

From Founded to Funded

Challenges & Visions for Justice Tech

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EXECUTIVE SUMMARY

In 2022, the Duke Center on Law & Tech conducted a research study to identify the barriers to effective justice tech innovation.

The study encompassed a comprehensive review of podcasts, research studies, articles, and interviews pertaining to justice tech – tech innovation aimed at improving access to justice. We also drew on our experience running the Duke Law Tech Lab.

Interviews were conducted with a diverse group of individuals, including founders or first employees of justice tech startups (n=16), investors or potential investors in justice tech (n=5), individuals who had experienced a legal problem and sought resolution without assistance from an attorney (n=7), as well as legal professionals and public service professionals (n=17). All interviews and focus groups were conducted remotely via Zoom during summer 2022, utilizing a two-researcher approach where one researcher posed questions while the other documented the discussion. Notably, to ensure confidentiality, interviews were not recorded.

What follows is the story we heard from these sources.

The demand for affordable legal help is high, and justice tech has the potential to address the justice gap - but systemic barriers remain to legal innovation. Justice tech is a search for how to help more people with their legal problems.

We talked to founders who started and shifted or even abandoned their idea. We talked to founders who refined their product for a long time in a small market before trying to expand to new jurisdictions. We talked to founders who had sold their company.

Founders are motivated to make things better, but the barriers are significant such that few are successful. Founders must be resilient, creative, and dedicated to the people they serve.

FINDINGS

1. Finding Its Footing

Justice tech is in its formative stage. It's crucial for founders to collaborate on shared visions and build a community of practice to ensure the field matures.

2. Mission-Driven Mavericks

Founders tend to be fervently committed to addressing legal inequities, frequently having a direct connection to the issues they are seeking to solve. Their businesses rest on delivering affordable, scalable legal solutions for all.

3. The Profit-Passion Puzzle

Founders are navigating a maze to find sustainable business models that also expand access to justice. No one-size-fits-all solutions exist in this complex landscape.

4. New Funding Models Needed

Traditional funding models fall short. Founders face the uphill task of securing sufficient financial support that aligns with their dual-purpose goals and gives them the time needed to test their product and business model.

5. Markets for the Massive Middle

Justice tech serves all, including the massive

majority of consumers who cannot afford traditional legal services. Still, for B2C startups, customer acquisition is tricky, as most users won't be repeat customers.

6. Quality Over Quick Fixes

Even in beta, there's no room for error. Founders aim high, demanding robust and adaptable solutions to fit different jurisdictions and client needs.

7. Countering Bias Against SRLs

Founders grapple with the impacts of systemic bias on their users, especially self-represented litigants, and spend unanticipated resources in supporting users.

8. Legal Landmines & Fragmented Frontiers

Founders tread carefully, with concerns over unauthorized practice of law sometimes stifling innovation. The regulatory landscape needs clarity and leadership to foster growth.

9. Many Problems; A Brave Few Problem-Solvers

Though there is widespread recognition that legal services need to improve, justice tech founders are the risk-takers turning ideas into action and pursuing their visions in the face of many challenges.

MOTIVATION & METHODOLOGY

How do we solve a problem like the justice gap?

THE JUSTICE GAP

Numerous studies have highlighted the significant lack of accessible legal services for the vast majority of people in the United States. Many individuals face obstacles in obtaining adequate legal assistance due to the high costs associated with traditional legal services, while also being ineligible for legal aid and pro bono services. Others are eligible for aid but free services are unable to fully meet the need. This justice gap represents a major market failure within the US legal services industry.

This persistent access to justice gap deepens disparities in other areas such as health, safety, socio-economic mobility, and more.

Given the broad and profound nature of this justice gap, we need a variety of solutions, and justice tech is one avenue that holds promise in addressing it.

JUSTICE TECH STARTUPS

In 2016, the Duke Center on Law & Tech at Duke University School of Law launched the Duke Law Tech Lab, annually hosting cohorts of legal tech startup teams. We offered mentorship, networking opportunities, information, prize money, and market exposure without taking equity.

By 2020, all our resources were dedicated to supporting what we now call "justice tech" startups - startups developing technologies to enhance access to legal services.

