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FIRST THINGS FIRST

Why Technical Competence Must Precede AI Literacy for Lawyers

A CODE & COUNSEL WHITE PAPER

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Executive Summary

Artificial Intelligence (AI) is rapidly becoming embedded in legal practice, influencing research, drafting, discovery, and client service delivery. As adoption accelerates, lawyers face growing expectations to demonstrate AI literacy. At the same time, persistent gaps in baseline technology competence remain unresolved across much of the profession. This white paper explains that lawyers cannot achieve AI literacy responsibly or effectively unless they first address foundational technical competence.

Professional responsibility standards already require lawyers to understand the benefits and risks of relevant technology. In the United States, this obligation is most commonly articulated through ABA Model Rule 1.1, Comment 8, and its state-level counterparts. Yet uneven implementation and enforcement have produced inconsistent levels of technology competence throughout law firms, corporate legal departments, government agencies, and legal service providers. Client-facing surveys consistently indicate dissatisfaction with lawyers' technology proficiency, citing inefficiencies, higher costs, and greater risk exposure.

Feedback from legal professionals confirms that AI literacy is not a narrow or isolated skill. Polling conducted during ACEDS' *Walk Before You Run: EDiscovery Day* webinar reflects broad recognition that responsible AI use requires understanding across multiple dimensions, including data handling, output verification, appropriate use cases, and governance and accountability. Respondents also acknowledged that existing levels of technical competence are insufficient to support confident AI adoption.

The risks of bypassing foundational competence are no longer theoretical. Courts and regulators have sanctioned lawyers for submitting filings containing unverified or fictitious AI-generated content, failing to appropriately supervise technology, and mishandling confidential information. These incidents demonstrate a steady pattern: when AI is layered onto weak technical foundations, it magnifies errors, accelerates risk, and undermines professional judgment.

Global regulatory developments further heighten the stakes. The European Union has adopted an explicit AI literacy obligation for providers and users of AI systems, including professional users such as lawyers. While the United States continues to rely on broader competence standards, expectations are converging around the need for demonstrable comprehension of both technology and AI.

This white paper argues for a staged, defensible approach to modernization. Technical competence, covering core legal technologies, data governance, collaboration tools, and security fundamentals, must be treated as an operational baseline. AI literacy should be built on that foundation through structured training, readiness assessments, cross-functional collaboration, and clear governance controls. The conclusion is clear: the legal profession cannot responsibly accelerate toward AI without first ensuring that lawyers have the technical competence to protect clients, preserve ethical obligations, and sustain trust in legal services.

Introduction

Artificial Intelligence no longer sits at the edges of legal practice. Lawyers now encounter AI-driven functionality in research platforms, drafting tools, eDiscovery workflows, and client-facing services. Clients expect their counsel to understand these tools, use them responsibly, and explain the risks that come with them. For many legal professionals, the question has shifted from whether AI belongs in legal practice to how they should deploy it without compromising judgment, ethics, or client trust.

At the same time, technology competence across the profession remains uneven. More than a decade after professional responsibility rules clarified that competence includes technology, many lawyers still struggle with core systems. Document management, eDiscovery platforms, collaboration tools, and basic data security practices continue to present challenges across firms of all sizes. These gaps did not emerge with generative AI, but AI has exposed them.

ACEDS' *Walk Before You Run: EDiscovery Day* webinar brought this tension into sharp focus.

Members of the Code & Counsel Working Group presented to a broad audience of legal professionals why AI readiness is essential through the lens of professional responsibility and practical risk. During the webinar, 245 participants responded to live polling questions

Which area of AI literacy do you believe lawyers and legal professionals need the most training on?

a.	Understanding model limitations	8 (5%)
b.	Data handling and prompt safety	7 (5%)
c.	Verification and QC of AI output	19 (12%)
d.	Appropriate use cases	9 (6%)
e.	Governance and compliance expections	2 (1%)
f.	All of the above	110 (71%)

Do Attorneys Have Adequate Technical Competance?

a.	Very strong	13 (10%)
b.	Adequate	34 (27%)
c.	Needs improvement	59 (47%)
d.	Significantly behind	14 (11%)
e.	Not sure	6 (5%)

Source: Survey of ACEDS' *Walk Before You Run: EDiscovery Day* webinar particpants

on AI literacy and the profession's current technical competence. Their responses reflected daily experience across law firms, corporate legal departments, government agencies, and legal service providers.

