# GENERATIVE AI: BEYOND THE THEORY

### Webinar 2

### Exploring GenAl in Legal: Real-World Applications

21<sup>ST</sup> FEBRUARY 2024



MORE IMAGINATION MORE IMPACT



## CONTACTS



**KERRY WESTLAND** Partner, Head of the Innovation Group



**ELLIOT WHITE** Director of Innovation & Legal Technology



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### AGENDA



4 In-House Landscape



# LEGAL WORK VALUE CHAIN

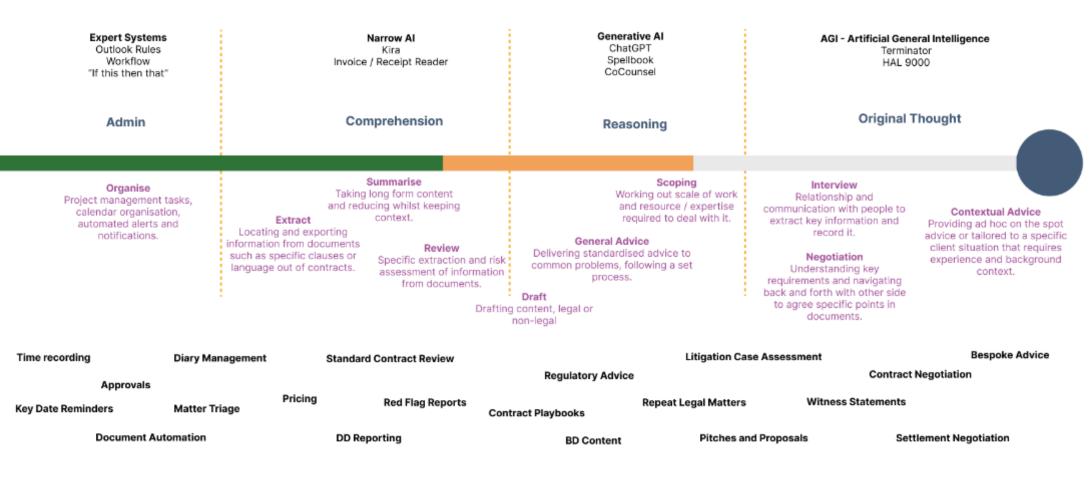






### Legal Work Value Chain

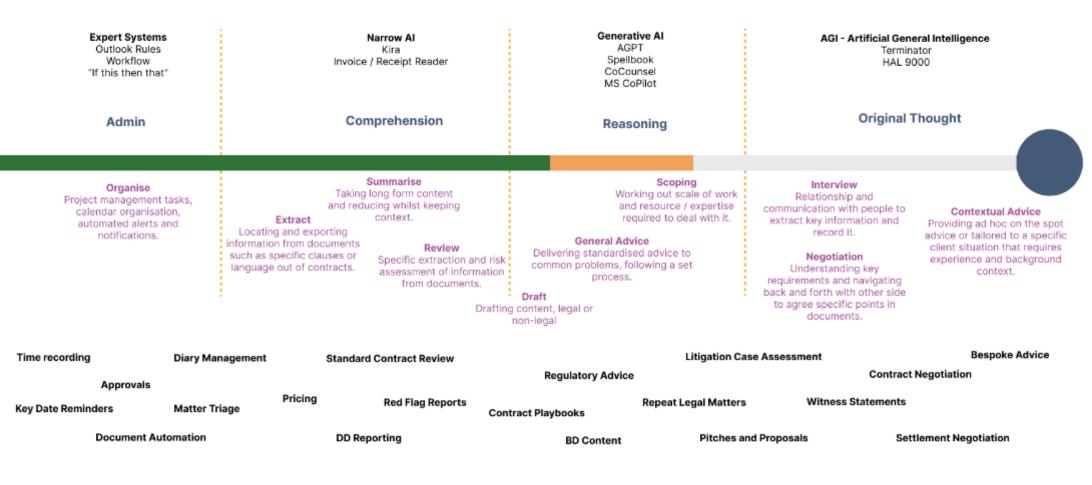
What technology can do today Potential of Generative Al Human skills (or an AGI World)





