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Legal Tech: The Role of Product Lawyers in Shaping Al Strategy

Technology, Privacy, and eCommerce



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As artificial intelligence (AI) continues to transform industries, the need for robust governance structures to ensure responsible development and deployment has never been greater. Product lawyers are at the forefront of this effort, tasked with balancing legal compliance, responsible development, and business innovation. To address these complex challenges, the new book <u>Product Counsel: Advise, Innovate, and Inspire</u>, offers a framework (the Product Counsel Framework) for product lawyers.

Book co-authors Adrienne Go and Olga Mack developed this framework specifically to help legal professionals navigate emerging technologies like AI. The Product Counsel Framework is designed to enable product lawyers establish and implement comprehensive AI governance strategies that not only address regulatory requirements but also promote transparency, fairness, and accountability in AI solutions. Adding practical insights from practitioner Karna Nisewaner, this article offers a practical application of the framework, showcasing how legal teams can use it to advise organizations in creating AI solutions that align with societal values while driving sustainable business success.



Counsel: Advise, Innovate, and Inspire

Adrienne Go, Co-author, Product



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Building a strong AI governance structure

Al governance refers to the systems and processes put in place to ensure that Al technologies are developed and deployed in a manner that is legally compliant, ethically sound, and aligned with organizational goals. These Al technologies can mean:

- The artificial intelligence technique, algorithm, model, or system themselves, such as databased prediction models for weather forecasting,
- The enhancement of existing products (such as added thermostat functionality to predict and adjust to an expected cold front), and the development of new products (such as developing a wearable with integration of the expected weather and a person's own temperature).

For product lawyers, establishing a strong AI governance framework is useful to managing the complexities of AI while ensuring accountability and transparency. This involves creating policies that address the responsible use of AI's output, and the fair treatment of individuals impacted by AI solutions. It requires a robust review of existing and needed policies on data collection, processing, management, and security. It may also include developing an efficient process to submit required reports, conduct audits, and liaise with government regulators. Through the Product Counsel Framework, product lawyers can systematically integrate these considerations into a comprehensive governance structure, ensuring that AI solutions are developed with clear guidelines for responsible and compliant use from the outset.

- A product lawyer can analyze and recommend a strategy to develop and/or deploy Al responsibly within an organization. This strategy should be developed hand in hand with stakeholders in business (Does it offer a sensible ROI?),
- Technology (Do we have the infrastructure to support this?), and
- Compliance (Can a policy/program be operationalized and managed?).

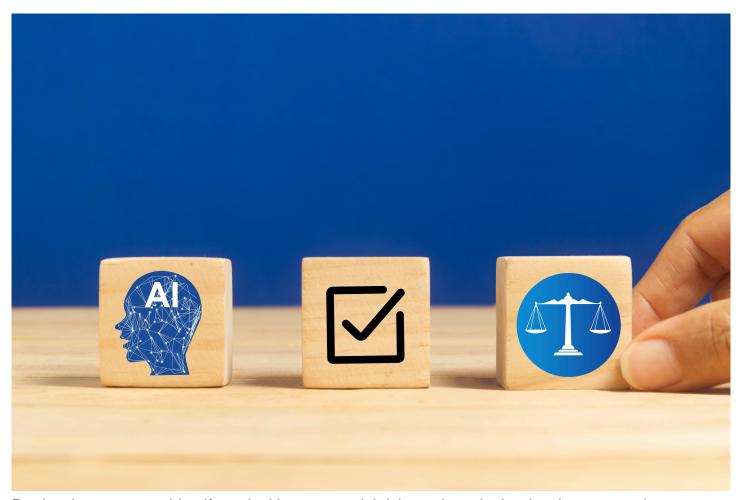
Product lawyers can systematically integrate these considerations into a comprehensive governance structure, ensuring that AI solutions are developed with clear guidelines for responsible and compliant use from the outset.

