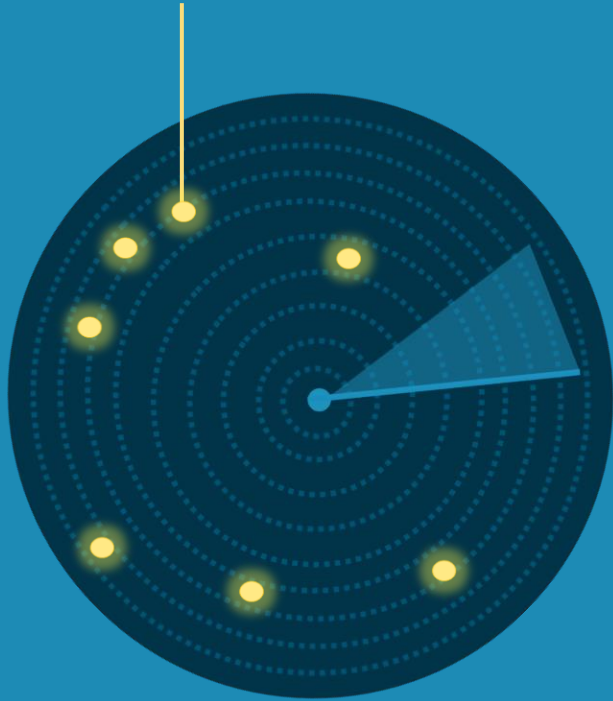


# AI Radar

Guiding your development of AI to get ready for the EU and UK markets.



