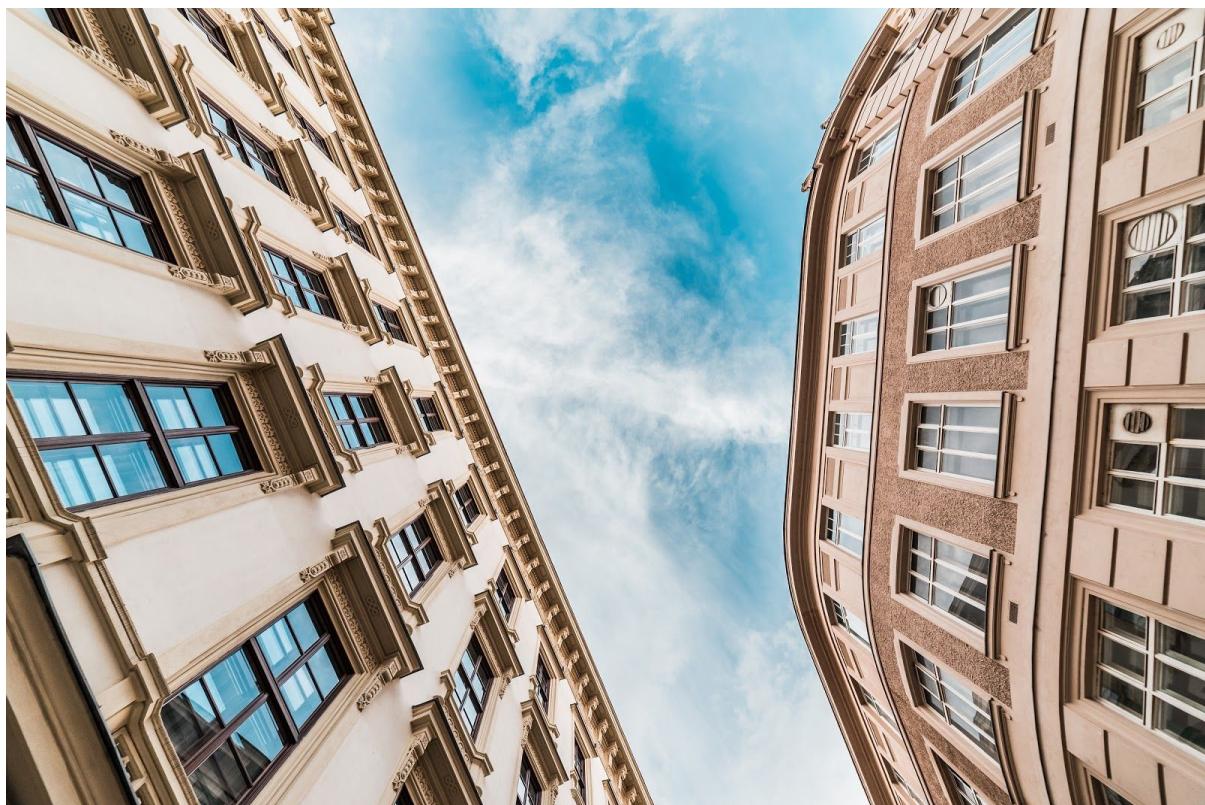


LEGALTECH TOOLS IN CENTRAL EASTERN EUROPE

CEE STARTUPS & SCALEUPS OFFERING INNOVATIVE
SOLUTIONS FOR THE LEGAL INDUSTRY AND BEYOND



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A couple of years ago, legal technology (legaltech) was still an unnoted topic of discussion among most lawyers in Central Eastern Europe (**CEE**). Even in more mature legal markets, the legaltech sector was just picking up, but often still poorly defined. Today, innovative software tools targeting the legal industry are being developed across Europe and legaltech startup maps are increasingly populated in several local jurisdictions. Our team at **InvestCEE LegalTech Consultancy** decided to look more closely at various legaltech solutions originating from the CEE region specifically and to provide an overview of this nascent market.

ABOUT THIS REPORT

In 2019, InvestCEE launched research to determine and quantify the key players that enable digital transformation in the legal service industry across CEE. This report is the first study done by InvestCEE aimed to examine a new market carving out an innovative aspect of legal services, often referred to as newlaw.

