

Al Regulations: Concepts and Governance

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What is Al?

UK Government – 'A Pro Innovation Approach to AI':

Defines AI as "products and services that are 'adaptable' and 'autonomous.'"

Not a statutory definition. National Cyber Security Centre — 'Artificial intelligence (AI) describes computer systems which can perform tasks usually requiring human intelligence.'

Descriptive versus generative AI – former analysis of data whereas generative creates new data (text as well as images, code etc).



ChatGPT

Generative Pretrained Transformer

Transformer – deep learning algorithm designed to process sequences of data such as text.

Takes input (i.e. your text prompt).

Passed through a series of transformers.

Output layer produces a response.

No checks for accuracy – using patterns to predict response based on training data.



Whose data is it anyway?

Generative AI is dependent on quality of the data it is trained on. This leads to a number of issues:

- Copywrite infringement cases (NYT v Microsoft US versus FT partnership Al developers, <u>UK Approach</u> Gov v creative industries);
- Bias in data (World Economic Forum Global Risks Report 2025);
- Privacy and confidentiality.



Key themes

- Divergence in regulatory approaches (US, EU v UK and other key jurisdictions).
- Judicial attitudes technophiles and technophobes.
- Disruption among top Al leaders (OpenAl and the 'Magnificent 7' and DeepSeek).
- Is the current regulatory framework sufficient (and can it adapt to pace of change)?
- Is AI / technology neutral? Questions around bias, discrimination and privacy.



The Law and Al

Legal Misuse of AI -

Some examples (1) Schwartz — NYC Attorney; (2) Haber v HMRC — FTT (England & Wales); and (3) Bradley v Frye-Chaikin — all false citations.

Barclays Bank UK Plc v Terry [2023] EWHC 27 (Ch) (England & Wales)

Getty Images (US) Inc v Stability AI Ltd [2023] EWHC 3090 and Thaler v Comptroller-General of Patents, Designs and Trade Marks [2023] UKSC 449



Specific Problems of Regulating Al

- Increased burden on insurance premiums ability to challenge decisions on unprecedented scale.
- Early adopters v laggards are both problematic?
- Discrimination claims are all legal systems ready for group claims or aggregated claims?
- How do we ensure accountability? Are humans always 'in the loop'?



Judicial Support for Al

Sir Geoffrey Vos, MR (5 February 2025) to LawtechUK

Advice to lawyers –

- (1) Lawyers must adapt to using AI;
- (2) Biggest rise in claims from negligent or inappropriate use of AI;
- (3) It will save time and money and will resolve disputes more efficiently.

"The legal community, internationally, not just here in the UK, needs to consider what kinds of advice and decision-making should and should not be undertaken by a machine...But what the disagreement shows is that we need to start an urgent and wide-ranging discussion about what we want machines to do, and more importantly what we feel that machines should not be allowed to do."



Thank you!

Any questions?

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