's blockchain. Remember, three years ago, if you were in the startup world every idea that came in the door, they said, "It's this, except on the blockchain." Now we've got that going with AI. Where does AI fit in your business? There's Spellbook. I encourage everybody to reach out to Spellbook. They have, in fact, promised a free license to law professors. They're also interested in feedback. I don't know how many lawyers they have in their in their c-suite. They got it priced around ten or twelve million bucks. They're gonna scale this thing out quickly. This is gonna be one that in our world that we're all going to see pretty soon. Spellbook is out there, and I think is gonna be one of the leaders doing what I do. I call it the unfortunately named spell book because you know I'm not a Harry Potter fan. I don't think we want to think of it as magic.

What I want to encourage you to do is say that they're not perfect, but we can leverage those third-party apps. We can teach our students to add value and and and distinguish themselves from other practicing attorneys. I can spend more time in class teaching students how to value a mixed use property. Because I can spend less time on teaching them the basics of drafting, which make your stomach jump for a minute. I'm not going to leave the basics behind. But how do I think you can leverage aspects of these third party AI apps? One is bias. If you follow any of the media and writing and scholarship around AI, you'll see a lot of talk about bias. It's only garbage in, garbage out, as they say. It's only as good as the data that it's trained on. If the data that it's trained on is from our world, it's going to be trained on data that's biased. It's going to have output that's biased. I don't take issue with that for a second. If you leverage these third party apps, I would suggest to you, think about the ways that it is unbiased in a way that humans are not, at least narrowly in our world.

I'm consulting with an AI startup that is doing sports analytics, sabermetrics, and moneyball. But they're using AI. They're taking DARPA developed technology for warfare. Guess what warfare maps onto pretty neatly? Football. All the reasons that moneyball didn't work for football, they can make it work with AI. And we're in a presentation, and I loved what he

said. He said, "The data that it's on is unbiased in an interesting way. The experienced football coaches in the world wouldn't look at a particular play and say, 'What if we had three quarterbacks in that play? What would happen?' and evaluate that." The equivalent for us is, we can leverage AI to think outside of the box. It's a little bit bigger box than we were thinking in. Then inside those tools, as you use them, I would encourage you to look for ways to be creative.

With Spellbook there is a dashboard that sits in Word and gives you some idea of the different "spells" you can use. For instance, you can highlight the indemnification provision, and then tell Spellbook "Explain this to me like I'm a fifth grader?" This helps with the classic situation where a client writes you an email and says, "I don't understand how this earnout works." So you can highlight the earnout and tell Spellbook to explain it to your client. Once Spellbook generates a response, you can copy and paste that response into the email and then take ten seconds to look through it for accuracy and to adjust it for your tone. Then, something that was a twenty minute process has become a two minute process.

One of my favorite features—one that really helped the lights go on with the C-suite individuals—is the button where you can "select a party" when using the "Negotiate" spell.[1] They love that feature. You start by asking Spellbook to review your document to "Negotiate" which will allow you to "[s]uggest changes that favour a specific party."[2] Then, you select the party you are representing and, if you want to, you can even input additional information to apprise Spellbook of your client's specific goals in context of the deal.[3] Then, Spellbook will give you all of its insights. And again, you've got to think about it yourself too. However, it can still be a useful tool to leverage. For instance, say you are heading into a negotiation, you can leverage the tool to act as if it is representing the other party. That way, before

[1] Sarah Beatty, *How to Use Spellbook to Redline & Mark-Up Documents (with Review Feature)*, SPELLBOOK HELP CENTER, https://help.spellbook.legal/en/articles/9001263-how-to-use-spellbook-to-redline-mark-up-documents-with-review-feature [https://perma.cc/NMM9-ZM9J].
[2] *Id.*
[3] *Id.*

you walk into a negotiation, Spellbook might have highlighted something to be thinking about that I might never have been aware of otherwise. Are you kidding me? I've never met opposing counsel. I've never seen the opposing draft. But now I have some idea of what they might be thinking or what their draft might look like .

Now, considering this tool on behalf of our students. Do we not want our students to be using this in a negotiation? Even if opposing counsel is using this tool? Is this an arms race ? A little bit. Watch for creative uses of the tools that are out there in our world and how we can leverage them in our world. You're gonna say, "But our students don't have access to third-party apps that require subscriptions." Some of you might be thinking, "Look at that—give me that little patronizing pat on the head in your little corner of the world of transactional drafting, with your special apps that the students only have access to if they pay a subscription or get it from you." Guess what? As of November 1st, if you have a Microsoft enterprise license through your university, the Microsoft suite—Excel, PowerPoint, Word—is going to have an AI co-pilot built into it. Unless your university shuts it down, and I can't imagine that they're going to do so. So students are going to have it if they're taking notes in Word, even in the doctrinal class or in the skills oriented class. It's sitting there with them the entire time. If you use the non-workspace version of Google Docs, you'll now see a little magic wand. You can get ahead there by using it to draft all kinds of things. My point is, AI is everywher. You don't need a subscription to a fancy app anymore. Our students are gonna be using it. Our clients are gonna be using it. Their clients are gonna be using it. Their practitioners, their partners, are gonna be using it. So we need to get comfortable around it.

