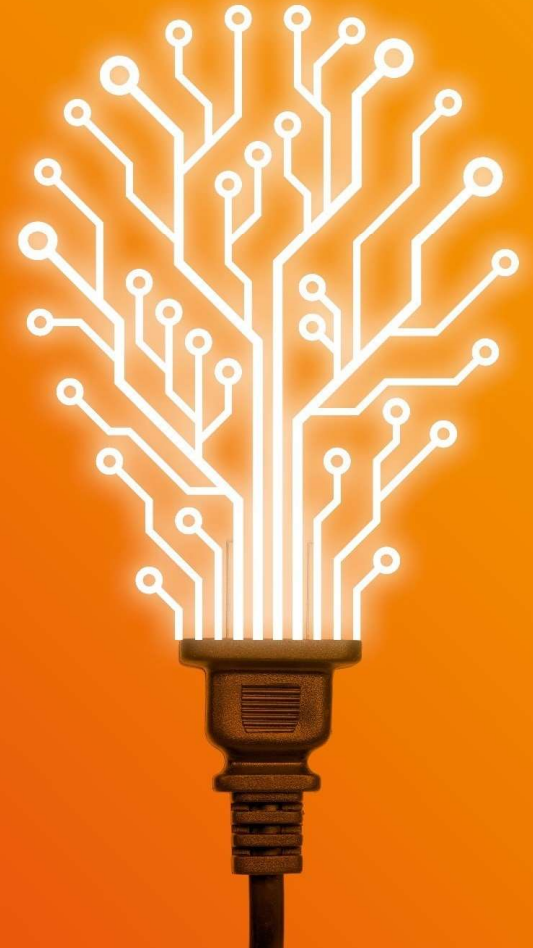


AI unplugged

Are you prepared for the wave that is coming?

AI is transforming industries, reshaping the way businesses operate and driving innovation at an unprecedented pace.



Agenda

- AI overview
- Current US legal landscape
- Current European legal landscape
- AI in Sports

Speakers

Eversheds Sutherland presenters:



Baird Fogel

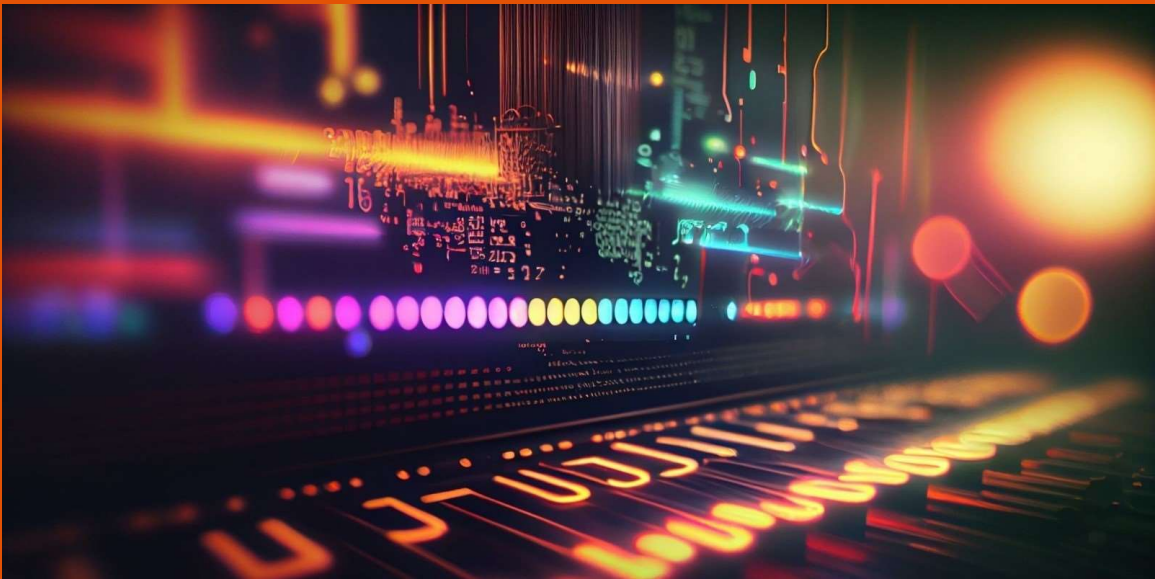


Jon Gill



Bill Schlough

AI overview



Why the focus on AI now?

