BUSINESS NEWS LESSONS

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Legal aid for businesses using AI

1 Warmer

a. **For each item, choose the statement that you agree with more.**

1. a. AI is a very useful tool for students.

   b. Students should not use AI for schoolwork.

2. a. It's a good idea for companies to use AI to help them know which consumers to target for advertising their products.

   b. Companies should not be allowed to use AI to target specific consumers.

3. a. Using AI is a good way for companies to analyse candidates' qualifications for jobs.

   b. AI should not be used for making decisions about who to hire for a job.

4. a. AI is a good way for lawyers to analyse industry regulations in order to help companies avoid legal problems.

   b. Lawyers may give companies bad advice if they depend on AI to analyse industry regulations.

b. **Take a class survey to find out how many agree with each statement. Discuss reasons for both opinions in each item.**

2 Key words

a. **Choose the key words and phrases that match the definitions. Check your answers and your understanding of how the words are used by using the same word to complete the example sentence immediately after each definition. Then read the complete article to see how each of the key words is used in context.**

advent	pushing back	disputes	warrant
vulnerabilities	litigation	enforcement	array
chatbots	accuracy	expertise	sort through

1. computer programs that can have a conversation with a human _____

   Many business owners use _____ to automatically answer questions and inquiries about their products and services.

2. a high level of knowledge or skill _____

   We depend on the _____ of scientists for the fast development of new drugs and vaccines.

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3. a large number of things in a category _____

    There was an enormous _____ of delicious food at the festival.

4. to make an action necessary _____

    This is an easy decision that doesn't _____ a lot of discussion.

5. the process of making people or organisations obey a rule or regulation _____

    The Food and Drug Administration is responsible for the _____ of food safety regulations.

6. the process of taking a legal case to court _____

    After a year of _____, the company won the case.

7. to examine a number of things to organise them or to find something _____

    We need to _____ all of our clothes and donate the ones we don't wear anymore.

8. an event happening or an invention being made _____

    Many products were made by machines after the _____ of the Industrial Revolution.

9. weaknesses _____

    Our security system has a number of _____ that need to be fixed.

10. opposing, resisting or disagreeing with something _____

    The company is _____ on the information in the news report. They say it isn't true.

11. arguments or disagreements _____

    There are a number of _____ between the workers and the company. For example, the workers think they should receive more money.

12. the fact of being correct

    It is important to verify the _____ of any information you read online.

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Law firms adjust to address growing legal risks

LAWYERS ARE DEVELOPING NEW PRODUCTS AND SERVICES AS CLIENTS SEEK ADVICE BEYOND TRADITIONAL PRACTICE AREAS

BY SOPHIE SPIEGELBERGER

1 Cultural and technological developments in recent years have given rise to a new array of legal risks for businesses in the US. Now, in response, law firms are expanding their products and services to cover anything from cyber crime and generative AI to cultural disagreements in the workplace.

2 "Historically, law firms have been organised around what the lawyers do, such as litigation, corporate or regulatory work," says Gerry Stegmaier, a partner in the emerging technologies group at Reed Smith.

3 But this is changing, as lawyers adapt to offer clients legal advice beyond the more traditional practice areas.

4 As existing legal risks, such as regulatory compliance, grow more complex, and new risks emerge, such as those brought on by the advent of generative AI, many firms are also creating new practices to focus on these subjects, says Stegmaier.

5 At the same time, firms must make use of new technologies if they want to remain competitive. He adds: "Lawyers who are familiar with and expert in AI and the other skills required for excellence will be much better positioned to adapt to change now and in the future."

6 Since OpenAI launched ChatGPT in November 2022, chatbots and other large language models have been widely introduced in the workplace. But, for all their advantages, the adoption of these tools also creates legal risks over data privacy, copyright infringement, regulatory compliance, and discrimination — for instance, when used for hiring.

7 With generative AI, "you had a tool that you could ask to do anything, and it would provide different answers every time", points out Danny Tobey, chair of DLA Piper's AI and data analytics practice for the Americas. The question is: how do you test such a tool for compliance, accuracy and vulnerabilities?

8 Tobey's team decided to use AI to test AI. They started "legal red teaming" the language models: cross-examining a generative AI model the same way one would a trial witness. Lawyers and data scientists would work together on a particular model, he says, interrogating it with "lines of attack" for specialised industries, such as healthcare, financial services, or consumer goods. Then, a separate AI system would be set up to interrogate the AI model.

9 "A lawyer could ask a dozen or 100 questions, but then we want the generative AI to ask 1,000 or more questions," Tobey explains. "That way, you get the benefit of human ingenuity and creativity in really pushing on the model, but you also get the scale and repetition of generative AI."

10 Another growing area of focus for law firms is the legal risk associated with cultural issues and diversity, equality and inclusion (DEI) in the workplace. This is particularly noticeable since the pandemic and the increased emphasis on being open and authentic at work, says Sam Schwartz-Fenwick, a partner at Seyfarth Shaw and leader of the firm's LGBT affinity group: "People were coming to work with their full identity on, and that meant that there was a lot of disagreement." At some companies, this led to HR complaints and, sometimes, litigation.

11 The legal framework governing free speech in US workplaces is complex, he says. It includes Title Seven, the federal law that covers or protects against employment discrimination at work based on protected categories. Then, there is the National Labor Relations Act and a number of state laws regarding off-duty conduct and speech, he adds. "So all of those things are in play."

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12 In 2023, Seyfarth found it had been handling enough such client cases to warrant a dedicated unit to handle them. Schwartz-Fenwick is co-lead of the Cultural Flashpoints task force, which allows lawyers from different specialised areas to pool their expertise to help clients. Historically, clients would come to Seyfarth after a problem had already emerged. But increasingly, companies want to nip issues in the bud.

