



Issues of the Regulation and Legal Application of AI

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Overview

- I. Current issues of the Regulation of AI
- II. Use of AI in the legal industry
- III. Opportunities in the use of AI
- IV. Risks in the use of AI
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I. Current issues of the regulation of AI

- 14 June 2023: The **European Parliament** adopted its **negotiating position** on the Artificial Intelligence (AI) Act.
- **Some important elements of the adopted position are:**
 - The **definition of AI systems** has been amended (~OECD definition).
 - Additional AI systems have been added to the **prohibited list**:
 - For instance: full ban on AI for biometric surveillance, emotion recognition, predictive policing, social scoring, real-time and remote biometric identification systems.
 - The list of **high-risk AI systems** and their associated obligations was amended.
 - AI systems used to influence voters in elections considered to be high-risk.
 - The obligation to carry out a **fundamental rights impact assessment** has been introduced for high-risk AI systems.
 - **Generative AI**, like ChatGPT, would have to comply with transparency requirements:
 - Disclosing that the content was generated by AI;
 - Designing the model to prevent it from generating illegal content;
 - Publishing summaries of copyrighted data used for training.
 - **Limited risk AI systems** should comply with minimal transparency requirements that would allow users to make informed decisions. Users should be made aware when they are interacting with AI.
- The talks will begin with EU countries in the Council on the **final form of the law**. The aim is to reach an agreement by the end of this year.

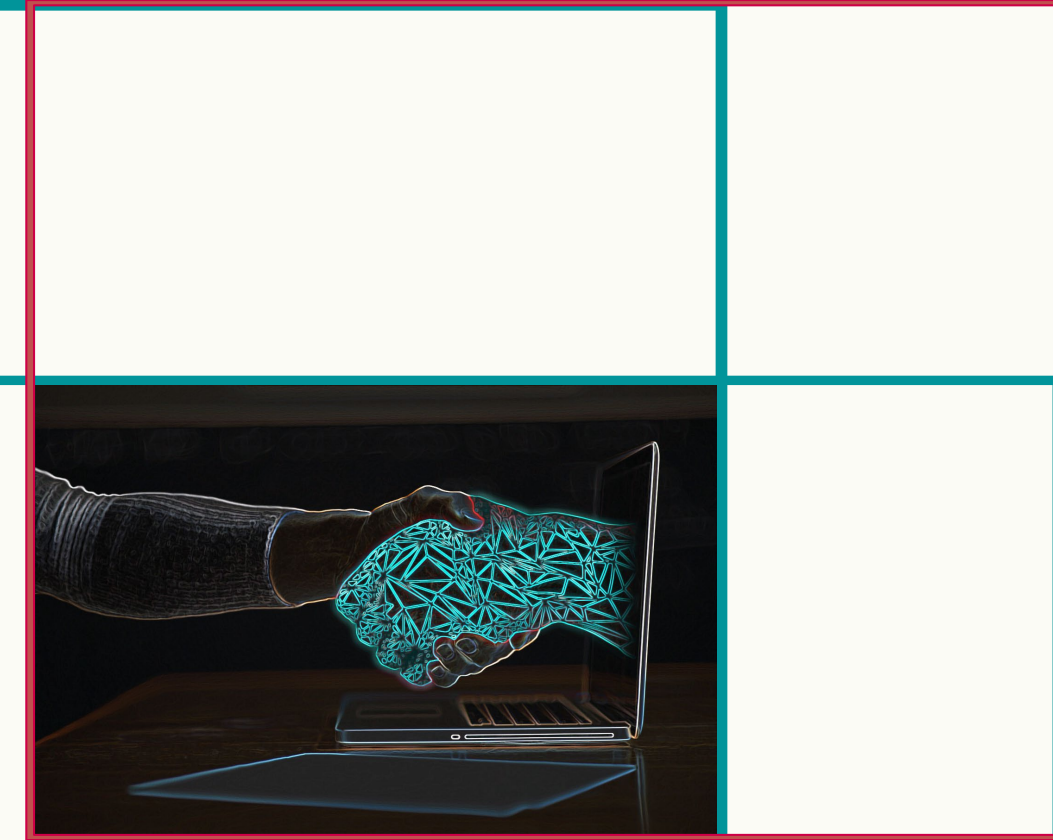
II. Use of AI in the legal industry*

*Legal industry (law firms, in-house departments)

- ? How can AI support the legal professionals' work?
- ? What kind of opportunities, risks and challenges are there using AI in the field of law?



III. Opportunities in the use of AI



- **Functions :**
 - Text analysis;
 - Categorization (e.g. in data rooms ; which contracts are in force);
 - Text generation (e.g. from contracts, judicial decisions, legislation, legal databases);
 - Speech recognition ;
 - Summerization .
- **Appli ed fields :**
 - Legal research ;
 - Contract drafting ;
 - Contract analytics ;
 - Contract (document) review ;
 - Due diligence ;
 - Predictive analysis;
 - Litigation prediction ;
 - Compliance .

IV. Risks in the use of AI

- **Accountability**
- **Transparency**
- **Bias**
- **Security**
 - **Quality and quantity data**
 - **Data protection**
- **Black box (why?)**
- **Vulnerability of input data** , which includes incomplete, outdated or irrelevant data, not large enough and wide variety of sample, inappropriate data collection techniques, the discrepancy between the training data and the data used in the actual operation .
- **Algorithm design** , which means faulty logic, erroneous assumptions, inappropriate modelling, coding errors and recognition of false patterns in training data .
- **Misinterpretation of output** , which blinds trust in the system, so it can be established that AI is currently a decision supportive , and it is not a real decision-making technology .

V. Challenges in the use of AI

- Legal reasoning ;
 - Analysing the relationship between two provisions (e.g. complement , contrast);
- Language difficulties in the training part ;
- Complex , specific cases ;
- Trust ;

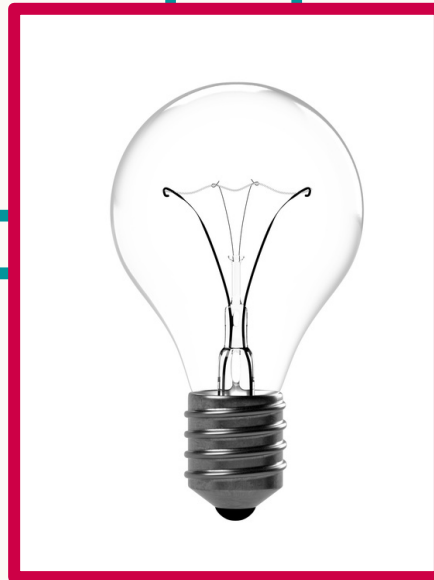
- Person, who has knowledge on the field and can use the AI well ;
- In case of ChatGPT prompts - how to ask appropriate questions .



VI. Conclusion

The role of AI in law is not to replace legal professionals, but it is a tool, which can support the efficiency of legal practitioners.

The importance of AI is growing, but at the same time it should be emphasized that it is currently applied in an island-like way in the legal industry, and it has several risks, so it is necessary to appropriately prepare for the changes.



Case : ChatGPT – notice of termination ; non - compete agreement .

What will the AI's impact on the legal profession, do we need lawyers or not? If so, how should they be different ?

Thank you for your attention .

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