# The AI Act

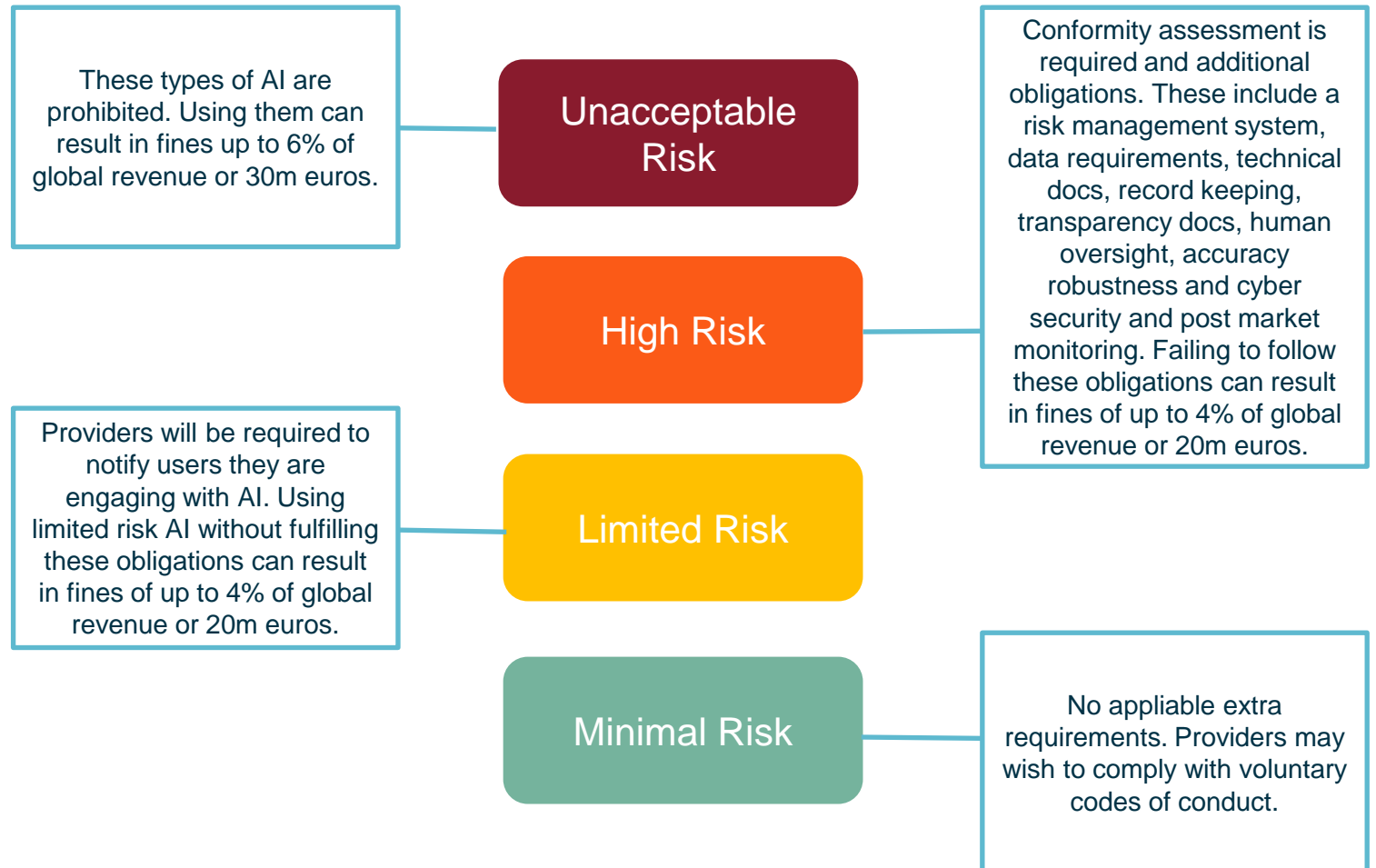


## Who will it apply to?

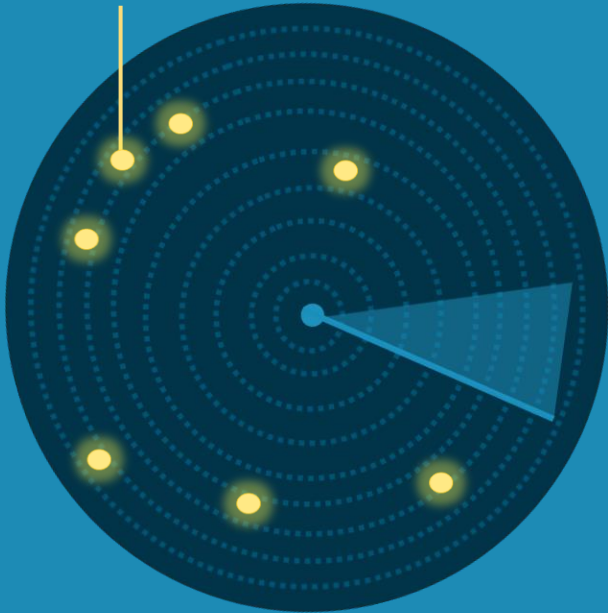
- Providers of AI systems in the EU
- Users of AI systems who are located in the EU
- Providers outside the EU where the output of the AI is used in the EU

## What will it require companies to do?

Companies will need to identify the type of AI they are developing and the level of risk as described under the draft AI Act. The actions required will depend on the level of risk.



# AI Liability Directive



## Who will it apply to?

- Providers and developers of AI systems which will be used in the EU
- Operators and users of AI systems who are located in the EU

## What will it require companies to do?

The AI Liability Directive is a newly introduced piece of draft EU legislation which will aim to make it easier for victims who are harmed for an AI system to enable them to recover damages for that harm. There are two main ways in which it does this.

