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Regulating Generative AI Usage in the Workplace

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Generative Artificial Intelligence (“GenAI”) generally refers to a type of artificial intelligence that generates new content in forms such as text and images, based on what it has learned from massive existing data. GenAI-generated content is being utilized more often in business settings, such as streamlining work in the workplace. GenAI may assist with summarizing and analyzing large amounts of data or completing research in a short period of time. However, using GenAI poses risks including inadvertent disclosure of confidential information, dissemination of incorrect information generated by GenAI, infringement of third-party intellectual property rights, and loss of intellectual property protection for content and inventions created using GenAI.

To address these issues, organizations should develop workplace policies regulating GenAI use. Such policies may prohibit the use of GenAI for work-related purposes entirely or allow GenAI to be used in the workplace if properly regulated. While an outright ban on GenAI may be an option, it may not be possible or desirable for organizations given the continuing expansion of GenAI services and the benefits that GenAI may provide. Therefore, organizations that allow GenAI to be used in the workplace need to regulate how this tool is used and establish clear workplace policies such as:

- Specifying approved GenAI tools and its scope of use within the organization
- Defining acceptable purposes and limitations regarding its use
- Outlining compliance requirements and prohibited activities
- Clarifying the internal processes for managing and overseeing GenAI usage
- Providing training on proper and secure GenAI usage

With the continuing evolution of GenAI technology and services, organizations should monitor changes and developments to legal standards and regulations to keep their policies up-to-date.

If you have any questions regarding the content of this article, please contact your Masuda Funai relationship attorney or any member of Masuda Funai’s Intellectual Property and Technology Practice Group.

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