

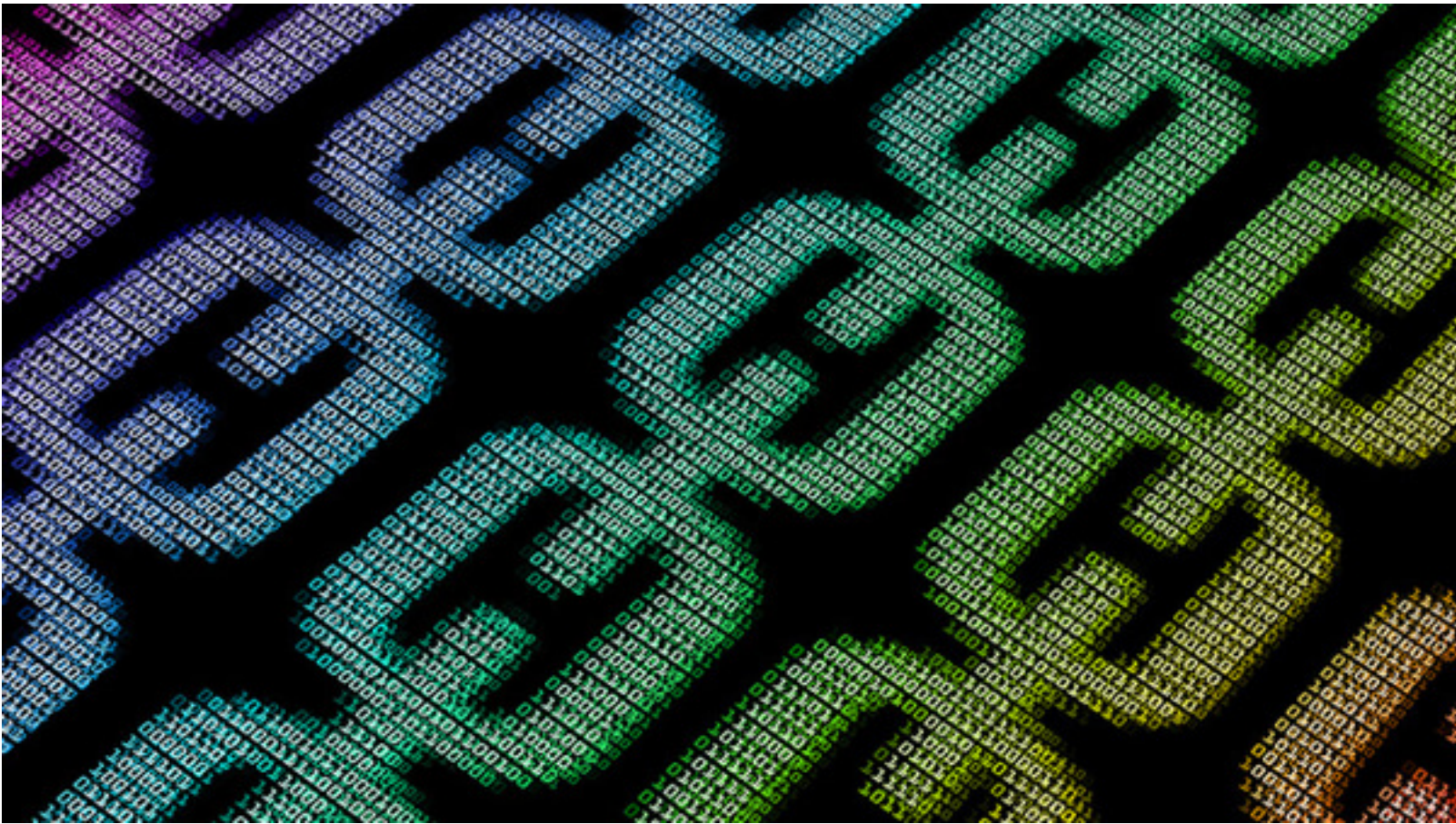
# Blockchain 101 for the Non-Techie Lawyer

Pick apart the once obscure technology and you’ll find an innovation that stands to disrupt law as we know it.

BY [RHYS DIPSHAN \(/AUTHOR/RHYS-DIPSHAN\)](#)  
DECEMBER 27, 2016

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While widely heralded as one of the “next big things” in legal



technology, blockchain technology and its potential effects remain both widely unknown and misunderstood. Now, as enterprises begin looking at the technology and its place in the legal operations process, in-house attorneys stand to benefit by building a body of knowledge around the technology that will play a part in their futures.

To help shed light on this advancement, Legaltech News spoke with two attorneys at the forefront of blockchain development to understand what the technology is, what benefits it offers, and how and when it will effect attorney work product.

# WHAT EXACTLY IS A BLOCKCHAIN?

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Simply put, a blockchain is a digital network of information, compiled in a decentralized database shared with users that may have access. Each “block” in a blockchain is a record of information, such as an entry in a ledger, which contains a timestamp and is linked to a previous block. It was first developed as the technology behind the digital currency bitcoin.

Marco Santori, partner at law firm Cooley, explained blockchain by comparing it to “magical pieces of paper” owned by two people at opposite ends of the world. When one person writes anything on their piece of paper, it automatically shows on the other person’s paper as well.

While he notes this may not seem “magical,” given that a central intermediary like a bank or money transmitter can accomplish this feat, the “magic” behind blockchains is that no central intermediary is needed.

Holland & Knight partner Josias Dewey explained that a blockchain functions like “one central hard drive somewhere that everyone is plugging into,” except with a key difference.

“It’s decentralized— everyone has their own copy of the database and every copy of the database is identical,” he said.

## WHAT ARE THE BENEFITS?

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Santori explained that blockchains allows parties to directly interact on a shared database. This can be a tool for “people who not only don’t know each other, but don’t trust each other, and assume the other person’s out to get them or cheat them. They can now interact based on a single shared ledger, without a central intermediary, and that’s very powerful.”

Just like blockchains allow people to trade bitcoins without a bank, they can also be configured to trade securities without a broker, or execute a contract automatically without a legal intermediary.

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### Rhys Dipshan

Rhys Dipshan is a journalist who covers in-house tech issues from early disruption to ghosts in the machine for Legal Tech News, The National Law...

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