



The Controversy Over the Legal Personhood of AI

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Abstract. One of the most distinctive features of the modern era is the enormous technological development. Perhaps the most prominent manifestation of this development is artificial intelligence, a technology that many consider an opportunity to solve complex problems that humans have been unable to address effectively.

Artificial intelligence contributes to making appropriate decisions, accelerating data processing and analysis, and improving the accuracy of forecasts and trend analysis. This enables investors to make timely and well-informed decisions. Moreover, intelligent analysis of financial data can be used to enhance planning processes and estimate the future financial performance of companies and financial institutions, thus it has become possible to achieve investment objectives, increase financial returns, expand investment opportunities, and provide specialized recommendations to investors. On the other hand, some view artificial intelligence as posing risks that threaten the interests of individuals, it is evident today that intelligent systems are handling major tasks and large scale commercial operations involving millions of dollars, which increases the risk of default, nonpayment and various payment related disputes. Such issues negatively affect economic transactions and, consequently the economy as a whole. Electronic transactions are rapidly increasing and spreading across many commercial sectors, which has raised the likelihood of fraud and financial scams. In this context intelligent systems have begun to compete with natural persons by replacing them and performing their functions, giving rise to the problem of determining the responsible party in the event of legal disputes namely, who should be held accountable and subject to legal action. Therefore, it has become necessary to consider granting legal personality to this new entity. Accordingly, this research paper aims to examine the extent to which artificial intelligence can be granted virtual legal personality, enabling it to have legal standing, acquire rights, and bear legal obligations.

Keywords: Artificial Intelligence, Personhood, Algorithm Intelligent systems.

1 Introduction

Artificial intelligence is regarded as an entity that operates autonomously within its own environment and adapts to change particularly following the emergence of so-called machine learning. The latter results from automated learning, whereby the algorithm

trains itself to perform a specific task, using a data set this represents a technological turning point that has led humans to realize that direct human intervention is no longer necessary.

It has thus been replaced by artificial intelligence, supported by a computational power that is difficult to challenge. Accordingly improving artificial intelligence and its performance, from this perspective, data are not merely simple raw material, but rather the true corner stone that reflects the strength of artificial intelligence's functioning. Therefore, it is necessary to consider their regulation and transparency at all levels in order to govern this rapidly expanding field [3]. It has therefore become appropriate for national and international legislation to keep pace with the rapid developments in artificial intelligence technology, so to define the responsibilities, limitations and rights related to artificial intelligence, and to address the question of the extent to which it may be granted a form of virtual legal personality enabling it to litigate, acquire rights and assume obligations.

Methodology: The descriptive and analytical method

2 Defining Artificial intelligence:

What is AI? AI is computer software that is programmed to execute certain algorithms (computer code programmed to perform particular tasks) to recognize patterns in large volumes of data. From those patterns, the AI is programmed to reach conclusions, predict future behavior and patterns, make informed judgments based there on the human user [4].

3 The Obstacles Facing the Legal Regulation Of AI

Artificial intelligence does not have a definitive and comprehensive legal definition, rather, its nature changes with technological developments. Consequently, the issue of legal personhood, which come seek to grant it, appears inconsistent with the technical reality.

3.1 The difficulty of establishing a unified definition of AI

Despite the existence of certain legislative definitions of artificial intelligence in comparative legal systems, it remains difficult to establish a unified legal definition of IA. given its constant evolution. Therefore, defining the concept from a legal perspective is a complex task and remains a fertile area of debate among specialists [6]., which has led to defining artificial intelligence on the basis of specific identifying criteria. and due to its growing presence in economic relations it has become urgent for every legislator to at least determine its core components.

Consequently, in the absence of a unified definition of artificial intelligence, it remains an undefined legal object as a result, its status with respect to the fundamental categories of law, including liability law, is largely uncertain, which necessitates determining

the extent to which it may be integrated into the legal system, either as an entity or as a legal.

3.2 Legal Issues of AI

Despite the considerable potential of Artificial intelligence to transform the legal sector, its implementation is accompanied by various challenges, issues related to ethics, accountability, and operational risks highlight the need for a cautious and well considered approach when integrating AI into legal systems.

3.2.1 Black Box Transparency Issue

The difficulty of delimiting and predicting artificial one of the primary challenges with AI is its « black box » nature, where complex algorithms make decisions without clear explanations for their reasoning. This lack of transparency is particularly problematic in law [8].

For this reason, black box systems are generally considered highly problematic, as they lead to a complete lack of transparency, making it impossible to interpret the algorithm afterwards, it is not even possible to perform reverse engineering on them. As a result .AI may operate in a way that differs significantly from what the program's designers originally intended.

It is difficult to understand how the system arrived at a particular decision and which information was decisive in that process, in other words, if even the creator of the AI cannot predict these decisions; how can others do so? the inability to foresee harm is even greater with non-explainable AI, since the ability to anticipate how it makes decisions is very limited or virtually nonexistent [3].

3.2.2 Functional Autonomy of Artificial intelligence

The common understanding of artificial intelligence systems is that they are automated systems meaning they operate according to preprogrammed instructions and do not have the ability to deviate from them. this is essentially what automation means; programming a machine to perform a specific task period without going beyond those predefined limits [5].

However ,artificial intelligence systems are undergoing continuous and rapid development ,which has enabled them to stimulate cognitive processes associated with human intelligence .They have become capable of treating each situation as a unique case in an unpredictable and unplanned manner .Consequently ,their functional responses can be longer be reliably predicted ,especially when these systems perform human activities in ways that surpass human intelligence in terms of autonomy ,speed, accuracy ,and cost efficiency.