Now, for those of you that haven't seen something like this before. Here's ChatGPT-4. This won't amaze everybody in the room, but some of you haven't done it before. If I tell ChatGPT, "I own a 10,000 square foot building, with residential upstairs and retail downstairs. I need a triple net lease where the commercial tenant only reimburses me for taxes. Insurance and maintenance base rent is $20 per foot and the term is 3 years. The commercial space is 2,500 square feet." That's not hypothetical, but rather is based on a building that we own in Bloomington. Now, I know that what

we draft a lot of times is for the 5% or less of the time that somebody's going to pick something apart, based on the way specific facts unfolded. I will tell you that the drafts that I've seen here are a tremendous headstart. They're a great headstart. They're going to get better. But I can improve them based on my own war stories and what's happened with me. Now, clients may try to use tools like this. A client used this ChatGPT tool, but it didn't make that far. And, if clients used tools like this 50% of the time, they'd be fine—as long as the parties are getting along. But we know they don't always get along, and this is where your comment becomes so important. Because your client wouldn't know what was going on when first reviewing the AI generated contract. They wouldn't know that the contract AI generated is missing four clauses. As a regular person, you have no idea. I know a lot of CFO's that say, "I have no idea what my lawyer's talking about. I just run it through ChatGPT."

This is why we have to be engaging with these tools. To do this, I give my students the following assignment. I start by telling my students "You will work with this document. You can use AI to think about risks and strategic issues. You can use it to brainstorm." But I also tell them, "I want to see your prompts. I want to see your screenshots. I want to see all your research." Because I want to avoid the studends becoming lawyers who run things through ChatGPT but don't know the answer themselves. But I want students to learn how to leverage these tools because if you look at all the large firms, like DLA Piper and all these other firms that are building their own internal large language models, they are leveraging these tools. I worry about the Academy not preparing students for this going ahead. And we can prepare them. Because AI is good for thinking about patterns and for thinking about what kinds of clauses you want to draft. AI is good for brainstorming. But it is not great on nuance, and out students can be. We just have to do a better job teaching our students judgment and strategic thinking.

AUDIENCE MEMBER: *Indistinct Question*

PROFESSOR NEED: AI can help with efficiencies everywhere. When framing AI for students, the way I approach the discussion is similar to how I approach talking to students about clause banks or contract banks. They're

there. They're good. But the students still have to know the difference between options to know which one's the one to roll ahead with. I will give you an example here of a valuable exercise. The students can critique the draft generated by AI. By providing solid, well-thought out critiques, the students can demonstrate that they understand and are wrapping their heads around in transactional drafting. If they can give a good critique of what ChatGPT drafted, and point out areas where the draft is not adequate, they are demonstrating understanding. And just like with contract banks, I suggest to the students that if you are using a form contract, you're not going to wholesale throw it out or wholesale it keep it. You will say it's a headstart and combine it as a digression into a specific transactional context.

Another AI app that is fun to experiment with is VenturusAI.[4] Now is anybody nerdy enough in my world to know what a SWOT analysis is? Is that familiar? It's been out there for a while. Strengths, weaknesses, opportunities, and threats. You know what a PESTEL analysis is, anybody? I lose everybody there. My MBA is thirty-one years old so I came to this later. PESTEL stands for political, economic, social, technological, environmental, and legal threats. If, you have a business proposal, and you have a model, and you have an idea, and it's a new idea in the market, a tool like this can be really helpful. If you're looking at the venture capitalist backable space, but I encourage you to go check out VenturusAI. You enter a natural language prompt of the problem that you're solving, and the solution that you want to provide. VenturusAI will give you a suggested name. It'll give you a SWOT analysis. It'll give you a PESTEL analysis. It'll give you a business canvas under the proposed version. Is it perfect? Is it dead-on? Is some VC going to invest or not invest $ 5,000,000 based on what it says alone? No. Is it an incredible headstart? It is. When you have an idea, you can go out to VenturusAI, and it will give you an analysis of who your competitors are, and how to build models, and what sample customers might look like, and even social media ideas in that regard.

[4] *Instant Feedback on Your Business Ideas*, VENTURUSAI, https://venturusai.com/ [https://perma.cc/3E3P-4JEW].

We can also use ChatGPT to support human-centered design. I'm a human-centered designer. One of my side hustles is in the middle of the human-centered design process. Guess what I'm doing? Two-hour user interviews. Afterwards, I'm taking that transcript, dumping it in ChatGPT, and saying, "Tell me the high points. Where were they excited and talked about what they loved in that process and that experience? Where were there what we call pain points? Where did they say, I hate it?" And ChatGPT can provide me with that. Some other great tools include WrapperAI,[5] which is connected to Google's patent search tool. Another is beautiful.ai,[6] which can create pitchdecks. There is another one called Tome[7] that can also create pitch-decks. You can say "I've got an idea and I need a million bucks of pre-seed money to build the next suite of tools in my continuing education space. Please give me an investor pitch deck with no more than eight slides. Here are the basics and make it look modern." You will get a perfect pitch deck.

