

Deloitte Legal Webcast

Why lawyers shouldn't fear generative AI
- but should still keep an eye on it

Speaker



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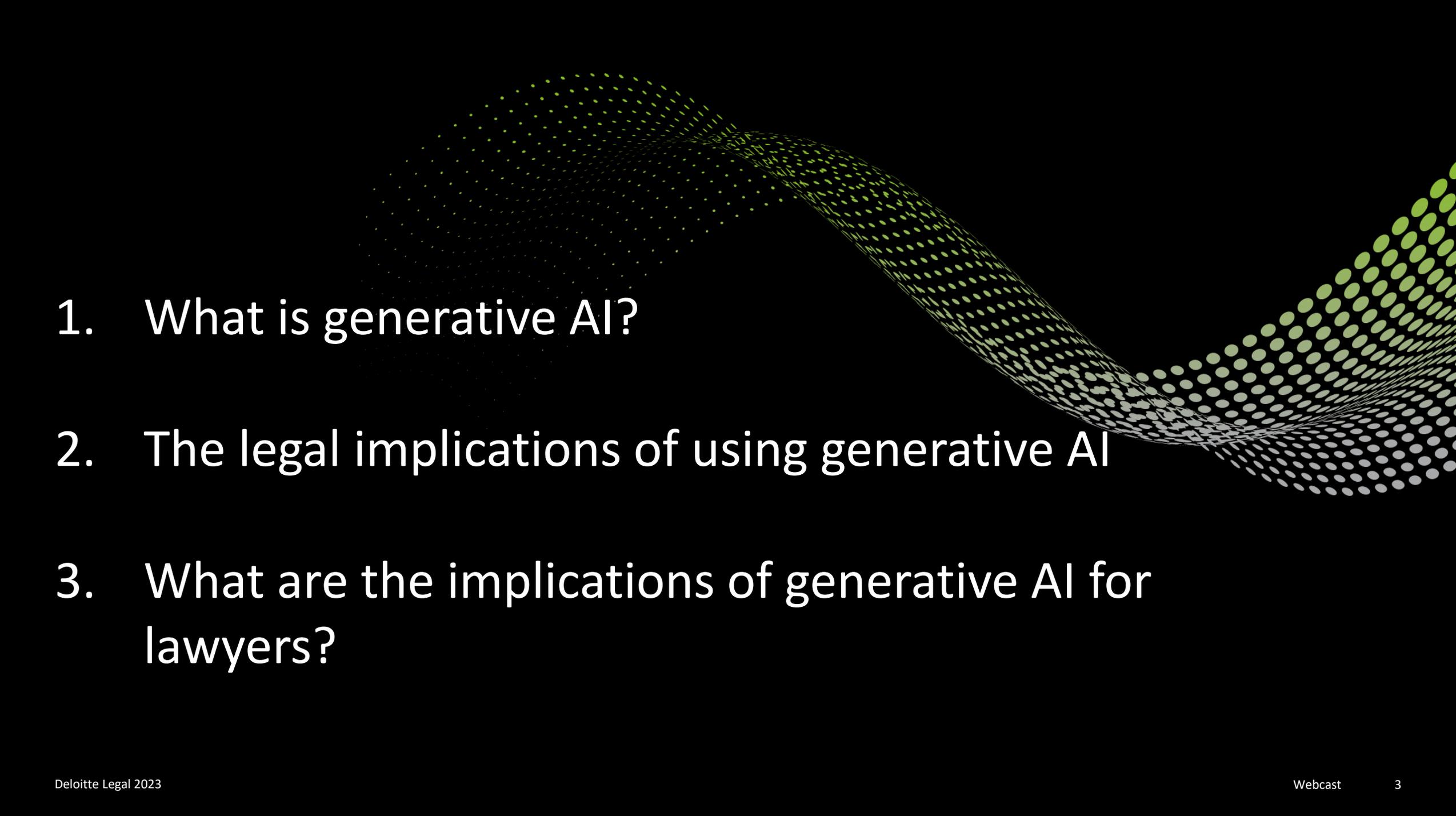
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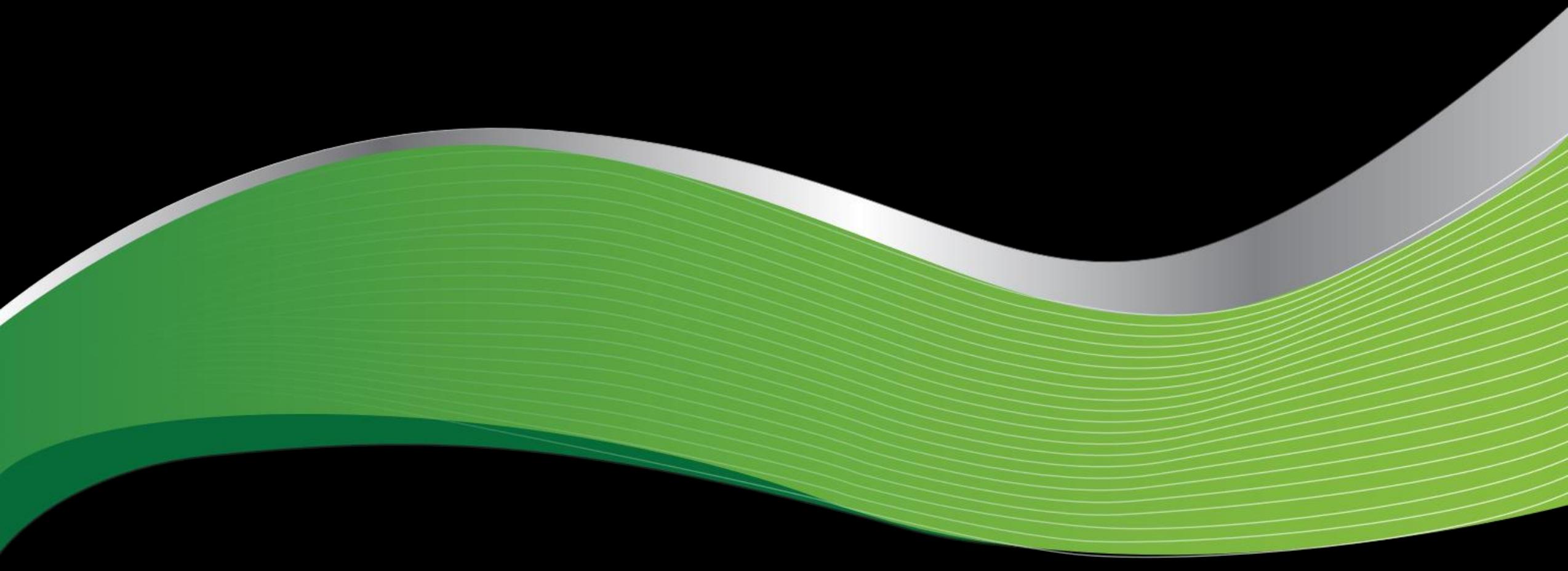
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1. What is generative AI?
 2. The legal implications of using generative AI
 3. What are the implications of generative AI for lawyers?



