

# Welcome to The Forum

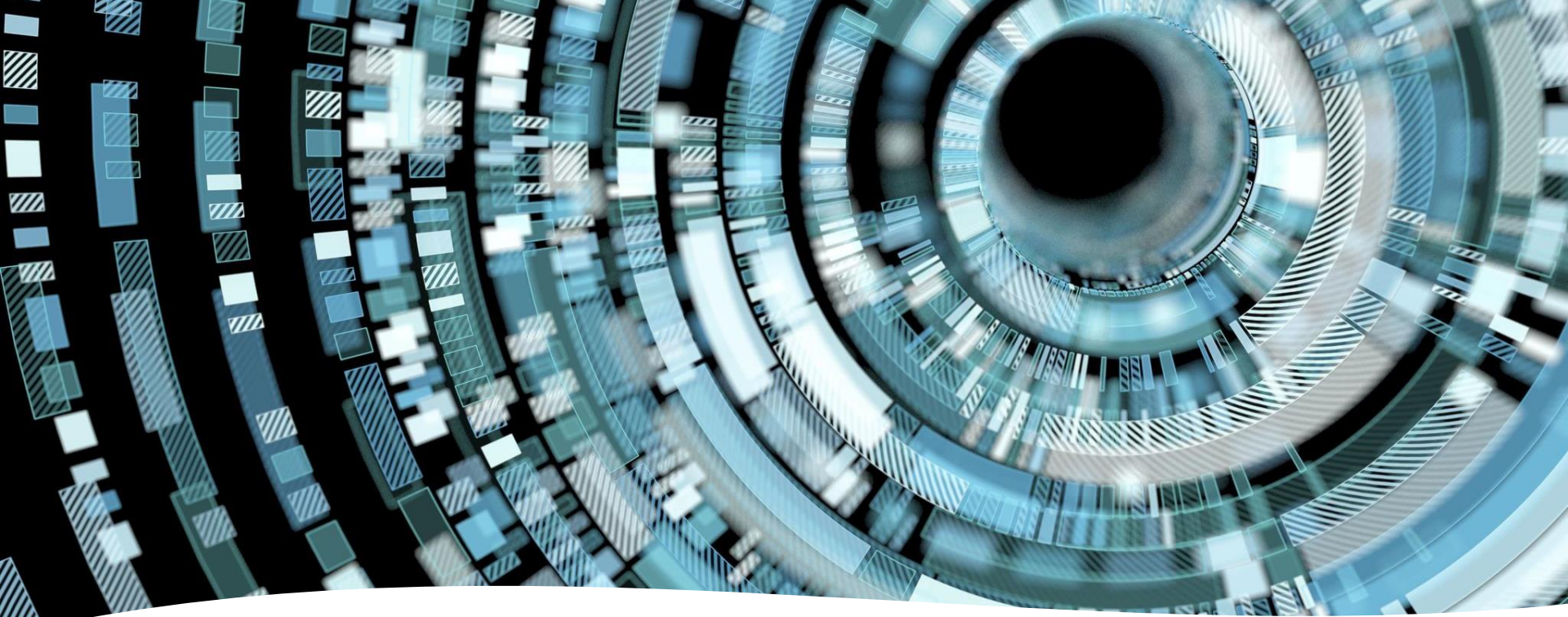
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AI: Implications for In-House Legal and Compliance Teams and Their Businesses



# What are we going to talk about today?

- What is AI?
- How is AI regulated currently?
- What are the key issues?
  - Training and fine tuning of AI
  - Use of AI
  - Outputs from AI
- Final thoughts
- Takeaways



# What is AI?

Two general categories:

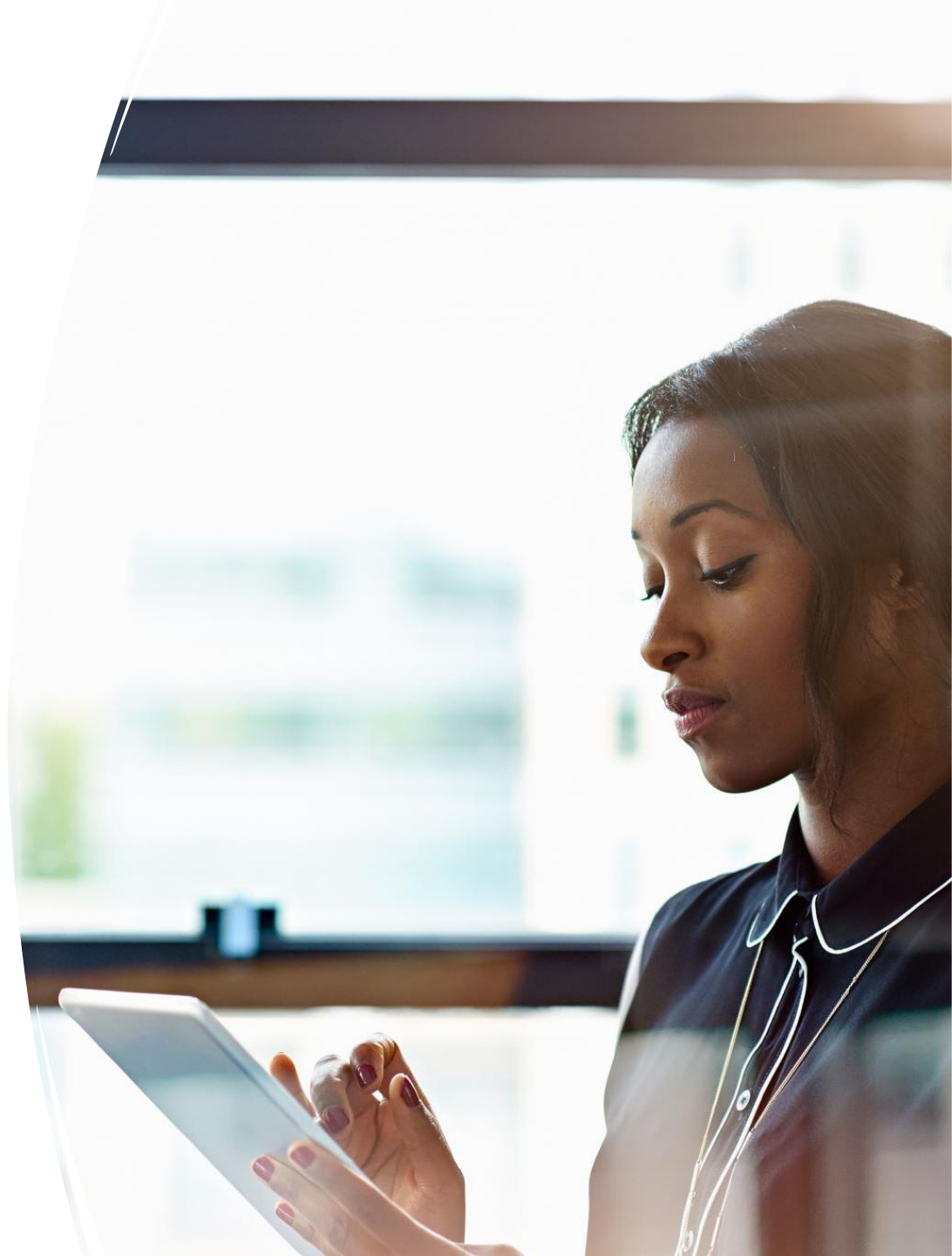
1. Goals - AI systems designed to achieve a specific outcome
2. Techniques - methods of teaching a computer to replicate human intelligence



# Common uses of AI in our daily lives

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- AI is the technology behind the voice-controlled virtual assistants Siri and Alexa.
- AI helps Facebook and X decide which social media posts to show users.
- AI lets Amazon analyse customers' buying habits to recommend future purchases and crack down on fake reviews.
- Streaming services like Netflix use AI to recommend TV shows and films to users.
- A sat nav uses AI to create the fastest routes for our journeys, or helps us avoid traffic by intelligently predicting where congestion will be on our journey.
- AI is used for self driving cars.
- Autocorrect on text messages is a form of AI.
- AI is used within the spam filters on your emails.



# Generative AI

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Can create, for example:

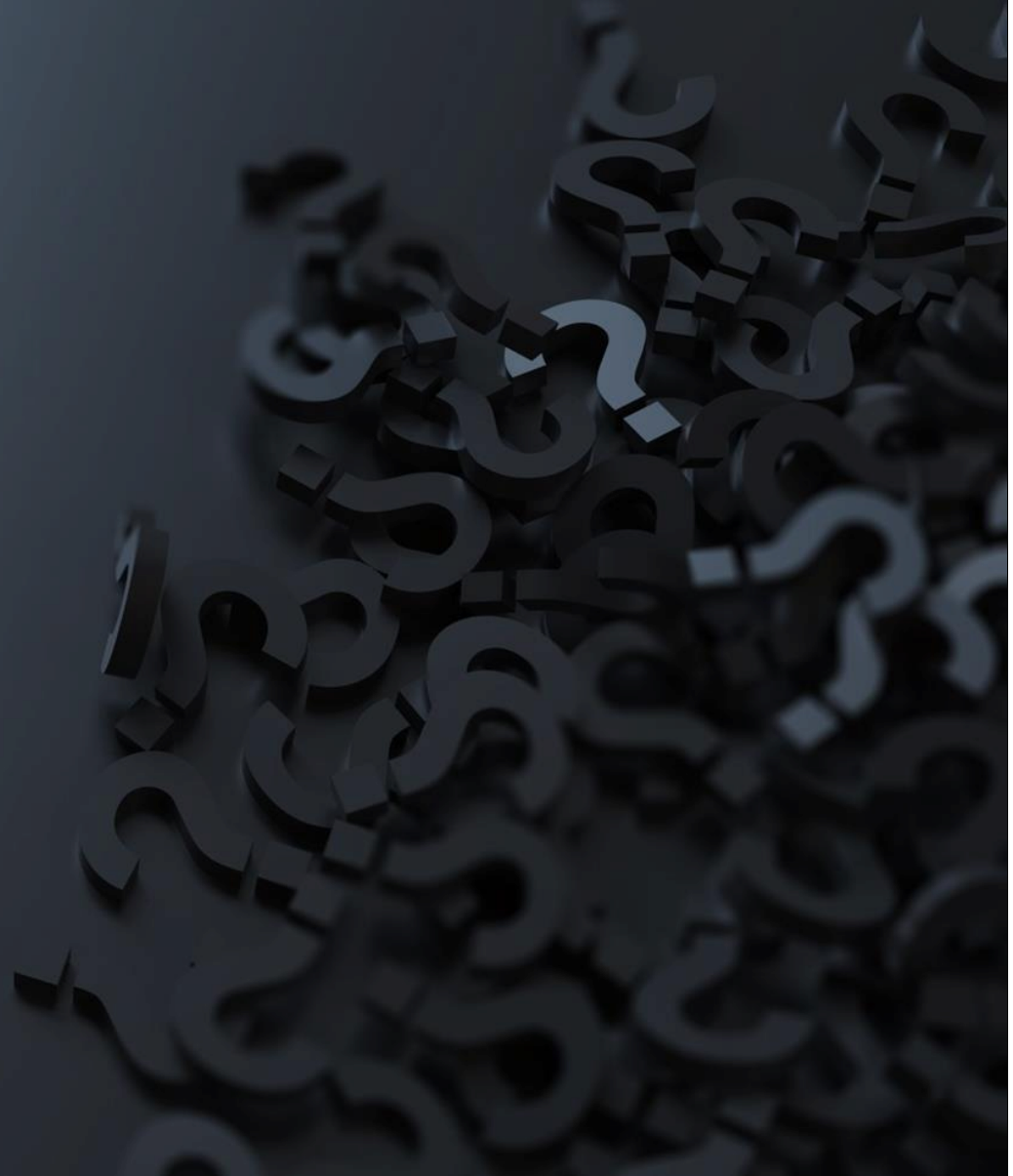
- Text
- Audio
- Code
- Videos
- Pictures



# How is AI regulated currently?

AI Principle	Data Protection Framework
<b>Safety, security, and robustness</b>	<p>Integrity and confidentiality (security)</p> <p>Organisations must ensure appropriate levels of security against data's unauthorised or unlawful access, processing, accidental loss, destruction or damage.</p>
<b>Appropriate transparency and explainability</b>	<p>Lawfulness, fairness and <u>transparency</u></p> <p>This is about being clear, open and honest with people from the start about who organisations are, and how and why they use their personal data.</p> <p>The ICO stated that transparency requirements for organisations go beyond simply providing information regarding the processing of personal data in the training of AI systems. For example, if an AI system is solely responsible for making decisions with "legal or similarly significant effects", organisations will be required to explain the "logic" of their AI systems.</p>
<b>Fairness</b>	<p>Lawfulness, <u>fairness</u> and transparency</p> <p>This means that organisations should only handle personal data in ways people would reasonably expect, and not in ways that have unjustified adverse effects on them.</p>
<b>Accountability and governance</b>	<p>Accountability</p> <p>Organisations must take responsibility for what they do with people's personal data but also how they comply with all the other data protection principles.</p>
<b>Contestability and redress</b>	<p>While contestability is not a principle in data protection law, it is reflected in individuals' data rights (for instance an individual's right to access their personal data that has been processed and rights in relation to solely automated decision-making).</p>

