

AI terms for legal work, in plain words

Hearing terms in meetings that nobody stops to explain? You are not the only one. These are the 32 terms that come up most when legal teams start using AI, each in a sentence or two.

Large language model (LLM)

The kind of AI behind tools such as Claude, ChatGPT, Copilot and Gemini. It predicts text from patterns learned in training, which is why it can be fluent and still wrong.

Prompt

The instructions and material you give the tool. Better prompts give clearer, more checkable results.

System prompt or instructions

Standing instructions that apply to every message in a chat or project, such as your role, house style and positions.

Context window

How much text the tool can consider at once, including your documents and the conversation so far. Very long material may be cut off.

Token

The unit a model counts text in, roughly three quarters of a word. Limits and prices are often stated in tokens.

Hallucination

A confident statement that is not supported by the source or by fact, such as an invented clause or citation.

Grounding

Tying answers to a specific source, such as the contract you provided, so they can be checked against it.

Retrieval (RAG)

A setup where the tool searches a document collection and answers from what it finds, instead of from memory alone.

Training data

The material a model learned from. It has a cutoff date, so the model may not know recent law or events.

Training on your data

When a provider uses your inputs to improve its models. Whether this happens depends on the plan and settings.

Retention

How long the provider keeps your conversations and files, and whether you can delete them.

Zero data retention

A setting or agreement under which the provider does not store your inputs after processing, usually on business plans.

Data processing agreement (DPA)

A contract setting out how a provider handles personal data on your behalf.

Consumer versus business plan

Personal plans and business or enterprise plans often have different data, training and confidentiality terms.

Model version

The specific model in use. Results can change when the version changes, so note it when you test.

Temperature

A setting that controls how varied the answers are. Lower values give more consistent output.

Multimodal

Able to work with more than text, such as images, scanned pages or audio.

Project or workspace

A saved space that keeps files and instructions together across chats.

Memory

A feature that lets the tool remember facts about you across conversations. Check what it stores.

Agent

An AI setup that takes several steps on its own toward a goal, such as reading files, drafting and checking, usually with points where you approve.

Tool use or connectors

Links that let the AI read from or act in other systems, such as your email, documents or a database.

Model Context Protocol (MCP)

An open standard for connecting AI tools to other systems and data sources.

Plugin or skill

A packaged set of instructions or tools that adds a capability to an AI product.

Playbook

Your standard, fallback and walk-away positions for a contract type. Giving one to the AI makes its review match your standard.

Prompt injection

Hidden instructions inside a document or web page that try to make the AI do something you did not ask.

Human in the loop

A person reviews and approves the output at set points before anything is relied on or sent.

Benchmark

A standard test used to compare models. Your own tasks are a better guide to your results.

Extraction

Pulling specific information out of documents, such as dates, parties or renewal terms, into a table.

Summarization

Condensing a document. Check what was left out as well as what was said.

Citation checking

Confirming that every case, statute or clause the AI cites exists and says what it claims.

Redline generation

AI-suggested changes to a document, shown as tracked changes or a list. Check that each change is the minimum needed.

Acceptable use policy

Your organization's rules on which AI tools may be used, by whom and for which material.