Drawing from our experience with the Duke Law Tech Lab, we believe that justice tech presents promising opportunities to bridge the access gap while promoting innovation and job creation. When technology-driven legal services are thoughtfully implemented, they have the potential to improve access to quality legal services and contribute to narrowing this justice gap.

While some tech-enabled justice-oriented legal services have existed for decades with grant-dependent funding (such as A2J Author and Lawhelp Interactive intake forms), recent developments in business models, innovative products, emerging technologies, and changes in regulatory frameworks in the United States have led to increased sales and investments in this market.

Still, these startups seemed to face significant systemic hurdles.

OUR STUDY

In 2022, the Duke Center on Law & Tech paused the Duke Law Tech Lab to conduct a research study aimed at further understanding justice tech, specifically to identify the salient barriers to effective justice technology innovation within the legal industry.

The study was approved by Duke University IRB #2022-0480.

RESEARCH QUESTIONS

Recognizing that justice tech likely faces unique challenges, we sought to explore the following research questions to contribute to the understanding of this emerging field:

- **What are the salient barriers to effective justice technology innovation within the legal industry?**
- **What are the hurdles facing justice tech startups, particularly amid the US's changing regulatory landscape?**
- **What support and resources do startups need in order to demonstrate effective legal service delivery, essential consumer protection, and accountability to the public?**

We encourage other researchers to continue to build upon this work and explore the potential societal and economic impact of justice tech.

RESEARCH PROCESS



1 Document Review

First, we reviewed troves of justice tech-related podcasts, research studies, articles, and interviews.

2 Key Informant Interviews

Then, we conducted in-depth interviews and focus groups with a representative group of stakeholders across the ecosystem.

3 Data Analysis

We reviewed all the data, tagged and organized quotes by themes we found in a shared code dictionary, and saw what insights rose to the top.

PARTICIPANT RECRUITMENT

Participants were recruited in summer 2022 through personal email invitations, open invitations via national list serves and social media posts (Twitter, now X, and LinkedIn), via our website, and through a community research pool at Duke.

We recruited participants describing justice tech as: “companies and programs that create technology solutions to help people navigate legal matters with tech solutions that foster hope, independence, and self-empowerment and contribute to a fairer legal system”—the definition used at that time by the Justice Tech Association.

Participants were limited to those age 18 or older and located in the United States. Once we began interviews, we also used a snowball approach to recruit additional participants; when one participant mentioned another founder or investor, we asked them to connect us to see if they would be interested in participating.

All interviews and focus groups were conducted remotely via Zoom in summer 2022 using a semi-structured interview format, with one researcher asking questions and another taking detailed notes; interviews were not recorded for confidentiality purposes.



ABOUT STUDY PARTICIPANTS

Entrepreneurs in justice tech (n=16)

Founders or first employees only

- Some founders were just launching their product while others had been operating their companies for 5+ years, with the majority in between
- A few founders whose company had been acquired
- Mostly for-profit companies and some nonprofits who offered a scalable tech solution that directly involved providing legal information and/or legal services

Investors in justice tech (n=5)

- Included those who had considered justice tech companies but not yet invested, but open to investing in the future, as well as those who had invested
- 1 angel investor and 4 venture capital investors

People who had a legal problem and tried to resolve it without an attorney, typically called self-represented litigants (SRLs) (n=7)

- Described issues related to education rights / disability access, personal injury, traffic tickets, sexual assault, domestic violence, child custody, tenant's rights, unemployment, estates and wills, wrongful termination, and more
- Multiple people spoke about more than one legal issue

Legal professionals and public service professionals (n= 17 over 5 focus groups)

They held a variety of roles, such as:

- Consultant to attorneys and entrepreneurs
- Law professor
- Law student
- Attorney providing direct legal services through a nonprofit or legal aid organization
- Staff at state bar association
- Former statewide Access to Justice task force member
- Employee of national nonprofit/initiative focused on access to justice

1. Finding Its Footing

The growth of justice tech requires shared visions and a community of practice.

AN EVOLVING DEFINITION

Many terms describe technology that seeks to narrow the access to justice gap, though the use of “justice tech” has grown in the last few years. In our research, we also saw reference to terms such as A2J legal tech, self-help legal tech, legal aid technology, legal-access technologies, legal tech for underrepresented groups, and B2C legal tech.

