## The EU AI Liability Directive

Crucial updates to AI liability which aim to protect fundamental rights in the digital age - Download the background paper (PDF)

On 28 September 2022, the European Commission published two new proposals to make liability rules suitable for the digital age, in which Artificial Intelligence (AI) systems will have a common place in society. Through the proposed amendments to the Product Liability Directive (PLD), and the new AI Liability Directive (AILD), the Commission aims to update the laws governing manufacturers' strict liability for defective goods (from medical devices to smart technologies). The revised rules aim to provide businesses with greater legal security so they can invest in developing new, cutting-edge products. At the same time the Commission aims to strengthen the position of people to receive just compensation when faulty goods, including digital goods, cause them harm. Both these proposals aim to harmonise and strengthen the product liability regime, filling the gap left by the Product Liability Directive adopted in 1985 that currently still regulates AI system liability. Under the current regime, it is difficult to get compensation for harm caused by faulty AI systems because of the way the law is phrased. For this reason, the PLD Proposal and the AILD establish two much needed new liability regimes.

This short <u>background paper</u> details the main issues at play and what it means for patients in the European Union.

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