

Financial institutions  
Energy  
Infrastructure, mining and commodities  
Transport  
Technology and innovation  
Life sciences and healthcare

# New technologies new law?

## Artificial Intelligence, Distributed Ledger Technology, and Smart Contracts

26 April 2018

### What am I going to cover ...

#### New challenges

- What new legal challenges do technological advances present?
- Do existing principles apply?

#### Artificial Intelligence

- Is AI different to other technology solutions?
- How do lawyers feed into the ethical concerns?
- Other key legal issues

#### Distributed ledger technology/Smart Contracts

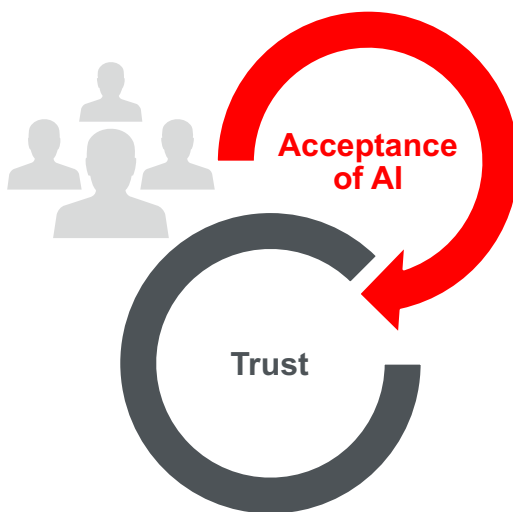
- What has been the regulatory response?
- Is a smart contract legally binding?
- Key legal issues to consider

#### Focus

- New legal and commercial risks presented by the new technologies
- Regulatory response

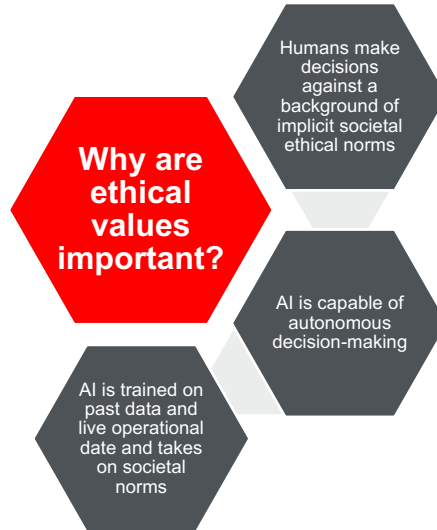
## Artificial Intelligence

### Building trust in the system



For AI to be accepted for use in a given market: it will need to be perceived by the participants in that market as meeting certain minimum ethical and legal standards