By advising proactively throughout the AI lifecycle, product lawyers can recommend practical implementable accountability and monitoring measures as needed, ensuring all stakeholders understand their responsibilities regarding AI use. Leveraging the Product Counsel Framework, product lawyers mitigate legal risks and position their companies as leaders in responsible AI

innovation, fostering trust and maintaining regulatory compliance in an increasingly Al-focused world.

Managing risk and accountability in Al systems

Al systems introduce various risks, from IP ownership concerns to data privacy violations to unintended biases in decision-making processes. Product lawyers play a critical role in identifying these risks early in the Al development cycle and developing strategies to mitigate these issues. By utilizing the Product Counsel Framework, product lawyers can implement proactive measures that ensure Al solutions are built and used with responsible safeguards from the ground up. This includes assessing potential risks related to the data used for training Al models, ensuring that data is collected and managed in compliance with privacy laws such as GDPR and CCPA. Additionally, product lawyers must consider algorithmic bias, ensuring that Al systems do not produce unfair outcomes that disproportionately impact certain groups. Furthermore, product lawyers should work closely with product teams to assess the reliability and accuracy of Al models, particularly in generative Al systems, to ensure the veracity of user-facing outputs.



Product lawyers must identify and mitigate potential risks early on in the development cycle to ensure a strong AI governance structure. 2461589945 / Shutterstock.com

Accountability is another key area where product lawyers lead. They can establish clear structures of responsibility within their organizations, ensuring that developers and decision-makers are accountable for the performance of AI solution. This includes setting up regular audits and compliance reviews to evaluate AI outcomes and ensuring corrective actions are taken when ethical or legal standards are breached.

By embedding these accountability mechanisms into AI governance, product lawyers help their

organizations navigate the complexities of AI, mitigating risks while fostering innovation and maintaining public trust.

Ensuring responsible Al throughout the product lifecycle

Managing AI requires a holistic approach that spans the entire product lifecycle, from the initial stages of development to post-deployment monitoring. Product lawyers can ensure that ethical considerations are integrated at every phase of AI development. In the early stages, this means ensuring data collection and algorithm design transparency, ensuring diverse, representative datasets to minimize bias. As the AI product progresses, product lawyers guide teams in addressing potential dilemmas by developing clear guidelines for fair and responsible AI use, and by embedding checkpoints throughout the process.

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One effective tool for product lawyers is scenario planning, which allows organizations to anticipate both the intended and unintended consequences of Al deployment. By simulating real-world applications and testing the Al solutions' performance in different contexts, product lawyers can identify risks and ethical issues that may arise after the system is launched.

This proactive approach ensures that AI solutions are equipped to handle various scenarios, reducing the likelihood of negative impacts. Post-deployment, continuous monitoring and regular audits are crucial to ensure that AI systems maintain compliance with legal standards and guidelines. The Product Counsel Framework supports product lawyers in setting up these oversight mechanisms, ensuring long-term accountability and the responsible use of AI technology.

Aligning AI with business and regulatory goals

In an era of increasing AI regulation, product lawyers play a vital role in aligning AI technologies with both business objectives and evolving legal requirements. Using the Product Counsel Framework, product lawyers can ensure that AI systems not only meet the immediate needs of the business but also comply with local and international regulations such as GDPR, CCPA, and emerging AI-specific laws. This balance is crucial, as non-compliance can lead to significant legal risks and reputational damage. Product lawyers must work closely with AI developers, compliance teams, and business leaders to embed regulatory compliance into the core of AI systems, ensuring that every stage of development accounts for current legal standards and anticipates future legislative changes.

At the same time, product lawyers can leverage the ethical and legal safeguards established through the Product Counsel Framework to position AI as a competitive advantage. Ethical AI governance, which emphasizes transparency, fairness, and privacy, helps build trust with consumers, investors, and regulators — giving businesses a reputational edge in an increasingly conscientious marketplace. Product lawyers foster an environment where innovation thrives responsibly by ensuring that AI aligns with regulatory goals and business ethics. This alignment minimizes legal risks and promotes sustainable growth by ensuring that AI systems operate in fair, transparent, and accountable ways, ultimately enhancing consumer trust and loyalty.