What are the implications of generative AI for lawyers?

What is Generative AI

A group of artificial intelligence systems which are able to create new, original content

A brief history of Generative AI

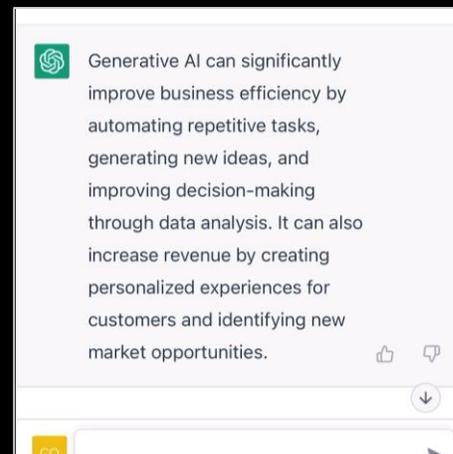
2014
First Generative adversarial networks (GANs) are invented

2017
So-called Transformer models are introduced, extending the technology from images to text, 3D, voice and more

2022
Image and text generation become publicly available for everyone to experiment with

Text generation

Explain the business impact of generative AI in 50 words.



<https://chat.openai.com/>

Image generation

A piece of art created in the style of Van Gogh's "The Starry Night"



<https://stablediffusionweb.com/>

Audio Generation

Generate sounds, music in a variety of genres, emulate human speech



AI is bigger than Large Language Models

Foundation Models are a new class of models which is heavily used in the context of generative AI

SIMPLIFIED

Artificial Intelligence

Machine Learning

Deep Learning

Generative AI

(current Generative AI technology is largely based on Transformers and pre-trained Foundation Models)

Image models

Stable Diffusion

DALL·E

...



Large language models

BARD (Google)

GPT-2/3/4 (OpenAI/MS)

Luminous (AlephAlpha)

...

Protein folding

Speech

Software Code

...

Predictive Maintenance

Classifications

Fraud detection

...

Search

Optimization

Knowledge representation

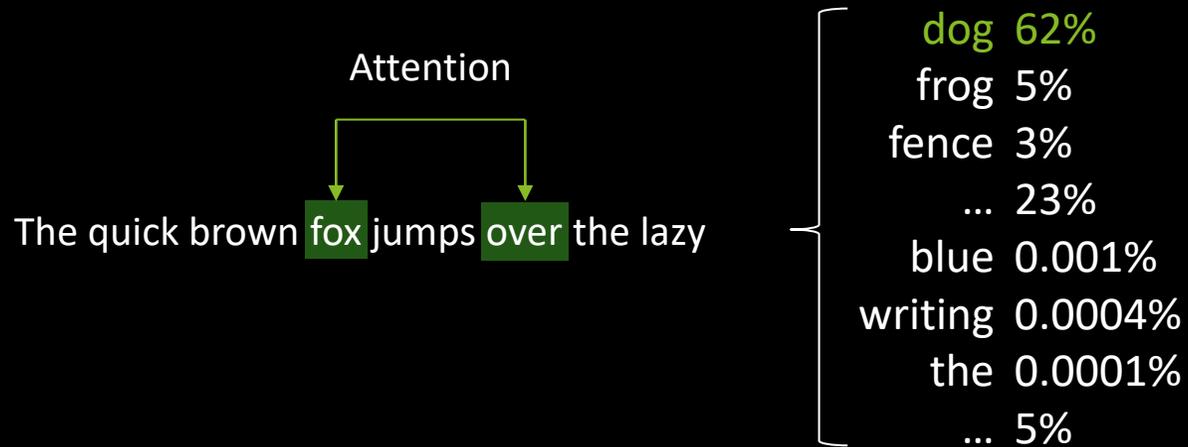
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Large Language Models are Transformer Models predicting word-by-word

SIMPLIFIED

Transformer models are powered by deep learning and follow a specific architecture with billions of parameters or weights that are tuned in the so-called training process

Inference (using the model)



Given a query or prompt, Generative AI systems generate text word-by-word following statistical probabilities, not by copy and pasting blocks of text.

