

## JAMS Releases New Rules for AI Disputes

By Rhys Dipshan

April 23, 2024

**O**n Tuesday, alternative dispute resolution service provider JAMS announced new rules around disputes involving artificial intelligence. These rules cover a range of issues, including the protection of proprietary training data and AI models, as well as the knowledge needed to arbitrate disputes concerning AI software.

In a news release, JAMS noted that the rules “refine and clarify procedures for cases involving AI systems” and help “equip legal professionals and parties engaged in dispute resolution with clear guidelines and procedures that address the unique challenges presented by AI, such as questions of liability, algorithmic transparency, and ethical considerations.”

In addition, the rules set forth a definition of AI, specifically defining the term as “a machine-based system capable of completing tasks that would otherwise require cognition.” Throughout the legal industry, defining AI has been tricky, with many judges differing on how they describe the technology, and what it entails.



**Kimberly Taylor,**  
JAMS President



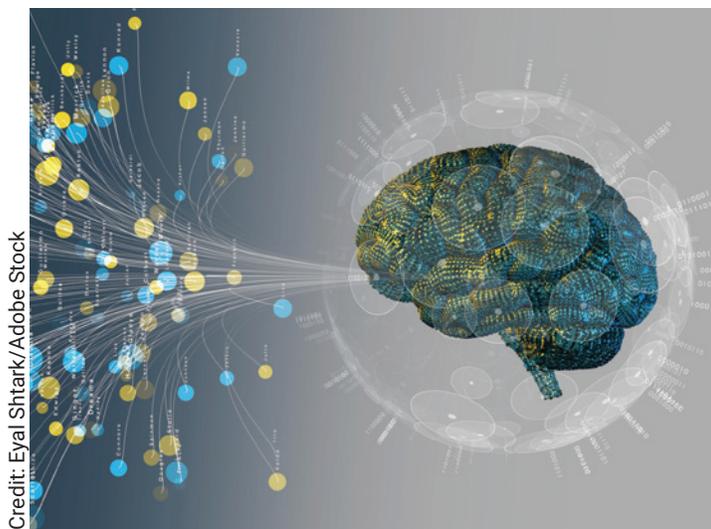
**Ryan Abbott, M.D.,**  
Esq., FCI Arb



**Daniel B.**  
Garrie, Esq.

In an email, JAMS President Kimberly Taylor told Legaltech News that the impetus behind the new rules was an anticipation of “new litigation arising from the technology. We believe that resolving AI-driven disputes via arbitration will require tailored rules that account for the complexity of the technology and that introduce other novel factual and evidentiary issues.”

In fact, JAMS saw a number of areas where its current rules did not account for unique issues brought up by AI. JAMS neutrals Dr. Ryan Abbott and Daniel Garrie, who contributed to the new rules, noted in an email that “the current arbitration rules are written such that they are not suited to deal with the vast datasets involved in AI technology disputes—it is impractical to think that parties



Credit: Eyal Shtark/Adobe Stock

will be able to collect, process, analyze, and produce petabytes of data.”

What’s more, “the current arbitration format does not provide sufficient protections to safeguard complex and proprietary algorithms,” they added. “Most arbitration rules let anyone arbitrate, however, it is critical to not only know the legal issues but also have a mastery of the algorithms and

other complex systems involved in building AI systems—transparency and explainability of AI systems require someone who has a firm grasp of the legal constructs and real-world experience working with the complex technology.”

JAMS is the latest in a growing line of legal organizations to enact specific rules or guidelines for AI. Just this month, the New York State Bar Association adopted guidelines concerning attorneys’ use of AI and generative AI.

Over the past few months, AI has fast become a focus for arbitration organizations. In December, American Arbitration Association, alongside its international division, the International Centre for Dispute Resolution, launched AAi Lab, a web portal that hosts educational resources for arbitrators and other legal professionals.