Our research focused broadly on the CEE region (without looking for a strict geopolitical definition for this term), so our interest spanned from the more northern countries in the Baltics over to the more southern countries in the Balkans and covering the countries in between, while we did not include German and Russian speaking jurisdictions. For the purposes of this report, we specifically looked at countries such as Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

As regards our methodology, we looked at the online communication of business entities that made a reference to “legal technology” or “legal innovation”, searched through public information relating to legaltech themed meetups or conferences and reviewed public databases maintained by legaltech event organizers. This research was augmented by direct communication with some of the local entities or individuals from various CEE jurisdictions whom we had contacted for insights about the current state of their respective legaltech markets. We focused specifically on grassroots initiatives aiming to innovate the legal sector and did not cover incumbent or traditional service providers traditionally covering the CEE legal market.

As a result of our research and surveys, we identified more than 50 newlaw players that currently shape the CEE legaltech ecosystem. Yet we note that this report was intended to be a representative sampling for the region and not an exhaustive list. Our findings constitute an independent market review and InvestCEE shall not be held liable for any opinions expressed, inaccurate or incomplete information presented herein.

Please submit any input and feedback via investcee.hu.

SUMMARY OF KEY FINDINGS

The 2019 research showed the CEE legaltech market to be an early stage yet dynamically evolving sector. The following findings appeared as most prominent from our study:

- 1) Looking at the local jurisdictions, the **top contributors of the CEE region are Hungary, Estonia, Poland and the Czech Republic**, jointly encompassing almost **70%** of the legaltech startups in CEE.
- 2) We grouped newlaw players in CEE into **three main categories**:
 - startups or scaleups developing software tools for the legal industry at large (i.e., we found their product and service offering to be relevant across the CEE region, potentially even beyond);
 - startups or scaleups developing software tools for a given local jurisdiction only (i.e., country-specific solutions); and
 - innovative legal service providers that perform a range of tasks enabling the growth and expansion of the CEE newlaw ecosystem: studios and boutique firms offering consulting services for the more traditional players of the legal industry.
- 3) Beyond software tools focused on legal service delivery, we identified a number of additional creative tools on the **borderline of legaltech** that we thought may be worth keeping in mind. While these software tools were not specifically targeted at the legal industry, they provide solutions for professional services generally and could be of interest to lawyers with a knack for innovation.
- 4) Legaltech tools in CEE cover a whole range of tasks. The top categories we identified in the 2019 study were the following:
 - document management, legal drafting automation and/or digital contracting;
 - legal matter, time and/or workflow management;
 - GDPR & data security;
 - legal search & research; and
 - access to justice.
- 5) Law firms and corporate legal departments in CEE increasingly experiment with legaltech tools. Some local or regional law firms recognize the potential of new business models to transform the industry and engage with innovative service providers to develop collaborative solutions for clients.

TOP LEGALTECH CONTRIBUTORS IN CEE

From the 11 jurisdictions covered in our research, we found four jurisdictions to stand out in terms of quantitative contributions made to the regional legaltech sector. By jurisdiction, the four key contributors of the region in 2019 were Hungary, Estonia, Poland and the Czech Republic, jointly giving home to almost 70% of the legaltech startups in the CEE region.

Looking at all legaltech contributors in CEE, we grouped newlaw players into three main categories:

1. startups or scaleups developing software tools for the legal industry at large (i.e., we found their product and service offering to be relevant across the CEE region, potentially even beyond);
2. startups or scaleups developing software tools for a given local jurisdiction only (i.e., country-specific solutions); and
3. innovative legal service providers that perform a range of tasks enabling the growth and expansion of the CEE newlaw ecosystem: studios and boutique firms offering consulting services for the more traditional players of the legal industry.

1. CEE LEGALTECH TOOLS WITH SCALE

Below we highlighted the top legaltech contributor jurisdictions in CEE and listed the product and services portfolio of those tools that we found to offer scale to users within and beyond the CEE region.

Top Legaltech Contributors in CEE:	Hungary	Estonia	Poland	Czech Republic
LegalTech Tools with Scale:	DOQdrive	Agrello	legaldpt.com	Legito
	Everprove	Avokadoo	MyDocSafe	SingleCase
	GDPRoofed	ExtendLaw		
	RevealU	Hugo.Legal		
	SignoWise			
	Tresorit			
	TrustChain			

Hungary

1. **DOQdrive** is a secure cloud solution that enables the storage, management and sharing of legally binding documents. The green archive functionality ensures that certified digital forms of documents can be easily accessed by users, both individuals and enterprises. DOQdrive was developed to also offer e-signatures and digital contracting through the application.
2. **Everprove** enables secure document creation, storage and proof of records via blockchain technology. Everprove provides customers with an easy-to-use contract template platform to create simple agreements with a few clicks. The platform also includes a freestyle text editor to