“Artificial intelligence (AI) holds extraordinary potential for both promise and peril. Responsible AI use has the potential to help solve urgent challenges while making our world more prosperous, productive, innovative, and secure. At the same time, irresponsible use could exacerbate societal harms such as fraud, discrimination, bias, and disinformation; displace and disempower workers; stifle competition; and pose risks to national security. Harnessing AI for good and realizing its myriad benefits requires mitigating its substantial risks. This endeavor demands a society-wide effort that includes government, the private sector, academia, and civil society.”

Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence, October 30, 2023.

Predictions (Gartner)

2026

- More than 80% of enterprises will have used generative AI application programming interfaces (APIs) or models and/or deployed GenAI-enabled applications in production environments, up from less than 5% in 2023
- Organizations that operationalize AI transparency, trust and security will see their models achieve a 50% improvement in terms of adoption, business goals and user acceptance
- 75% of businesses will use generative AI to create synthetic customer data, up from less than 5% in 2023

2027

- Foundational models will underpin 60% of Natural Language Processing (NLP) use cases, up from fewer than 5% in 2021
- More than 50% of the GenAI models used by enterprises will be specific to either an industry or business function – up from approx. 1% in 2023

2028

- 30% of GenAI implementations will be optimized using energy-conserving computational methods driven by sustainability initiatives

Artificial intelligence defined

Executive Order

- **Artificial Intelligence (AI)** means an engineered or machine-based system that can, for a given set of human-defined objectives, generate outputs such as content, predictions, recommendations or decisions influencing real or virtual environments

National Institute of Standards and Technology (NIST) AI Risk Management Framework

- **AI system** means an engineered or machine-based system that can, for a given set of objectives, generate outputs such as predictions, recommendations or decisions influencing real or virtual environments. AI systems are designed to operate with varying levels of autonomy

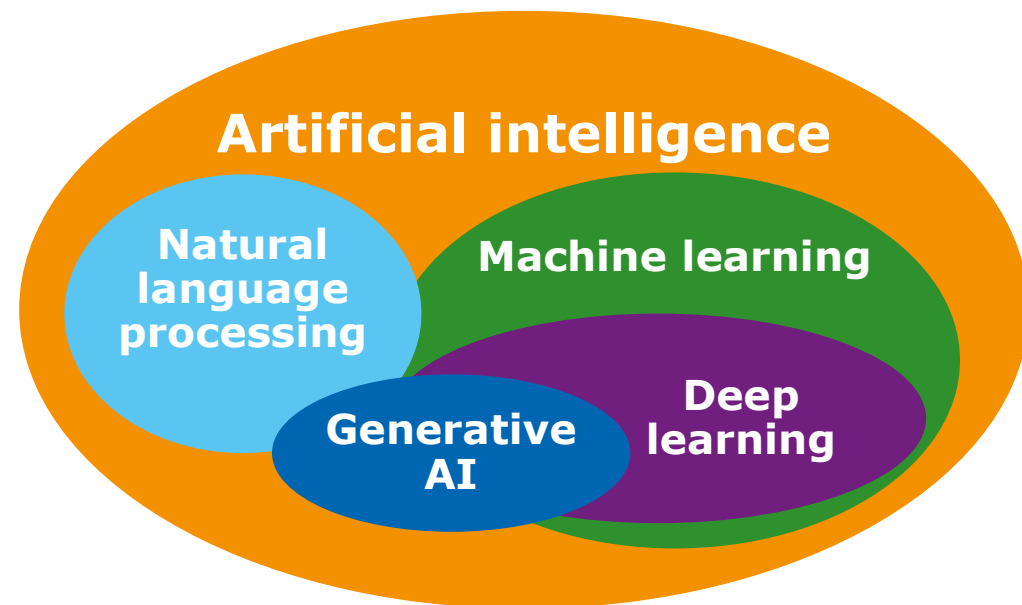
Generative AI

- Generative Artificial Intelligence (GenAI) is a category of AI that uses Large Language Models (LLMs) that emulate the structure and characteristics of training data in order to generate derived synthetic content as outputs. This can include images, videos, audio, text, computer code and other digital content
- **Can be public or private. Can involve more than one vendor in the production of the outputs, which are connected to the LLM via application programming interfaces (APIs)**