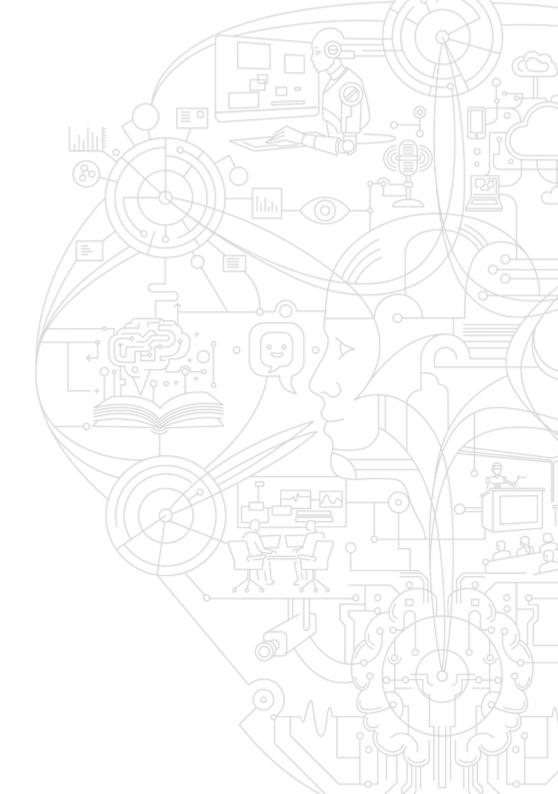
### Legal Work Value Chain

What technology can do today Potential of Generative Al Human skills (or an AGI World)



# **USE CASES**





# OUR AI USE CASES

### DRAFTING

Create initial drafts of clauses for agreements, modify a clause to be more one-sided or balanced or create content for broader business tasks.

### **NEGOTIATION**

A "Contract Co-Pilot" that suggests amends, sense checks human amends and ensures consistency across the contract. Pair this with playbooks and clause banks and could build an initial first pass negotiation of a contract.

### **EXTRACTION**

Extract key pieces of text out of documents such as contracts, emails, reports, and or forms. Craft prompts to deliver the best extractions across a range of topics, without being bound by having to train on "seen" data.

### **ENTERPRISE SEARCH**

LLM tools that focus on information gathering can be applied to large sets of documents to allow for much more intuitive and accurate search. Applying an AI enabled search tool across iManage (for example) would allow users to find clauses, precedents and specific text much easier.

### LEGAL RESEARCH

Using AI tools designed for cases, legal articles, research papers, textbooks and other relevant materials can multiply the reach of a research analyst and be a useful starting point when searching for and structuring a legal query.

