



HANNES SNEELMAN

AI and Liability Under Contracts, When “Things Don’t Go As Planned”?

Caroline Sundberg | 12 November 2020

Why care about contract liability?



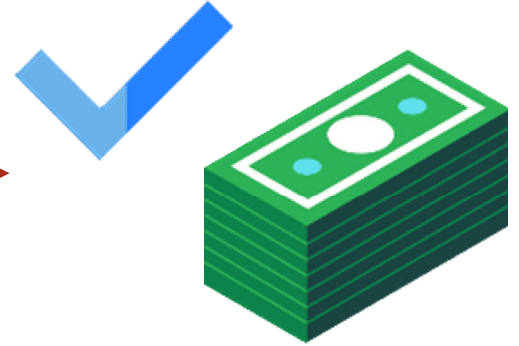
The AI Process



Input
(data)



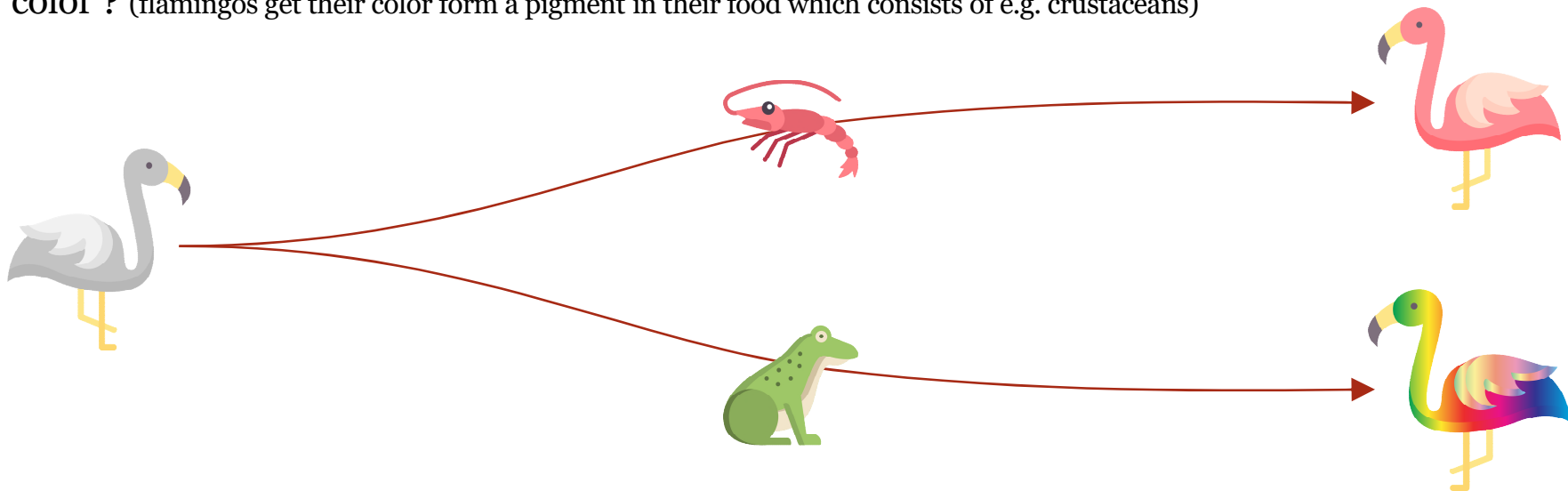
Process
(calculations)



Output
(yes/no)

AI and contractual liability

Would the flamingo be a faulty product if it is feed with frogs and that would make it change color ? (flamingos get their color form a pigment in their food which consists of e.g. crustaceans)



Contracts and liability in general



Supplier(s)

- › Limitation of liability
- › “As is”
- › Scope of control?



Customer

- › Extensive warranties
- › Indemnities
- › Fit for purpose
- › Do not understand how the software works

Four example scenarios



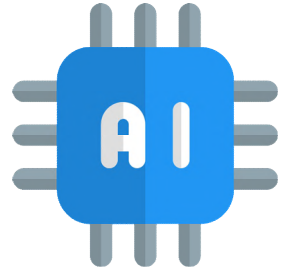
Example 1: IPR infringements



Customer A will
produce texts



To be more efficient -they
want to use an AI tool

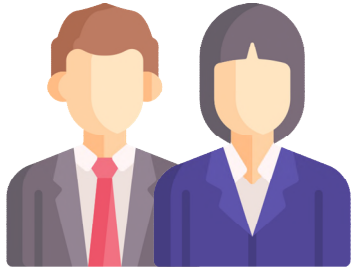


AI tool from
Supplier B

Who are responsible for the output?

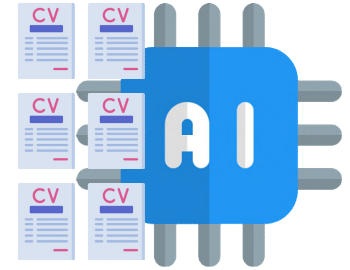


Example 2: Bias output



Company A

Implements a new AI
recruitment tool from
Supplier B



AI tool from
Supplier B

Company A gets sued



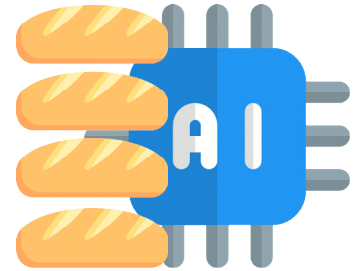
Bias output

Example 3: Product liability



Customer A
owns a bread factory

← Implements an automated
AI baking system



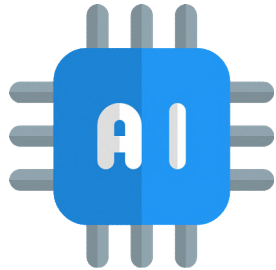
AI system from
Supplier B

↘ Miscalculations

Example 4: Personal data breach



Company A
owns an AI tool



Buys anonymized data to
train the AI tool

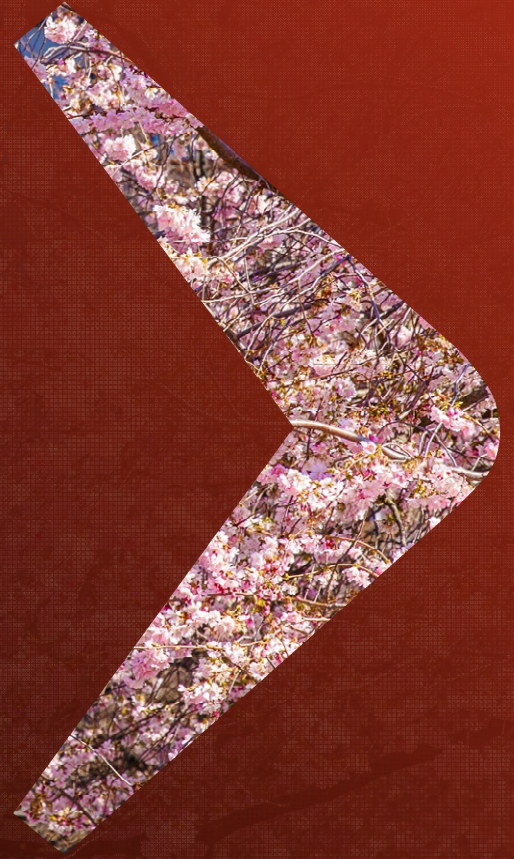


Data from
Supplier B

What if the data contains personal
data? Who is responsible?



Final thoughts



Thank you!



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