Participants consistently described AI literacy as multi-dimensional. They emphasized the need to understand how AI tools function, how lawyers must verify outputs, how data flows through systems, and how governance and accountability operate in practice. At the same time, respondents acknowledged that the profession has not yet achieved a consistent baseline of technical competence capable of supporting responsible AI use.

Client feedback tells the same story. In-house counsel have spent years voicing frustration with outside counsel's technology proficiency, especially when inefficiencies drive up costs or introduce unnecessary risk. As clients invest in increasingly sophisticated digital environments, they expect their legal partners to meet them there. When lawyers fall short, trust erodes.

The profession now faces a sequencing problem. Lawyers have begun layering AI tools onto workflows that already rely on inconsistent data hygiene, informal governance, and limited technical fluency. In this environment, AI does not replace professional judgment or compensate for weak foundations. It accelerates mistakes, obscures errors, and amplifies ethical risk.

Recent sanctions and public missteps tied to unverified AI-generated content illustrate how quickly experimentation can turn into client harm when lawyers skip the fundamentals.

These challenges do not call for retreat from innovation. They call for discipline. As AI becomes embedded in legal work, the profession must confront a fundamental question: will lawyers strengthen their technical foundations first, or allow existing gaps to dictate how they deploy increasingly powerful tools? The answer will shape not only how lawyers use AI, but how clients, courts, and regulators evaluate competence in the years ahead.

The Duty of Technical Competence

The profession's starting point is clear: competence today includes technology. ABA Model Rule 1.1, Comment 8[1], adopted in more than 40 jurisdictions[2], directs lawyers to stay abreast of changes in the law and its practice, including "the benefits and risks associated with relevant technology." Although brief, this comment anchors an evolving set of expectations that extend well beyond eDiscovery and word processing. Courts, regulators, and clients now view information governance, cybersecurity, and the responsible use of artificial intelligence as part of competent legal practice. Technical competence no longer functions as a niche add-on. It operates as a core element of professional judgment, client protection, and risk management.

In practice, however, implementation varies widely. State bars and courts have referenced Comment 8[3] to discipline lawyers for failures ranging from electronic filing errors to mishandled metadata. Some jurisdictions require technology-focused CLEs or issue detailed guidance on encryption, vendor diligence, and supervision of nonlawyer technologists. Others take a lighter-touch approach and leave firms to translate broad principles into daily practice. This inconsistency contributes directly to the gap between what clients increasingly expect and what many lawyers deliver.

Recent developments show a sharper focus on artificial intelligence within the existing competence framework. Puerto Rico's 2025 update[4] provides a notable example See Rules of Professional Conduct of Puerto Rico (In Re Rules of Professional Conduct of Puerto Rico, Resolution ER-2025-02, approved on June 17, 2025). Rather than adopting ABA Model Rule 1.1, Comment 8, the jurisdiction enacted a standalone rule, Puerto Rico's Rule 1.19, Technical Competency and Diligence[5], which states:

> **"Individuals who practice law must acquire the necessary skills and maintain a reasonable level of knowledge about technological developments that may impact the practice of law and the notarial function. This includes the duty to use technology diligently and with an understanding of its benefits and risks, in order to provide representation."**
>
> *Puerto Rico's Rule 1.19*
> *(Machine translated using Copilot.)*

Puerto Rico's Rule 1.9, Comment 7, titled "Technological Tools and Artificial Intelligence," adds further clarity. The comment identifies illustrative categories of technological tools, including artificial intelligence, and emphasizes the need to validate AI outputs. It makes clear that AI systems cannot replace professional judgment.