- enable customers to create their own documents. The blockchain stamping of already existing files - documents, pictures, music - will also be available on the Everprove platform.
3. **GDPRoofed** is a software tool that facilitates the recording of data processing activities and managing other mandatory tasks required from companies by the EU General Data Protection Regulation (GDPR) in an efficient and simple way.
 4. **RevealU** is a tool aiming to revolutionize access to personal data for individuals. For businesses, RevealU offers to remove the administrative burden imposed by the GDPR. The platform enables businesses to manage thousands of data subject requests via an intelligent dashboard and task manager.
 5. **SignoWise** is an electronic signature system that replaces traditional, paper-based documents, making the administrative processes more effective and transparent, while also reducing costs. The platform ensures an advanced electronic signature solution for PDF files. The signature process can be controlled through a graphical interface and it works with tablets, hybrid PCs and signature pads.
 6. **Tresorit** is a cloud-based data security and file sharing platform that offers end-to-end encryption and easy access to data at any time.
 7. **TrustChain** is a secure digital contracting platform that enables online identification of company representatives by accessing company registration databases stored by public authorities in certain local jurisdictions. TrustChain offers qualified electronic signature solution and financial services integrated into the digital contracting process. TrustChain customers can collect online payments and track financial commitment via their partner network.

Estonia

1. **Avokaado** is a document management platform providing up-to-date legal content for document automation and further tools for data management, data analytics and digital signing. The startup also offers services, such as a “contract chatbot” to accelerate the process of contract negotiations with customers.
2. **Agrello** is a document management tool that enables users to create, share and sign documents online, while also enabling them to review their contractual relationships, rights and obligations.
3. **ExtendLaw** offers search and knowledge management systems for lawyers. Their xLaw software turns the web browser into a hyper-augmented legal research and knowledge management tool for Estonian law and EU law. xLaw can be added to the Microsoft Word toolbar to create and access a one-click clause bank, precedent library and more.
4. **Hugo.legal** is an artificial intelligence powered search tool that helps find the most suitable lawyers for clients, based on a number of preferences, such as pricing, professionalism, location, and personality. Hugo.legal is an access to justice tool that enables submission of legal questions free of charge and get matched with a lawyer.

Poland

1. **MyDocSafe** is a secure portal solution for professional service firms to digitally onboard clients and employees, automate proposals, share documents and encrypt emails. MyDocSafe's complex offering also includes e-signatures, workflow automation and secure document management.
2. **legaldpt.com** is a legal document management platform that enables electronic workflows, setting access rights, electronic approval processes, access to company details directly from the public register and secure storage. Legaldpt.com is highly compatible with other systems, like CRM, ERP, ECM, and offers its features in many different languages, for multilingual workplaces.

Czech Republic

1. **Legito** is a smart document platform that enables users to draft, negotiate, share and sign responsive documents. Legito offers one-click conversion from Word document templates, 100% programming-free deep document automation, seamless integration avoiding double data entry, template management and automated extraction of certain data from Legito documents. Legito is available both as a cloud or on-premise solution.
2. **SingleCase** offers a simple document and matter management system for lawyers that helps organize all documents and activities around a given case. SingleCase enables adding documents from a data box, via a drag and drop function from the desktop or by forwarding them by e-mail. SingleCase also tracks case progress, tasks and deadlines, keeps timesheets and enables reporting.

Further, for each of the countries listed in the below chart, we identified one legaltech tool that offers scale within and beyond the CEE region. We summarized their country of origin, product and service offering as follows:

CEE Country of Origin:	LegalTech Product	Service Offering
Lithuania	Amberlo	a cloud-based law practice management software for law firms. It makes everyday activities – such as managing contacts and matters, organizing documents, time tracking, legal-specific billing and planning daily activities for individuals and teams easier, more secure and more efficient.
Latvia	Juro	an end-to-end contract management platform that helps legal and business teams make contracts faster, more collaborative and more human. Juro's AI-enabled product offers contract creation, negotiation, e-signing and analytics.
Bulgaria	LegalTrek	an integrated legal practice management solution designed for small-to-medium sized law firms. With LegalTrek, it's fast and easy to add new fields to any matter, contact, task or document. It integrates with other systems to avoid double data entry and enables access control for users. With its encryption features, LegalTrek offers bank-grade security for all information stored locally or in the cloud.
Romania	KeyVision	a workflow and project management platform for legal professionals, departments and law firms to track, analyze and manage business performance. Its advanced analytics tools provide key insights about clients, contracts and projects in order to improve time-efficiency and quality of service.

