



VPN Mobile Industry Linux Networks Data Centre Laptops/PCs Printers Software Security

## 7 ways blockchain will change the legal industry forever

By Jonas DeMuro January 18, 2018 World of tech

From smart contracts to the chain of custody



**Blockchain** technology has received quite a bit of attention over the last year, with the potential to be a transformative force across **multiple diverse industries**. At the heart of this is the blockchain itself which offers a technique to create and maintain an immutable – but also transparent – distributed and shared ledger to be able to store information in.

When we think of high-tech industries, the legal sector is hardly one that comes to mind. After all, lawyers are often buried in the proverbial mountain of paperwork and the classic film about the legal profession is 'The Paper Chase', which ends with papers being blown all over the campus quad.

However, the blockchain has the ability to disrupt the practice of law, and drag it into the current century – there's already a **Global Legal Blockchain Consortium** which seeks to standardize and promote its adoption. Here are seven ways in which the blockchain will make a big impact on the legal world.

- Check out how [Microsoft is making a blockchain that's fit for business](#)

The image shows the TechRadar logo in a white, lowercase, sans-serif font, centered on a light gray rectangular background.

## 1. Smart contracts

Legal contracts are still written, with physical signatures required on original documents, which requires significant time to accomplish, all for a binding legal agreement. The blockchain holds the promise to change this into a digital process in what's being dubbed 'smart contracts'. These smart contracts could potentially be created and executed directly between the relevant parties, with less lawyer involvement.

[OpenLaw](#) endeavors to use the blockchain to decrease "the cost and friction of creating, securing, and generating binding legal agreements." It also plans to provide the tools for storage of these agreements, without the requirements for intermediaries. With the potential to cut lawyers out of the process altogether, this is a disruptive use of the technology indeed.

## 2. Intellectual property

The law has struggled when it comes to protecting intellectual property in the digital age, including images, audio, and video files, as well as designs and symbols. Artists and musicians attempt to protect their work, but too often it gets used without their permission, and royalties do not get paid from audio streaming services that struggle with profitability. Companies such as [NKOR](#) promise to have a platform for registering intellectual property and 'anchoring' it to the blockchain.

The TechRadar logo is centered on a light gray rectangular background. The word "techradar" is written in a bold, lowercase, sans-serif font. The "t" is significantly larger than the other letters, and the "r" has a distinctive shape with a small gap at the top.

### 3. Blockchain law

The law continuously adapts to changing societal needs. A decade ago, the legal sector had to address digital media rights issues, and some lawyers soon focused on this segment of the law. Now, with blockchain technology having the potential to be used across many sectors, the law will need to adapt again, and there is already a need to have lawyers specializing in blockchain law – the new cutting-edge for digital law.

At the most recent annual meeting of the International Legal Technology Association (ILTACON), the buzz around artificial intelligence was reportedly eclipsed by the blockchain, with a whole panel devoted to its [application in the law](#).

The TechRadar logo is displayed in a large, white, lowercase, sans-serif font against a light gray background.

## 4. Property rights

Property rights encompasses how property is bought, sold and rented. Go down to your local government property office, and it is easy to see how this arena is stuck in the last century, with piles of ledgers, paper deeds, and property cards all tracking property ownership. And even when an office makes the transition to go digital, it's still essentially just scans of all the paperwork, with a database to keep it organized.

This area is also a problem in the developing world which has less infrastructure to protect individual property rights, and disputes are commonplace. For example, with some of India's land records going back to literally colonial times, given these older, ambiguous records, it is hardly surprising that the majority of the country's court cases are due to property disputes.

The blockchain, with its inherent security and digital ledger function, promises to be an effective, secure and immutable method to store the data essential for property rights, including land ownership, and the details of when it changed hands.

India has already hosted an [international conference](#) in 2017 entitled 'Blockchain for Property Governance: A Conference on Distributed Ledgers for Secure Property Rights', addressing the issue of digital property rights.

## 5. Chain of custody

The chain of custody is an important legal concept which documents what happens to evidence in a criminal case. It is typically a paper trail that gets created for each piece of evidence, and must be fully maintained until this evidence gets presented in court.

The challenge is that if the chain of custody is not completely preserved, no matter how relevant the piece of evidence is to the trial, the defense attorney will file a motion to have the evidence suppressed, which can severely weaken the prosecution's case.

While chain of custody is a difficult enough issue when it comes to physical evidence, it can be even trickier when dealing with digital evidence, such as a file found on a hard drive, or a device connected on a Wi-Fi network log.

The blockchain is ideally suited for application in the chain of custody, particularly for the more challenging digital files. Here, blockchain tech can be applied to not only track the custody of documents, but also to store the documents themselves. Via

the digital ledger, there is a permanent record of the chain of custody, with the evidence digitally preserved, so no evidence ever gets thrown out. This also eliminates the need for testimony about the preservation of the chain of custody, another timesaver.

The TechRadar logo is centered in a large, light gray rectangular area. The word "techradar" is written in a bold, lowercase, sans-serif font.

## 6. Financial transactions

Lawyers will need to have an increasing awareness of [Bitcoin](#) and other blockchain-powered cryptocurrencies, as they get used in more and more financial transactions. The anonymous nature of these cryptocurrencies has [already encouraged their use among criminals](#) for less visibility.

As these crypto-assets become more mainstream, and we daresay they get used for actual currency transactions, lawyers will need familiarity with them in wide-ranging scenarios such as divorce proceedings, wills and international transactions.

## 7. Notary public

Currently, notary publics (or general notaries) are used to confirm and verify signatures on legal documents, such as deeds and contracts. Using blockchain technology, these documents can be preserved digitally as part of a digital ledger.

[Blocknotary](#) is a company that seeks to apply blockchain technology to legal documents, and offers “timestamps and fingerprints for media files”, thereby eliminating the need for the rubber stamp of today’s notary public.

- [Bitcoin vs distributed ledger vs Ethereum vs blockchain](#)

---

RECOMMENDED VIDEOS FOR YOU...

**techradar**.pro

COMING UP NEXT...

SEE MORE WORLD OF TECH NEWS ►

Advertisement



**Free To Download**

TechRadar Pro's Buyers Guide

Join 13,000 TechRadar Pro subscribers!

This buyers guide focuses on the red hot market of ruggedised mobile computing, covering laptops, 2-in-1 devices, smartphones as well as storage and software.

**GET MY FREE MAGAZINE ►**

No spam, we promise. You can unsubscribe at any time and we'll never share your details without your permission.



Advertisement

**MOST POPULAR**

**MOST SHARED**



1 **SIM only deals: the best plans in May 2018**

2 **OnePlus 6 review**

---

3 **OnePlus 6 release date, news and features**

---

4 **Honor 10 review**

---

5 **Huawei P20 Pro review**

---

Advertisement

TechRadar is part of Future plc, an international media group and leading digital publisher. **Visit our corporate site.**

[About Us](#)

[Terms and conditions](#)

[Privacy policy](#)

[Cookies policy](#)

[Advertise with us](#)

© Future Publishing Limited Quay House, The Ambury, Bath BA1 1UA. All rights reserved. England and Wales company registration number 2008885.