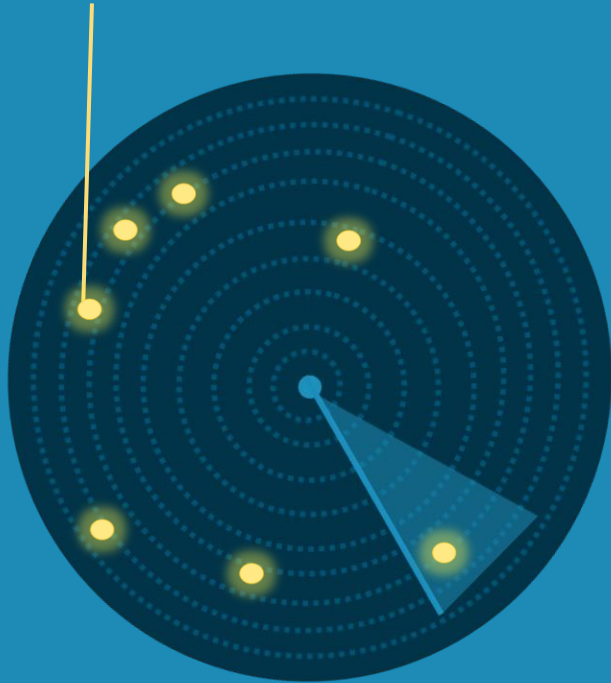
1. A '**presumption of causality**'. This means that the causal burden of proof will be **reversed**: it will be for providers to rebut a presumption that their system caused the loss claimed by the victim.

2. The introduction of the '**right of access to evidence**'. This means that victims could get information about high risk AI systems in order to help them identify who is liable for compensation.

## Practical steps companies can take to prepare

- The proposed directive is closely linked with the obligations in the draft AI Act. Companies should ensure they follow this carefully.
- Take account in increased liability risks by addressing them on risk registers and risk audits.
- Keep records of safety measures taken in development of AI.
- Consider risk management steps such as insurance or putting in place contractual safeguards to recover liability from other parties in the same supply chain.

