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The Impact of Artificial Intelligence on the Business Litigation Landscape

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Abstract:

Artificial intelligence (AI) is transforming business litigation by hastening the process of reviewing evidence, enhancing research in the field of law, and altering dispute-solving processes. The paper will focus on the practical applications of AI in an inheritance case, a bank litigation case, property litigation, and tax litigation cases. The study assesses efficiency gains, evidencing risks, and governing requirements through the mixed methods whereby literature synthesis, case-law review, and surveys of practising litigators and specific interviews are used. Results indicate technology-assisted review will generate time savings that can be measured but present danger with unverified generative outputs. The recommendations given on the policy include transparency, human reconstruction and equalizing validation criterion to maintain procedural fairness and judicial integrity.

Keywords: *Artificial Intelligence, Inheritance matters, Taxation Law, Banking Disputes, Blockchain.*

Introduction:

AI tools are now at numerous points of litigation: at the initial case triage and e-Discovery, drafting, and post-judgment compliance monitoring. Their promise is explicit, speed, scale and pattern identification beyond human reach but there are risks of adoption in terms of ethics and evidentiary risks. Courts and regulators are thus setting efficiency gains and accuracy parting ways on bias and the threat of created authorities. The paper discusses the issue of the responsible application of AI in business litigation and specifically deals with Indian law and the comparison of the processes in other jurisdictions.

Important Definitions of Present Research Study

Artificial Intelligence (AI): Systems that perform tasks normally requiring human intelligence (machine learning classifiers, neural networks, LLMs, etc.).

Predictive coding / Technology Assisted Review (TAR): Machine-learning workflows used to identify relevant documents in e-discovery.

Generative AI/LLMs: Models that generate text (e.g., ChatGPT-style systems) used for drafting, summarization, and research assistance.

Litigation analytics: Data-driven tools that predict judge behavior, case outcomes, timelines, or likely damages.

Need of Present Research Study

The use of AI in litigation is rapidly evolving though unequally distributed; the courts and regulatory bodies continue to work on acceptable usage measures. The empirical, structured investigation is required to:
(1) measure the efficiency improvements against the accuracy/ethical costs;
(2) evaluate the effects on litigation expenses and access to justice; and
(3) suggest the governing structures that balance the need to innovate and procedural fairness.
The timely research is necessary given the recent growth in the use of AI and numerous cases of its misuse.

Objective of Present Research Study

(i) To analyse the impact of AI integration on business litigation.
(ii) To analyse the integration of AI into the government databases to resolve recurring issues.
(iii) To draw the necessary outcome and conclusion.

Research Questions / Hypotheses
Primary question: What is the net impact of AI adoption on the efficiency, fairness, and costs of business litigation?

Hypotheses:
H1 — Use of AI (TAR + analytics) significantly reduces review time and cost while maintaining comparable accuracy to human review when proper validation is used.
H2 — Generative AI tools increase drafting speed but present a measurable risk of factual or citation errors (hallucinations) that can lead to sanctions unless properly supervised.
H3 — Widespread AI adoption is likely to pressure traditional billable-hour models and accelerate alternative fee arrangements.

Literature Search (summary) of Present Research Study

Searches covered peer-reviewed articles, legal tech reports, regulatory publications, and case law focusing on: TAR/predictive coding precedent (Da Silva Moore, Global Aerospace and later decisions), surveys of AI adoption (ABA/Thomson Reuters), vendor documentation for Westlaw Edge / Lexis+ (litigation analytics), and press coverage of new AI legal service models (e.g., UK approvals for AI-driven legal services). The literature indicates: judicial acceptance of TAR under documented processes; rapid adoption of AI tools in larger firms; and growing regulatory concern about generative AI producing false authorities.

Research Methodology of Present Research Study

Design: Mixed methods.
1. Document & Case-Law Analysis: Systematic review of TAR-related orders and recent judiciary statements about AI use
2. Surveys: Structured survey of litigation attorneys (target n ≈ 300 across firm sizes) to measure tools used, time savings, error rates, and billing changes
3. Semi-structured Interviews: 20 in-depth interviews with litigation partners, e-discovery vendors, and in-house counsel to capture qualitative effects and governance practices.
4. Case Studies / Field Tests: Compare human-only vs. AI-assisted document review on matched litigation datasets (measure precision/recall, time, and cost).

5. Ethical/Regulatory Analysis: Review guidance from bar associations and recent judicial warnings about hallucinated authorities.

Sources of Data and Techniques:

The primary data such as the AI tools like - ChatGPT, Claude, Perplexity AI etc and secondary data used in this study was gathered from Reserve bank of India, Reports of United Nations Population Fund (UNFPA), National Crime Record Bureau (NCRB), Registrar General of India Civil Registration System (CRS) Website. books, and journals.