By explicitly extending the duty of competence to artificial intelligence, Puerto Rico moved from implication to expression. Properly framed, the update does not impose a new obligation. Instead, it applies familiar duties (competence, confidentiality, supervision, and communication) to tools that introduce new benefits and distinct risks. The rule also reflects a pragmatic reality: AI no longer sits on the horizon. Lawyers already encounter research platforms, drafting assistants, eDiscovery workflows, and client-facing services. Lawyers who deploy,

supervise, or rely on these tools must understand how they function, where they fail, and how to verify outputs.

Two practical implications follow. First, ABA Model Rule 1.1, Comment 8 establishes a baseline, not a ceiling. As AI becomes embedded in core workflows, baseline competence necessarily expands to include data handling, provenance and verification practices, vendor oversight, and human-in-the-loop controls. Second, uneven state enforcement does not excuse lagging practice standards. Clients, courts, and counterparties increasingly expect lawyers to explain their tools, defend their controls, and remediate errors quickly when technology misfires. Jurisdictions like Puerto Rico now make those expectations explicit. Others will likely follow through rulemaking, formal opinions, or case-based sanctions. Firms of all sizes reduce risk when they treat technical competence as an operational discipline (not a one-off CLE) and integrate AI-specific safeguards into the everyday mechanics of competent representation.

1 https://www.americanbar.org/groups/professional_responsibility/publications/model_rules_of_professional_conduct/rule_1_1_competence/comment_on_rule_1_1/

2 https://www.lawnext.com/tech-competence

3 https://scholarship.law.uc.edu/cgi/viewcontent.cgi?article=1452&context=uclr

4 https://www.lawnext.com/2025/06/puerto-rico-adopts-duty-of-technology-competence-with-rule-that-goes-farther-than-aba-model.html

5 https://poderjudicial.pr/Documentos/Supremo/Reglas/Reglas-Conducta-Profesional-Puerto-Rico.pdf

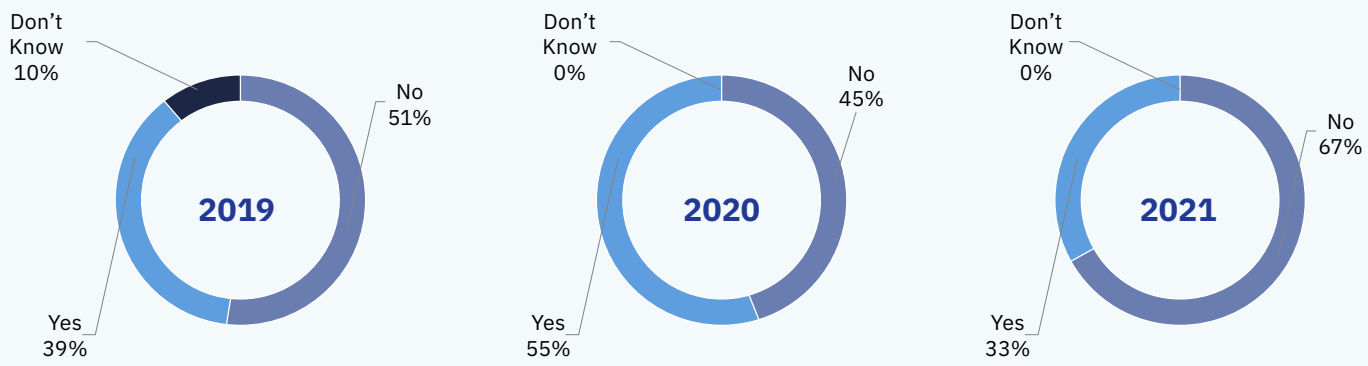
Evidence of the Competence Gap

Despite the clear duty for technical competency, surveys of in-house counsel reveal a persistent competence gap among outside lawyers, who often fail to meet even basic expectations for digital proficiency. *The General Counsel Report*—produced annually by Ari Kaplan, FTI, and Relativity—poses a pointed question to its participants: Do attorneys have adequate technical competence? The trend from 2019 to 2021 is eye-opening. Although perceptions of competence improved slightly after the pandemic's onset, the numbers plummeted in 2021, with 67% of respondents considering outside counsel to be technically incompetent.