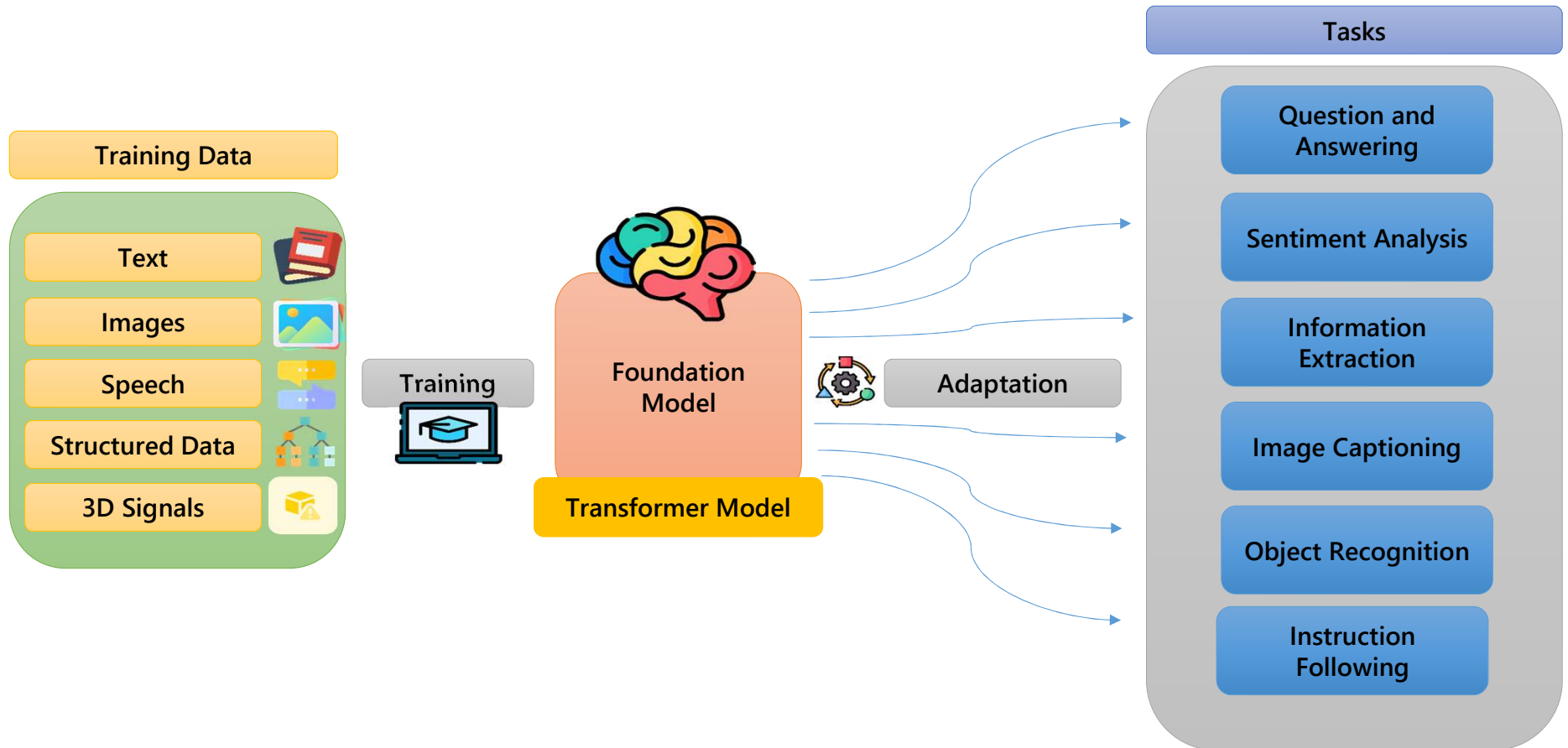
Generative AI tech:

- ChatGPT*
- DALL-E
- Gemini (formerly Bard)
- Copilot (formerly Bing Chat)
- Codex
- LexisNexis and Thomson Reuters

*GPT = *Generative Pre-trained Transformer*



Generative AI at a glance



Generative AI risks

Compared to traditional software, new AI-specific risks include the following:

- The **data used for training** an AI system may not be true or appropriate for the intended use of the AI system
- **Harmful bias and other data quality** issues can affect AI system trustworthiness, which could lead to negative impacts
- Datasets used to train AI systems may become **detached** from their original and intended context or **may become stale or outdated**
- Use of pre-trained models can increase levels of **statistical uncertainty** and cause issues with bias management, scientific validity and reproducibility
- It is more difficult to **predict and protect against failure modes**, including security vulnerabilities, in large-scale pre-trained models
- There is a **privacy risk** due to enhanced data aggregation capability for AI systems
- Due to their scale and complexity, AI systems may require **more frequent maintenance** and triggers for conducting corrective maintenance due to data, model or concept drift



Current US legal landscape

There is no comprehensive federal AI law in the US, yet

President Biden's Executive Order on the Safe, Secure and Trustworthy Development and Use of Artificial Intelligence:

- **Message to the US government and to the nation:** AI is here to stay and we must be ready to both **use it responsibly and regulate it**. The EO sets in motion a host of actions on AI by every federal executive agency
- **Theme:** AI holds extraordinary potential for good but also for harm, including damage to national security, critical infrastructure and privacy; fraud, discrimination and bias; disinformation and workforce displacement
- **Key actors:** The EO looks to NIST to develop standards, recommendations and best practices for AI development and use that federal agencies are directed to build into current and new regulations, leading to new kinds of enforcement
- **Message to private sector:** Develop AI governance and engage with the NIST Risk Management Framework

Activity in every branch of the US federal government

White House

- Office of Management and Budget (OMB) draft policy on agency use of AI
- US Department of Commerce created US AI Safety Institute Consortium (AISIC) tasked with developing and deploying safe and trustworthy AI

Congress

- Senator Schumer, SAFE Innovation Framework for AI Policy
- Artificial Intelligence Advancement Act of 2023 (S. 3050)
- Artificial Intelligence Research, Innovation, and Accountability Act of 2023 (AIRIA)

Federal Agencies

- Joint pledge to “protect individuals’” rights regardless of whether legal violations occur through traditional means or advanced technologies
- Existing laws such as the FTC Act, FCRA, FHA and ADA can be violated through the use of AI technology
- FTC Civil Investigative Demand of OpenAI
- FCC Declaratory Ruling prohibiting use of AI-generated voices in robocalls

Evolving state response

- **Colorado AI Act (Consumer Protections for Artificial Intelligence)** (effective 2/1/2026)
 - Introduces new requirements for developers and deployers of “high-risk” artificial intelligence systems – those systems that, when deployed, make or are a substantial factor in making, a consequential decision. Consequential decisions include those pertaining to education, employment, financial or lending services, essential government services, healthcare, housing, insurance, or legal services
- **NYC Department of Consumer and Worker Protection Local Law 144 of 2021** (2023)
- **California Privacy Protection Agency Draft Automated Decisionmaking Technology Regulations**
 - “Automated decisionmaking technology” means any system, software or process – including one derived from machine-learning, statistics, or other data-processing or artificial intelligence – that processes personal information and uses computation as whole or part of a system to make or execute a decision or facilitate human decisionmaking. Automated decisionmaking technology includes profiling
 - A business that uses automated decisionmaking technology shall inform consumers about the business’s use of automated decisionmaking technology and consumers’ rights to opt out of and to access information about the business’s use of automated decisionmaking technology
 - Consumers have a right to opt out of businesses’ use of automated decisionmaking technology
- **Executive orders on AI in several states, including CA, MD, PA, OK, OR and VA**
- **State insurance laws and regulations**