# GDPR/UK GDPR

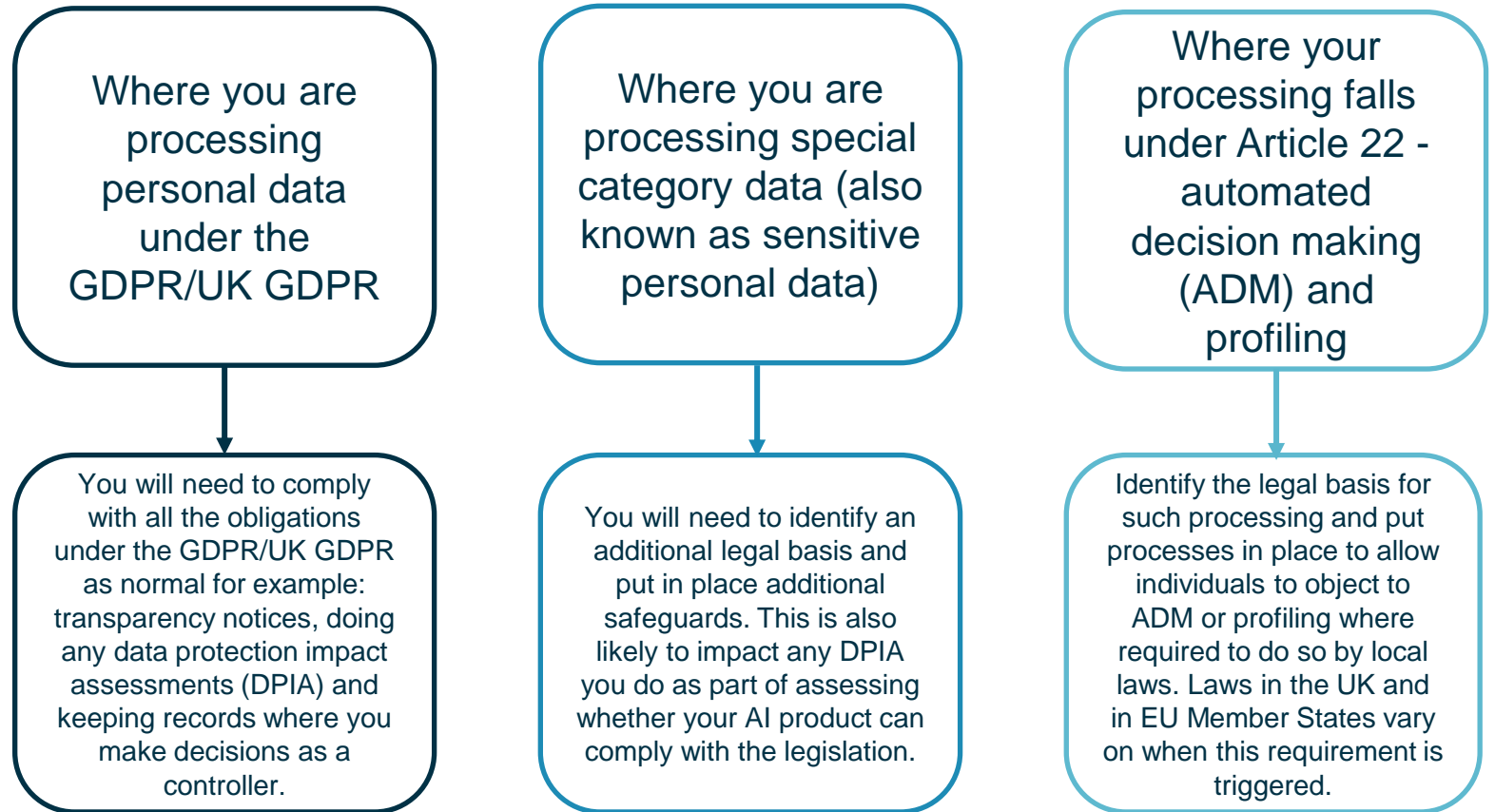


## Who will it apply to?

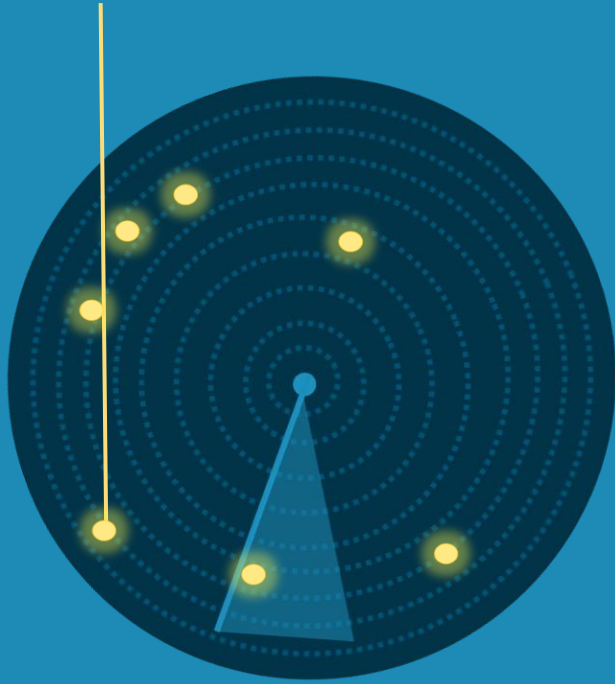
- Anyone processing 'personal data' that has come from the UK or EU as part of their AI product
- Art 22 applies to 'automated decision making including profiling'.

## What will it require companies to do?

Companies will need to identify whether they are processing any personal data from the UK and EU and take steps to comply with the GDPR/UK GDPR accordingly. The actions required for compliance depend on the data and type of processing.



