

COVID-19 REVIEW

Identification of Force Majeure in Lease Agreements

大成 DENTONS



The Madrid office of world-leading law firm, Dentons, recently used Luminance to conduct a COVID-19-focused review of real estate lease agreements concerning office space. A team of four lawyers needed to determine whether their client's tenants had the right to terminate the agreement or stop paying the rent under a potential Force Majeure provision foreseen in the lease agreements due to the COVID-19 pandemic. A complicating factor was that Dentons were instructed on this matter at the height of the COVID-19 outbreak in Spain and as such, all members of the team were quarantined at home under lockdown rules. Thus, the team did not have access to the physical documents and could not work together in the office, but still needed to provide their client with a rapid response.

Dentons Spain opted to use Luminance Diligence, not only to expedite the review, but also to provide a robust, collaborative platform for the remote-working lawyers which ensured all documents had been thoroughly checked and no key provisions missed. While other technologies require time-consuming, expensive training and rule-configuration before lawyers can even begin their review, Luminance can be instantly and securely deployed via the cloud and requires no system pre-training or set-up.

As a result, despite all team members working remotely, Dentons were up and running within hours of installation, uploading over 100 documents to the platform. During the document upload process, Luminance, which blends supervised and unsupervised machine learning algorithms, read and formed an understanding of the legal documentation at an unparalleled speed. Dentons could immediately see the results of this unmatched insight on Luminance's document visualisation screen. They noted that this feature was particularly useful - by understanding what was contained

KEY FINDINGS

- Dentons cut 10 hours off their total review time using Luminance compared with manual methods
- Allowed Dentons to proactively assess COVID-19-related risk for their client
- Identified crucial yet unexpected force majeure clause on day one
- Team members collaborated seamlessly despite all working remotely

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within their dataset “at a glance”, Dentons could provide their clients with budget and time estimations with far greater precision than before, offering greater transparency from the start of the review. With Luminance’s powerful machine learning instantly categorising and organising the data room, the legal team were able to rapidly detect crucial information within the lease agreements including termination clauses, property restoration obligations and even an unexpected force majeure clause. Indeed, force majeure provisions are not typically found in Spanish lease agreements thus this finding was critical for Dentons and their client.

Using Luminance’s clause compliance functionality, Dentons were then able to set this particular force majeure clause as a ‘model’- a standard version against which all the other clauses are compared - and could see compliance or deviation against their model clause across the entire data set, ensuring no risk or obligation went unnoticed.

The data room consisted of predominantly Spanish documents, meaning Luminance’s ability to work across any language was particularly beneficial for Dentons. Further, the lawyers were impressed with Luminance’s supervised machine learning capabilities, ensuring that with every interaction between the lawyers and the platform, Luminance was able to learn what the team were looking for and generate additional insights, becoming increasingly specialised to the nuances and specialties of the firm. This instilled the legal team with greater confidence that nothing had been missed in the review, going far beyond legacy vendors which are limited to answering pre-set questions and queries.

With all of the team working remotely due to social distancing measures, Luminance’s project management and collaboration tools were also very useful for Dentons. Insights and findings could be shared immediately through Luminance’s reporting and notes features, allowing for a tighter feedback loop both within the legal team and with their client. Further, functionalities such as automatic document allocation and document checkout ‘batching’ ensured lawyers did not duplicate each other’s work, wasting valuable time and money.

Using Luminance, Dentons were able to cut 10 hours off their total review time, completing the entire exercise in just two days. This allowed Dentons to fully appraise their client on their contractual obligation and risks created by the pandemic, ensuring they were in the best possible negotiating position prior to discussions with the real estate company.

“Technology like Luminance must be in every law firm. It gives lawyers a competitive advantage, allowing them to deliver legal advice to their clients in much shorter timeframes and with greater transparency. Luminance’s flexible machine learning approach ensures it is the lawyer driving the process- not the machine. This means that we can deliver to our clients a reliable and insightful result.”

**MIGUEL DE ESPONA,
ASSOCIATE, REAL ESTATE**

About Luminance

Luminance is the leading artificial intelligence platform for the legal profession, with over 350 customers in more than 60 countries. Luminance’s machine learning technology reads and forms an understanding of documents, helping lawyers to perform the most thorough and rapid document reviews across practice areas including due diligence, contract negotiation, regulatory compliance reviews, property portfolio analysis and eDiscovery. Luminance has offices in London, Cambridge, New York and Singapore.