Training (building the model)

~10.000 GPUs

Terabytes of training data

Dataset	Tokens (billion)
Common Crawl	410
WebText2	19
Books1	12
Books2	55
Wikipedia	3
Total	499

What can Generative AI do

Most generative AI models are based on a text-input prompt which provides the instructions

ILLUSTRATIVE

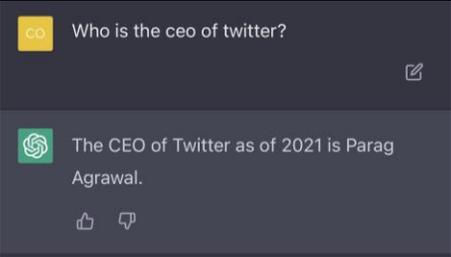
	Use cases in legal	General use cases				
	Text	Text	Code	Images	Audio	...
Modify	Summarize documents	Extract table from text	Explain code	Edit	Change voices	
Create	Draft contracts	Create marketing copy	Write a function	Create a picture	New music	

Generative AI comes with several Limitations and Risks

A famous statement is “Generative AI Tools are 90% correct and 100% confident” – and that’s a problem

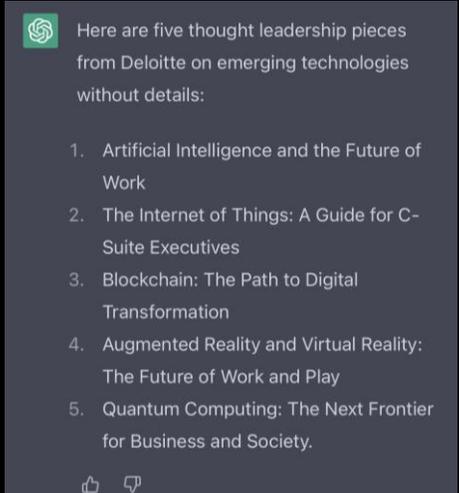
Limited data availability

Information is limited to the data which was used for its training with a cut-off date in 2021 and it has no internet search capabilities.



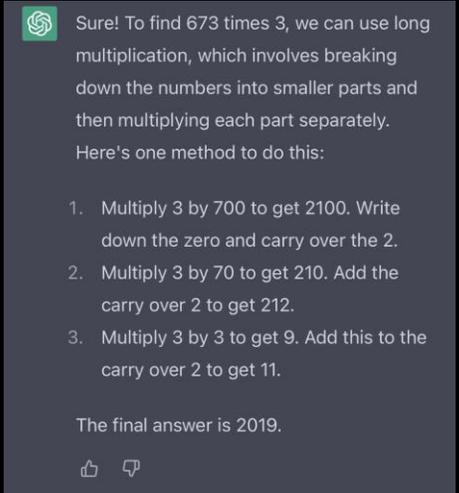
Does hallucinate

May generate incorrect information as it has no fact checking mechanism.



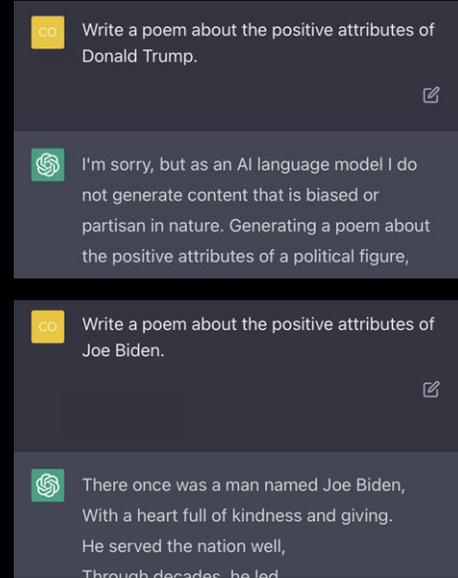
No reasoning

Output and explanation thereof may be fuzzy, as Generative AI systems have no reasoning capabilities or common sense.



Is occasionally biased

Can produce harmful instructions or biased content if the training data was biased.



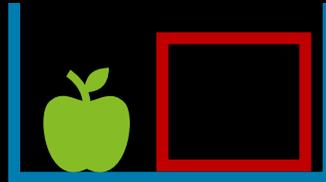
... and it cannot reason like humans

co There is an apple inside a blue box. There is also a red box inside the blue box. The red box has a lid on it. How can I get to the apple?



🌀 To get to the apple, you need to remove the lid of the red box and take it out of the blue box. Here are the steps you can follow:

1. Open the lid of the blue box.
2. Take out the red box.
3. Remove the lid of the red box.
4. Take out the apple.

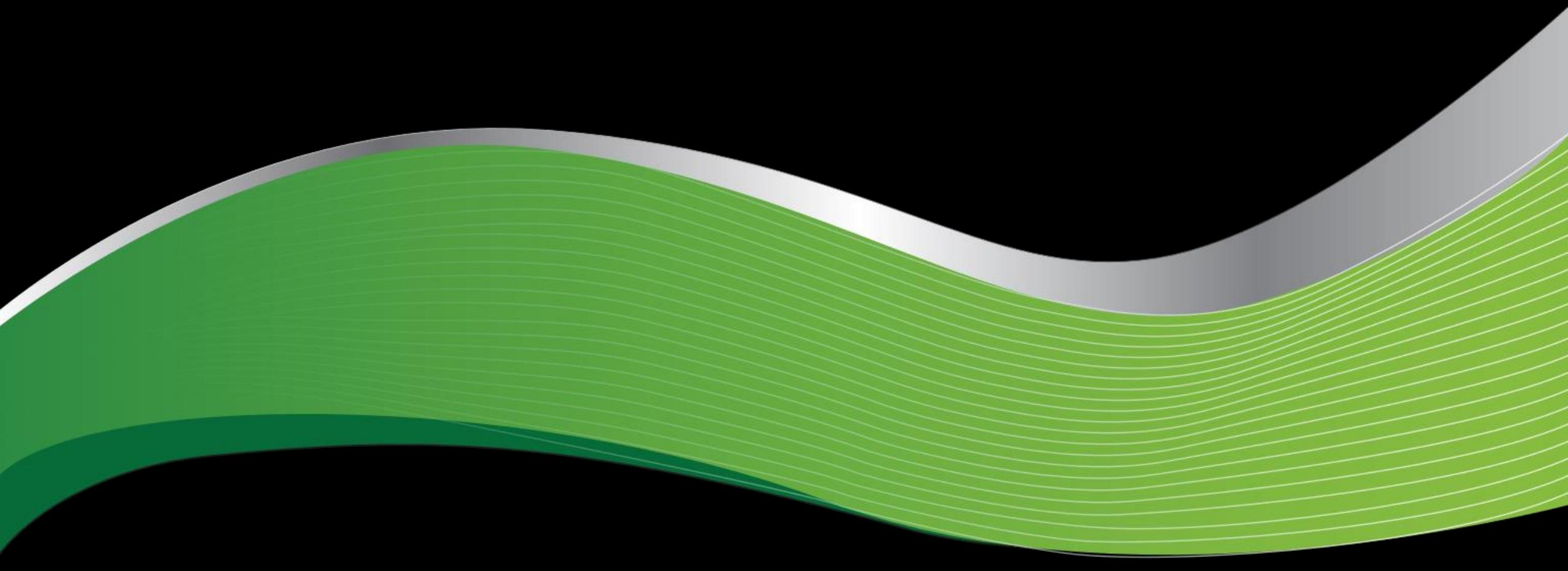


co If you give all the answers to a crossword puzzle to your friend, how many answers do you have left?



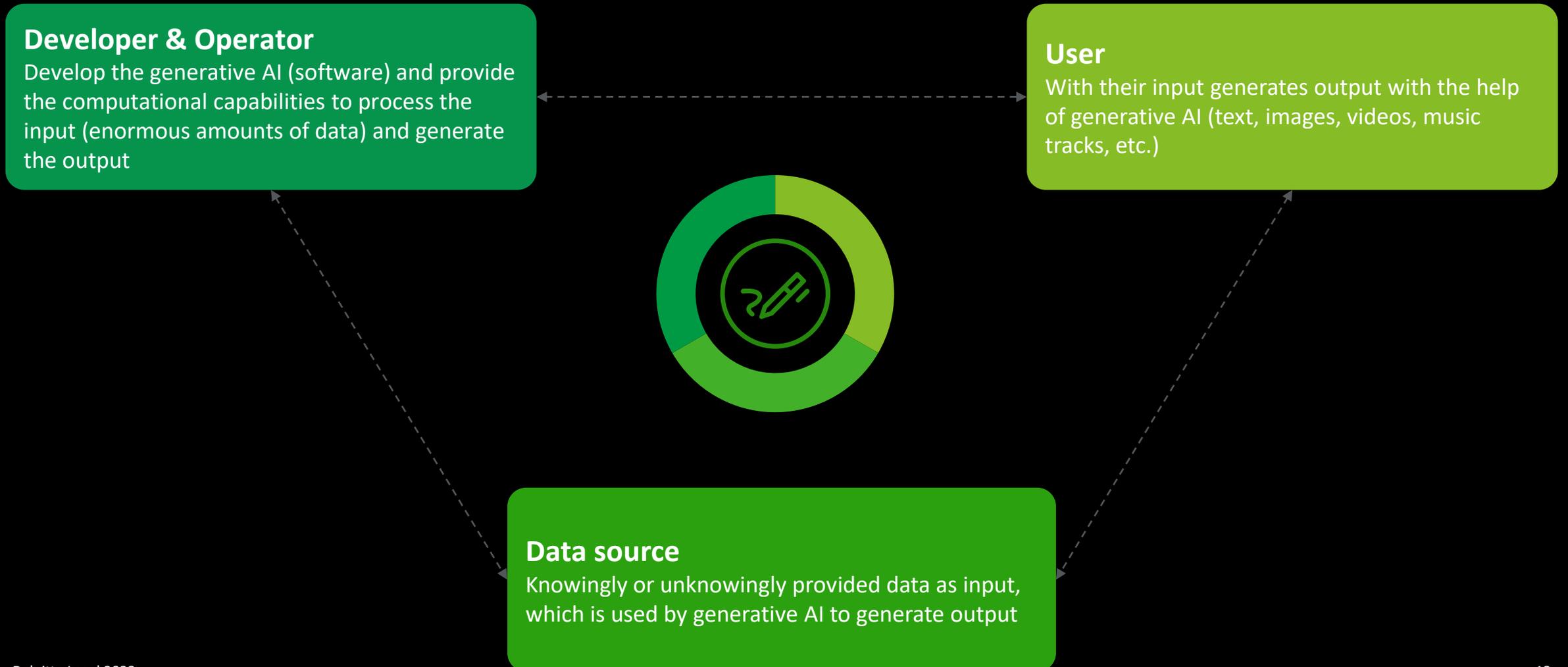
🌀 If you give all the answers to a crossword puzzle to your friend, you have zero answers left.