### **DOCUMENT REVIEW**

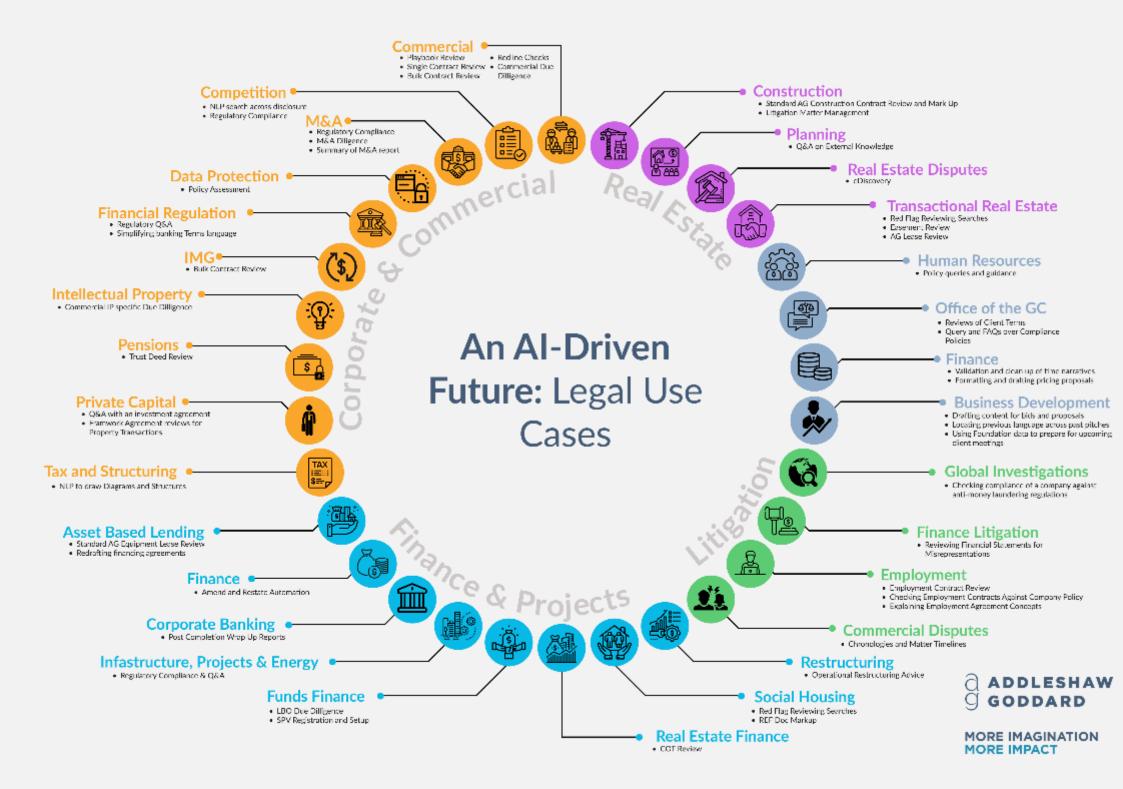
Starting from a template of questions aimed at a specific document type or just general queries about the document, you can assess risks and ask queries over individual or large document sets. This allows you to specifically tailor a review to the context of a legal matter.

### QUERY (Q&A)

Ask questions in everyday language and get answers. This is the main use case for ChatGPT, which aims to understand how humans interact with chatbot-like interfaces. Widening the pool of data that these tools answer from can give more detailed and nuanced responses.

### **TEXT SUMMARY**

Save time and energy when reviewing articles or conducting legal research by copying-in content and requesting a brief summary or key points in paragraph or bullet points.



# APPLICATION OF AI AT AG

At AG we are already using AI across live client matters, we have been using AI for years now but are already putting into effect the newer Generative AI tools.

# 1400+

AG employees are using AGPT

# 90,000+

prompts input into AGPT

75+

use cases identified across all practice groups

# 150+

members of our Generative AI working group



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# INNOVATION AND LEGAL TECHNOLOGY

### EXPERIENCE

As an Innovation team, we engage early with technology as a matter of course.

LLMs and Generative AI have been widely used across the whole of ILT, with countless AGPT, Copilot and specific GenAI tool use cases being shared in our team meetings.