From streamlining intake at legal aid organizations to helping self-represented litigants (SRLs) navigate the courts, justice tech has evolved to go beyond one-time tech-enabled projects at nonprofits or legal aid to also include multi-million-dollar companies with products that enable individuals to solve their legal problems with tech-assisted support, mostly without hiring an attorney.

Reviewing reports and documents from the last 10 years, we found a wide range of definitions and understandings of “justice tech” which was echoed during our present-day interviews. This definition will likely continue to change as innovations are tested, investments are made, and as justice tech is incorporated into more investors’ theses.

Not all “justice tech” companies (and their investors) offer legal information or legal services delivery. Some are focused on any scalable tech that “reduces inequalities and creates opportunities for justice-impacted people and communities to thrive” (Village Capital definition at the time of publication of this report). Yet, many legal professionals and regulatory reform efforts focus solely on legal’s “justice tech”; it’s unclear if they are aware of justice tech companies that do not directly involve legal information or services.

No one really knows about justice tech.

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- Founder

A shared understanding of “justice tech” may influence investment, the quality of legal counsel available to the company, how founders connect or mentor others, the availability of accelerators/incubators, legal regulatory reform, and accountability to the public good.

Simply put, buy-in fundamentally depends on understanding what justice tech is and how it operates.

COMMUNITY & COLLABORATION

The justice tech community is still being defined.

**I had a big dream and I knew it would be hard,
but I had no idea.**

”

- Founder

The journey of founding a startup can often be a solitary one, leading founders to place great value on building networks, finding mentors, and forming partnerships while growing their startups.

Investors also noted the impact of a small network of their peers and entrepreneurs in this space, and their desire to grow that network.

Trusted connections (mentoring others, being mentored, or working with investors/funders) and engagement in programs (accelerators or incubators, free legal clinics, classes, and pitch competitions) are crucial for founders' personal and professional development. They were able to find others with shared values and goals through these opportunities.

Founders also recognize the significance of joining professional networks like the Justice Tech Association or Self-Represented Litigation Network, which grants them access to new resources and valuable information.

Outside of those directly involved in justice tech, founders seek distinct types of collaborators to help them test their idea, get feedback on products, host a pilot, or refer potential users to them. These collaborators included pro bono organizations, legal aid entities, government agencies, other nonprofits, as well as law schools and for-profit companies, most of whom are still learning about the nascent field of justice tech.

2. Mission-driven Mavericks

Founders focus on addressing inequities through affordable legal solutions.

I care more about access than anything.

”

- Founder

Many justice tech founders cited that providing cost-effective services was the cornerstone of their business model. They are deeply committed to building a product with integrity.

Entrepreneurs in our study were motivated to start their justice tech company due to (i) personal experience with a legal problem, and/or (ii) passion for helping others and solving difficult problems.

Several founders noted that they felt they had a unique skill to contribute or that they enjoyed being challenged, while others described how they dream of changing the legal system for the better.



I wasn't equipped for anything business related but I enjoyed it and liked learning it.

- Founder

LAWYER-FOUNDERS

Similar to founders of legal tech companies who participated in the Duke Law Tech Lab in the past, many lawyer-founders of justice tech startups shared that while they understood the law and legal culture, they had steep learning curves in technology and business.

From seeking customer feedback to understanding startup jargon (like “pitch deck,” “MVP,” or “KPIs”), lawyer-founders were not prepared to think like a consumer-facing one-to-many business, despite taking business-related classes in law school.

Lawyer-founders sought out technical cofounders, relied on no-code websites or friends with a tech background, or had multiple setbacks on the tech side (such as rebuilding their early prototypes more than once or replacing technologists) because of their lack of tech background. They had to correct their own misconceptions about how easy or hard it would be to build their product and adjust their budget to account for the level of sophistication of technology needed.

NONLAWYER-FOUNDERS

Justice tech founders in our study who were not legally trained often brought business or tech skills to their startup. They also needed support in the legal aspects of their business, ranging from business formation to regulation of lawyers and unauthorized practice of law. They commonly brought a lived experience and perspective of a self-help legal consumer.

3. The Profit-Passion Puzzle

Founders are searching for sustainable business models that also expand access to justice.

Founders are figuring out what solutions are helpful, affordable, and scalable -- typically limited scope legal services which feel complete enough to be useful to consumers. Legal problems are complex and impact multiple areas of people's lives, and not all legal solutions scale equally. Despite a massive total addressable market, there are not clear sustainable service models in justice tech.

