

## LUMINANCE DILIGENCE USE CASE

# Non-Disclosure Agreements

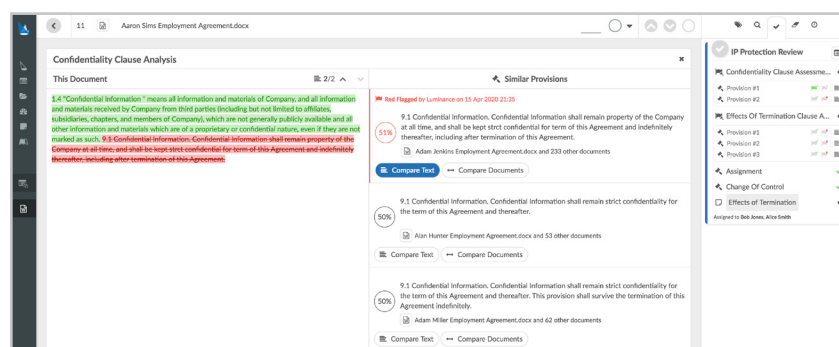
(NDAs)

Non-disclosure agreements (NDAs), otherwise known as confidentiality agreements, are amongst the most commonplace contracts in the corporate world. Indeed, their use is seen as standard market practice across a range of business areas, from sales and marketing to employment and pre-due diligence explorations. For both law firms and organisations, therefore, as legal teams come across NDAs they will need to form an assessment as to the level of protection implied by the NDA, most commonly producing a report which outlines what information is covered by the NDA, the period in which information must remain confidential and the obligations of each party to ensure that it remains such.



Lawyers also need to quickly establish where there are any confidentiality provisions that do not adequately protect their client's information, and where damages do not adequately compensate the client for breaches to the agreement.

NDA reviews may be about understanding and amending an organisation's existing NDAs to ensure adequate protection, or lawyers might be tasked with checking that NDAs received from third parties meet their own acceptable standards. Lawyers may also wish to conduct wholesale reviews of a company's outstanding NDAs prior to M&A transactions in order to understand the company's legal standing on crucial matters such as trade secrets. Given the potential implications of that both an overly or underly inclusive NDA can have on an organisation, it is of course of critical importance that lawyers can conduct a thorough and comprehensive review. Yet, with the volume of data growing exponentially, legal teams are often expected to review NDAs that often have large numbers of alterations throughout, frequently to very tight deadlines or under considerable commercial pressure. Relying on manual review methods alone can be a significant drain on resources and time. By using Luminance, lawyers can quickly and easily gain total insight into the contents and structure of NDAs, with large time and cost savings.



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Powered by supervised and unsupervised machine learning algorithms, Luminance is able to immediately read and form an understanding of documents, instantly surfacing key datapoints, clauses, and anomalies on an intuitive, easy-to-use display. Unlike legacy technologies which often require lengthy set-up periods followed by complex system training before they can even be used, Luminance is deployed via the cloud and can be used within hours. Indeed, using Luminance, lawyers typically achieve time savings of up from 50% on day one of a review. Luminance helps lawyers to gain a rapid understanding of key information contained within NDAs such as the duration of the agreement for both contracting parties, whether it is mutual, the jurisdiction involved, confidentiality obligations (including definitions), as well as Damages, Indemnity, and IP clauses.

For reviews where lawyers want to see a rapid comparison of documents against internally approved standards – as is common in NDA reviews - Luminance's unique Automatic Document and Clause Compliance technology is a powerful way of allowing lawyers to dictate the parameters of their review. With one click, users can select their desired standard version or 'model' against which all other documents are compared. For instance, lawyers might want to look for NDAs with abnormal durations compared with the client's standard contractual relationships. In this case, the lawyer simply selects an example NDA which is a 'model' version, and Luminance instantly highlights the way all other versions of the NDAs comply or differ from this chosen standard. Lawyers can then use Luminance's synchronisation with Microsoft Word so that, in one click from within Luminance, users are taken to the document in Word and conduct any required edits. Users can save any changes to the document which automatically creates a new version of the document within Luminance, and then continue with their review.

Using Luminance, lawyers are empowered to conduct the most seamless and thorough review, instilled with the greatest confidence that they are fully apprised of all information within their dataset.



**“We need to we have the right legal tech resources in place to show prospective trainees we are an innovative firm that cares about the way they work. If we don’t have these resources in place, we might lose that talent...they might go to another firm where these already exist”**

Jan Smit, Knowledge and Innovation Manager

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**“Companies like Luminance are instrumental in transforming the professional lives of lawyers and are a key component in future proofing the industry.”**

Christina Blacklaws, President of the Law Society of England and Wales

# Luminance Project Guide

## Non-Disclosure Agreements

### Scenario

Firms are required to review Non-Disclosure Agreements (NDAs) received from third parties. In particular, they need to review the NDA clauses against their own accepted standard ones. As there are multiple NDAs received each day, it is vital that the review is detailed, efficient and cost effective. Given the time pressure and the volume of documents under review, you will be deploying Luminance's market-leading artificial intelligence technology to enhance the team's ability to complete this review as it is the only technology that can adapt to your firm's set standards, interpretations and the timeframes required.