2. CEE LEGALTECH TOOLS FOR LOCAL JURISDICTIONS

Below we listed the legaltech tools relevant for local legal communities in specific CEE jurisdictions. While these solutions may not be relevant for the regional legal industry or otherwise at scale, they provide an opportunity to optimize and enhance legal workstreams for local lawyers and business entities.

CEE Country of Origin:	Poland	Hungary	Bulgaria	Czech Republic	Estonia
LegalTech Tools for Local Jurisdictions:	Umownik	Adatsólyom	Advocatami.bg	Keboola	Lawtime
	Sprawy	Justitia	Pravatami.bg		
	Vindicat	e-Szerződés			
	Specprawnic				

3. INNOVATIVE LEGAL SERVICE PROVIDERS IN CEE

Service providers in the legal field no longer encompass traditional pyramid-shaped law or other (business advisory) firms only. Increasingly, there are different business models that target the legal industry and they come in a variety of shapes and sizes. In the CEE region, innovative legal service providers are generally new players that approach the legal field from a different angle. Shifting the attention on the actual client need, innovative legal service providers typically focus on:

- improving legal and business processes (in particular, the contracting process),
- enabling more efficient legal and business workflow management (for example, data-driven matter management and reporting),
- meaningfully integrating legal technology, and
- in some cases, offering access to justice platforms directly for the consumers.

While innovative legal service providers shift away from the traditional law firm culture and operating model, collaborations with forward-looking law firms are essential in accessing specialized legal expertise and highly trained legal judgment. Some law firms in CEE recognize the potential of such collaborations to transform their own service delivery and offer improved and often new service lines to their own clients.

CEE Country of Origin:	Innovative Service Provider	Service Offering
Hungary + CEE generally	InvestCEE LegalTech Consultancy	<p>provides consulting services, in-person workshops, and online webinars to help law firms and corporate legal departments in the CEE to source legal technology that best fits their needs and make the most of their legal innovation investments.</p> <p>To enable legaltech implementation projects, InvestCEE LegalTech Consultancy carefully selects legal technology tools (some of which are also available via the InvestCEE LegalTech Marketplace) and facilitates pilot projects in close collaboration with the client teams. By helping clients</p>

		meaningfully engage with legaltech, InvestCEE empowers corporate legal departments and law firms to optimize their legal processes and legal service delivery.
Bulgaria	ScaleIn	delivers top-tier technology-first legal services . ScaleIn is the professional team behind (1) Advokatami.bg (MyLawyer) – the leading legal tech company in Bulgaria helping more than 6000 clients with their business and personal needs and (2) Pravatami.bg (MyRights) – the largest legal non-profit project where citizens can find free and useful legal information about their rights. Pravatami.bg is serving more than 250,000 monthly visitors and was awarded for its significant social impact on Bulgarian society.
Romania	LegalShapers	created Lawrelai in the context of the 2019 Global Legal Hackathon with the purpose to become a trusted legal travel advisor , easily accessible via Facebook's Messenger App. Lawrelai's uniqueness consists of its global coverage and of its free component of reliable and up-to-date legal information to most common occurrences while traveling abroad. In case of immediate need during travels, Lawrelai offers personalized legal assistance based on a fee, through its verified local legal professionals.

ON THE BORDERLINE OF LEGALTECH

While not all technology that is used by lawyers becomes a legaltech tool, our research identified certain forward-looking solutions for professional service providers generally that may also be relevant for innovative lawyers. In an effort to enhance legal service delivery in CEE, we thought that the below tools may be of interest to legal professionals.