**We've struggled to have a business model
– are we a social enterprise? How can we monetize
without charging people we serve?**

”

- Founder

I wanted to automate the simple stuff.

”

- Founder

PRACTICE AREAS

Our study participants saw innovations in justice tech occurring in the following practice areas:

- small claims
- suspended driver's licenses
- criminal record clearing
- access to an attorney at time of arrest
- family law (including child support orders, divorce)
- debt collection
- social security benefits
- estates (including trusts, wills, probate, and guardianship)
- tenant's rights and evictions
- services for incarcerated and formerly incarcerated individuals
- general legal information for self-representation in civil legal matters

PRICING

We heard disagreement among founders as well as investors regarding who should and could afford to bear the cost of addressing the justice gap.

Several founders, each at different stages of their entrepreneurial journey, identified pricing as one of the most significant challenges they face. To address this, many B2C founders adopt either a flat fee or a subscription model to ensure transparency for their consumers.

One investor acknowledged the difficulty of finding a balance between providing help to people in need and maintaining a sustainable business model.

Founders are keen on making their products more affordable than hiring an attorney, striving to ensure accessibility for individuals with limited savings.

For those directly selling to legal consumers, they often set their prices based on reference points, such as the understanding that the average American had \$500 or less in savings (pre-pandemic) or by charging a certain percentage of what the average attorney might typically demand for the same service.

One founder disagreed, feeling that lawyer's fees are not a suitable benchmark due to being significantly higher than what most people can afford. Another founder also noted that there are limitations on how a justice tech product can be compared to an attorney, which makes it harder to help a consumer understand the difference.

MARKETING

Several founders said they had mistakenly believed “that if you build it, they will come” and now know more about the strategies and resources needed to launch a marketing campaign and educate potential customers.

Founders used a variety of strategies to get the word out about their product: partnerships, beta launch, press releases, website, blog, and social media.

They also shared that finding customers by word of mouth was challenging. Customers who use justice tech tools may not want to write a customer review or refer others to the product because of the sensitive nature of the legal issue they are dealing with.

Most founders noted that it took more time than they originally planned to get their product into the hands of customers because they expected a flood of demand for their product; while some had a lot of interest, it still took a lot of work to convert that interest into a paying customer.

You have to have a budget for marketing. Don't assume if you build it that they will come. Think about how you're going to go to market with this product.

- Founder

4. New Funding Models

Traditional funding models are insufficient for dual-purpose goals.

All founders have to find financial support for building and scaling their product, but there are few who will fund justice tech's double bottom line. While consumers pay the cost for product development in other industries, it is less appropriate in justice tech depending on the target market.

Justice tech founders have sought a variety of funding structures (angel investment, venture capital, self-funded, family/friends, grants, donations, and prize money) for their startups. In part, these options depended on how the startup was incorporated (for-profit, nonprofit, or Public Benefit Corporation), when they secured paying users, and in what state.

Study participants shared that new structures are needed. They had ideas such as paid fellowships and grants that encourage private-public partnerships or the collection of outcome data. Multiple founders and focus group participants noted an interest in outcome data that compares the results achieved in traditional lawyering with those from legal services delivered with technology.

Investors are receptive to taking conversations in justice tech, it's a field that is growing, but they are still judging you based on the same metrics for other verticals.

- Founder

Being funded by traditional angel or venture capital investment is not necessarily a marker for success. We found disagreement between some founders when it comes to taking venture capital investment.

One set of founders believes that balancing making money with serving people in need means that achieving profitability may take longer and potentially not yield the same level of returns.

Some founders started their company with personal savings, limited friends and family rounds or low-value angel funding, through winning prize money at pitch competitions, and other means. They waited to take venture capital until late in their company's development, once they had clearly established sales and profitability.

Others never planned to take investment and instead incorporated as a nonprofit and sought out government or private grants and donors. Some believe that long-term success may not lead to an exit, which is less appealing to investors, so that path is not worth pursuing.

VCs want to see 10x return and that's not the ecosystem we're working in – we're working to help people and make society better. That doesn't necessarily translate into dollars and cents.