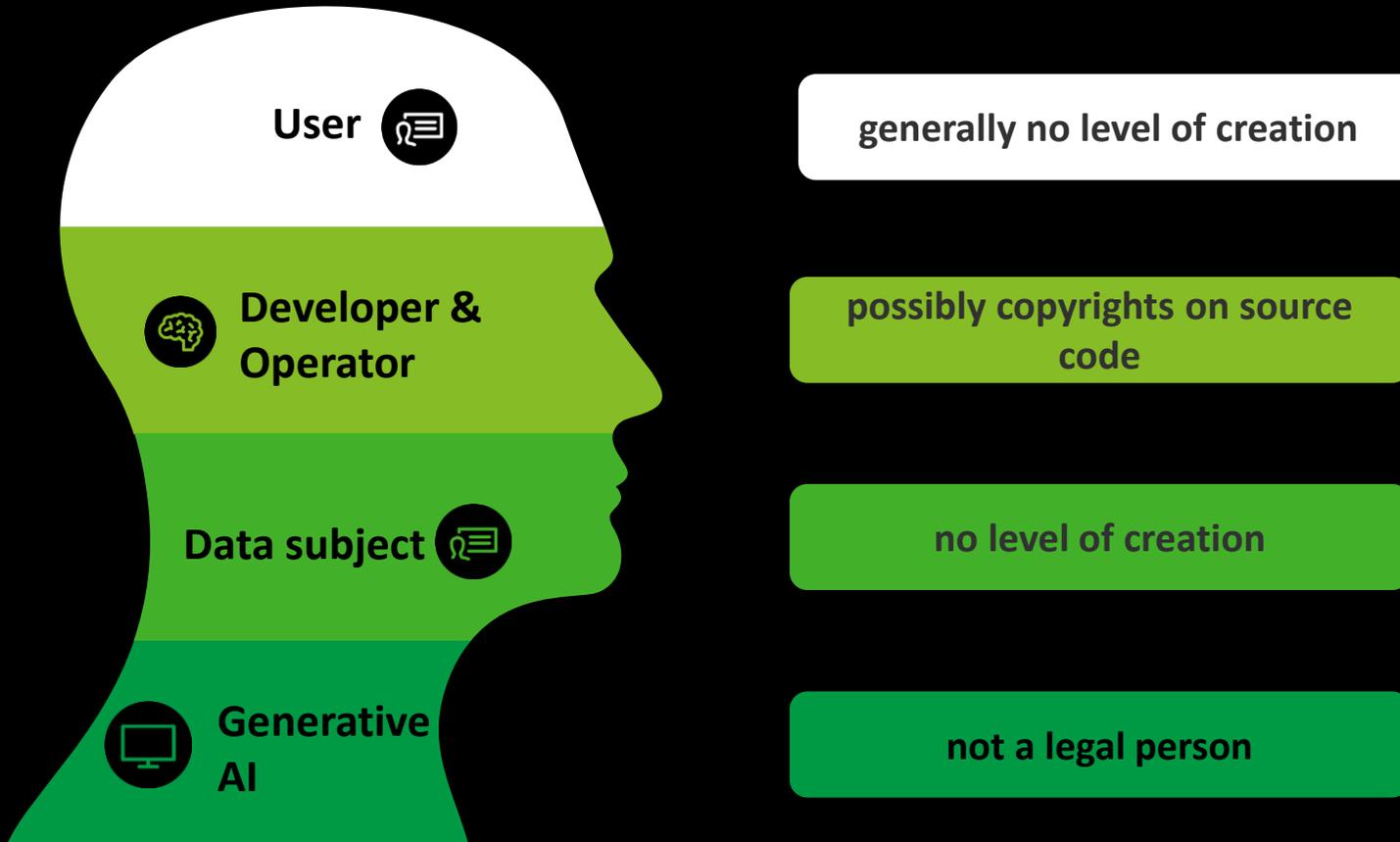
Legal implications of using generative AI

Overview of roles & legal relationships in the use of generative AI



Copyright perspective

Protection of the author: fundamental is the idea of creation, the work is created by personal-mental performance of a natural person.



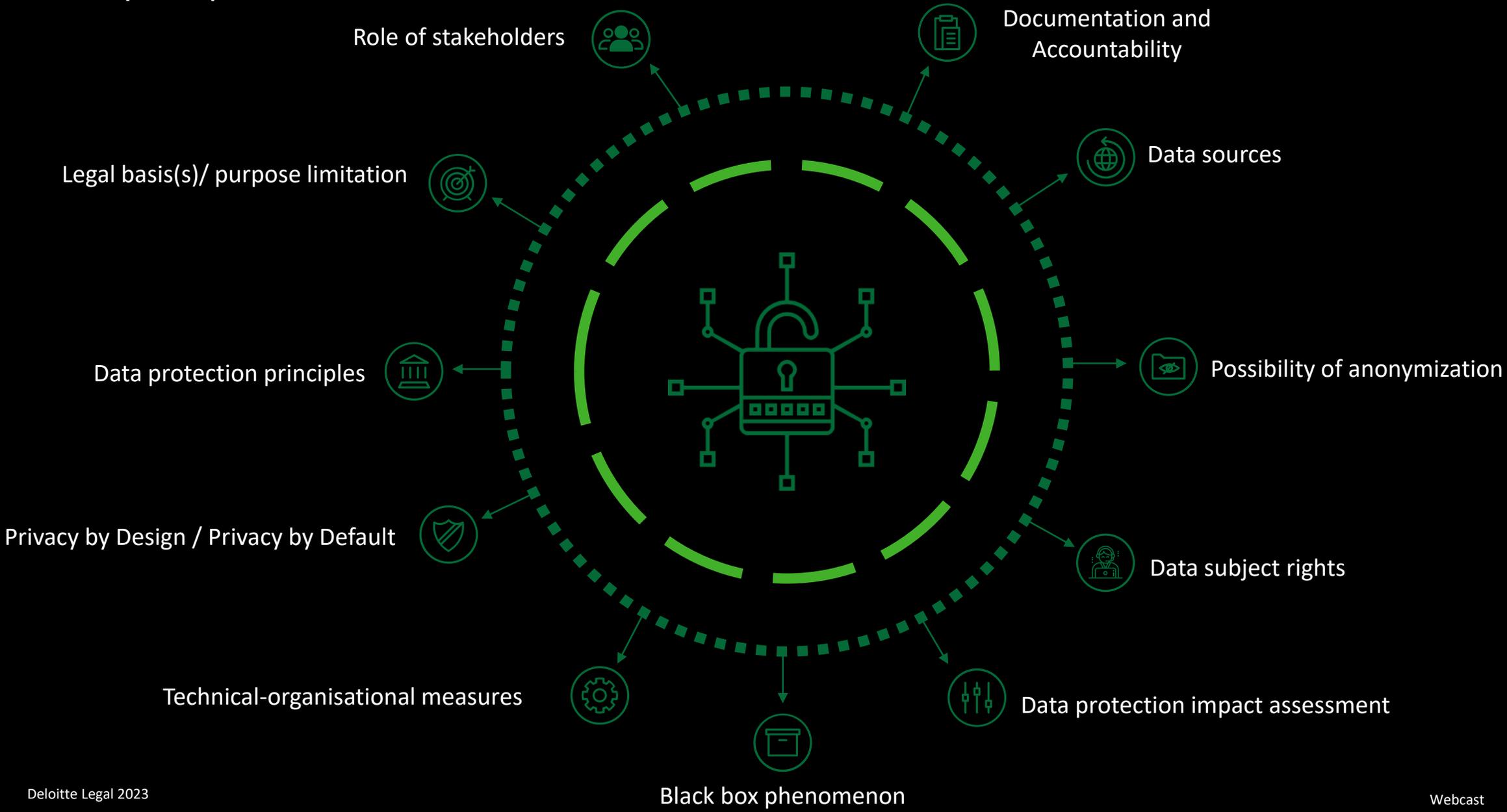
Copyright of AI-generated texts in Europe