13 He expects workplace disputes and regulations to become more complex due to a "fractured culture" in the US in which "roughly half of the population sees the world in very different ways than the other half".

14 Meanwhile, regulatory risk is only growing, says Sebastian Lach, a partner at Hogan Lovells and co-CEO of the firm's in-house legal technology brand Eltemate. "It's not only more regulations, it's also more enforcement and more aggressive enforcement."

15 Eltemate created a specialised AI tool to sort through regulatory documents, making the process both systematic and faster for their clients. "We've trained our own AI algorithm that basically gives all the documents a relevancy score based on what the client has told us they're interested in," Lach says. "If it's higher than 60 per cent, it's relevant. If it's lower than 40 per cent, it's not relevant."

16 The tool can reduce a "document dump" of 10,000 documents to a database of 70, including automated summaries, and translations in select languages. Rather than clients pushing back against the use of generative AI tools by law firms, they see it as proof the lawyers are working efficiently, Lach says. "We're seeing a huge shift in our business model. Because, if you think about it, this is also a shift from hourly rates to technology cost, which is massive, because you have to rethink the whole model."

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3 Understanding the article

a. Choose T (True) or F (False) for the statements.

1. Because of AI, companies now have fewer legal risks than before.   T   F

2. Law firms have to add new groups of lawyers to give companies specialised advice about the use of technology.   T   F

3. If companies depend on AI to help them hire people, they may break laws about discrimination because AI may not consider factors like diversity.   T   F

4. One advantage of AI is that it will always give the same answer when you ask it to do something.   T   F

5. Both lawyers and AI ask questions to test how well an AI program works for a certain business or industry.   T   F

6. Because of AI, regulations are becoming simpler.   T   F

7. AI cannot decide which documents about a regulation are the most important for a company.   T   F

8. Many clients do not want lawyers to use AI because they think the lawyers aren't carefully analysing the information.   T   F

b. Look back at the article and correct the false statements.

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4 **Business language – phrases**

a. **Complete the explanations with phrases from the box. Then look back at the article and read how the words are used in context. The paragraph numbers are in brackets.**

regulatory compliance	HR (Human Resources)
copyright infringement	task force
data analytics	in-house
DEI (diversity, equity and inclusion)	document dump

1. The process of examining large amounts of information in order to make good business decisions is called _____. (paragraph 7)

2. The department in a company that hires, trains and evaluates employees and helps with conflicts or problems is the _____ department. (paragraph 10)

3. A group that is formed to do a specific job or to study a problem is called a(n) _____. (paragraph 12)

4. Obeying a law or rule that controls what a company can do is _____. (paragraph 4)

5. A large amount of information that is given to a company or lawyers all at once so that it is difficult to go through and organise it is a(n) _____. (paragraph 16)

6. Many companies have _____ initiatives to include employees from different groups of people and to make sure that everyone is treated equally. (paragraph 10)

7. Something that is done in a company and not by outside contractors is done _____. An example is a legal department that is part of a company. (paragraph 14)

8. When a company uses intellectual material like a book or an invention without permission from the owner, it is called _____. (paragraph 6)

5 **Discussion**

a. **Discuss these questions.**

1. How do you think AI can help companies with the following things?

    • market research

    • advertising

2. How do you think AI can help lawyers with the following things?

    • helping a new company get started

    • defending a criminal in a trial

6 **Wider business theme – Is AI good for small businesses?**

a. **Match the explanations of the pros and cons of AI with the categories. There is a positive and a negative explanation for each category.**

> a. customer relations
>
> b. marketing and advertising
>
> c. legal issues
>
> d. jobs
>
> e. time, money and maximisation of employees' skills

___ 1. (+) AI can do routine, repetitive tasks much more quickly than a person could, and employees can learn to do more complex tasks. This makes a company more efficient and innovative, which saves money.

___ 2. (+) AI can make lists of customers' complaints or requests. A company can use the information to make changes and give customers a positive experience with the company. People with complaints can feel that the company is responding to their issues.

___ 3. (-) Customers may feel that AI-generated advertising is too general and not personalised for their community. Many consumers say that they do not trust advertising that is produced by a machine rather than a human.

___ 4. (-) The use of AI could result in some legal problems, and most small businesses do not have in-house lawyers to advise them. AI may use algorithms that are biased towards or against certain groups of people, or it may violate copyright laws. Customers may worry about how their personal data is being used.

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___ 5. (+) AI can help identify trends in the market and can generate advertising for social media and other types of media so that companies can easily produce advertising for specific market segments.

___ 6. (+) AI can help people do a better job faster. For example, if AI is used to analyse customers' preferences, the people in charge of planning can plan for new products or services in a shorter amount of time.

___ 7. (-) Small businesses may not have the time or money to invest in an AI program. It takes time to choose the right program and train employees to use it, and while they're learning, they may not have time to do their regular tasks properly.

___ 8. (+) AI can create summaries to help businesses interpret regulations and laws. It can also analyse branding slogans or advertising messages to help companies avoid copyright infringements.

___ 9. (-) Small businesses do not have many employees, and AI may eliminate some jobs. The loss of jobs may cause people in a community to have negative feelings about the business and the business could lose customers.

___ 10. (-) If AI is used too much for customer interaction, people may feel that the company is not interested in them as individuals. There are many complaints about things like automated phone messages or QR codes for ordering in a restaurant.

b. **Answer the questions. Tell the class your opinion of AI for small businesses.**

1. Is AI good for all of the categories in task a?

2. If AI is good for some of the categories but not all, what do you think a small business can use it for?

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