- Founder

Both of these options can be exhausting and time-consuming, and the funds raised are typically smaller, with limited runway provided or network connections gained compared to venture capital money. As a result, very early-stage founders often express uncertainty about which path to take.

Other founders believed there did not need to be a tradeoff between making money and serving people, and that the justice tech business model can be just as profitable as a more traditional competitor and on a similar timeline. One investor agreed, noting that returns don't have to be sacrificed in order to have a positive social impact.

Regardless of their perception around time to profitability, several founders noted that VCs often struggled to understand the potential market for justice tech because their lived experience did not reflect the justice gap.

A SPECIAL NOTE ON DISCRIMINATION EXPERIENCED BY FOUNDERS

Founders acknowledged that they or their co-founders experience discrimination and bias in a variety of forms, especially when it comes to seeking funding, in the “white male dominated VC space.” While in grants or philanthropy there is “more funding for minority founders,” the bias is still present.

Founders utilized different strategies to deal with discrimination and bias.

One founder described how he intentionally brought in a white male co-founder into some conversations, despite not necessarily needing both founders to be present, because he is “aware of how the world works and how he might be perceived.”

Another founder said that she tries to stay off the radar because she has been bullied before and is aware that when she gets more attention, she may also be targeted.

One founder described that he looks and presents white but does not identify as white. He does not go by his full name to keep a perceived “tech bro advantage.”

5. Markets for the Massive Middle

The massive majority of consumers cannot afford traditional legal services.

I'm excited to see investors get excited about justice tech. But the investors want us to serve the poorest of the poor – it's not yet known that the rest of people can't afford a lawyer.

- Founder

Finding customers at the right time and engaging continuously with them long enough to resolve their legal problems is synonymous with good customer service and profitability, according to founders and investors.

Many founders explore a business model with multiple price points where their product(s) serve a range of customers -- where one set of customers are subsidizing the cost for the neediest customers. Most B2C customers will not be repeat users and will not make referrals or post a public review.

CUSTOMERS

Individuals	Businesses	Both
the people directly experiencing a legal need	lawyers and other legal professionals helping the individuals noted	B2C and B2B
may include poor, low-income, or low-wealth individuals who may qualify for free or low-cost legal representation	may include nonprofits, legal aid, the government, or for-profit private firms	may include different pricing structures for different customers, essentially subsidizing the cost for one group (those least able to pay) with another
also includes middle-income individuals and medium-wealth individuals who cannot afford to or do not want to pay full price legal services	also includes stakeholders such as prison companies, insurance companies or employers	may be seen as riskier due to multiple business structures, or may reduce risk due to diversification

CUSTOMER ACQUISITION

As true for first time founders in other industries, finding users and soliciting their feedback may be new skills for justice tech founders. Being able to handle critique from both customers and investors was difficult but led to greater success.

From constantly listening to users to tracking how they use a tech tool, founders described their surprise with what resonated with customers. One founder learned that launching multiple products at once is not as successful as focusing on one at a time and maintaining an open line of communication with users.

Understanding the target market was challenging for Founders, especially for those justice tech companies selling directly to consumers. Yet, identifying a target market was motivating and provided clarity when launching a product. One investor's advice for developing a successful business model is to have a clear value proposition.

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[Be clear about] what the solution team can do better than anyone else – what is your unique value proposition. Relentlessly work on narrowing down and focusing that - that's the key differentiator.

For some founders, the vision is so grand – which is awesome – but focus is not on one product. It's on everything. This issue is not specific to this sector.

– Investor

Helping people prevent legal problems before they happen is one strategy, but founders feel they have to educate and convince people their time and money should be spent on prevention.

Many clients are also dealing with the impact of legal problems on quality of life (housing, education, health, etc.) and some founders are exploring how to support their clients holistically.

”

Make the problem mainstream. Educating people on their rights attracts customers.

- Founder

6. Quality Over Quick Fixes

Even in beta, there's no room for error. Founders aim high, demanding robust and adaptable solutions to fit different jurisdictions and client needs.

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One thing I did: I did anything I could to get a customer to the finish line. I gave out my cell phone number, I called the courts myself, represented them for free. We learned so much from those processes. How do we scale delight?

- Founder & Licensed Attorney

Founders cannot use the typical startup mantra to “move fast and break things,” yet building a working prototype (or MVP) requires rapid testing and iterating, including eventually with real data. Customers expect, and regulators demand, a legal product that works and will not worsen their situation; a “good enough” product is inappropriate to publicly release.