Finally, how does this affect us as professors? How can we use AI to assist in teaching? Here are two questions to consider. First, how do we allow or disallow the use of AI in the classroom? Second, how do we use AI to generate class exercises? I hope these are the two pieces you can carry out of here, even if you're a skeptic and don't want to play with them in the classroom. What are our policies going to be? I think there are three possibilities. Possibility one—ban it. Tell students they can't use ChatGPT. You know how I feel about this. I don't think it's realistic. I'm not their babysitter. I'm not their mom and dad. I don't want to police it if I don't have to. Possibility two—use it, no matter what, at all times, whether it's in a 1L class or a 3L class. The problem with this possibility is that we're trying to teach foundational thinking skills at the 1L level, and drafting skills at the 3L level. Possibility three—we can be open to teaching students how to use AI to add value as a middle ground. I suggest that you weave AI into your lessons to balance the notion that they need to learn self-thought and

[5] *WrapperAI: Business's Private Data Sanitizer*, WRAPPERAI, https://www.wrapperai.org/ [https://perma.cc/WX3Q-5YD2].
[6] *Introducing generative ai presentation software for the workplace*, BEAUTIFUL.AI, https://www.beautiful.ai/ [https://perma.cc/6BGC-XERJ].
[7] *Make deals, not decks*, TOME, tome.app [https://perma.cc/6WCW-9CUH].

cognitive problem-solving skills themselves with the way attorneys evaluate tools like these.

For example, as drafting exercise, I told students, "Your client, the owner of a commercial building, wishes to sell the building. However the contractor for a building tenant filed a mechanics lien against the estate. Your client is willing to pay the contractor the value of its labor and materials, but the parties disagree. The lien has to be removed immediately. Everybody in this room could come up with a simple solution to that." I'm big on feedback. So I use a tool I created that allows students to enter a response. Then, I push a button and it anonymizes everybody's responses and swaps them with somebody they don't know in the room. They don't know which student's response they're looking at. Then, I ask the students to give what we call critique. I encourage students to start with empathy. For instance, "I see what you're trying to achieve to ensure no increase in the contract value. I think you missed it a bit." This will be another student telling their peer this. I watch all those critiques come in and then I push another button and it anonymizes the critique. And it returns the critique to the original student who drafted it. Meanwhile, I'm entering an example of what I would have done in response to the prompt. At the end, the student has my original prompt for the response, they have critique they received anonymously from somebody in the room, and they get what I would have done with it. Then, I can pull any of them up to the screen for comments

Now that alone doesn't teach students anything about AI. But during this process, I add in two drafts generated by Chat GPT and send those out for student critique alongside the student drafted responses. Then, after the exercise is over, I get to ask the students who thinks they received the ChatGPT drafted responses. Then we can dig into why a student thinks they received a ChatGPT response. What's it missing? What did it do? Why did it make you think of that? This, I hope, is an engaged teaching tool that allows us to treat the students as adults. Let's trust them. And what I found is, if you just tell them not to use it, that's not effective. If you say everybody can use it in their own drafts, it doesn't teach them to think independently about what they want in their draft. But if I say we're going to look at what ChatGPT drafted alongside what you as students drafted, the students seem

to respect that and not use ChatGPT for their own drafting because they know they will see what ChatGPT would have done.

AUDIENCE MEMBER: What are some best practices for engineering prompts for ChatGPT?

PROFESSOR NEED: The best answers come when you create a clear role for ChatGPT. For instance, you can tell it that it is a client with a startup that you are about to interview. Or you can tell it that you are an attorney drafting a specific document. Or you can tell it you are a law professor. In addition, you should give it a clear job to do. For instance, "Please give me a student exercise that does XYZ." It is also valuable to clearly state your desired format. For instance, you can tell it you want multiple choice questions or you want the students to be able to answer the question in a paragraph.

Now, I'll end here by showing you how to create a reverse prompt using AI. That is to say, to have AI create a problem for you. To start you give it a role. You can say "You're a creator of diagnostic hypothetical problems for transactional drafting students. You create low-stakes tests and diagnostics. You create hypothetical problems, one at a time. Two pieces. They're looking for a solution to the problem in everyday language. Second, I want them to draft the provision that addresses that solution in good drafting form." Then I tell ChatGPT to reverse the prompt to create its problem. ChatGPT will then ask me follow-up questions like, "What's the subject matter of the hypothetical problem? Which party do you want the student to represent?" Using this tool can give you a huge lead on creating some pretty cool hypotheticals you can use in the classroom.

Thanks everybody. Let's continue the conversation.