The background of the slide is a dark, futuristic digital landscape. It features a grid of glowing lines in blue and yellow, overlaid with various data visualizations including 3D bar charts in red and blue, and a yellow line graph. The scene is illuminated by numerous out-of-focus bokeh lights in warm orange and yellow tones, creating a sense of depth and a high-tech atmosphere. The overall aesthetic is clean and modern, typical of a corporate or legal presentation.

Current European legal landscape

European Union seeking to lead on AI regulation

EU AI Act published on 12 July 2024, in force from 1 August 2024, effective from 2 August 2026 (but specific prohibitions from February 2025)

- **AI Liability Directive** - in draft form, yet to be considered by EU Parliament.
- **Related laws affecting AI:**
 - **The EU General Data Protection Regulation (EU) 2016/679**
 - **The Product Liability Directive** – if adopted, allows people harmed by software to receive compensation from the software manufacturer
 - **The General Product Safety Regulation (EU) 2023/988/EU**
 - Various intellectual property laws under the national laws of EU Member States

EU AI Act



Classification	Implication / Example	Compliance obligations
Unacceptable risk	Prohibited, e.g. systems for social scoring, deceptive or exploitative techniques to materially distort behaviour in a manner that can cause harm.	Prohibited outright.
High risk	Most detailed compliance obligations: (a) used as a safety component of a product, or (b) used in specific areas (including education, employment, access to essential services, law enforcement, migration, administration of justice).	AI systems and their providers must be registered in an EU database before being placed on the EU market, and comply with a wide range of requirements on data training and governance, technical documentation, record keeping, technical robustness, transparency, human oversight and cybersecurity.
Limited risk	Those that directly interact with natural persons (e.g. chatbots, emotion recognition systems, "deepfakes"). Need to disclose that content has been artificially generated. Transparency obligations do not apply where use is authorised by law in law enforcement. Exclusion for those "evidently" artistic, creative, satirical or fictional.	Subject to transparency obligations.
Low or minimal risk	Any AI system not caught by the above.	No specific obligations.

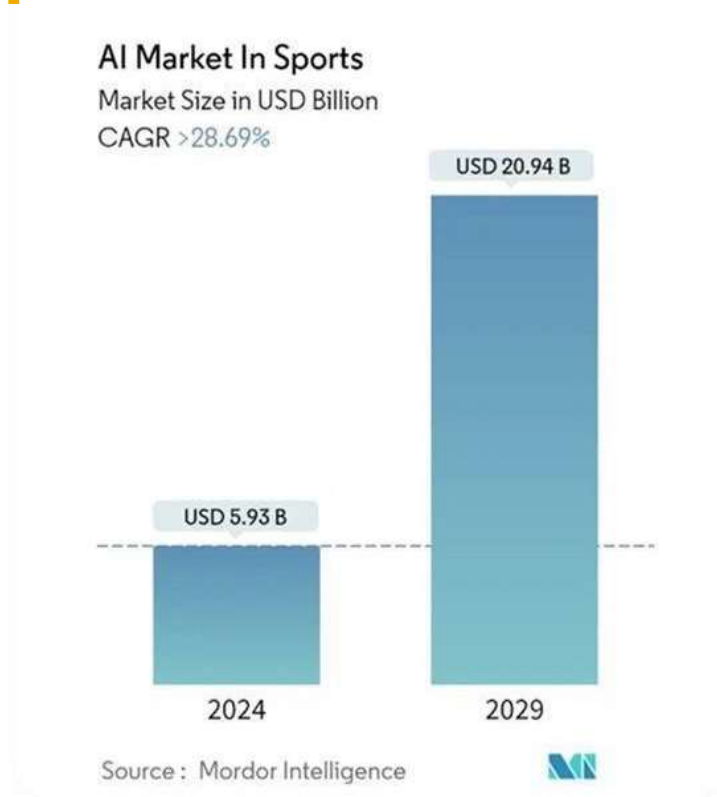
The UK position – AI regulation white paper