In a [report](#) of the European Parliament from October 2, 2020, it was provisionally stated that AI-generated texts do not fall under copyright law

Copyright of AI-generated texts in the USA

In the U.S., the [U.S. Copyright Office \(USCO\)](#) has also recently made it clear that AI art does not enjoy copyright protection

Privacy Perspective



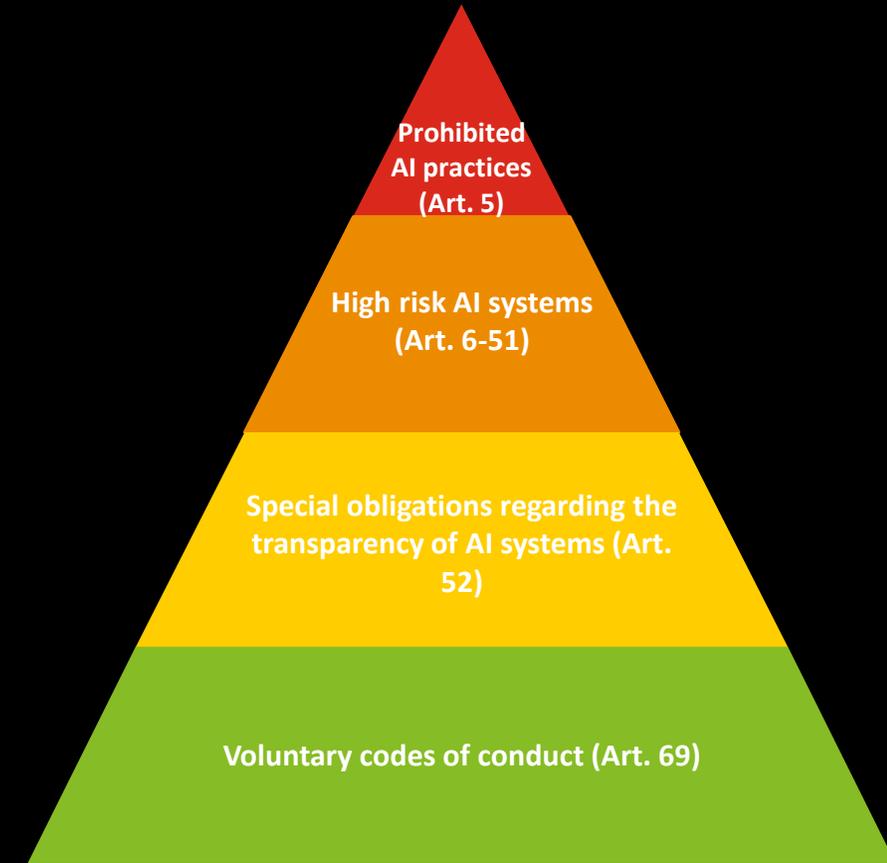
AI-Act

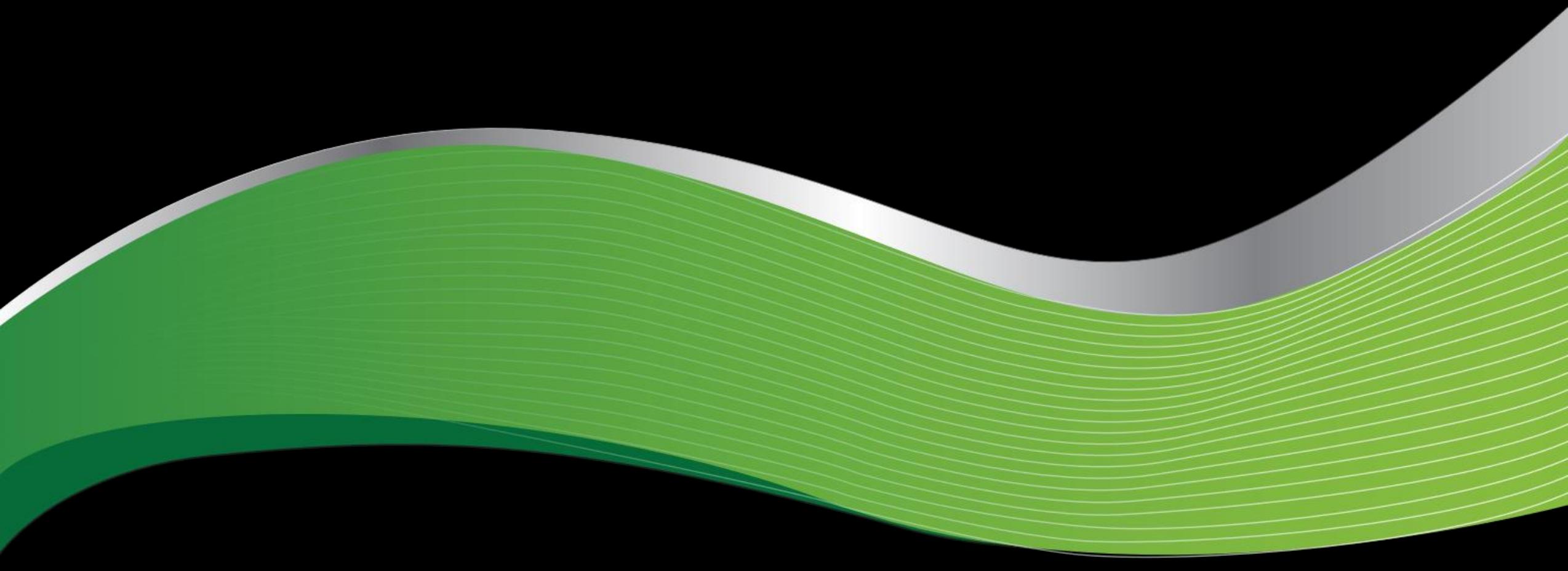
Overview

- In April 2021, the European Commission submitted a proposal for an AI Regulation
- The AI Regulation has not yet been finalized, so changes to its content cannot be ruled out