The fact that clients believe nearly seven out of ten lawyers lack technological competence is deeply concerning. Commenting on this survey, Kaplan theorized that firms were given some leeway in 2020, when the pandemic disrupted business as usual. But as the pandemic continued, General Counsel began to realize that many lawyers fell short of the technical capabilities modern businesses require. In-house teams, often operating under tight budgets and advanced internal systems, expect their external partners to meet the same technological standards they support in their own organizations. Sadly, mere adequacy is the minimum that should be expected. As one respondent put it, "Adequate means that they are capable of performing their job, so most meet that standard, but there are very few—maybe the top 10 percent—who can use technology to enhance their productivity

Do Attorneys Have Adequate Technical Competance?

Source: *The General Counsel Report*



"No" + 15% from 2019. +22% from 2020

and be more efficient." When outside counsel cannot meet these requirements, it creates inefficiencies and undermines trust in the attorney-client relationship.

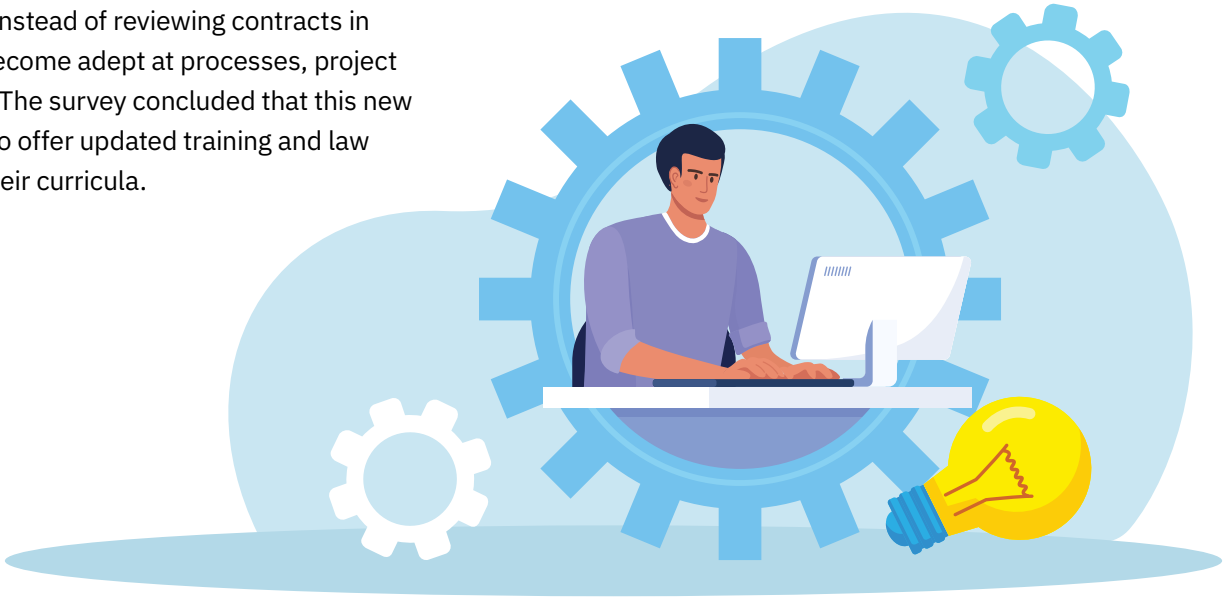
A similar story appears in the Bloomberg Law Legal Ops Survey (2022), where nearly half of corporate clients said their law firms were "behind expectations" in adopting technology. This survey also found that 53% of respondents cited a lack of tech-savvy users as a barrier to effective legal technology adoption, underscoring the gap between client expectations and lawyer capabilities.

These survey results that precede the widespread adoption of generative AI programs show a landscape that is not ready to take on this new technology. Without baseline technology proficiency, they risk misusing AI tools or misunderstanding outputs exposing individuals and firms to malpractice risks.

