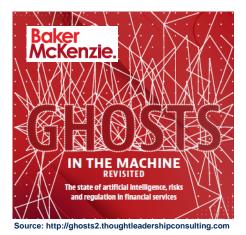
# Baker McKenzie.

## Artificial Intelligence – Legal Playing Field





#### **Definition**

Artificial Intelligence - Self-learning machines, carrying out tasks based on algorithms in an "intelligent" manner, mimicking cognitive human functions."



#### Legal and regulatory topics at glance:

Major obstacles for larger >2\$bn (and smaller) organisations seeking to introduce AI.

- Cyber security concerns: 30% (33%)
- Data Privacy concerns: 30% (21%)
- Regulatory constraints: 17% (7%)
- Identifying and mitigating material legal risks 8% (12%)



#### **Self-regulation**

Who takes responsibility for algorithms making life-changing decisions?

- National Al policies
- Sectorial codes of conduct
- Corporate responsibility



### Managing legal challenges and ethical risk

It's still early days in terms of the deployment of Al technologies and the legal risks and challenges are going to differ depending on the nature of the solution and the particular use case. Legal teams need to work closely with the business leads to identify early on the relevant legal issues, which may include:

- Regulatory compliance (incl. safety)
- Data protection and privacy / GDPR
- Liability
- IP ownership
- Competition
- Export Controls
- Anti-money laundering / Know Your Customer



### **Data Privacy Implications**

Under the GDPR, the data subject should have the right not to be subject to a decision evaluating personal aspects, which is based solely on automated processing and which produces legal effects or similarly significantly affects him or her.

- Automated individual decision-making
- Algorithm logic transparency
- Impact on and consequences for data subjects
- Restricted use of sensitive personal data
- Right to obtain human intervention
- Restrict and object to AI processing
- Member State specific differences



#### **Democratized Al**

- Al PaaS
- · Artificial general intelligence
- Autonomous driving Level 4
- Autonomous driving Level 5
- Autonomous mobile robots
- Conversational Al platform
- Deep neural nets
- · Flying autonomous vehicles
- Smart robots
- · Virtual assistants