While bad actors are out there, many founders care deeply about not causing harm to clients. They are committed to seeking and hearing feedback, and making changes to help improve outcomes for customers.

Because of jurisdictional differences, solving a legal problem once may not be repeatable for other clients in a different location - a fundamental challenge to the one to many scalable tech solutions in legal.

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Our goal has to be that what we sell works – we can’t have problems with it. We can’t have typos. It’s a priority. We have to make sure we are helping the people we are helping – it’s our mentality from the start. The “bad experience” of your phone dying versus an estate plan not doing what you want when you die – that is not tolerable.

- Founding Team Member

Study participants expressed concern that in seeking to make a profit, companies will abandon their justice-oriented principles and marginalized client base. Both founders and investors named a few companies in the market with venture capital funding that started out as justice tech and eventually pivoted their business model towards profit and away from access.

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There is big money in exploitation. ...Any true for-profit company – it can be easy to switch to making money off of inmates. Then you game the procurement process. It's hard to stick to your values and make change.

- Founder

7. Countering Bias Against SRLs

Founders grapple with the impacts of systemic bias on their users.

The Self-Represented Litigants (SRLs) in our study, along with other participants (founders and legal professionals), spoke to discrimination they face in courts.

One participant noted how courts are set up to work best with lawyers, despite a huge increase in SRLs in the last decade, and no changes to funding for courts.

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Only court navigators and people who help SRLs regularly truly understand how messed up it is when an SRL takes a day off work, travels to be there, sits endlessly waiting for their turn, and then gets told to come back due to one small error.

- Founder

Participants shared stories of court personnel treating SRLs as a burden rather than a citizen exercising their rights; judges berating SRLs for not having a lawyer; and prosecutors refusing to answer questions by an SRL who may be asking for basic information like if they have the right court date or the right form.

Customer experiences of bias/discrimination when representing themselves impact their experience of the legal system and must be accounted for by justice tech founders.

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I'll go in [to court] with the exact same documentation [as the SRL] and the judge will sign it and treat me fine. But this is a shame, it's a waste of time for everyone.

- Founder & Licensed Attorney

The discrimination faced by SRLs has consequences for those creating justice tech products. Founders described times when customers had used their products to seek relief through the courts but were unsuccessful despite flawless documents.

Founders spend unexpected time and attention to solving or managing the consequences of bias and discrimination on their customers.

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8. Legal Landmines & Fragmented Frontiers

The regulatory landscape needs clarity and leadership to foster growth.

UNAUTHORIZED PRACTICE OF LAW

Founders expressed that they had to be continually aware of potential unauthorized practice of law issues. The threat of claims of unauthorized practice of law influences justice tech founders' actions.

Founders anticipate problems related to UPL and act conservatively when it comes to risk. This results in less innovation (focused on services that minimize UPL issues, such as not referring cases to a lawyer because they may not feel they can tell a customer they might want to seek out an attorney). It also increases costs due to needing to hire lawyers, have quality liability insurance, and the time and stress spent to face a UPL complaint.

Lawyer-founders are concerned about their own law licenses being jeopardized by UPL complaints against them, which they worked hard to get. Nonlawyer founders feel there is hypocrisy in the UPL issue, as they are trying to help people who lawyers are not currently serving either at all or as efficiently.

Succeeding in one jurisdiction around UPL doesn't guarantee it in others. Founders must attend to jurisdictional definitions of the "practice of law" in the states where they operate, given the lack of national standards or definitions around UPL and how State Bars are "reactive, not proactive" and won't give preemptive guidance. This increases their need to hire lawyers (which increases their own costs).

Multiple founders noted that they had spent more funds than planned on outside counsel to prevent or respond to unauthorized practice of law complaints (such as through writing and updating a clear user agreement). Founders focus on serving customers and doing what is right by them, which has helped them be successful against UPL complaints (in response or preventative).

Regulatory sandboxes are opportunities & challenges for growth. One of the advantages of the regulatory sandbox in Utah is that there are business opportunities for better customer products and services. However, the market is smaller in Utah than in other states, and setting up a separate business model in every state is not scalable. Inconsistencies for business structures happen across all states, and the regulatory sandbox in Utah adds additional complications and bureaucracy.