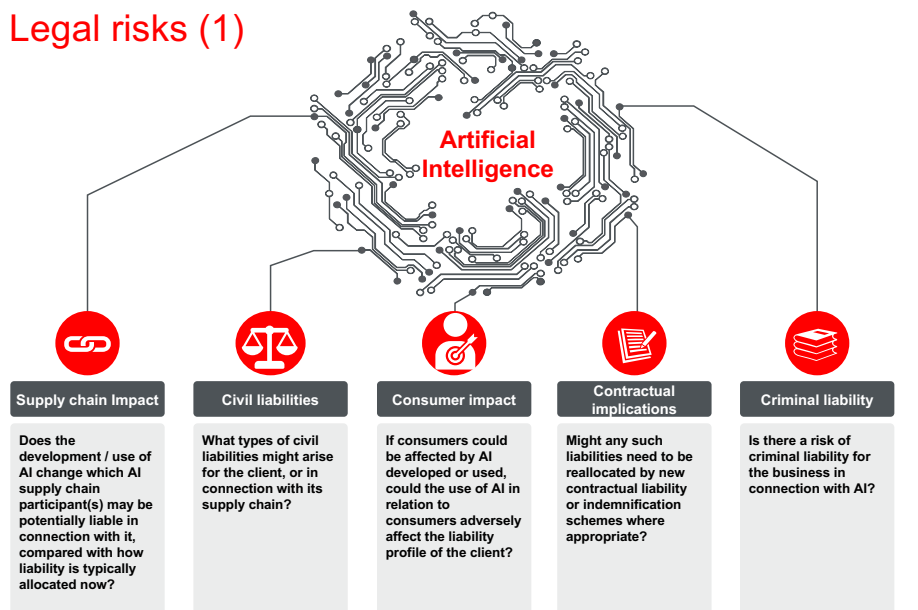
## Embedding ethical values



5 |

NORTON ROSE FULBRIGHT

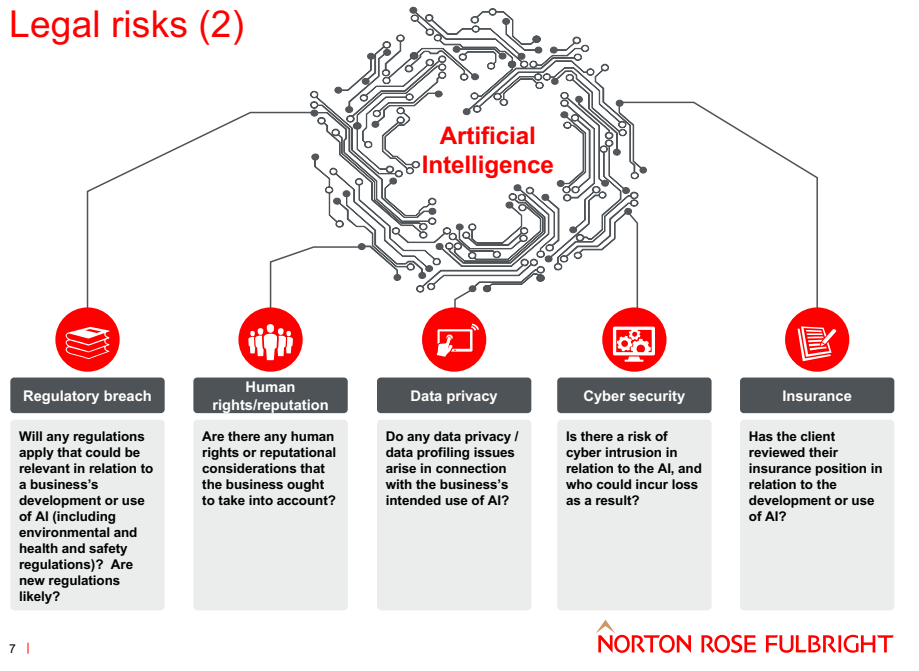
## Legal risks (1)