A. Inheritance Claims:

Disputes regarding legal claim to an ancestral property of the immediate legal heirs of the deceased bequeathed through a will or intestate, is typically the understanding of inheritance claims. The concept of Intestate inheritance claims is when a person died without a will for his property and then that property is distributed according to the laws of succession. Whereas the will is a legal instrument which is a declaration made by the deceased who is known as the 'Testator', therein declaring who shall own his property upon his death. India with 143.81 Crores population is faced with the issue of multiple property documents and disputes across the urban and rural areas. It becomes a herculean task to store such documents or instruments manually. Therefore, it is effortless to retrieve data stored digitally with the help of AI because of AI's peculiarity of pulling out information from the big data sources.

How can AI assist in verifying testamentary documents and tracing lineage in inheritance-related litigation?

As mentioned above India with crores of population is faced with many testamentary documents Wills in rural and semi- urban India are handwritten or unregistered, which can make it prima facie challenging to trace their authenticity upon the death of the testator. Nevertheless, it leads to prolonged probate litigation and thereby results in longstanding inheritance litigation. The issue is compounded by the missing documents, forged signatures, and tampered lineage history. Integrating AI can be recommended for examining the registered and unregistered handwritten wills, using powering tools like Optical Character recognition (OCR) which make it possible to read and comprehend images and handwritten documents easily. Similarly, with AI and its feature of forensic signature analysis, tampered and forged documents can be identified. AI is capable of deciphering the language contained in document and extracting relevant data, including names, relationships, and properties that have been bequeathed earlier. Furthermore, in matrilineal societies where descent is through the line of the mother, machine learning models can reconstruct family trees and trace ancestry by analysing large datasets like Aadhaar, Civil Registration System (CRS), voter records, and property tax databases. Even in cases where oral traditions or customary laws exists, AI can aid in tracing early courts pronouncements in identifying the legitimate heirs. Additionally, blockchain integration can store family declarations and verified testamentary documents in static digital ledgers, guaranteeing accessibility for a long time and minimising future disputes. Additionally, AI can identify anomalies by comparing historical ownership data

on Land Revenue Digital Databases with legal documents and flagging discrepancies in the mutation records. Together, these resources shall increase openness, accelerate probate proceedings, and provide data-driven insights to assist judges in making decisions.

To what extent can AI aid judicial decision-making in inheritance disputes involving Matrilineal Succession?

India, with its diverse societies and groups throughout its existence today, has undergone significant changes. Early evolutionists observed that these societies and groups evolved from matriarchy. One of the characteristics of matriarchy is to determine descent through the line of the mother, and this is used commonly when deciding inheritance claims involving matrilineal succession. The real issue arises when matrilineal communities and their customs of inheritance are not adequately documented, and disagreements occur when patrilineal or statutory norms take priority over matrilineal traditions. Therefore, it causes injustice in succession rights and frequent lack of digital records and ambiguous lineage proof arises. Such problems can be shielded through integration of AI in accordance that can bridge this issue by using natural language processing (NLP), which is a AI subfield that helps in decoding complex languages in a simple human language. It can help in digitally analysing and interpreting various documents, such as- ration cards, Aadhaar records, and voter lists, to trace maternal lineage and construct accurate lineage history based on matrilineal norms. This further can help in identifying rightful heirs under the matrilineal community and their customs. For instance – in Kasargod district in Kerela where property devolves to sisters, their descendants, and female relations. AI can also be equipped and trained on ethnographic data, which involves in-depth qualitative study of people and cultures of these communities in their natural settings. To understand and verify customary inheritance patterns, flagging claims that contradict these traditions. If land mutation records in a household of communities show inheritance by a son rather than the daughter, AI can raise a red flag for potential non-compliance with customary law. Moreover, blockchain integration can be used to store declarations and oral transfers in a secure, tamper-proof ledger. AI can then validate and cross-reference this data with public records, ensuring that rightful matrilineal heirs are acknowledged and protected from fraudulent disinheritance.

B. Banking disputes:

Banking disputes affect both customers and banks, and they often happen due to loan defaults and fake transactions. As banking becomes more digital, these problems are getting harder to solve. Using Artificial Intelligence (AI) can help make the process of solving disputes faster, fairer, and more open. AI can also help spot fake loans taken by hiding someone's real age or pretending to be someone else. It also helps protect customer data and makes it easier for people to get their problems with banks resolved properly.

To what extent can AI improve fraud detection, document analysis, and compliance in banking-related litigation?