When it comes to speaking to potential investors when seeking outside funding, founders have to have a plan for how to deal with each state in terms of both regulations and jurisdictions.

Some investors are weary of justice tech startups because of regulatory issues. Others are less concerned - one investor said, "Any time you're investing in frontier technology, you're running the risk that there is a regulation that runs against your business."

SCALING ACROSS JURISDICTIONS

Justice tech founders bump up against attorneys' expectations of a one-to-one lawyer-to-client delivery of legal services when they are building and scaling a tech tool that could be used by many clients but may not be perfect for an individual client. However, if the justice gap is the problem to be solved, this is a false dichotomy.

Technology has to be tailored to every jurisdiction and may change regularly due to changes in court staff and judges. Tailoring their product to each jurisdiction leads to greater costs to do business, particularly in paying both technologists and legal counsel. A few founders noted that they hired counsel in-house earlier than they ever anticipated and compared to their peers in other verticals.

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Because most decisions are at a jurisdictional level (e.g., state or county specific), tremendous amount of nuance makes you less scalable. Other companies can open nationwide, but justice tech companies can't do that.

- Founder

The fragmented legal system negatively impacts justice tech companies in terms of efficiency, scaling, and funding. Founders ran into barriers to automation, like captchas, lack of digital interoperability or lack of electronic access entirely due to paper forms or inaccessible PDFs. These inconsistencies create hurdles that waste time, increase technical work, cause confusion, and waste money for lawyers, startups, legal aid organizations, courts, and clients.

Founders are concerned about unauthorized practice of law claims against themselves and other regulations such that they act more conservatively.

Some innovations are abandoned as lawyer-founders spend time and money preventing and/or responding to claims of unauthorized practice. Nonlawyer founders wonder why they can't just help people.

OTHER REGULATIONS

Founders felt limited in their ability to scale their business and innovate new solutions, and therefore create the most positive impact due to regulations of lawyers.

Due to regulations, the founders noted that they were unable to:

- Utilize re-targeting in advertising, which impacts the ability to market to the general public
- Refer cases to a lawyer, hire lawyers or paralegals directly, or offer lawyers equity ownership as part of a competitive compensation package
- Allow co-ownership between lawyers and non-lawyers

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State Bars are not providing enough guidance on regulatory issues, but they are the ones enforcing the rules. We need guidance on regulatory status. We need help with a decision framework.

- Founder

Some of these regulatory hurdles might be more tolerable by startups if other aspects of the justice system were streamlined or nationalized, but the combination of a fractured, inequitable legal system with heavy regulations slows and growth and scaling of startups.

”

Building and scaling is the most exciting piece. The other stuff is things I have to deal with. If we're trying to attract people to this [justice tech] space, know that building/scaling and business model are crucial.

- Founder

9. Many Problems; A Few Brave Problem-Solvers

Justice tech founders are the risk-takers turning ideas into action and pursuing their visions in the face of many challenges.

Founders noted that from bar admissions to definitions of unauthorized practice of law, having national guidelines for attorneys would have a positive impact on justice tech companies. However, founders expressed cynicism that national standards would happen “anytime soon.”

There is widespread recognition that legal services need to improve. When we asked participants about what they would change about the legal system, everyone shared ideas, but not everyone felt empowered to do something about it. Founders have been both persistent and innovative to work through challenges facing their startups.

We should get rid of state-by-state bar admissions, perhaps creating collaborations between states or national standards for attorneys.

- Focus Group Participant

Ideas included a unified court data collection system and standard forms, as well as easily accessible legal data.

FUTURE IMPLICATIONS

The provision of legal services necessitates innovative approaches to adequately serve all societal sectors. This vision should incorporate a robust ecosystem of justice tech entrepreneurs.

1

Current and potential founders are encouraged to seek opportunities for advancement in the legal field. The pathway to establishing a justice tech company is not linear, and it often originates from personal experience with the legal problems being addressed (either as the person experiencing a legal problem or an attorney solving it for others).

2

Investors and grantmakers are encouraged to recognize the market potential of justice tech in legal services, while **accelerators and incubators** are recommended to provide regulatory guidance and support.

3

Consumer choice, which requires understanding that some companies may only operate within certain jurisdictions just like lawyers, is valued.