**What are the  
primary  
challenges  
in-house  
lawyers and  
compliance  
teams might  
encounter  
with AI?**



# Training and Fine Tuning AI

Key areas of concern:

- Personal data
- Intellectual property
- Customer data





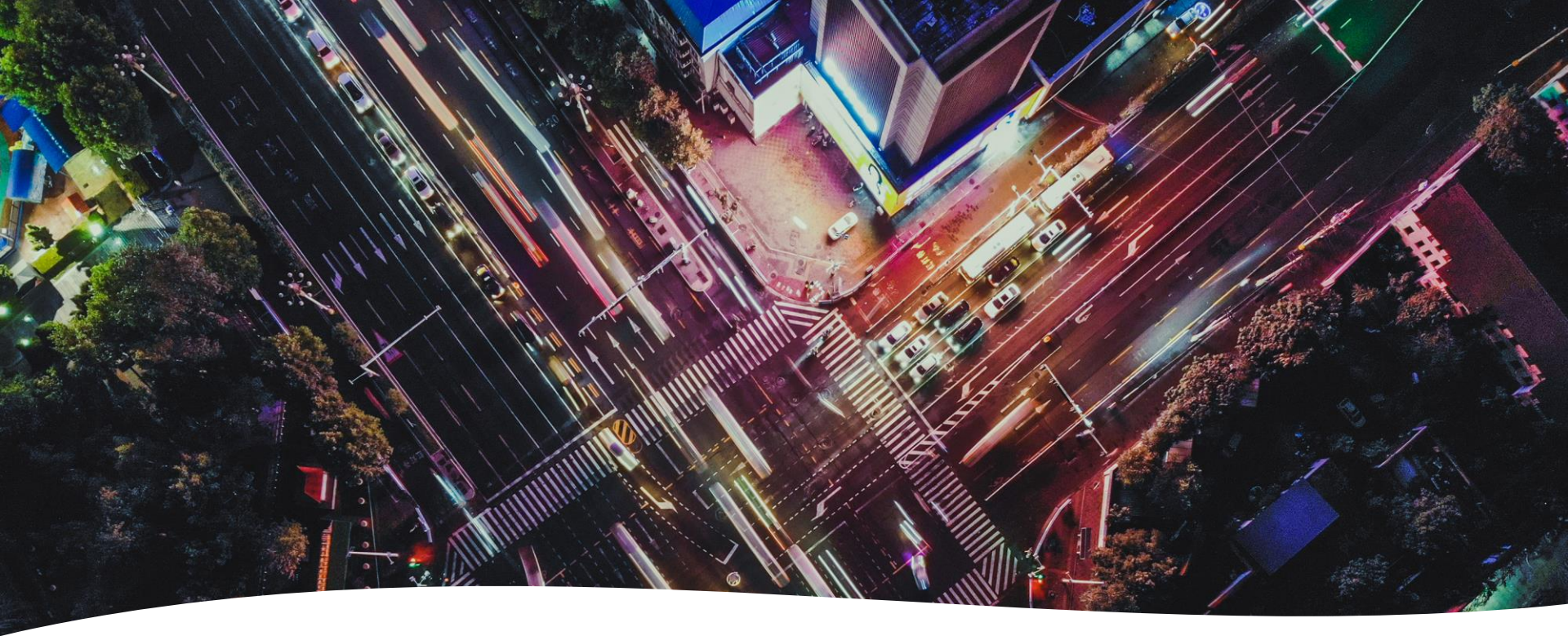
# Personal Data

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UK GDPR requirements:

- Legal basis
- Privacy notice
- Data subject rights
- Processed in a way that the data subject reasonably expects
- Accuracy