# EU Digital Markets Act



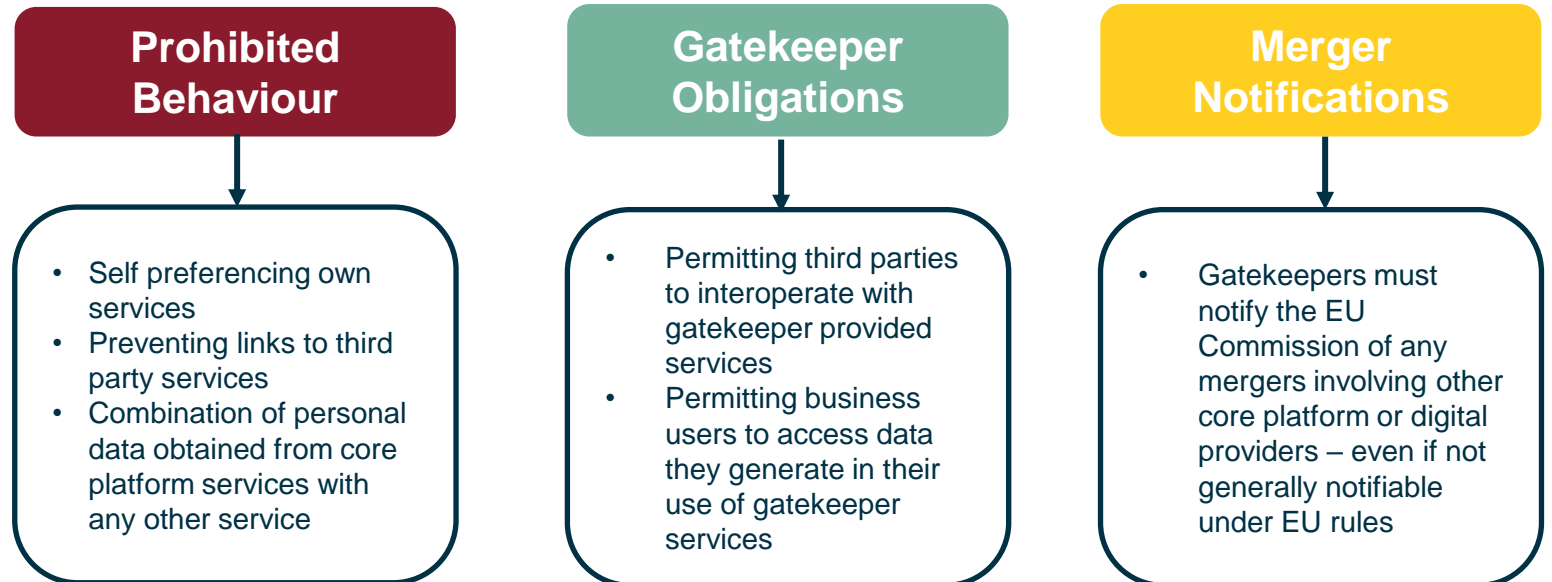
## Who will it apply to?

- "Gatekeeper" providers – typically "big tech" operators that have an annual turnover of 6.5 billion Euros or more in the last 3 years and more than 45 million monthly EU end users.

## What will it require companies to do?

The DMA is designed to “ensure a competitive and fair digital sector with a view to promoting innovation, high quality digital products and services, fair prices and high quality and choice in the digital sector”.

The DMA introduces a set of obligations targeted at “gatekeeper” digital players with significant scale and reach in the EU, and provides a framework for the European Commission to amend these rules. Generally speaking the measure is targeted at “Big Tech” operators. Although its primary focus is "walled garden" eco systems, it is likely that it will apply to the providers of packaged end-to-end AI systems.



# EU Data Governance Act and Data Act



## Who will it apply to?

- The DGA applies to the provider data sharing services where this services is offered in the EU.
- The Data Act applies to manufacturers of connected products and providers of related services that are placed on the market in the EU.

