

Workshop: AI and ODR: Relevant Platform Regulations and How to Deploy New Technologies in Dispute Resolution

The presented workshop will be comprised of two parts. During the first part a relevant (European) legal basis concerning platform regulation (DSA, AIA, AI Liability Directive etc.) will be introduced together with its practical aspects and mostly its problematic and unclear parts. In the second, interactive part of the workshop, the attendees will be presented with three hypothetical ODR providers and their varied advanced technological solutions for facilitating the dispute resolution process. The attendees will be then tasked with identifying a relevant regulatory provision and subsequently designing a compliant process and checklist for deployment of such technologies. A following discussion of fitness of the introduced regulation and overall regulatory environment will follow. As the result of the workshop the checklist of compliance matters should be provided. From that it should be evident which regulatory duties has to be fulfilled by the different types of ODR providers.

Aim of the workshop: The aim there is to provide recommendations for compliance of ODR providers in connection with introduced practical scenarios. Please indicate relevant approach and duties reflecting the need of the further mentioned ODR providers in the manner, that they need compliance check how to approach the regulations.

General description: You are approached by a provider of an online marketplace platform to help them be compliant with all the new and upcoming EU regulations they kept hearing about, namely the DSA, AIA and AI Liability Directive, which they are concerned about namely due to the technologically advanced nature of their services, in which they have always taken pride. Advise them on relevant regulatory steps they need to take and briefly try to explain to them why such steps need to be taken. Follow up on that by explaining the potential negative aspects of failure, especially what are the consequences, should their technological solutions fail to work as intended. Please disregard any issues related to the payment processing.

Description of the scenarios to be specifically discussed:

- 1. (Chatbot suggestions scenario):** The Platform is a simple eBay style marketplace, that allows every registered user to sell any (legal) item or offer service to any other registered user on the site, for a small commission fee, that is deducted by the Platform from the payment. The Platform serves the purpose of a mere facilitator, shipping and storage is handled by the user, the platform however facilitates the payment, in order to be able to deduct its own fee. Besides the payment system, the only advanced feature the Platform has recently deployed is a chatbot that helps the users with a common FAQs in order to relieve the workload of their helpdesk as well as to provide a multilingual support. Such has been made possible namely due to the advancements in generative AI and LLMs, such as ChatGPT 4 which has allowed the Platform to customize it to handle the helpdesk queries within a chat window, thanks to the help of service similar to Botsonic.
- 2. (Mechanisms for settling content moderation):** The Platform has been a success and has brought the attention of many sellers, with some businesses also setting up a “virtual shops” there, alongside the customers to also sell their products. The Platform has taken a notice and decided to upgrade several features as well as the overall design. In order to cover these new expanses, it has introduced the feature of premium subscription which allows the subscriber to have their items shown at higher position in the search as well as utilize GoogleAds style keywords for relevant search terms. In order to appease its commercial (and premium paying)

customers, the Platform has started to shadowban sellers that were selling fakes or imitations of other products. This has however upset the shadowbanned sellers that claim that their products are not imitating other products and that the Platform is using this as a filtering tool in order to boost the sales of its paying members, they hold that there is no reason for their products not to be displayed. Does the platform have to offer any remedy or review process? Can such review process be automatized by using a machine learning based system?

3. **(Automated ODR for settling e-commerce disputes using AI tools):** Since the Platform has grown, so has the number of issues and associated disputes between the buyers and sellers. In order to provide their users a better customer protection, the Platform has chosen to start its own ODR subplatform that takes care of the disputes arising from buying and selling over its Marketplace. Since the Platform is mindful of the need to uphold a good relationships between the disputing parties in order to foster further business, it firstly encourages them to seek a solution within mediation phase. In this phase the Platform uses a chat for communication and advanced blind-bidding system, similar to SmartSettle, to help the parties to find a mutual agreeable solution faster. In order to this, the blind bidding system utilizes a machine learning based algorithm that awards favourable points to party that is more forward with their offers. In case there is no interest to settle the dispute in mediation, the Platform also offers a next phase of resolving the dispute authoritatively. Since the number of disputes has been on the rise, the Platform has employed an Automated Decision Making system, that takes input from the disputees and based on proprietary AI-based algorithms decides the dispute together with the “sanction”, i.e. full or partial refund etc. The provider comes to seek the answer to the necessary regulatory duties they need to fulfil as well as they wonder what happens if the algorithms go haywire.

The structure of the workshop: approx. (i) 45mins introduction, (ii) 30mins hands-on and attendees’ discussions in teams, (iii) 15mins wrap-up and suggestions