

IPR INDEMNIFICATION CASE STUDY

Multinational telecommunications company



In today's legal climate, patent trolls present a serious external threat to any company expanding and crossing borders. In order to protect profit and avoid unnecessary and costly legal action, companies must build effective Intellectual Property Rights Indemnification clauses into their contracts across their supply chain. Identifying every potential area of risk with an organisations contracts which must be covered with an IPR clause is an incredibly difficult and painstaking task, with a dangerous margin for error. Luminance is a vital tool for effectively investigating huge numbers of contracts in tight timeframes.

Luminance was recently deployed by a telecommunications giant to investigate their exposure across the entire organisation. The company's legal function had been caught out in the past when it had failed to spot hidden risks when reviewing using manual methods. It was clear that a new technology was necessary to tackle this problem and make sure the firm had total insight into their documents. The in-house legal team deployed Luminance in their London office, uploading thousands of supplier agreements in a few hours. The team used Luminance's machine learning technology and pattern-recognition algorithms to compare all IP indemnity clauses across the business, despite there being substantial variation in their format and wording. Within minutes, they had identified a model version of the clause and could map how other variations of an IP indemnification clause differed from this standard. Advanced anomaly detection capabilities immediately flagged all clauses that deviated significantly from the standard. The team could clearly identify the types of clauses that left them open to risk, and the contracts were assigned to outside counsel for renegotiation at the click of a button.

Luminance's advanced pattern-recognition technology immediately clustered similar documents based on by document type, common clauses and regional activity, letting the team see how the clauses differed by region and which offices were creating the greatest problems. By transferring the responsibility back to the suppliers, the corporation avoided bearing the risk of damages in patent litigation. Previously, the General Counsel in London could not be sure how at risk his organisation was. Now, he could be confident that his team knew exactly where exposure was and it could be efficiently dealt with. The manual review of these documents would have been insurmountable alongside the day-to-day work of the team, but with Luminance it became a manageable side project.

KEY FINDINGS

- In House legal team was able to compare all IP indemnity clauses across thousands of supplier agreements
- Within minutes a model version of the clause was identified, and other variations of the wording were mapped against it
- At the click of a button, risky contracts could be marked for renegotiation from their outside counsel

For more information about Luminance and our step-by-step project guides for these kinds of reviews, email **info@luminance.com**

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.