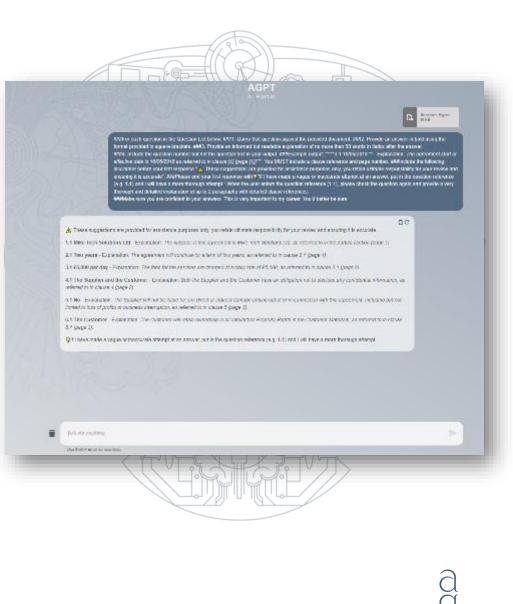
### **REAL WORLD USE**

Drafting

Individual Contract Reviews in AGPT

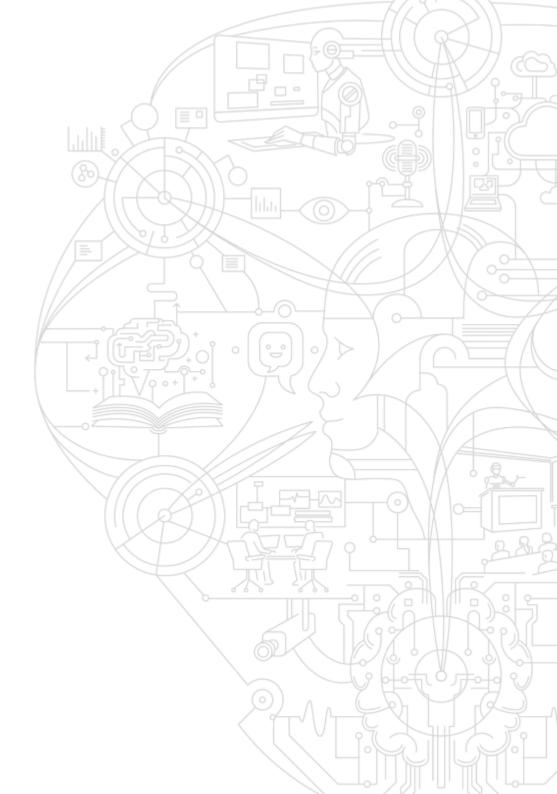
**Document Automation Support** 

Tutorials and Troubleshooting across tools



# PRACTICAL APPLICATION





# BULK DOCUMENT REVIEW

### PROJECT EXAMPLE: COMMERCIAL CONTRACTS

Previous AI Approaches & What's New

**Project Context** 

Extracting Information from Contract Portfolios

Prompt Engineering

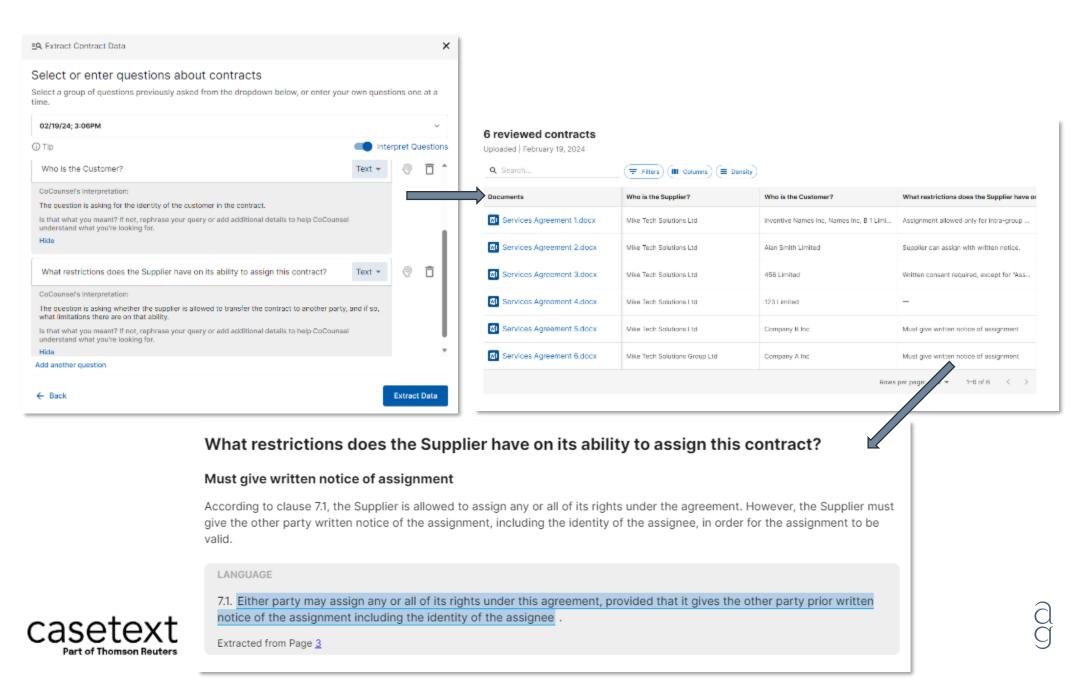
Results



OLIVIA DAKIN Senior Manager, ILT



# BULK DOCUMENT REVIEW



# **RESTRUCTURING AND INSOLVENCY**

### **USE CASES**

**Security Reviews** 

Lease Summaries

Summarisation of content

### EXPERIENCE

AGPT Early Adopters

Prompt Engineering and Prompt Library

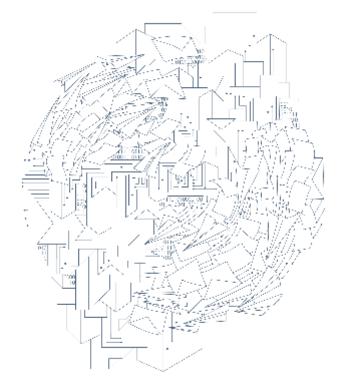
Human in the Loop – tech as an enabler



WILLIAM SHARPE Associate, Restructuring



**MATTHEW CAMPBELL** Associate, Real Estate Finance



# **RESTRUCTURING AND INSOLVENCY**

### SECURITY REVIEW

7. Is the charge over the whole or substantially the whole of the Company's property?
8. Does it state para 14 of IAAct 1986 applies to the floating charge?
9. Is there a right to appoint administrators?
10. Can the Bank enforce on non-payment following demand?

debenture.

**MATTHEW CAMPBELL** Associate, Real Estate Finance

### WILLIAM SHARPE Associate, Restructuring

7 Yes, the charge is over the whole or substantially the whole of the Company's property as per Clause 4 of the

8 Yes, it is stated in Clause 12(a) that the floating charge created by this Debenture is intended to be a qualifying floating charge as defined by paragraph 14 of schedule B1 to the Insolvency Act 1986.

9. Yes, the right to appoint administrators is given to the bank as per Clause 12(b) of the debenture.

10. Yes, the Bank can enforce on non-payment following demand as per Clause 11(a) of the debenture.

AGPT



# RESTRUCTURING AND INSOLVENCY

### LEASE REVIEW

# WILLIAM SHARPE

Associate, Restructuring

Extract Lease -... 254 KB 34. Detail what structural alterations are permitted by the lease 35. Detail what non-structural alterations are permitted by the lease 36. What is the use permitted by the lease? 37. Is change of use permitted by the lease? 38. Are there any specific prohibited uses? 39. Does the lease contain a keep open clause? 40. Detail the tenant's right to assign the lease

34. The lease permits structural alterations only with the prior written consent of the landlords. Alterations or additions that materially affect the structural integrity of the premises are strictly prohibited (Clause 4.11.1).

