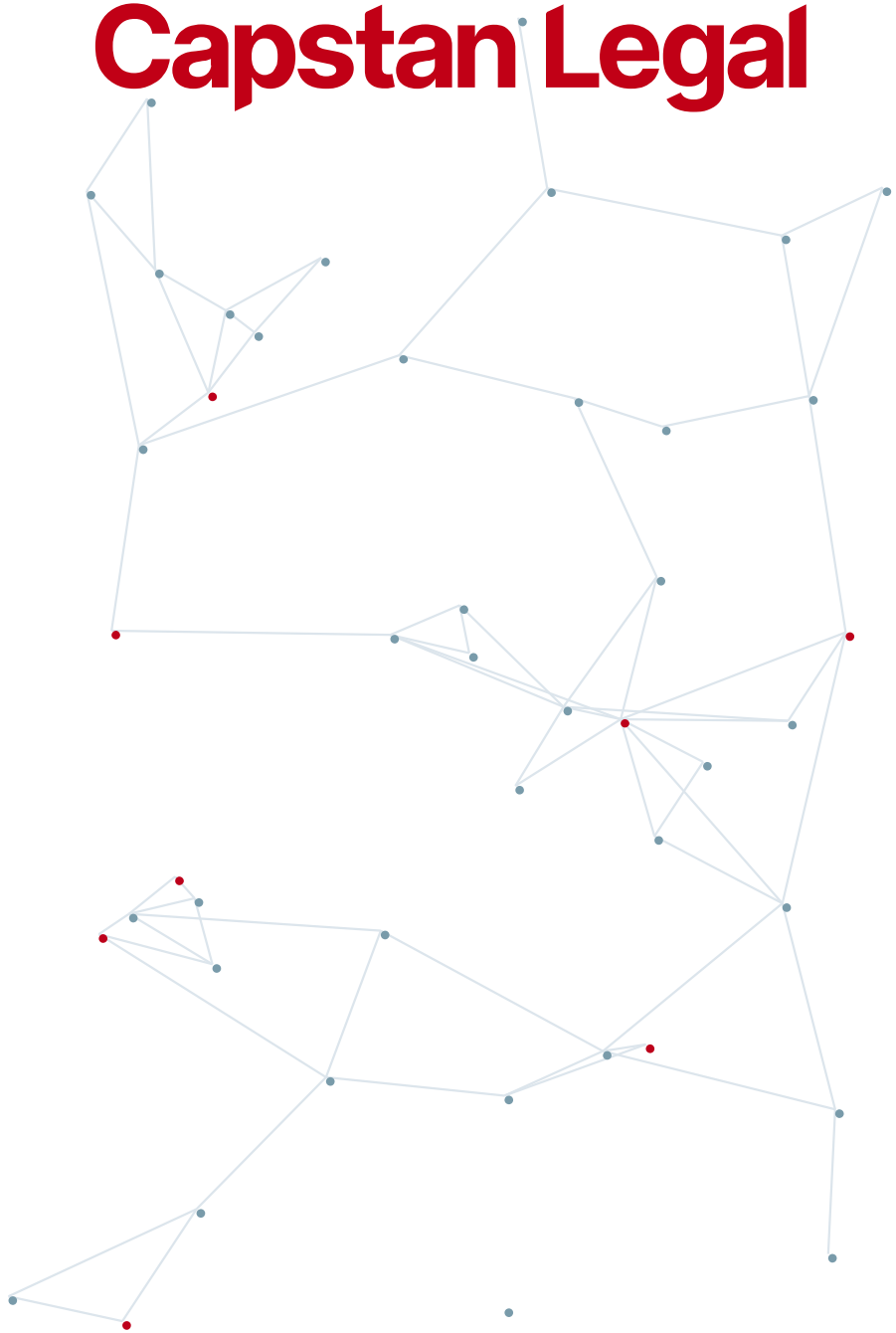
Capstan Legal

How AI is Transforming Legal Practice

Learn with LiRN 2026
Ontario County Law Association Law Librarians

Brent J. Arnold | October 2026



What counts as AI use?