CEE Country of Origin:	Software Tool	Service Offering
Croatia	MemGraph	<p>a graph database service in the cloud. It is argued that graph technology - or the graph database model - is on the rise compared to other database models (for example, the relational database model) currently used because it maps more realistically to how the human brain maps and processes data. Graph databases focus on connections among various data and aim to mimic such connections in a business environment.</p> <p><i>In a legal innovation context, a graph database service could be relevant when it comes to interconnecting the legal data held by a corporate legal department (via legaltech tools) with the business data held by operational departments (via business applications).</i></p>

Estonia	Talkini	<p>a professional video communication tool. As a video call platform, Talkini enables professional service providers to schedule online meetings, hold video-conference sessions and receive payments for professional service fees via Talkini.</p> <p><i>In a legal innovation context, lawyers could become “Hosts” on the Talkini platform, i.e., a professional service provider delivering legal service through video calls via Talkini. The Host defines the terms (date, time, duration, cost) of the session and may invite clients via Talkini to participate in the video call. As the beneficiary of the Host’s services, the client first needs to accept the terms of the Host’s invitation sent via Talkini and, eventually, pay for the online legal service via Talkini platform.</i></p>
Slovakia	Gridoc	<p>an Excel data management service in the cloud, Gridoc makes complex Excel operations simple. It helps blend data from different sources into a single master table or join any number of tables by creating matching rules that will join rows into a single table.</p> <p><i>In a legal innovation context, Gridoc helps filter and extract information across various data sets. This may be relevant in a due diligence exercise or data review workstreams. For instance, where one needs to find records in a data set that refer to the same entity across different data sources, Gridoc’s Fuzzy String Matching performs a human-like estimation of the similarity of two words or phrases. In many cases, it involves identifying words or phrases which are most similar to each other.</i></p>

TASKS COVERED BY CEE LEGALTECH TOOLS

Technology research and advisory company Gartner forecasts that around one-third of all current jobs will be automated by 2025. With the increasing use of technology in the legal sector, it is not surprising that both junior and senior lawyers question the role of the current legal training and the actual tasks to be performed by the future lawyer. Quite likely, the tasks to be performed will not be fewer for any level of seniority, but they will be different in a qualitative sense. Today, a trainee lawyer’s tasks often involve manually reviewing large files of documents to get up to speed. In the future, junior tasks may be much broader and require a variety of skillsets, including creating tech-assisted business solutions on top of traditional legal knowledge and experience.

CEE legaltech tools perform many of the tasks traditionally done manually by lawyers. Our 2019 research identified the following top five tasks that can be more efficiently performed with technology developed in the CEE region:

- document management, legal drafting automation and/or digital contracting;
- legal matter, time and/or workflow management;
- GDPR & data security;
- legal search & research; and
- consumer’s access to justice.

By sourcing and learning to use the right tools, lawyers no longer need to search manually through contracts, case or matter files, and other legal or business databases for key information. Legaltech tools from CEE (and beyond) that help lawyers upskill and perform legal work better, faster and cheaper, will be particularly important not only to watch but also to implement going forward.

COLLABORATION AMONG TRADITIONAL AND NEWLAW MARKET PLAYERS

In more advanced legal markets, as legal technology tools became more numerous and increasingly used in practice, the sector has seen a disaggregation of legal work. While legal technology vendors and advisory firms target the same clients as traditional law firms, the optimal outcome of legaltech projects typically requires for the different players in the market to work holistically and collaboratively.

Some law firms try to implement legaltech tools on their own, certainly aiming to improve their own efficiency or save costs that can then be passed on to clients. Other firms are eager to partner with newlaw market players (technology vendors and/or advisory or consultancy firms) to gain a practical advantage to investing into legaltech tools. Often, law firms do not have the capacity to learn the implementation techniques of legaltech tools, nor the creativity to design and launch new legal service lines assisted by legaltech tools. Hence a productive collaboration with newlaw market players may truly help a law firm to scale and expand its business going forward.

Forming partnerships with newlaw market players have a number of benefits for law firms and legal departments. Such a relationship with a legaltech consultancy firm and/or legaltech vendors may be used to:

- gain a point of competitive differentiation in the market, including in pitch meetings with clients;
- increase the quality of work and efficiency in legal services;
- implement innovation and fill in perceived gaps in technology and legal process management;
- enable clients' access to more granular data in specialized services such as M&A due diligence, litigation and investigation support;
- launch new service lines, for example, contract data management or document automation.

Overall, successful collaborations among traditional and newlaw market players certainly allow mutual benefits that can then be passed on to their respective clients. If these relationships between law firms and newlaw players are to flourish and deepen in the future, this will certainly have a positive effect on the legal industry in the CEE region and legal market innovation at large.

INVESTCEE LEGALTECH CONSULTANCY

InvestCEE LegalTech Consultancy provides consulting services, in-person workshops, and online webinars to help law firms and corporate legal departments in the CEE to source legal technology that best fits their needs and make the most of their legal innovation investments.

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To find out more information, please visit [investcee.hu](#).