- 35. The tenant is allowed to make non-structural alterations or additions with the landlord's prior written consent. In addition, the tenant is permitted to carry out internal non-structural alterations or additions, and installation, alterations, and removal of any room sets within the premises without landlord's approval. subject to obtaining all necessary statutory consents (Clause 4.11.2).
- 36. The lease permits the use of the premises as a non-food retail warehouse (excluding clothes, footwear, or other fashion goods) and as ancillary thereto a trade counter. It also allows for the sale of coffee and ancillary items of the type usually sold in a coffee shop, for consumption on or off the premises (Clause 4.14.1).
- 37. Change of use is permitted by the lease, but only with the prior written consent of the landlords (Clause 4.14.2).
- 38. Yes, there are specific prohibited uses. The lease prohibits the use of the premises as a dwelling place or for sleeping, as a betting office, amusement arcade, in connection with gaming, as a fried fish shop, for the sale of intoxicants for consumption on or off the premises or for public entertainment, or for any sale by auction (Clause 4.15).
- 39. The lease does not contain a specific "keep open" clause.
- 40. The tenant's right to assign the lease is detailed in Clause 4.16. The tenant is not allowed to assign the lease in whole or sub-let either the whole or part of the premises without the prior written consent of the landlords. However, the lease does allow for the tenant to share occupation of the premises with a related company, provided certain conditions are met (Clause 4.16.6).

# AGPT

MATTHEW CAMPBELL

Associate, Real Estate Finance

# FINANCIAL REGULATION

### **USE & EXPERIENCE**

Presentation support - AGPT

Search FCA and PRA Handbooks

Consumer Duty summarisation and detail

Financial Ombudsman Decision analysis



**TOBY DAVIS** Legal Director, Financial Regulation



# FINANCIAL REGULATION

### **TOBY DAVIS** Legal Director, Financial Regulation

### FINANCIAL OMBUDSMAN DECISIONS IN CHATGPT

#### M You

Can you help me summarise and then compare some Financial Ombudsman decisions? I will give you a decision and I would like you to summarise the background to the complaint, the facts of the matter, and then summarise the findings of the ombudsman

#### ChatGPT

Of course, I'd be happy to help you summarize and compare Financial Ombudsman decisions. Please provide me with the details of the first decision, including the background of the complaint, the facts of the matter, and the findings of the ombudsman. Once I have this information, I can create a concise summary for you.

# You DRN-4326581.pdf PDF

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#### ChatGPT

The complaint in DRN-4188284 is against Black Horse Limited regarding a hire-purchase agreement Mrs. Y entered into in April 2016 to buy a car. Mrs. Y alleges that Black Horse acted unfairly by paying a broker commission without her knowledge and using a commission model that linked the commission amount to the interest rate of the agreement, thus incentivizing the broker to choose a higher interest rate. Black Horse asserts compliance with legal and regulatory obligations and contends Mrs. Y was treated fairly. The ombudsman sided with Mrs. Y, finding the discretionary commission model created a conflict of interest and was likely unfair under consumer

credit law. Black Horse's failure to disclose key information about the commission arrangement led to an unfair relationship. The ombudsman required Black Horse to compensate Mrs. Y, including adjusting her payments and refunding overpaid interest.

To compare these cases:

- 1. DRN-4326581 (Miss L vs Clydesdale/Barclays PF): Upheld in favor of Miss L. Found the discretionary commission model unfair, leading to compensation for Miss L.
- DRN-4218349 (Mr. W vs BMW FS): Ruled in favor of BMW FS. Found no unfair conduct as the broker's commission was fixed and disclosed as per regulatory requirements.
- 3. DRN-4188284 (Mrs. Y vs Black Horse):

Upheld in favor of Mrs. Y. The ombudsman found that the discretionary commission model created a conflict of interest, likely leading to an unfair relationship under consumer credit law, necessitating compensation for Mrs. Y.

In summary, while both Miss L's and Mrs. Y's complaints were upheld due to unfair discretionary commission models, Mr. W's complaint was not upheld as the broker's commission was fixed and disclosed according to regulations.