So, how can this gap be addressed? A respondent to *The General Counsel Report (2020)* suggested, "The profession needs to start preparing practice-ready attorneys to work in a new environment; instead of reviewing contracts in class, students must become adept at processes, project management, and AI." The survey concluded that this new era requires law firms to offer updated training and law schools to reimagine their curricula.

The *ABA 2024 Technology and Training Tech Report* further supports the structural roots of this problem, noting that law firms—especially smaller ones—invest very little in technology training for attorneys. Nearly one-third of respondents reported turning first to Google or other generic online resources when learning about legal technology. While larger firms may have resources to train staff, the profession as a whole lags behind when a significant portion of lawyers remain technologically underprepared. The issue is as much cultural as it is institutional: while 42% of respondents regarded training in their firm's technologies as very important, 58% did not.

Troublingly, 72% assigned little to no importance to training in emerging technologies. Until both firms and individual attorneys acknowledge that technical competence is a necessity, not an option, the gap between legal services and client needs will persist. The failure to meet technology standards threatens the profession's relevance in a digital-first business environment.



In a more recent survey conducted by Thompson Hine LLP, *Bridging the Gap—Disconnects, Expectations, and Opportunities*, it echoes these findings, noting that corporate clients are seeing very little innovation from their primary firms.

The legal profession has long faced criticism for its slow adoption of technology. Yet, 93% of respondents to Thompson Hine's 2025 survey indicated that technological innovation is critical and plays an important role in their selection of outside law firms.

The mounting evidence from multiple surveys paints a clear and troubling picture: the legal profession's lag in technological competency endangers not only efficiency and service quality but also the foundational trust between clients and counsel. Bridging this gap will require systemic change—law firms must prioritize and invest in meaningful technology training and law schools must prepare future lawyers for a digital-first practice environment. And this training needs to start with basic technology skills before expanding to AI-driven systems. Only by embracing ongoing learning and innovation can the legal profession align with client expectations and thrive in a rapidly evolving landscape.

Through the Years: How Much Innovation Corporate Legal Buyers Saw From Their Primary Firms

Source: *Thompson Hine LLP, Bridging the Gap—Disconnects, Expectations, and Opportunities*

Innovation as Seen By Corporate Legal Buyers	2025	2023	2020
A great deal	5%	5%	3%
Some/A little	79%	60%	57%
None	16%	35%	40%

Risks of Leaping Directly to AI in Legal Practice

With so much generative AI hype, law firms are testing new technology at a remarkable pace—GenAI workflows, drafting assistants, AI-enabled research assistance, and even client-facing chatbots. Vendors tout efficiency gains, and internal champions are eager to reduce routine work and accelerate response times for clients. Attorneys are eager to harness these technologies to gain efficiency and enhance client services. Rapid adoption is outpacing change management, information governance, data privacy, and security policies. In many firms, technology usage may occur as "shadow AI" or "pilot projects" without any examination of security, confidentiality or data privacy, without audit trails, without checks against outside counsel guidelines, and without clear accountability for supervising either the input or the output from the AI tools. This enthusiasm begins with a dangerous trend: attorneys are leapfrogging foundational technology skills and diving headfirst into AI without the necessary competence to use it responsibly.

The Competency Gap Beneath the AI Layer

Generative AI does not operate in a vacuum. To use it well requires an understanding of legal technology, data governance, and ethical obligations. Attorneys lacking technical proficiency are particularly prone to risks. Before excitedly embracing AI, attorneys should critically examine their basic technology skills to self-assess their readiness.

Hard Facts: If you do not know how to effectively use your firm's word processing tool or document management system, rarely use current eDiscovery tools, and cannot have a conversation with your clients about how their information should be protected online—then you may not be ready for GenAI.