- Use existing regulators to implement 5 cross-sectoral AI principles:
 - **Safety, security and robustness**
 - **Appropriate transparency and explainability**
 - **Fairness**
 - **Accountability and governance**
 - **Contestability and redress**
- Examples:
 - CMA review of foundation models
 - ICO guidance on data protection and AI
 - Also OFCOM and the Financial Conduct Authority
- No statutory duty to have regard for AI principles....yet
- UK Government distinguishes between:
 - Highly capable general purpose AI
 - Highly capable narrow AI
 - Agentic AI or AI agents

AI in sports



AI in sports



Study Period	2019 - 2029
Market Size (2024)	USD 5.93 Billion
Market Size (2029)	USD 20.94 Billion
CAGR (2024 - 2029)	> 28.69 %
Fastest Growing Market	Asia Pacific
Largest Market	North America

Major Players

*Disclaimer: Major Players sorted in no particular order

How AI is transforming the business of sports

Artificial intelligence is changing the landscape of the sports industry.

Key areas where AI is being implemented include:

- Enhancing fan engagement
- Performance and predictive analytics
- Automated officiating
- Sports betting and fantasy sports contests
- Coaches and athlete preparation
 - Injury prevention
 - Performance analysis
 - Scouting and recruitment
- Sports equipment

AI issues of particular importance to the sports industry include:

- Data quality issues
- Privacy and data security concerns

Olympic AI agenda

Ensuring equal access to the benefits of AI

- Building solidarity through technology
- OCs and other members of the Olympic Movement so that they can benefit from this transformative new technology.

Facilitating access to coaching

- AI can support coaches and training worldwide by developing and facilitating equal access to data-based training plans customized for each individual athlete.

Advancing AI use by educating the sports movement

- Through education and explanation, the IOC will facilitate the application of AI for the Olympic Movement. By doing so, it will break down barriers that may prevent people from using AI for the benefit of sport.

“Our continued success depends on how we embrace the ever-accelerating development of digital technology, and in particular Artificial Intelligence. This makes our Olympic Agenda 2020 imperative ‘change or be changed’ even more urgent.”

Thomas Bach
IOC President
Olympic Champion – Fencing



AI in EU sports

— Performance analysis and training

- Catapult Sports (UK): Provides detailed performance analytics for athletes through wearable devices, helping coaches and trainers optimize training and prevent injuries.
- Orreco (Ireland): Uses AI combined with sports science to predict injury risks and manage athlete recovery.

— Fan engagement and experience

- Sportec Solutions (Germany): Offers AI-powered solutions for enhancing fan engagement through personalized content and interactive experiences.
- Satisfi Labs (UK): Utilizes AI chatbots to enhance fan interaction and provide personalized experiences at sporting events.

— Broadcasting and media

- WSC Sports (UK): Uses AI to generate automated sports highlights and provide advanced video analysis for broadcasters and digital platforms.
- Pixellot (UK): Employs AI to produce and stream sports events, offering automated game coverage and highlights.

— Scouting and recruitment

- SciSports (Netherlands): Provides AI-driven insights for player recruitment and scouting, analyzing millions of data points to assess player potential.
- Football Radar (UK): Uses AI and data analytics to scout and analyze player performance across various leagues.

— Match analysis and strategy

- Hudl (UK): Breaks down match footage with AI to provide tactical analysis, helping coaches develop game strategies and improve team performance.
- StatsBomb (UK): Delivers in-depth match analysis using AI, assisting teams in understanding tactical patterns and player movements.

— Health and injury prevention

- Kitman Labs (Ireland): Tracks and analyzes player health data with AI to prevent injuries, providing insights into workload management and recovery.

EVERSHEDS
SUTHERLAND

Thank you!

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that is coming?