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# SOCIAL, SUSTAINABLE & GREEN FINANCE

### **USE CASES**

Simplification and Explanation

Market Insights

### EXPERIENCE

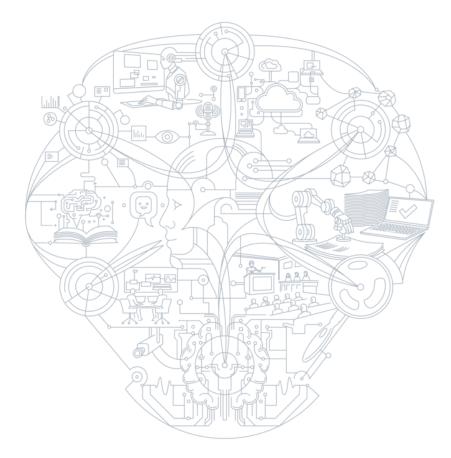
Prompt Libraries specific to SSG

Great for self-learning for juniors

CoPilot web connection and summarisation useful

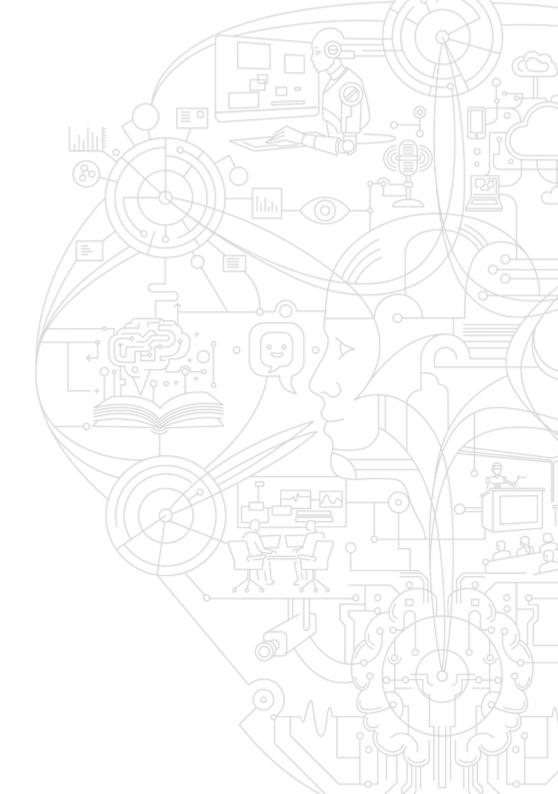


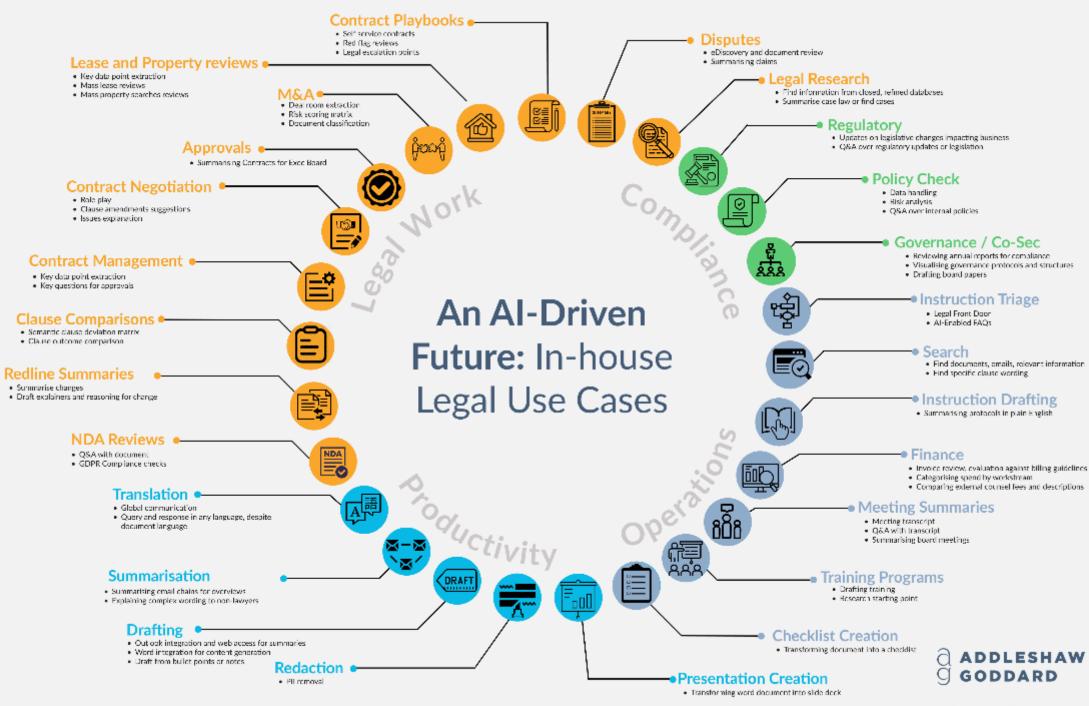
**BETH RUDGE** Associate, Social, Sustainable, Green Finance