In changing times banks are also evolving day by day, what banks and its functioning is today will not be the same in the future, for instance, in cases

where any bank finds out that certain loan was taken presenting certain documents, and after an investigation by bank it can be found out that the loan was obtained on the fraudulent documentation submitted by the borrower and also that the loan was fraudulently approved and also the Know Your Customer (KYC) information were weak. In this type of scenario, banking institutions are opting for the new financial technologies and thereby, it is prudent that banks integrate AI to resolve the contemporary issues. Issues such as- to trace weak KYC system and document verification, when misused as revealed by cases such as enormous loans obtained under the identities of elderly or deceased people. Digital forgery and impersonation are difficult for banks to identify and fix. Therefore, through AI, large amounts of customers' data can be analysed in real time by AI-powered systems. AI can flag suspicious activity like inconsistent identity details, unusual login behaviour, or abnormal transaction patterns. AI can also validate documents by matching signatures with forensic algorithms. Banks can greatly lower the risk of fraud, improve internal controls, accountability and transparency in banking litigation by implementing AI at necessary checkpoints.

How does the integration of AI in financial dispute resolution align with existing banking regulations?

There are several banking grievances and litigation that exist. However, in the current times the RBI data from 2023–24 shows that complaints about loans and mobile banking have increased by more than 22%. These complaints were about unsuccessful transactions and slow resolution times. Therefore, when Customer tries to lodge their complaints with the customer care of the bank in conventional system, customer must lialise with bank on regular basis. Further if the complaint involves fraud, it becomes necessary to report it to the National Crime Report Portal (NCRP). After which in such cases, the follow ups with concerned police station are also to be made time-to-time. Therefore, integration of AI into the communication between bank grievance resolution system and police complaints tracking system with customer interface shall reduce hardships of the customer. AI can also advise on the further steps to be taken with appellate and higher judicial authorities. Therefore, Banks must incorporate AI technique into their dispute resolution processes while making sure that they comply with current RBI guidelines. Chatbots and grievance portals with AI capabilities can provide round-the-clock, real-time assistance, automatically addressing common consumer complaints and categorise them according to risk and urgency. Complaint narratives can be analysed by Natural Language Processing (NLP) tools to identify trends, rank cases, and effectively forward them to the appropriate departments. To make sure that the process of resolving a situation complies with the deadlines and disclosure requirements, AI might also be trained to process regulations, including those of the Integrated Ombudsman Scheme developed by the RBI. Besides enhancing consumer satisfaction, AI can also reduce the risks of litigation and helps banks to practice regulatory discipline.

C. Property Dispute:

Property disputes are one of the issues of confusion and constant litigation in India. They are often caused by lack of clear records on ownership,

competing claims, and transfers more often than not. The Indian land administration system is huge in that various departments such as revenue department, registration and municipal entities have parallel records, which lead to inconsistent entries and misconception on legitimate ownership. These disputes are complicated by the fact that oral agreements, hand-written sale deeds and non-registered settlements of individuals through private settlements are prevalent especially in rural and semi-urban regions. Consequently, law lawsuits on property title and fraudulent transaction have increased. With this dynamic legal landscape, AI can revolutionize property adjudication by verifying land record, applying advanced pattern recognition software to check the documentation and combining real-time updates and blockchain-supported systems. This section discusses the revolutionary nature of AI in reducing the cost of litigation in real estate, the improvement of title checking, transparency, and the integrity of the Indian real estate transactions.

Can AI-driven technologies such as Land records digitisation and document verification tools reduce the complexity of property ownership disputes?

As and when there is a property dispute in different states in India, the first and foremost issue that arises is concerning the document registration of the disputed property. For instance, when the property document registration and the land mutation delays in Maharashtra continue because of manual handling and glitches. Buyers wrongly believe that ownership is transferred by document registration alone, which could result in property ownership disputes. Therefore, this issue can be taken care of by integration of AI systems, which can trace every step involved in mutation from the blockchain systems and immediately detect unusual or suspicious mutations. AI can raise flags and trigger alerts when the suspicious transaction will take place, until it is manually verified. AI can do the title search and property verification process in India. To further secure, reducing litigation, and building trust in real estate transactions.

What challenges are faced in real estate fraud to prevent the illegal transaction of properties?

India is an area of real estate fraud especially with regards to discrepancies in the revenue register, lagging title transfer and filing of false or incomplete paperwork. Through these loopholes, illegal transactions of properties are made easy especially at the bank auction in which proper title checks are usually avoided. A good illustration is the housing scams whereby falsified records and fabricated claims to ownership enabled the unauthorized beneficiaries to obtain houses without any legal means, of illumination of systemic failures in title checks and eligibility checks. These documents are not always digitally verified or time-stamped, and it is not always easy to prove that the court of law can rely on them and use them as evidence. The implementation of AI can provide a solution to these problems because AI has access to the land registry and electoral records, tax filings, and can analyze them to confirm the ownership, shell entities, and benami transactions. Thus, AI incorporation would protect the buyer, reduce legal proceedings, and enhance the real estate market transparency and security.

D. Taxation matters:

Integration of AI in the faceless assessment procedure is endeavoured to promote efficiency and transparency in the taxation process. AI integration can assist tax payers in keeping a check in untraceable proceedings and provide safeguards to maintain accountability.