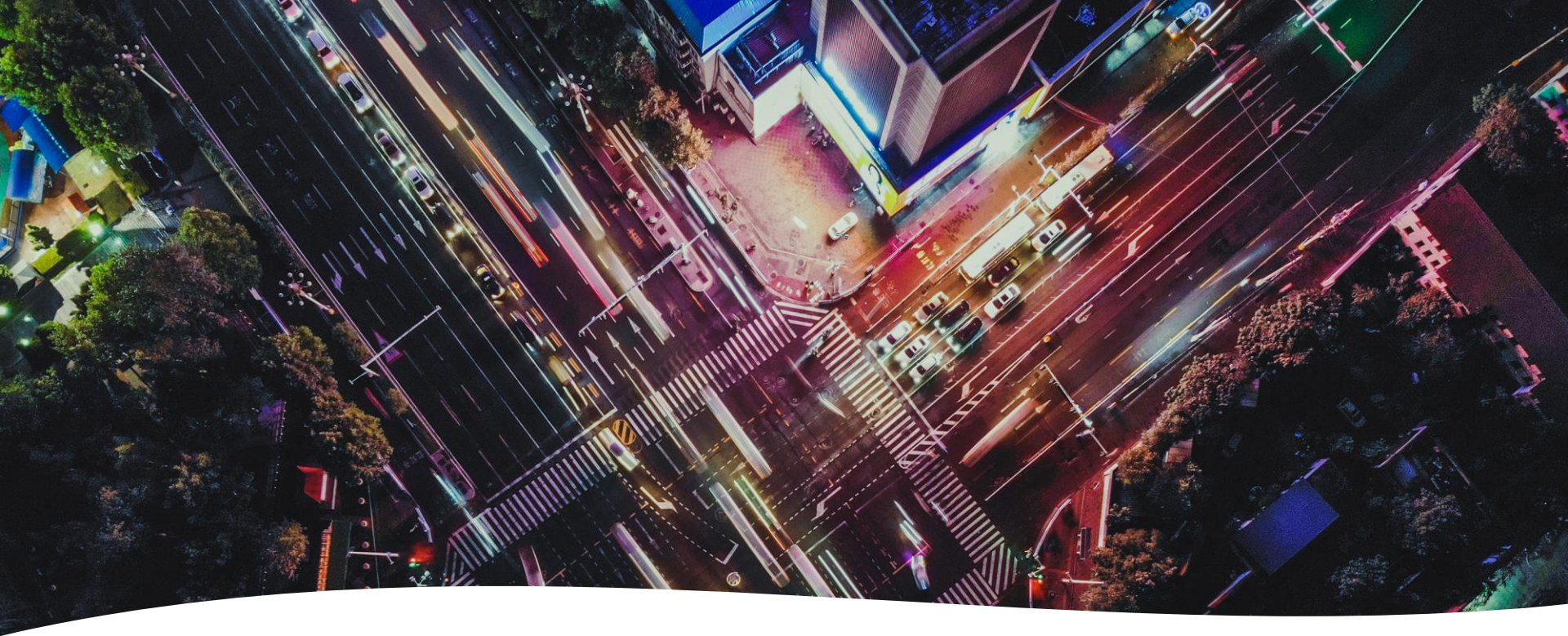




# Intellectual Property

- Tangible -v- intangible assets
- Infringement of existing rights - input -v- output
- Creation of new rights – authorship -v- ownership
- Mitigating risk





# Intellectual Property – mitigating risk

What can organisations do?

- IP assessments
- Copyright protection
- Patenting

# Customer data

Considerations if your organisation's data is being used for training and fine tuning an AI model:

- If your organisation is a processor in respect of any in scope personal data, consider whether it will be in breach if it allows this
- If your organisation is a controller in respect of any in scope personal data, review your privacy notice(s) to ensure data subjects are informed
- Resist any suggestion that your organisation should present the AI provider's privacy notice to affected data subjects (e.g. its customers and employees)
- Consider that allowing such use of data may breach IP licences, confidentiality agreements or other contracts with third parties



# Use of AI

The background of the slide features a complex, abstract design. It consists of several overlapping, wavy bands of light blue and purple. These bands are overlaid with a grid of thin, glowing lines that form a mesh-like structure. The overall effect is a sense of depth and movement, typical of digital or data-themed visualizations.

Key areas of concern:

- User inputs
- Contracting for the use of AI

# User Inputs

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AI user policies:

- What AI models can be used
- Benefits of AI
- When can AI be used, how and for what
- Risks of using AI and its limitations
- Monitoring of, and consequences of non-compliance with, the policy
- Availability of training





# Contracting for the use of AI

Essentially a standard SaaS / development contract

- Usual considerations apply
- Consider liabilities – particularly super caps on data, confidentiality and IP
- Suppliers using AI





# Outputs from AI

Key areas of concern:

- Rubbish in, rubbish out
- Hallucinations
- Bias
- Copyright infringements by outputs
- Data protection breaches