Capstan Legal

A quick audience poll

- Have you tried a general-purpose chatbot?
- Have you used AI-assisted legal research?
- Have you reviewed an AI-generated citation?
- Have you been asked about confidential uploads?

Today’s route

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- What different AI systems do
- What adoption evidence actually shows
- How legal work and pricing change
- Which tools fit which workflows
- Show and Tell!
- What courts and professional duties require

Determinative AI vs. generative

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Classification-oriented	Generative
Labels or ranks material	Creates new content
“Which documents matter?”	“What happened?”
Test inclusions and exclusions	Test support and fidelity

Source: Functional teaching framework; CJC 2026 Guidelines, pp. 3–8.

One product, several AI functions

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Retrieve → Rank → Extract → Generate → Verify

- Product branding does not identify every underlying function.
- “AI-powered” does not necessarily mean generative.

[1] LiRN

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Legal AI Market at a Glance

2025–2030 global outlook — Canada at the forefront

$3.1B

Global legal AI market 2025

$10.8B

Projected market size by 2030 (28.3% CAGR)

94%

BigLaw firms piloting AI tools by late 2025

Canadian Highlights

- Thomson Reuters — HQ Toronto; Westlaw Edge + CoCounsel Legal deployed across Canada
- Kira Systems — born at MaRS Discovery District (Toronto), now global standard for contract review
- Clio — Vancouver-based; acquired vLex (incl. Vincent AI) for ~$1B in 2024
- Harvey, Spellbook (Ottawa-founded), and Lexis+ AI all available to Ontario practitioners in 2026

What about Ontario?

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- Actual Ontario-wide rate is unknown.
- Firm access is not personal use.
- A pilot is not production deployment.
- Library access is not measured adoption.

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Adoption: *seems* to be increasing, but the data's a mess

Indicator	Reported result
2023 Canadian respondents	53% had used or planned to use generative AI. [1]
2025 Canadian firm indicator	Nearly 90% said their firm was piloting or integrating AI. [2]

Different questions. Different samples. Not a trend line.

[1] Slaw [2] The Globe and Mail

Access is becoming infrastructure

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- Lexis+ reached all courthouse libraries in February 2025.
- The OBA launched its AI Academy in March 2025.
- Canadian firms report practical deployments.

[1] LiRN [2] OBA [3] The Globe and Mail

The first change is task-level

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Production changes before accountability does

- Research leads
- Drafts and summaries
- Witness preparation
- Administrative work

Source: Canadian firm examples reported in the Globe and Mail. [1]

[1] The Globe and Mail

Where does the saving go?

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Potential beneficiaries

- Clients: lower cost or faster service
- Firms: capacity and margins
- Lawyers: less routine production

But verification consumes time.

Sources: Globe and Mail; CJC 2026 Guidelines, p. 8. [1]

[1] The Globe and Mail

Pressure on the billable hour

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- Faster hourly work can lower a client’s bill.
- Predictable work may support fixed fees.
- Technology does not authorize fictitious time.
- Fairness and transparency remain essential.

Sources: Canadian pricing examples; LSO professional-obligations material. [1]

[1] LSO

The apprenticeship problem

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If AI does the first draft, how does the junior learn?

- Reading the record
- Recognizing issues
- Evaluating authority
- Explaining uncertainty

Source: Canadian firm leadership has raised this training concern. [1]

[1] The Globe and Mail

Redesign the learning exercise

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Proposed training model

- Issue map before prompting
- Source checks after generation
- Contrary-authority exercise
- Oral defence of the analysis

Who’s gonna pay for this?

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- BigLaw?
- Juniors themselves, i.e. unpaid articles / junior training?
- Legal AI providers via an AI profitability dividend?