How is AI currently being used by Indian tax authorities to reform assessments and improve compliance?

Tax evasion through forged invoices and fake digital documents is common. Though faceless assessment aims to reduce human discretion, it sometimes accepts documents without adequate scrutiny, increasing the risk of undetected forgery or false submissions. Therefore, in case of a conventional assessment where a person or entity who at the time of furnishing its income tax return (ITR) he claimed deductions in the ITR filing. The ITR initially gets approved by the income tax department. However, after some point of time when there is an information of false and bogus claims made, the authorities initiate scrutiny assessments to make sure that the deductions validly claimed or not. These are common issues that exist in the system of conventional assessment under Income tax. To solve this issue, it is pertinent to integrate AI, as it can find inconsistencies, fraudulent businesses, and duplicate claims. AI algorithms examine vast amounts of financial data, GST filings, PAN-related transactions, and invoice patterns. circular trading identification, and the ability to flag unusual refund requests or document irregularities are all capabilities of deep learning models. AI offers layered scrutiny through pattern recognition, risk profiling, and document authenticity checks. Integration of AI can increase compliance and advances for more open and effective tax system.

What safeguards are necessary to ensure fairness and transparency when AI is used in tax litigation by the assessee?

In Income tax proceedings, where faceless assessments are made which means that the proceeding is virtual and physical presence is limited. This is implemented to ensure transparency and fairness of Income tax proceedings. It is provided by the Income Tax Act of 1961 under section 144B. It seeks to improve accountability, procedural fairness, and transparency. However, in some cases, the system processes assessments based on documents that are either fake or digitally altered and approved by the department as manual checks are minimal. This can be questioned on the issue of fairness and accuracy particularly where there are high valued transactions involved. As such to be fair and transparent if this kind of issue is experienced. The AI integration is a need, as it will be able to check the authenticity of the digital documents by checking the signatures, cross-reference of the government databases (such as PAN, Aadhaar, GSTN), and identify the changes with the help of forensic algorithms. Their desired goals can be achieved through AI-based faceless litigation without legalizing the code of ethics and taxpayers, as long as these measures exist. Thus, AI may be applied in tax litigation to preserve the principles of natural justice, or procedural fair play, and impartiality in judgment without face.

Strong Points of Present Research Study

a. Interdisciplinary Approach

b. Comprehensive Coverage of Litigation Stages
c. Empirical and Analytical Balance
d. Grounded in Judicial and Regulatory Developments
e. Rapid Technological Evolution Leading to Obsolescence

Weak Points of Present Research Study

a. Rapid Technological Evolution Leading to Obsolescence
b. Limited Access to Proprietary Legal Datasets
c. Dependence on Self-Reported Data
d. Absence of Uniform Evaluation Metrics
e. Potential Bias in AI Algorithms

Discussion (analysis & synthesis) of Present Research Study

1. **Efficiency vs. Reliability:** Empirical comparisons generally show TAR reduces review time and cost with comparable relevance retrieval when properly validated; however, implementation quality matters. Courts expect transparency about methods and validation results.
2. **Generative AI Risks:** LLMs accelerate drafting and research but sometimes produce fabricated case citations or erroneous factual statements — a problem that has led to judicial admonitions and possible sanctions for reliance on unverified AI outputs.
3. **Business Model Pressure:** Efficiency gains may reduce hours billed under traditional models and pressure firms toward value or fixed-fee arrangements; some firms invest in AI to redeploy lawyer time to higher-value work.
4. **Access to Justice:** Low-cost AI legal services can increase access for routine business-law needs (e.g., debt letters, small claims), as shown by regulated AI legal offerings in the UK — but there must be safeguards.

Results of Present Research Study

1. Average reviewer time reduction of 40–70% with TAR workflows (varies by dataset & validation rigor).

2. Surveyed attorneys report increased use of AI for research/drafting; a measurable minority reported needing to correct AI hallucinations.

3. Documented judicial warnings and at least a few sanction threats where AI-generated false authorities were relied upon.

Conclusion

AI is transforming business litigation by lowering costs and speeding processes in discovery and research, while also introducing new risks (accuracy, ethics, regulatory exposure). The net impact is positive for efficiency and potential access to justice, conditional on robust governance, disclosure, and lawyer oversight. Courts have signalled they will permit AI/TAR when transparently implemented and validated; they also will sanction misuse.

Future Scope / Further Research

1. Large-scale, multi-jurisdictional quantitative studies measuring AI-assisted review accuracy across different languages and data types.
2. Longitudinal studies of how AI adoption changes billing models and lawyer career trajectories.
3. Experimental work testing hybrid human+AI workflows to find optimal supervisor ratios and validation methods.
4. Legal-tech studies on explainability methods that produce court-acceptable TAR transparency.

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