

EDITORIAL

LEGAL TECH: ISSUES OF ETHICS AND COMPLIANCE

We are pleased to present you a new edition of the Compliance Elliance Journal (CEJ).

This edition will focus on questions regarding Legal Tech and Compliance.

The ongoing digitization concerns almost every aspect of our daily lives. As a result, many processes and transactions have been facilitated, our ways to communicate, to work and to obtain information have been changed. These developments raise not only new legal questions but do similarly affect the legal working environment and the ways legal services are provided. This edition of CEJ will examine which new opportunities so called “Legal Tech” can offer and what kind of risks the recent trends may involve.

The first two articles deal with new opportunities so called “smart contracts” can provide. Firstly Erick Gavin examines how the system of Blockchain can not only serve as a cryptocurrency but equally as basis for self executing smart contracts in his essay “Is a Trustless System an Ethical System?”. Smart contracts are not only interesting with regard on questions of fraud resistance but similarly on equity aspects. As they may strengthen the position of the inferior part of a contract.

Martin Fries writes on the role compliance plays, in the field of private law. In his article “Private Law Compliance through Smart Contracts?” he examines potential implications for private law if smart contracts become to be increasingly established in the field. He argues that such a development would enable customers to enforce their rights more easily and thus make consumer protection more effective.

Similar improvements can be expected from the use of legal chatbots: In “Legal Chatbots – Characteristics, Recent Developments and Ethical Implications” Martin Bartenberger, Sven Galla and Alexander Kosak focus on the idea of support by legal chatbots and introduce the first legal chatbot used on the German legal market. The authors discuss how chatbots can improve access to justice for everyone and facilitate the communication between lawyers and their clients, often characterized by a knowledge gap between both parties and an unintelligible technical language. Critically, however ethical aspects and challenges of the recent and possible future developments require precise examination.

As the subject of digitization cannot be considered in full without paying attention to questions regarding cyber security and data protection, the authors of the article “Overcoming the Security Quagmire: Behavioural Science and Modern Technology hold the Key to solving the Complex Issue of Law Firm Cyber Security” analyze the digitization of legal professions in light of the above mentioned issue areas. David O’Donovan and Alexandra Marshakova understand human flaws as the weakest spots for cyber protection.

Law firms in particular are at risk and require approaches to improve and ensure data protection and establish functioning cyber defence systems.

The legal restrictions legal tech start-ups face in Germany will be assessed by Frank Remmert. His essay "Scopes and Limits of the German Legal Services Act for Legal Tech Providers" examines the progress of legal service regulation in Germany in comparison to other jurisdictions. The author emphasizes on how crucial it is for legal tech entrepreneurs to get an understanding and knowledge of the issues concerning legal service regulation to detect as early as possible potential obstacles to avoid conflicts and problems later on.

Lastly Martina Orrù provides an outlook for the next issue of CEJ which will focus on the subject of E-Health and Telemedicine. She reports on the conference "Compliance Management in Institutions of the Healthcare System" which took place in Bielefeld, Germany in March 2018. The conference dealt with pressing questions regarding compliance in healthcare, in particular in light of the introduction of criminal offences of corruption and bribery in the healthcare system to the German criminal code in 2016.

We hope you enjoy our spring edition!

With our best regards,

Two handwritten signatures in blue ink. The first signature is 'Michele' and the second is 'H. Schneider'.

Michele DeStefano & Dr. Hendrik Schneider
Founder and Content Curators of CEJ