Access to text is not access to justice

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- Lower production cost *may* help (or just overwhelm courts).
- Fee reductions are not yet clearly established.
- Clients also need judgment and context.
- AI-generated documents can require repair.
- LSO trying to figure out how to manage direct-to-user legal AI

Source: Canadian reporting and academic commentary. [1]

[1] The Globe and Mail

Buy the workflow, not the label

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Workflow	Essential question
Legal research	What authoritative law is covered?
Record analysis	What supports each factual assertion?
Litigation preparation	Can the draft be verified?
Discovery	Can review and production be defended?

Research tools: evidence-qualified

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Offering	Verified emphasis
Lexis+ Answers	Source-located research answers.
Brief Analysis	Document-based research assistance.
Clio Work Canada	Research, analysis and drafting.
CoCounsel / Westlaw	Integrated research and analysis; Canadian modules need confirmation.

Litigation support needs source trails

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Proposed acceptance tests

- Chronology entries link to documents.
- Witness questions reflect the record.
- Draft propositions identify authority.
- Quotations match originals.
- Missing information is acknowledged.

Library procurement questions

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- What does the licence actually include?
- What Canadian material is missing?
- Where does client data go?
- What can users independently verify?
- What survives after the session ends?

Source: Proposed checklist informed by CBA due-diligence guidance. [1]

[1] CBA

My Conversations

Protégé | Legal AI

Hi Brent, which legal task can AI accelerate for you today?

- Ask a legal question
- Generate a draft
- Summarize a case
- Upload to summarize or ask a question

Protégé™
Legal Research
Practical Guidance
Legislative Pulse
Brief Analysis
Legal News Hub

Examples of legal questions to ask:

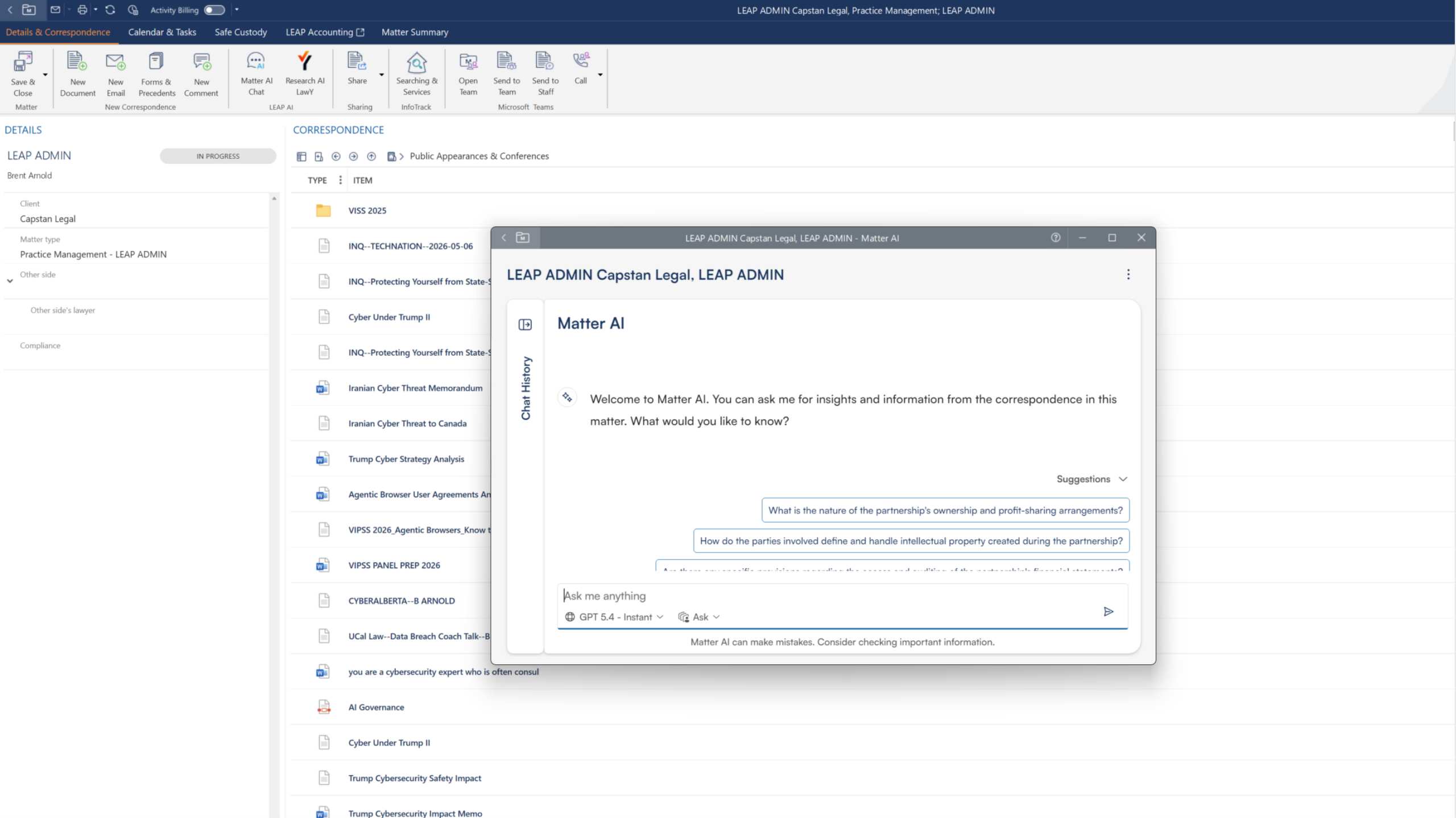
+ What do you need to do to commence a class action proceeding in Ontario?
+ What are the powers of a guardian and trustee of a person with disabilities in British Columbia?
+ My client was struck by a vehicle when she was 14 years old. She is now 18 years old and would like to file suit against the driver. Is her claim statute barred?