### Key Benefits

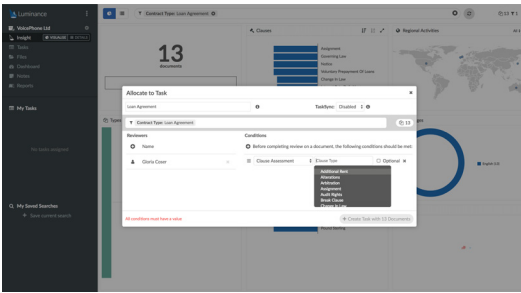
- ✓ Achieve significant time savings
- ✓ Quickly identify key provisions
- ✓ Achieve a more comprehensive review with enhanced confidence in the results

### Review Process

After the documents have been uploaded into Luminance, the workflow for conducting the review comprises 7 key steps:

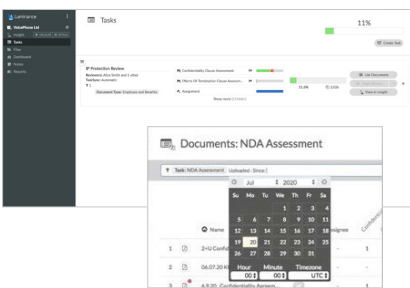
1. Create a document assessment with key clauses | e.g. Confidentiality
2. Filter to new NDAs via the Tasks screen
3. Navigate to provisions for review
4. Compare provisions to your set standard(s)
5. Approve or reject provision
6. Make a Bulk Note detailing suggested amendments (if necessary)
7. Amend documents using Luminance's soon to be released Work-in-Word feature

## Step 1: Create NDA assessment with key clauses | e.g. Confidentiality



Lumiance's intuitive Visualise screen provides users with an overview of all documents in the project. From here, users can navigate to the Folder containing NDAs (via the filter bar or by using the Folders widget) and create a Task, including Clause Assessments for the most relevant clauses requiring review. Add the team members responsible for this as 'Reviewers'.

## Step 2: Filter to new NDAs via the Tasks screen

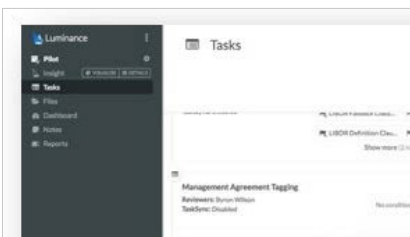


The left hand-side toolbar provides an overview of the project from different perspectives, allowing you to keep track of various facets of the review. Access the NDA assessment via the Tasks screen.

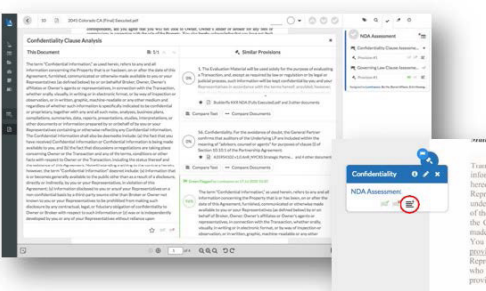
**HINT** | Select "List Documents" within the Task, then filter to "Uploaded since" and input today's date. This will filter down to newly received NDAs requiring review.

## Step 3: Navigate to provisions for review

Users can now select a document for review from the list. Within the document, users will find a task description on the right-hand side, which will allow them to jump directly to the provisions e.g. *Provision #1 of the Confidentiality Clause Assessment*.



## Step 4: Compare provisions to your set standard(s)



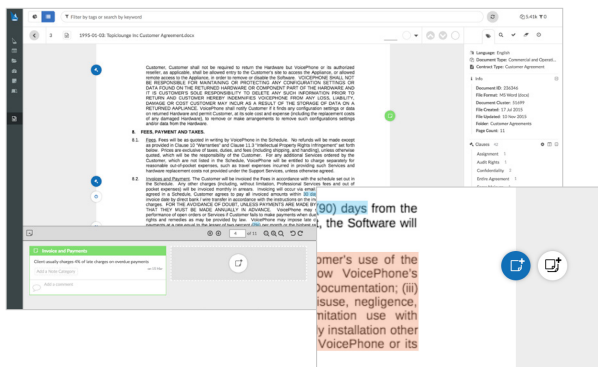
To compare the provision to your selected standard clause(s), the user can access the Clause Analysis view, by hovering over the flag icon next to the Clause Tag (on the left-hand side of the document) and clicking on the Clause Analysis option. From this view, the user can compare, side by side, the provision currently under review, against your set standard(s) (these will appear at the top of the list of 'Similar Provisions' and will be marked with a star). Users can also click 'Compare Text' to see exactly where the clauses differentiate.

## Step 5: Approve or reject provision



Once the user has reviewed the provision in question against your set standard(s), they are able to accept or reject the provision, by applying a 'Green Flag' or 'Red Flag'. Users may also click on the 'Star' option to identify the clauses selected as an approved standard for your firm.

## Step 6: Make a Bulk Note detailing suggested amendments (if necessary)



As the user continues the review of documents, Notes and Bulk Notes can be added to denote areas requiring amending or renegotiating. Simply click on the clause in question and navigate to the right-hand side pop-up to create a note.

**HINT |** Utilise the Bulk Note function to apply your comments to language which is identical or statistically very similar.

## Step 7: Amend documents using Luminance's soon to be released Work-in-Word functionality

With the next version of Luminance Diligence, users will be able to quickly and easily undertake any remediation that is required of their document set in light of the insights generated by Luminance's learning. With one click from within Luminance, users can go into the document via Word and perform any required edits right away – saving any changes back into Luminance instantly. Please contact your Product Specialist for more information on this upcoming feature.