

## Are online DIY contracts the future of law?

By Michael McKiernan | Publication Date: Monday, 31 January 2011

A Vancouver lawyer who has launched a do-it-yourself contract service says his colleagues have more to gain than lose from products like his.

Chilwin Cheng's [contracttailor.com](http://contracttailor.com) web site allows small- and medium-sized business owners to draw up and customize their own contracts online using lawyer-designed templates and tutorials to bypass the process of hiring a legal representative.

For \$60 per month, they can have access to unlimited contracts and technical support from a lawyer over the phone. A one-time contract costs \$129.

"I'm not trying to replace lawyers," Cheng says. "I'm broadening the market for lawyers. I still practise and I have no interest in putting myself out of business. I'm trying to show lawyers there is a way we can adapt and move to new technologies."

Cheng says the main targets of the web site are small-business owners who see legal advice as something beyond their budgets. "Many would prefer to go to a real live lawyer, but access to justice is not just a poverty law issue.

There's a large middle market that can no longer afford business law services. The choice for many is not between ContractTailor and a lawyer. It's between ContractTailor and going off on your own."

It's Cheng's third foray into online legal products following the launch of [firedwithoutcause.com](http://firedwithoutcause.com) and [fairdismissal.com](http://fairdismissal.com) for both sides of the employee-employer relationship.

Michael Carabash, founder of [dynamiclawyers.com](http://dynamiclawyers.com), runs a similar service in Ontario that provides legal forms for download along with video tutorials to guide clients on how to fill them out.

So far, he has around 90 forms covering areas such as wills and estates, employment agreements, and leases.

Many are based on Ontario law, and he has begun replicating them for jurisdictions across the country while consulting case law and local lawyers as part of his research. He's aiming to have more than 200 of them completed by this summer.

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Carabash sees himself and Cheng as the so-called legal knowledge engineers — practitioners who develop programs to automate and standardize routine legal work — envisioned by Richard Susskind in *The End of Lawyers?*

“That’s where the future of legal service is headed, and we’re trying to be the front-runners in the game,” Carabash says, adding he’s pleased to see the launch of ContractTailor.

“It gives credibility to my web site when other people try to do it as well. It means there’s a choice, which is great for the consumer. They will be hesitant if there aren’t enough suppliers out in the marketplace.”

But it’s hard to shake off some of the traditional doubts about online and do-it-yourself legal services. Lawyer Pei-Shing Wang, who advises small businesses in Toronto, says he spends a lot of time mopping up the mess for clients whose agreements have gone wrong when they failed to hire a lawyer. “You’re using it at your own risk.

At least if a lawyer does a terrible job, the insurance company is there to back it up, and you have some remedy. This sounds to me like a really cheap way to get into trouble.”

Christopher Caruana, another corporate lawyer with a focus on small and medium enterprises, says a client who asks him to look over a completed contract from a do-it-yourself web site may not end up saving much money.

“If I’m doing my job properly, I still have to go through and ask the questions to make sure they truly want the template they chose, and you end up in the same place as if they came to you at the outset.

If a client sees another template, you may end up spending more time in legal fees to explain why they don’t need that type of agreement, whereas if I made the selection for them, they would have accepted it.”

For Caruana, automated web sites are reminiscent of do-it-yourself contract kits that have long been available at bookstores. “Those who are going to use it online are the same ones who would pick up the print version at the local bookstore, so I don’t think it’s going to change my practice much,” he says.

But Cheng insists his service is a step up from bookstore contracts because lawyers draft every word of its content, while the web site guides customers through every optional clause, thereby “mimicking the information a client would get with a real lawyer.”

In fact, he wants to get lawyers like Wang and Caruana on board at ContractTailor. Cheng says he’s looking for lawyers from across Canada who are willing to work for

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fixed-fee arrangements and sell clients access to the web site.

The lawyer would then receive notification when a client has created a contract and can begin work on fine-tuning it. He also aims to work with lawyers who have their own contract templates in order to automate them for online use.

“This allows them to be efficient with their time because the client has done 90 per cent of the work, and the lawyer provides that extra 10-per-cent value added,” Cheng says.

Carabash, meanwhile, says he has found some of his biggest customers are lawyers who are either starting out in practice or need an introduction to a new area of work. “If they have no idea how to do a will or a lease or a prenuptial agreement, they’ll hop online and ask for a template.

They’re using my forms to educate themselves in a nutshell really fast. I put a lot of time into the research of my forms and I’m constantly updating them, so it means other lawyers who buy them don’t have to spend as much of their client’s money catching up.”

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