Includes: Cases | Legislation | Practical Guidance | Commentary & Textbooks

Prompt Tips

Ask a legal question

Jurisdiction: **Ontario**


Activity Billing
LEAP ADMIN Capstan Legal, Practice Management; LEAP ADMIN
Details & Correspondence
Calendar & Tasks
Safe Custody
LEAP Accounting
Matter Summary
Save & Close
Matter
New Document
New Email
Forms & Precedents
New Comment
New Correspondence
Matter AI Chat
Research AI LawY
LEAP AI
Share
Sharing
Searching & Services
InfoTrack
Open Team
Send to Team
Send to Staff
Call
Microsoft Teams
DETAILS
LEAP ADMIN
IN PROGRESS
Brent Arnold
Client
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Matter type
Practice Management - LEAP ADMIN
Other side
Other side's lawyer
Compliance
CORRESPONDENCE
Public Appearances & Conferences
TYPE
ITEM
VISS 2025
INQ--TECHNATION--2026-05-06
INQ--Protecting Yourself from State-S
Cyber Under Trump II
INQ--Protecting Yourself from State-S
Iranian Cyber Threat Memorandum
Iranian Cyber Threat to Canada
Trump Cyber Strategy Analysis
Agentic Browser User Agreements An
VIPSS 2026_Agentic Browsers_Know t
VIPSS PANEL PREP 2026
CYBERALBERTA--B ARNOLD
UCal Law--Data Breach Coach Talk--B
you are a cybersecurity expert who is often consul
AI Governance
Cyber Under Trump II
Trump Cybersecurity Safety Impact
Trump Cybersecurity Impact Memo
LEAP ADMIN Capstan Legal, LEAP ADMIN - Matter AI
LEAP ADMIN Capstan Legal, LEAP ADMIN
Chat History
Matter AI
Welcome to Matter AI. You can ask me for insights and information from the correspondence in this matter. What would you like to know?
Suggestions
What is the nature of the partnership's ownership and profit-sharing arrangements?
How do the parties involved define and handle intellectual property created during the partnership?
Ask me anything
GPT 5.4 - Instant
Ask
Matter AI can make mistakes. Consider checking important information.