4

The engagement of **technologists** who possess relevant skills and understanding of the justice system is sought.

5

Legal professionals—including lawyers, paralegals, judges, and court officials—are encouraged to explore partnerships and funding opportunities with justice tech startups. Justice tech products may potentially expand the service scope of legal service nonprofits and law school clinics.

6

Regulatory bodies and legislators are urged to endorse uniform data standards, promote interoperability, and prioritize access to justice in their funding and rule-making.

LIMITATIONS

The principal limitation of this research is its confined sample size, a result of focusing specifically on justice tech companies that provide legal services. The number of justice tech startups and investments continues to grow – one year later, there are more founders and investors we could interview.

FUTURE RESEARCH

Founders consistently highlighted the need for comparative research on the outcomes from traditional legal services and justice tech products. Future research could address this gap. How are the outcomes the same or different, and are the differences tolerable?

APPENDIX A

Semi-Structured Interview Questions By Participant Type

Founders

- Tell us about your startup and your entrepreneurship journey.
- Think back to when you first had the idea for your startup. What are three things you struggled with or felt unprepared for when first starting out?
- What are you most proud of?
- How have you navigated unauthorized practice concerns or questions? Give an example.
- What are you currently most worried about now with respect to your startup? (What keeps you awake at night?)
- Which of these issues we've identified are most pressing to you and your startup?
 - Consumer data protection/privacy/security
 - Business models
 - Building/scaling
 - Marketing & user acquisition
 - Determining pricing
 - Funding
 - Serving customers who lack access to justice
 - Discrimination and bias
 - Regulatory challenges
- Which of these issues are most pressing for other entrepreneurs or companies, by your observation?
- What are we missing from this list of issues?
- What difference has outside funding made in scaling your startup?
- What (else) would make or would have made a difference in being able to scale your startup more quickly/efficiently?
- What strategies have you used that have made you successful? What have you tried that didn't work?
- People/partners/advisors/network? Who has been critical to your success?
- Is there a legal problem that you'd like to see someone else try to tackle? What is it?

Investors

- Tell us about your experience investing in justice tech startups.
- How have your investees (or prospective investees) navigated UPL concerns or questions? Give an example.
- Which of these issues we've identified are most pressing for your investees?
 - Consumer data protection/privacy/security
 - Business models
 - Building/scaling
 - Marketing & user acquisition
 - Determining pricing
 - Funding
 - Serving customers who lack access to justice
 - Discrimination and bias
 - Regulatory challenges
- Which of these issues we've identified are most pressing for the justice tech space, by your observation?
- What are we missing from this list of issues?
- What impact has your investment made in the startups?
- If you had a magic wand, how would you have used it to clear hurdles for your investee?
- What challenges have you faced in reviewing justice tech companies when considering them for investments?
- What strategies have you seen justice tech founders try that have been successful? What about ones that didn't work?
- Is there a legal problem that you'd like to see someone else try to tackle? What is it?

Legal & Public Service Professionals [Focus Groups]

- We're interested in understanding more about the pain points that you're familiar with in the legal system. What is top of mind / weighing on your heart today?
- If you could wave a magic wand to change something in the legal system as it relates to technology, what would it be and what problem would it solve?
- What are some of the challenges you've seen when it comes to trying to innovate from within the legal system in order to increase access to justice?
- What successes have you seen that have made things easier for legal innovation and/or justice tech startups?

People with a legal problem

- Think about a time in your life when you had a legal question or problem. Maybe you had a contract you needed to sign and you didn't know what everything meant, or needed to get a will written up. Maybe you got a divorce or had a custody issue. Or an employer didn't treat you fairly or pay you accurately. Maybe you had a traffic ticket or were injured in an accident.
 - If you feel comfortable, can you briefly tell us about the problem and what happened?
 - If you dealt with the problem, what helped?
 - If you didn't get help, what would you have wanted?
 - Did you access any technology for help? Why or why not?
- When you think about getting help with a legal problem using a website or app, how do you determine if it is trustworthy?
- When you think about getting help with a legal problem from speaking directly with lawyer, what is important to you?
- Other than a lawyer, who else would you consider contacting for help with a legal issue?
- If we could wave a magic wand, what would you change about how you get help for a legal question or problem?

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