# IN HOUSE LANDSCAPE







MORE IMAGINATION MORE IMPACT

## THIS IS ALREADY HAPPENING...

A recent survey from Lexis Nexis covered adoption figures and interest from lawyers, including the in-house community.

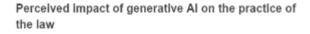
Tasks such as researching matters, briefing documents and document analysis were highlighted.

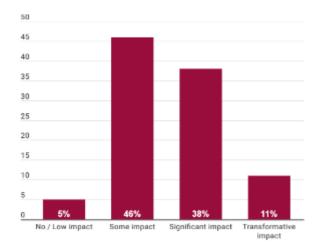
# **95%**

of lawyers believe generative AI will have a noticeable impact on the law

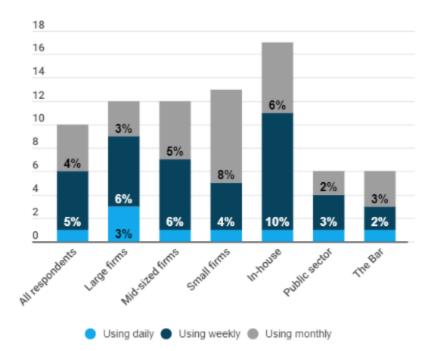
## **46%**

of in-house lawyers have used generative AI tools, with **17%** using them at least once a month





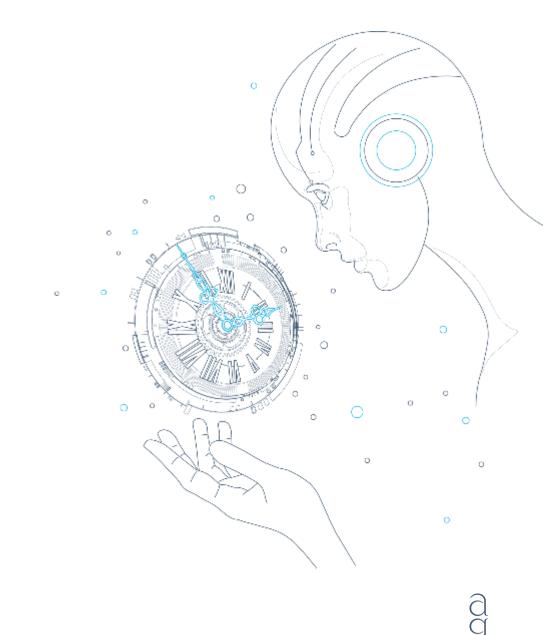
#### Frequency of usage of generative AI tools across the legal sector



Source: https://www.lexisnexis.co.uk/insights/generative-ai-and-the-future-of-the-legal-profession/index.html

# CONSIDERATIONS

- Use of Generative AI is still early days and may not be reflected in pricing immediately
- Balance between speed and accuracy
- 'Human in the loop' and validation still required
- In-house teams will have to access budget from across the rest of a business



# COMING UP

### WEBINAR 3:

SIMPLIFYING THE COMPLEX: MAKING SENSE OF GENAI

27 February 2024

10:00 - 11:00

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# QUESTIONS