LawY

New

Today

Canadian Case Law: Generative ...

November 2025

summarize the law in respect of ...

I have uploaded two documents,...

October 2025

prepare a memorandum on the ...

my former firm won't release my...

Deep Research

Verifications

Search

LEAP ADMIN Capstan Legal

Deep Research + Human Verification

BA

prepare a legal memorandum summarizing developments in canadian case law concerning the use of generative AI in legal proceedings

Legal Memorandum

Re: Developments in Canadian case law concerning the use of generative AI in legal proceedings
Date: 3 June 2026

Issue

This memorandum summarizes Canadian case law and related procedural developments concerning the use of generative artificial intelligence in legal proceedings, with particular attention to hallucinated authorities, counsel's duties to the court, costs and contempt consequences, and the developing position in Ontario.

Executive Summary

Canadian courts have not prohibited the use of generative AI in litigation. The emerging jurisprudence treats generative AI as a tool that may be used, but only subject to human verification, professional judgment, and counsel's continuing duties of candour, competence, supervision, and fairness to the court.

The central judicial concern has been the filing or oral reliance on hallucinated authorities: non-existent cases, inaccurate citations, or real cases cited for propositions they do not support. The leading Canadian decisions establish the following propositions:

- It is an abuse of process to cite fictitious authorities in court materials.
- Lawyers remain personally responsible for authorities and submissions filed under their names, whether the work was generated by AI, staff, students, clerks, or another lawyer.

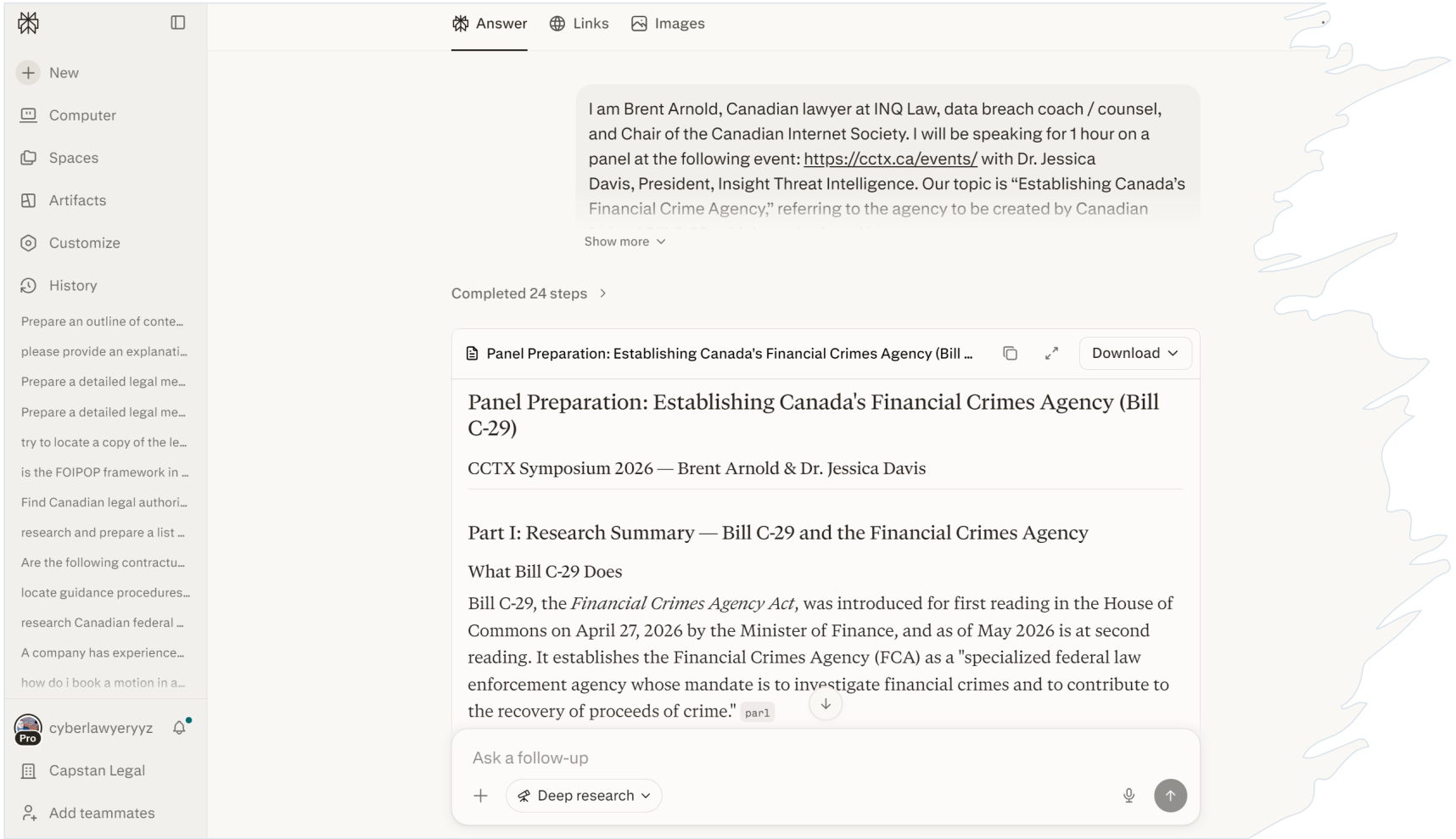
Ask a follow-up question about "Practice Management"...