Some other examples of potential technical competency gaps include:

- **Discovery Platforms:** Generative AI summaries or predictive classification layered onto review tools like Relativity and others can obscure gaps in preservation, collection scope, custodial mapping, or privilege workflows. If counsel does not understand the options around metadata, searching, deduplication, threading, analytics clustering, or QC sampling—all basics of eDiscovery—then their AI-assisted review decisions may lead to cascading errors. Missed information, overbroad productions, or inadvertent disclosures become more common, not more rare.
- **Document Management Systems (DMS):** Without consistent use of document management systems and good data hygiene (inconsistent profiling, stale templates, poor version control, extensive document re-use), lawyers risk introducing outdated or unauthorized content into AI-assisted workflows. Without mastery of the DMS profiles and metadata, template governance, and retention policies, attorneys risk reliance on superseded forms and loss of auditability. Any Generative AI layered on top of bad data in your DMS equals "garbage in, garbage out."
- **Collaboration Tools:** Misuse of Zoom, Teams, or client portals can result in unauthorized data sharing or poor client communication, and fragmented case coordination—issues that AI cannot fix and may exacerbate. Integrating AI note-takers and transcription bots without role-based access and informed consent can

expose confidential information to third parties and vendors. Misconfigured channels, auto-sync to personal devices, and unvetted plug-ins increase accidental disclosure risk. Lawyers who do not control meeting settings, waiting rooms, recordings, and portal permissions cannot credibly supervise AI assistants that ingest these streams.

- **Data Privacy & Security Fundamentals:** Attorneys who input sensitive client data into consumer-grade AI tools without encryption or privacy safeguards risk breaching confidentiality and violating ethical rules. Attorneys who do not pay attention to data safety—encryption in transit/at rest, vendor diligence around security and retention, and privacy requirements and controls—risk having client data being shared outside of approved jurisdictions or retained for Gen AI model training by vendors without their knowledge and without client approval.

Lawyers who do not have baseline technology competence cannot satisfy duties of competence and confidentiality when deploying AI tools. Your ethical obligation is to either understand the technology or to ensure that you are partnering with a legal technologist who does—before you put yourself, your firm, or your clients at risk.

Real-World Consequences: Sanctions and Ethics Violations

Recent incidents have highlighted the dangers of deploying AI without a strong technical foundation. A quick web search provides a shockingly high list of cases where attorneys or legal consultants submitted briefs containing fictitious case law generated by AI tools. Many of these situations not only undermined the credibility of the filings (and the attorneys) but also led to judicial sanctions and ethical investigations. Such outcomes

underscore the peril of using AI without understanding its limitations or verifying its outputs.

- In *Gauthier v. Goodyear Tire & Rubber Co*, A Texas attorney was sanctioned $2,000 and ordered to complete continuing education after submitting a brief to the Court of Appeals for the Fifth District of Texas with fictitious case law and quotations generated by AI in November 2024. Despite using Lexis AI to check the content, the tool failed to flag the hallucinations, and the attorney did not manually verify the citations.
- In 2025, Goldberg Segalla represented the Chicago Housing Authority in an Illinois State Court lawsuit where a jury awarded over $24 million to two families whose children suffered lead poisoning in CHA-owned property. In a post-trial motion seeking to overturn the verdict, a Goldberg Segalla attorney cited a non-existent Illinois Supreme Court case ("*Mack v. Anderson*") which was generated by ChatGPT and not verified before filing. *Jordan v. Chicago Housing Authority.*
- In February 2025, three attorneys from Morgan & Morgan were sanctioned after citing eight non-existent cases generated by their in-house AI tool in *Wadsworth v. Walmart Inc. et al.* (U.S. District Court for the District of Wyoming). The lawyer who drafted the motion admitted it was their first time using AI and failed to verify the output. The court sanctioned the drafter $3,000 and the other two attorneys $1,000 each for e-signing the motion.
- A May 2025 order in *Lacey v. State Farm*, Special Master Hon. Michael Wilner chastised attorneys who "collectively acted in a manner that was tantamount to bad faith". Attorneys on both sides of a case in the U.S. District Court for the Central District of California were sanctioned for their failure to check the validity of their citations. As a result, the special master decided to impose sanctions striking all versions of a supplemental brief, denying discovery relief, requiring disclosure to clients, and ordering both law firms to jointly pay $31,100 in the legal fees.
- September 2025, OpenAI revealed that conversations shared through its "Make this chat discoverable" option were exposed online and scooped into online search indexes—many of these chats included sensitive, confidential, or private content, and some of those conversations were tied back to law firms. While OpenAI cleaned up the search indexing exposure, the damage was done.
- October 2025, Deloitte, a highly recognized consulting firm, acknowledged that it used a generative AI model in the drafting of a report for the Australian government which was found to contain serious errors. Deloitte has now agreed to refund at least part of a $440,000 consultancy fee after admitting that a report contained fabricated academic citations, false references and a quote wrongly attributed to a Federal Court judgment.