## What will it require companies to do?

### Transparency and notification obligations

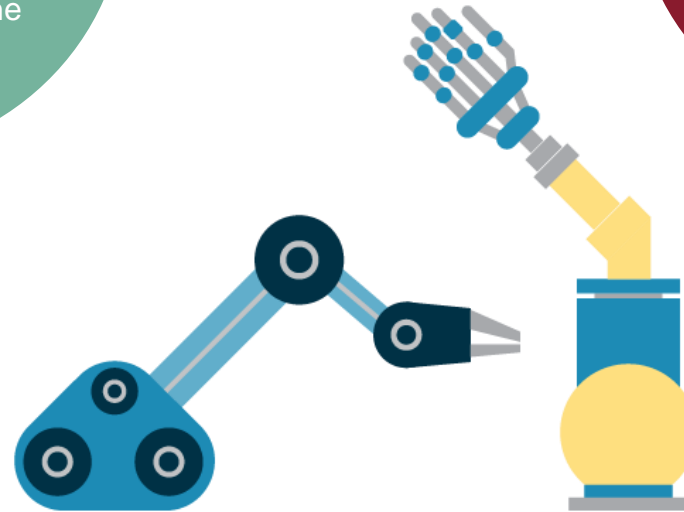
- If you are providing data intermediary services
- If you provide a product placed on the market in the EU

### Both aim to make data services more available

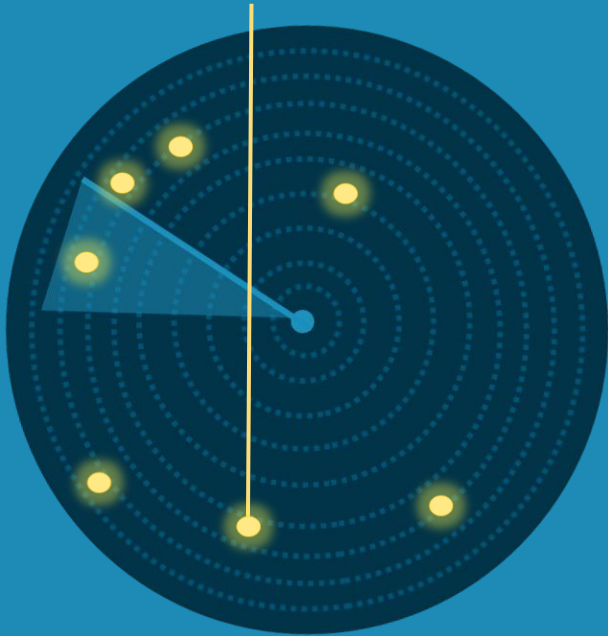
Cloud providers will have to help with switching.

### Restrictions on anti-competitive/ anti-trust measures

Anti-competitive measures which limit access to data are restricted under both Acts.



# Intellectual Property Law in the UK and EU



## Who will it apply to?

- Companies developing AI within the UK and EU or using data from the UK or EU.
- Companies wishing to protect intellectual property which was developed in the UK/EU with the assistance of an AI tool.

## What will it require companies to do?

IP laws vary between the UK and EU countries, so companies will need to check on the rules of the country they are planning to launch their AI product in. This will be especially important where they are using UK or EU data or where their AI product may itself develop IP in those countries.

- Software can be protected under copyright.
- Whether data can be protected depends on various factors (e.g., whether it qualifies as a database right, or whether is it personal data).
- The UK plans to introduce a new copyright and database exception allowing for text and data mining.
- Check license terms of open-source data.
- Both the EU patent office and UK courts have ruled that AI cannot be the inventor of a patent.
- Copyright can only currently vest in the software embodying an AI algorithm and not the AI system itself.