Rewrite

Ask

Capstan Legal

Perplexity



Search

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New Email | New Items | Delete | Archive | Report | Reply | Reply All | Forward | Share to Teams | 8) Public Appe | Legal News | 3(E) TCIS | File In | Undo File | QuickPick | TaskIt | File Thread | Batch File | Find | More | -18 | Quick Steps | Move

New | Delete | Report | Respond | Teams | SimplyFile | Quick Steps

brentjarnold@capstanlegal.ca

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Canadian La...	The firms thriving today aren't standing still. Here's why.	Wed 2026-06-...	211 KB
IAPP AI Gov...	EU AI sovereignty top of mind during AIGG EU's opening keynote ...	Wed 2026-06-...	345 KB
Global Legal...	Milbank bumps associate salaries, signals new law firm pay race	Wed 2026-06-...	152 KB
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LexisNexis C...	Are you satisfied with your job? Take Our Lawyer Satisfaction Sur...	Wed 2026-06-...	146 KB
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Yesterday			
Chris Geidne...	The Supreme Court's Republican appointees end civil rights redist...	Tue 2026-06-0...	256 KB

EU AI sovereignty top of mind d

IA

IAPP AI Governance Dashboard

To brentjarnold@cyberlawyeryyz.ca

securiti

Build
for A

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Ontario Courts: What the Rules Require

O. Reg. 384/24 — In Force December 1, 2024

Mandatory certification of authenticity of all citations in all factums, expert reports filed in Ontario courts.

SCJ Civil Practice Direction — December 2025

Mandatory first-paragraph disclosure in any AI-assisted civil court document filed in the Superior Court of Justice.

SCJ Family Practice Direction — December 2025

Same AI disclosure obligation as civil proceedings extended to family law matters.

SCJ Criminal Practice Direction — Effective February 12, 2026

AI disclosure obligation extended to criminal proceedings. Counsel personally certify accuracy of all AI-assisted submissions.

Ontario Land Tribunal — Effective March 30, 2026

Mandatory first-paragraph AI declaration for all written submissions.

Ontario Court of Appeal

O. Reg. 384/24 (certification of authenticity of all citations) applies on appeal. Duty of candour remains undiminished — no AI exception to prohibition on misleading the court.