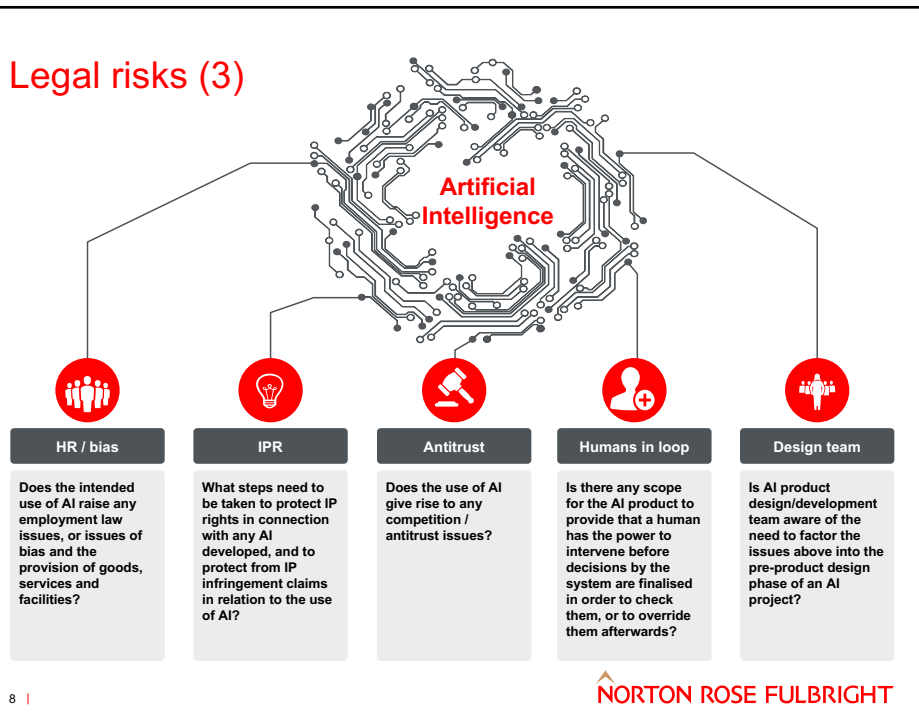
6 |

NORTON ROSE FULBRIGHT

## Legal risks (2)



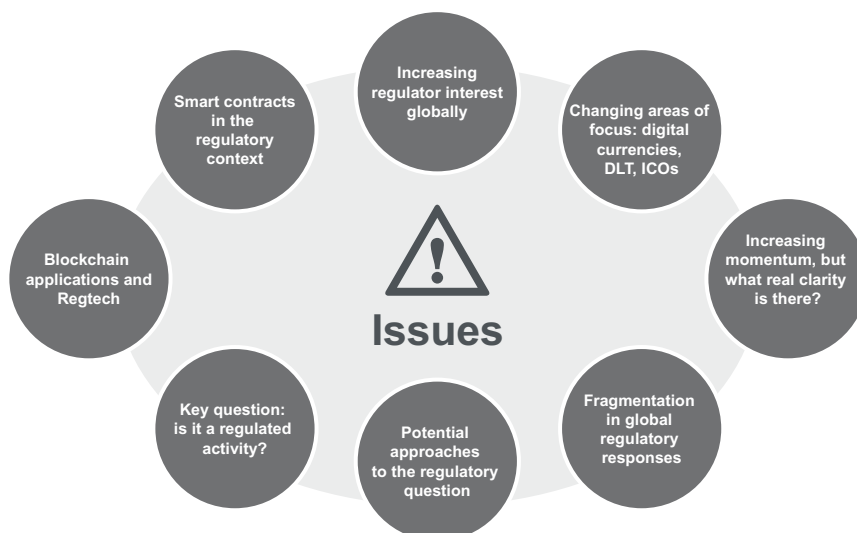
## Legal risks (3)



## Blockchain / Distributed Ledger Technology (DLT)

NORTON ROSE FULBRIGHT

### Regulatory issues



10 |

NORTON ROSE FULBRIGHT

## Legal issues - DLT / smart contracts

### Contractual

- Electronic status
- Enforceability
- Immutability
- Legal formalities (e.g. deeds)
- Governing law and jurisdiction

### Other issues

- Anti-trust issues
- Coding bugs (who is liable?)
- Hacking and cyber security
- Amendments (how do you amend?)
- External information sources (so-called "oracles")

### IP issues

- Open source software – who gets to own?
- Problems with joint IP ownership
- Consortia patent pools – a good idea?

### Data protection and confidentiality

- How do you amend/erase personal data in an immutable chain?
- Should personal data be kept off-chain?

11 |

 NORTON ROSE FULBRIGHT

 NORTON ROSE FULBRIGHT

**Disclaimer**

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright South Africa Inc are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients.

References to 'Norton Rose Fulbright', 'the law firm' and 'legal practice' are to one or more of the Norton Rose Fulbright members or to one of their respective affiliates (together 'Norton Rose Fulbright entity/entities'). No individual who is a member, partner, shareholder, director, employee or consultant of, in or to any Norton Rose Fulbright entity (whether or not such individual is described as a 'partner') accepts or assumes responsibility, or has any liability, to any person in respect of this communication. Any reference to a partner or director is to a member, employee or consultant with equivalent standing and qualifications of the relevant Norton Rose Fulbright entity.

The purpose of this communication is to provide general information of a legal nature. It does not contain a full analysis of the law nor does it constitute an opinion of any Norton Rose Fulbright entity on the points of law discussed. You must take specific legal advice on any particular matter which concerns you. If you require any advice or further information, please speak to your usual contact at Norton Rose Fulbright.