These examples underscore a critical point: rather than solving existing problems, when layered atop gaps in legal tech competency, AI can accelerate errors, amplify security risks, and deepen ethical vulnerabilities. The professional duty is unchanged: verify facts and law, supervise technology and people, protect confidentiality, and ensure reasonable safeguards. Meeting that duty with AI use requires a sober assessment of readiness and a staged approach to adoption. First, strengthen foundational technology skills; then adopt AI within documented guardrails and controls—verification checklists, provenance-aware workflows, vendor diligence, and client disclosures. Only by building the base can attorneys safely realize AI's many benefits without compounding risk to clients and themselves.

The Global Perspective

Article 4 of the EU AI Act requires providers and deployers of AI systems to take measures ensuring that all those involved in their operation or use attain adequate levels of AI literacy. "AI literacy" is defined in Article 3(56) of the EU AI Act as the skills, knowledge and understanding needed for informed deployment; this is reinforced by Recital 20 (a recital sets out the reasons for an Article of the Act's operative provisions), which says that the AI literacy obligation extends beyond employees to all relevant actors in the AI value chain. In practice, this includes professional users such as lawyers, who must be sufficiently AI literate to deploy such tools responsibly and to meet their wider regulatory duties. The requirement applies to all AI systems, irrespective of risk classification. Although Article 4 does not impose a stand-alone sanction, regulators are expected to take compliance with this obligation into account when assessing other breaches of the Act.

In England and Wales there is no statutory AI literacy requirement. The legal profession is divided into solicitors and barristers, regulated respectively by the Solicitors Regulation Authority (SRA) and the Bar Standards Board (BSB), but both regulators adopt a principles-based approach. Their guidance requires the existing duties of competence, supervision and accountability apply equally to AI-assisted work. The SRA, through initiatives such as SRA Innovate, encourages safe adoption of technology while requiring firms to protect clients and maintain service standards. The BSB has similarly echoed that AI can assist barristers but cannot replace professional judgment, calling for high standards and careful risk management. This position was reinforced by the Divisional Court of the High Court in *Ayinde v LB Haringey* (June 2025), where reliance on unchecked generative AI led to fictitious case citations and referrals to both regulators. Government policy follows the same regulator-led model: the UK's 2025 AI Opportunities Action Plan focuses on skills development and ethical innovation rather than statutory mandates. In practice, lawyers in England and Wales are expected to build AI competence within their existing ethical framework, supported by training and guidance, rather than through any legal requirement of AI literacy.

By comparison, in the U.S. there is likewise no mandated AI literacy. As previously noted in Section II, most jurisdictions rely on their local version of ABA Module Rule 1.1, Comment 8, which is a broader requirement for technical competency. Thus, while lawyers in England and Wales must achieve AI competence under existing professional standards, their EU counterparts are subject to a statutory literacy duty, leaving U.S. attorneys at risk of falling behind on both fronts.

Lawyers should treat AI literacy as a step beyond technical competence—not a replacement for it. AI tools do not eliminate the need to understand legal technology; they depend on it. Without fluency in core systems and workflows, lawyers cannot evaluate AI outputs, supervise automated processes, or explain technology-driven decisions to clients and courts. Technical competence provides the context AI requires to function safely in legal practice.