Factums: the September 2026 change

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Rule 4.06.1(2.1)

The signed statement now addresses:

- Authenticity of every cited authority
- Accuracy of every quotation from an authority

Not limited to AI-assisted factums.

Source: O. Reg. 275/26, ss. 1, 14.

Experts: quotations also matter

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Rule 53.03(2.1), paragraph 6.3

An expert's signed statement addresses quotations from:

- Authorities
- Documents
- Records

Source: O. Reg. 275/26, s. 3.

Ontario directions require checking

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- Match the proceeding type.
- Check provincial and regional directions.
- Verify authorities using authoritative sources.
- Keep current rules separate from older webpage quotations.

Sources: SCJ framework and Divisional Court direction. [1]

[1] Ontario Courts

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LSO & CBA: Professional Obligations

LSO Futures Committee White Paper (April 2024) · CBA Ethics Toolkit (November 2024)

LAW SOCIETY OF ONTARIO*

Competence
Must understand AI tools deployed — LSO Rules r. 3.1-2

Confidentiality
Client data must not enter public AI systems without consent — r. 3.3-1

Supervision
Lawyers remain personally responsible for AI-generated work product — r. 6.1-1

Billing
AI efficiency gains must not result in overbilling — r. 3.6-1

Candour
Duty of candour to tribunals applies to AI-assisted submissions

CANADIAN BAR ASSOCIATION

Competence
Lawyers must achieve and maintain AI competence

Confidentiality
Assess risk before sharing client data with AI tools

Supervision
Responsible for all AI-generated outputs

Candour
Verify all legal authorities independently before submission

Fees
Efficiency gains do not justify increased client billing

*White Paper cites these as RPC rules to consider in using AI. Here, we suggest how each would apply.

LSO: existing duties still apply

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- Competence
- Confidentiality
- Supervision
- Candour
- Fair fees and duties to tribunals

Sources: LSO white-paper overview and professional-obligations material. [1]

[1] Law Society of Alberta

CBA and OBA resources

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- CBA: ethics, due diligence and internal controls. [1]
- OBA: practical learning and AI Academy (until 2026—RIP AI Academy). [2]

[1] CBA [2] OBA

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Canadian Judicial Council 2026: five principles

- No delegation of judicial decision-making
- Preserve independence
- Maintain accountability and confidence
- Develop AI literacy
- Exercise judicial leadership

Source: CJC 2026 Guidelines, section 1.

Fluent does not mean verified

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- A convincing answer can still be incomplete.
- A real citation can support the wrong proposition.
- A correct proposition can contain an inaccurate quotation.
- Verification must reach the original source.

Source: CJC 2026 Guidelines, pp. 7–8; O. Reg. 275/26, s. 1.

Assistance is not adjudication

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- Appropriate support need not mean delegation.
- Individual disclosure is not automatic.
- Institutional transparency matters.
- Fairness may require meaningful challenge.
- Verification may erase anticipated savings.

Source: CJC 2026 Guidelines, pp. 4–8.

Digital evidence: three situations

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Situation	Focus
AI use acknowledged	Process and reliability
AI use disputed	Provenance and authentication
AI-assisted statement or opinion	Adoption, knowledge and testing

Source: CJC Digital Media Guidance, sections 12–14.

Prepare to prove provenance

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Proposed evidence checklist

- Preserve originals.
- Identify creators and custodians.
- Document changes.
- Explain AI processing.
- Enable meaningful testing.

Source: CJC Digital Media Guidance, sections 6, 9–14.

The librarian’s verification workflow

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Frame → Retrieve → Read → Check → Preserve

- Jurisdiction and date
- Authority and treatment
- Quotations and context
- Contradictions and omissions
- Source trail

Discussion

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What are your users asking now?

- Which requests are difficult to answer?
- Which AI claims need testing?
- Where would shared guidance help most?

Contact Us

Capstan Legal



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