Therefore ,artificial intelligence systems do not , in absolute terms ,have reactions that are always know measured fixed or predictable .this is because some of them are

intelligent cognitive systems that learn autonomously and are programmed to act in the most rational manner possible based on surrounding circumstances .They make independent decisions derived from data ,experiences , and encoded knowledge ,without referring back to the creator ,the programmer ,the owner ,or the operator ,accordingly in such cases the user of these self-learning automated systems cannot be held liable for their actions ,nor be obliged to compensate for the damage resulting from them [2].

In the end, those issues are increasingly pertinent across all fields of AI systems should be granted artificial personhood and how legal responsibility, should be addressed in the context of AI systems [7].

4 The Legal Personality Of AI

One line of reasoning suggests that AI should be granted legal personhood, enabling it to participate in legal proceedings as either a claimant or a defendant, such a framework may be more appropriate for strong AI systems that imitate human cognitive abilities and could eventually outperform humans.

AI with intelligence and functions that mimic humans and may even be superior to humans.

Granting legal personality is nothing more than a legal device used by the legislator to confer rights and bear obligations ,whether the subject is a natural or legal person .However ,given the scientific advancements witnessed today in the technological world and the emergence of artificial intelligence systems ,and considering the wide range of services they currently provide as well as the harm they may cause to human ,the law must confront this new reality rather than continue to ignore it as a result ,the question has arisen as to whether the traditional concept of legal personality can be expanded and whether it is necessary to grant legal personality to artificial intelligence systems.

To address this question; two opposing approaches emerged .one approach rejects the idea of granting artificial intelligence systems a virtual legal personality, while the supports the necessity of recognizing such personality even considering it a fundamental requirement for their legal regulation. However, the latter view remains divided over the specific features and characteristics that such a virtual legal personality should have, giving rise to multiple opinions.

4.1 Opposition to Granting Legal Personality to Artificial Intelligence

The majority of legal scholars and jurists oppose the idea of granting artificial intelligence systems legal personality for several reasons ,most notably that such systems have not yet developed sufficiently to warrant such recognition Moreover benefiting from AI does not necessarily require granting it a distinct legal status ,and doing so may ultimately place natural persons in a situation where they are confronted by an artificial , non-human legal personality ,they further argue that granting legal personality to such intelligent systems my lead to serious distortions ,as it coiled result in the designers

,producers ,owners, or users of systems evading responsibilities once liability is transferred to the systems themselves .Moreover such recognition may discourage diligence in their design ,use and risk mitigation ,so long as the law shields them from liability for any harm caused by these system [2].

4.2 The Approach Supporting the Granting of Legal Personality To AI

Since artificial intelligence has not yet been defined in a stable and unified manner ,its legal status remains uncertain as it is neither a thing nor a person .Nevertheless ;the European economic and social committee has taken the view that it is possible to recognize artificial intelligence as having legal personality in this regard ,the committee called upon the European commission to establish a specific legal personality for the most advanced robots , in the form of «electronic persons», who would be responsible for repairing any damage caused to third parties [1].

Ultimately it would be possible to grant electronic personality to any robot capable of making autonomous decisions or interacting independently with third parties.

In addition; the resolution of the European parliament adopts on 16 February 2007 recommended the creation of a specific legal personality for the most advanced autonomous robots. This recommendation reflects a social rationale, namely the desire to draw inspiration from the legal personality of juridical person, whose attribution and legal effects are conditioned by ethical and human considerations [3].

5 Conclusion

The development of artificial intelligence has reached a level of capability that enables it to perform tasks requiring intelligence ,analysis and rapid decisions –making beyond human capacity .However ,this superiority has also generated numerous risks that affect individual interests ,particularly in the absence of legal rules designed to protect those interests ,one of the most prominent proposed solutions is granting legal personality to artificial intelligence in order to define liability and enable the prosecution of parties responsible for harm .This research paper addresses this issue and arrives at several findings ,as well as a number of recommendations ,which are summarized as follows:

Findings

- the difficulty in reaching a unified definition of artificial intelligence.
- the risks to individuals rights arising from the deployment of various artificial intelligence applications.
- the ambiguity surrounding the determination of liability for violation of legal rules affecting specific rights whether it lies with the operator, the owner, or the programmer?
- the use of artificial intelligence applications gives rise to legal challenges, most notably the infringement of individuals privacy.
- the absence of legal personality for artificial intelligence applications hinders judicial resolution and permits the parties responsible to escape legal liability.

Recommendations

-Separating the responsibility of the programmer, manufacturer, or owner from that of the artificial intelligence entity, following the same model as naturel and juridical persons.

-Granting legal personality to artificial intelligence and its legislative regulation. - The equivalence of the legal personality of artificial intelligence and juridical (legal)personality.

-Applying existing rules governing juridical personality, with certain adjustments, to the legal personality of artificial intelligence

A growing body of thought advocates for extending legal personhood to artificial intelligence, thereby enabling it to sue and be sued, such a proposition appears more convincing in the context of strong AI, defined as systems possessing human like cognitive abilities that may, in certain respects, exceed human capabilities. The existing arguments may be classified into two main groups. The first contends that extending legal personhood could safeguard both individuals and legal entities, and in doing so, promote the advancement of artificial intelligence.

This line of argument is based on the premise that criminal liability for the purpose of deterrence is pointless for an AI system. Although this argument could be valid, it does not do away with the need to deter developers, users, and owners from producing AI that may violate the laws [9].

In the end, those issues are increasingly pertinent across all fields of AI systems should be granted artificial personhood and how legal responsibility, should be addressed in the context of AI systems.

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