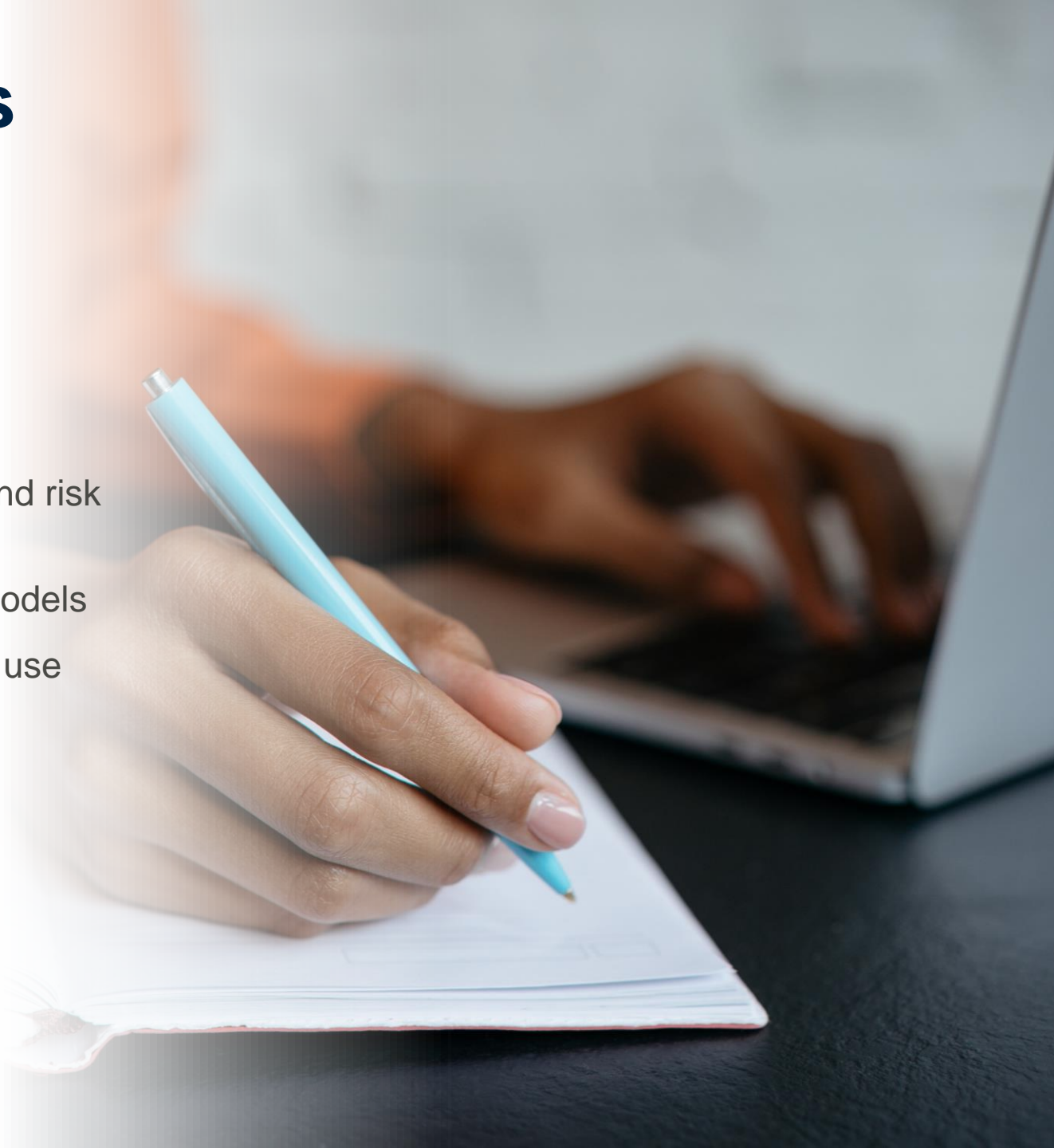
# Final Thoughts



- Cyber security
- Microsoft Copilot
- Microsoft Recall
- ISO 42001

# Takeaways

- Carry out a review and risk assessment
- Carefully select AI models
- Adopt AI acceptable use policies
- Provide staff training
- Keep up-to-date



# Questions and poll results







# Webpage Launch

Link: [www.trethowans.com/the-forum](http://www.trethowans.com/the-forum)

Password: the-forum



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# The Panel



**Louise  
Thompson**  
Partner  
Commercial  
contracts and data  
protection



**Lucy Gleisner**  
Partner  
Corporate



**Laura Trapnell**  
Partner  
IP and Technology



**Andrew Crudge**  
Senior Associate  
Employment