

ARTIFICIAL INTELLIGENCE (AI):

ARE MACHINES REVOLUTIONIZING INTERNATIONAL ARBITRATION?

June 3rd 2024

The use of Artificial Intelligence (AI) in International Arbitration (IA) is redefining the paradigms of legal disputes on a global scale. This integration promises a revolution in how legal professionals, from Panama to Paris, approach conflict resolution. The legal sector, traditionally perceived as conservative and resistant to change, is now at the forefront of technological integration, particularly in the realm of IA.

Should we be afraid? Will AI replace international arbitration practitioners or tribunals?

The good news is that AI will not be replacing us (...at least not for the time being). This is because even if current AI technologies can “solve problems”, such “decisions” rely on provided data (i.e., AI provides a solution based on statistical analysis and not on the reasonableness of a case).

For the moment, AI technology cannot engage in legal reasoning and cannot render a decision based on the individual circumstances of a case.

How can International Arbitration benefit from AI?

AI can provide the tools to make our work more time and cost effective, and even more reliable.

One of the most time-consuming aspects of IA is the documents review process. AI technologies, like machine learning and natural language processing, are now used to sift through terabytes of data, identifying relevant documents in a fraction of the time it would take human lawyers. These same tools are also helpful for searching for arbitral awards and/or national judgements. AI technologies can assist in this task by identifying critical documents and even preparing summaries of the relevant issues discussed in the documents.

ARTIFICIAL INTELLIGENCE (AI):

ARE MACHINES REVOLUTIONIZING INTERNATIONAL ARBITRATION?

June 3rd 2024

AI can even be used to prepare summaries of the procedural events that have taken place in an IA proceeding and of the positions of the parties, which can then be fine-tuned by human review, as well as to take meeting minutes and provide summaries of international arbitration hearings.

Is it happening in 2024?

Yes, popular service providers are already offering AI platforms that offer the following services (amongst others): (i) document review, and (ii) AI-powered summarization of arbitration decisions from a global database. Some of these platforms are LexisNexis' "[Lex Machina](#)" and Jus Mundi's "[Jus-AI](#)".

Are there any risks?

With great power comes great responsibility. The reliance on AI in international arbitration raises significant ethical concerns, particularly regarding: data privacy, the potential for AI biases, and (iii) the integrity of AI-generated outcomes.

The recent fine imposed on two U.S. lawyers for submitting AI-generated fictitious cases highlights the risks of reliance on AI without adequate oversight from the legal professionals.

In response to these challenges, on August 31, 2023, the Silicon Valley Arbitration and Mediation Center released [draft guidelines](#) aimed at ensuring the responsible use of AI in international arbitration. These guidelines recommend: understanding the uses, limitations, and risks of AI applications; a clear disclosure when AI tools are used, adherence to data protection laws, complying with obligations to safeguard confidential information, a prohibition to affect the integrity of the proceedings and the evidence and a prohibition against delegating decision-making solely to AI. The Silicon Valley initiative underscores a critical understanding: AI is an augmentative tool, not a substitute for the judgement of seasoned arbitrators and lawyers.

ARTIFICIAL INTELLIGENCE (AI): ARE MACHINES REVOLUTIONIZING INTERNATIONAL ARBITRATION?

June 3rd 2024

What should we do as international arbitration practitioners?

As AI continues to permeate the IA field, legal professionals must remain vigilant about the ethical use of technology, ensuring that AI serves as an aid to human judgment rather than a substitute.

As this field evolves, continuous learning and adaptation will be essential for harnessing the full potential of AI in international arbitration.

The potential of AI in international arbitration is immense, promising not only to streamline procedures but also to enhance the fairness and effectiveness of dispute resolution across borders.

For practitioners and firms willing to embrace this new frontier, AI presents opportunities for innovation and efficiency. However, in doing so, practitioners must remain vigilant and in compliance with their ethical standards and obligations.

Our Specialists



Claudio De Castro
Partner

Claudio specializes in representing foreign clients and multinational companies facing local and international arbitrations or complex litigation in Panama.

cdecastro@arifa.com



Isabella de la Guardia
International Associate

Isabella specializes in advising both buyers and lenders in cross-border financing agreements.

idelaguardia@arifa.com

Arias, Fábrega & Fábrega

PH ARIFA, 10th Floor, West Boulevard

Santa Maria Business District

Panamá, República of Panamá

Phone: +507 205 7000

www.arifa.com | [@arifalegal](https://www.instagram.com/arifalegal)