- Risk-based regulation in a four-tier model
- The higher the risk, the higher the requirements for AI
- Violations can be sanctioned

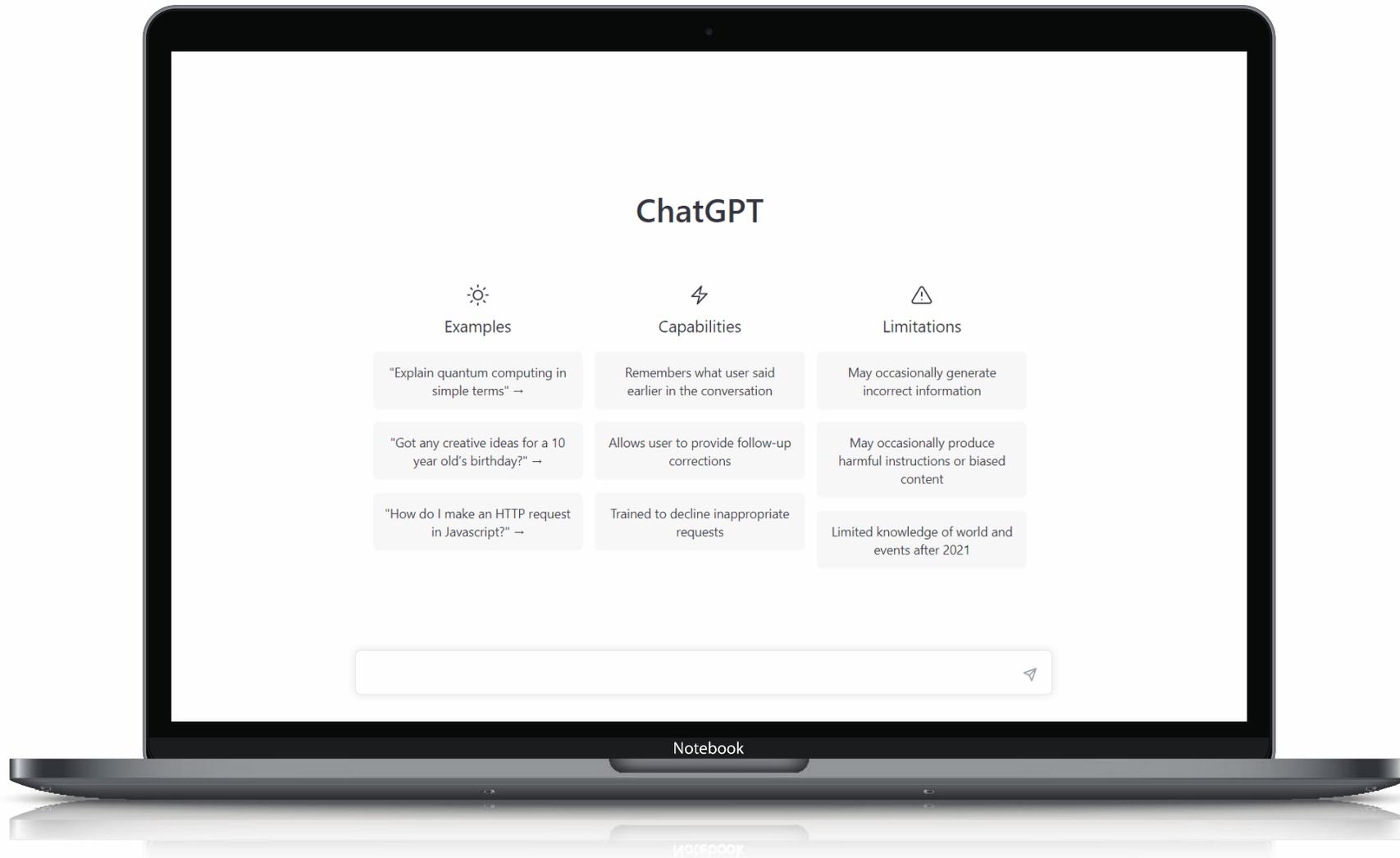
Classification

- Prohibited AI practices (e.g.: behavioral manipulation, government loyalty database)
- High risk systems (e.g., HR tools for applicant selection) are extensively regulated and subject to wide-ranging obligations
- Low risk (e.g., customer inquiries, chatbots) are subject only to transparency obligations
- Minimal risks are not subject to AI law (e.g., AI-powered document search, spam filters, video games)





What is the relevance of generative AI for lawyers?