Creating a culture of responsible AI within the organization

Building a culture of responsible AI starts with leadership and must be promoted and nurtured throughout the organization. Product lawyers are instrumental in advising these leaders on the societal, regulatory, and business needs for responsible AI, to help these leaders define the expected culture. Product lawyers can collaborate with business leaders to establish ethical AI practices as a core organizational value. This includes setting clear policies for responsible AI development, ensuring transparency in AI operations, and creating guidelines emphasizing fairness and accountability.

Product lawyers should also work closely with various departments — IT, product development, and human resources — to ensure that AI governance is understood and implemented consistently throughout the company. This cross-functional collaboration ensures that ethical considerations are woven into every decision that impacts AI, from the development phase to market deployment.

Training and continuous education are essential for embedding this mindset within the organization. Product lawyers can use the Product Counsel Framework to develop training programs that regularly update employees on AI governance, regulatory changes, and emerging ethical concerns. These programs help foster a shared understanding of ethical AI practices across all levels of the company. Additionally, product lawyers should advocate for ongoing dialogue about AI ethics, encouraging employees to raise concerns and contribute to the refinement of AI practices. By creating an environment where ethical AI is prioritized, product lawyers ensure regulatory compliance and help the organization build trust and credibility with its customers, regulators, and the broader public.

Leading AI governance through the Product Counsel Framework

As product lawyers continue to navigate the rapidly evolving landscape of Al governance, the responsibility to stay ahead of emerging trends and technologies becomes even more critical. The Product Counsel Framework provides a strong foundation, but the journey doesn't end there.

To truly lead in this space, product lawyers must continuously challenge themselves to think beyond immediate legal compliance and consider the broader implications of AI on society, ethics, and future innovation. This requires staying informed about new AI developments, evolving regulatory frameworks, and the ethical dilemmas that will arise as AI becomes more autonomous and integrated into daily life.

The challenge now is developing robust AI governance systems and becoming thought leaders who shape the future of AI ethics. By committing to ongoing learning and applying critical thinking to the complexities of AI, product lawyers can influence how businesses, regulators, and society approach this powerful technology, ensuring that it serves humanity in the most ethical and impactful ways.

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Olga V. Mack is a fellow at CodeX, The Stanford Center for Legal Informatics, and a Generative Al Editor at law.MIT. Mack shares her views in her columns on ACC Docket, Newsweek, Bloomberg, VentureBeat, Above the Law, and many other publications.
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She has authored numerous books, including Get on Board: Earning Your Ticket to a Corporate Board Seat, Fundamentals of Smart Contract Security and Blockchain Value: Transforming Business Models, Society, and Communities. She is working on her next books: Visual IQ for Lawyers (ABA 2024), The Rise of Product Lawyers: An Analytical Framework to Systematically Advise Your Clients Throughout the Product Lifecycle (Globe Law and Business 2024), and Legal Operations in the Age of AI and Data (Globe Law and Business 2024).
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Karna Nisewaner joined Cadence Design Systems in 2011 and has served as general counsel and secretary since September 2022. Leading a team of 45 lawyers and legal specialists, she is responsible for Cadence worldwide legal operations. In this role, she owns the creation of the company's annual environmental, social, and corporate governance (ESG) report. Before joining Cadence, Nisewaner held in-house counsel roles at Intuit and IBM and was in private practice. Nisewaner earned her JD from the University of California, Los Angeles School of Law, and a BSE in

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Product Law Hub

Adrienne Go is a lawyer who loves to build. As a real estate associate at Morrison & Foerster, Go counseled on complex real estate and business transactions, learning how bricks and mortar actually create buildings. As a deputy city attorney with the San Francisco City Attorney's office, she advised on building and operating a 21st century airport. As associate general counsel, global product at

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