# UK Government Policy and National AI Strategy

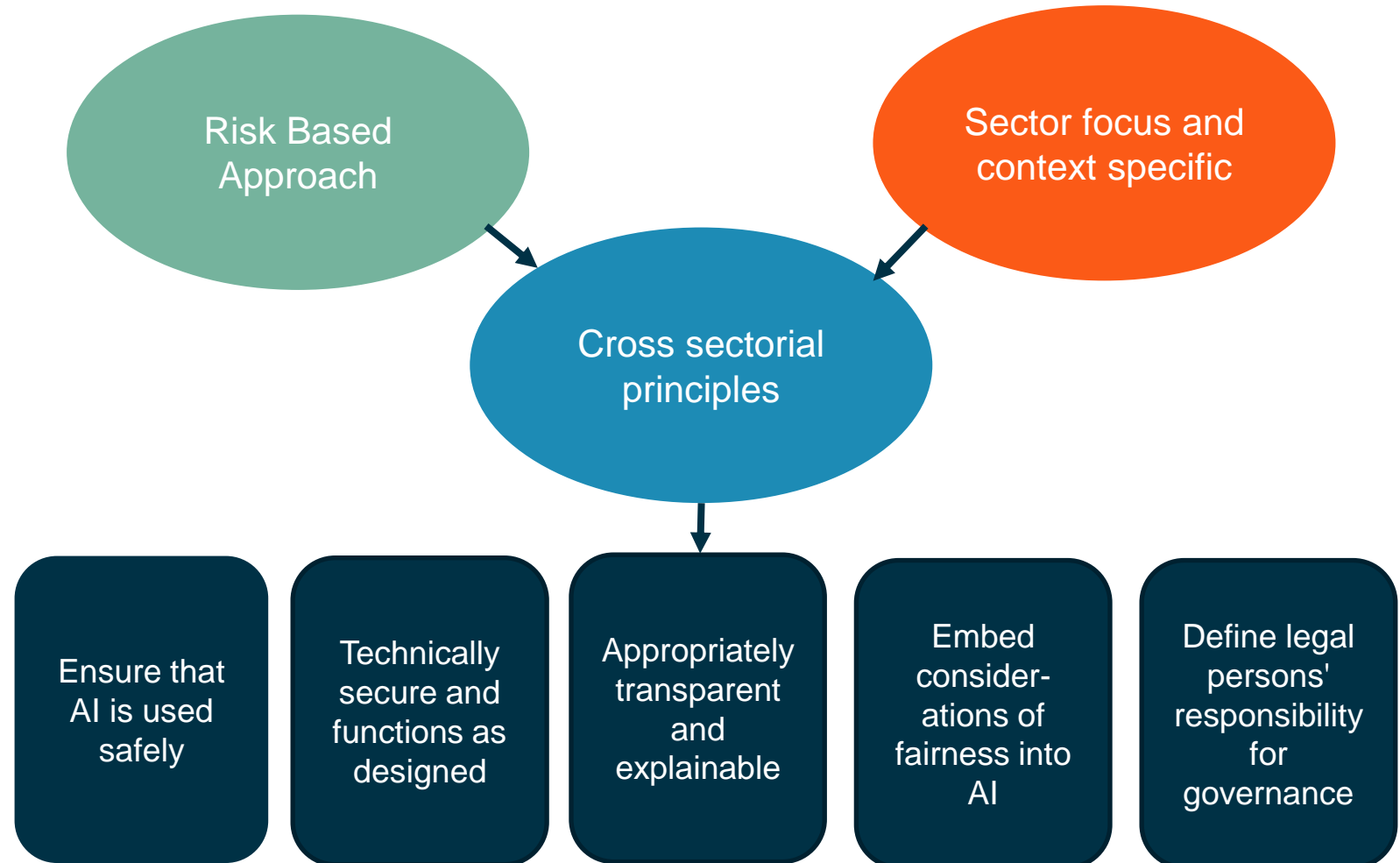


## Who will it apply to?

- Will apply to AI that meets the 'core characteristics'.
  - Adaptiveness – trained/learned abilities
  - Autonomy – decision making skills

## What will it require companies to do?

Whilst the UK Government's AI Governance White Paper has not yet been released, the UK's recently published National AI Strategy suggest that companies will need to pay close attention to sector specific regulation and guidance.





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