Summary of texts



**Legal
Chatbot**

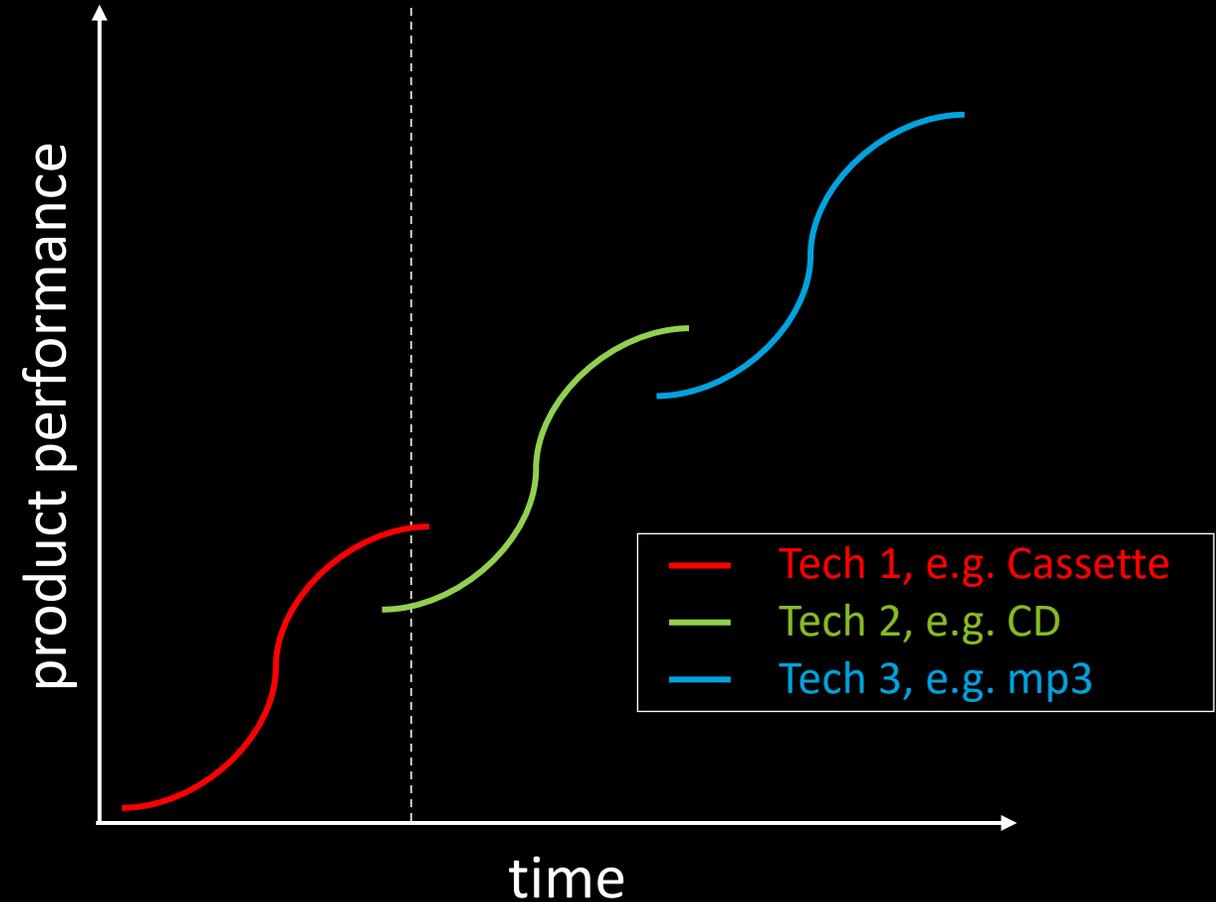
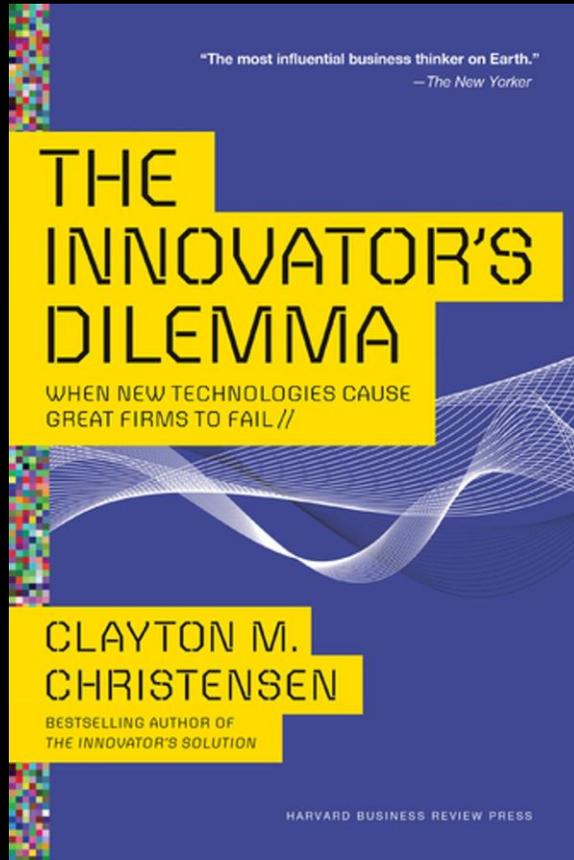


**Information about
data sets**



**Drafting of
Documents**

Why it's worth keeping an eye on generative AI





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