Building AI Literacy on a Foundation of Competence

AI systems operate on data, workflows, and permissions that lawyers already control (or should control) through existing technologies. When lawyers lack proficiency in case management systems, eDiscovery platforms, document management tools, or basic security controls, AI compounds those weaknesses. It accelerates decisions built on incomplete data, obscures errors behind probabilistic outputs, and creates false confidence in results that still require human judgment. Lawyers who understand their underlying technology stack place themselves in a position to use AI deliberately rather than reactively.

Firms that approach AI adoption responsibly start with baseline technology training. They ensure that lawyers understand the tools they already use to manage matters, preserve and review data, collaborate with clients, and safeguard information. This foundation allows lawyers to recognize when AI adds value, and when it introduces unnecessary risk. As discussed earlier, skipping these fundamentals and "leapfrogging" directly to AI exposes firms to errors that no model can correct.

Continuing legal education should reflect this sequence. CLE programs that introduce AI concepts

without reinforcing foundational technology skills risk creating surface-level familiarity without operational understanding. Firms and bar organizations should integrate AI modules only after lawyers demonstrate baseline competence in core technologies. When training follows this progression, lawyers gain the ability to ask better questions, test assumptions, and recognize when AI outputs require closer scrutiny.

Before deploying AI tools at scale, firms should assess readiness at both the individual and organizational level. A technology skills audit allows firms to identify gaps in understanding across practice groups and roles. These assessments need not be punitive or burdensome. They function as risk-management tools that inform training priorities, supervision structures, and rollout strategies. Firms that understand their internal capabilities make better decisions about which AI tools to deploy, where to deploy them, and under what controls.

Successful AI adoption also requires collaboration beyond the legal team. Lawyers do not build or govern AI systems in isolation. Information technology professionals, data scientists, knowledge management teams, and security specialists all play critical roles in shaping how AI functions within legal workflows. Cross-functional collaboration ensures that firms address data quality, system integration, access controls, and auditability before AI tools reach production environments. Lawyers who engage with these teams strengthen their ability to supervise technology and fulfill professional obligations.

In practice, building AI literacy on a foundation of competence requires firms to:

- Establish baseline training in core legal technologies, including case management, eDiscovery, document management, and information security
- Sequence AI education after foundational competence is met, rather than positioning AI as an entry point
- Assess attorney technology readiness before deploying AI-enabled workflows
- Involve IT, data science, knowledge management, and security teams in AI governance and supervision

AI literacy, properly understood, equips lawyers to exercise judgment, not delegate it. It enables them to evaluate outputs, explain processes, and intervene when technology fails. When firms build AI literacy on a solid foundation of technical competence, they position themselves to use AI as an enhancement to legal practice rather than a source of unmanaged risk.

Conclusion: A Disciplined Path Forward

The legal profession stands at an inflection point. Artificial intelligence offers meaningful opportunities to improve efficiency, insight, and service delivery, but only for lawyers equipped to use it responsibly. The evidence and opinions offered in this report make it clear that when AI is deployed without foundational technical competence, it magnifies risk rather than mitigating it.

Professional obligations have not changed. Lawyers must still verify facts and law, supervise tools and people, protect confidentiality, and exercise independent judgment. What has changed is the speed and scale at which errors can occur when technology is misunderstood or inadequately governed. Sanctions for hallucinated case law, data mishandling, and unsupervised AI use are not anomalies; they are early warnings.

The path forward is not to slow innovation, but to structure it. Firms and legal departments must treat technical competence as a baseline condition of practice, not a discretionary skill or a one-time CLE requirement. AI literacy should follow, built deliberately through staged training, readiness assessments, cross-functional governance, and verification controls that reinforce professional judgment rather than displace it.

For Code & Counsel, this paper establishes a foundational principle: the legal profession must walk before it runs. By strengthening technical competence first, lawyers can adopt AI with confidence, credibility, and trust—positioning the profession not merely to keep pace with technological change, but to lead it responsibly.