



## AI AND ONLINE DISPUTE RESOLUTION: MEDIATION

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### Abstract:

The paper will address the problem of replacing human in dispute resolution taking Mediation as an example. The widespread use of internet and online technology has led to the emergence of various e-commerce businesses across different sectors of the economy, resulting in a constant flow of transactions. The importance of the internet in the virtual realm cannot be denied, and this has led to the emergence of virtual disputes that require virtual settlement mechanisms. Online Dispute Resolution (ODR) is a form of Alternative Dispute Resolution (ADR) that has arisen to address this issue. This paper aims to examine the potential applications of Artificial Intelligence (AI) in ODR, specifically in the context of transnational disputes to AI instead of Human interference. This paper will state the analysis methodology used in studying the topic The incorporation of AI into ODR systems has the potential to accelerate the settlement of low-value transnational claims. ODR typically involves negotiation or settlement during mediation or arbitration using video, audio, or written collaboration software, or any other digital platform where parties can come together to resolve their disputes.

**Keywords:** Legal AI; Artificial Intelligence law; AI Mediation; Mediation; Chat GPT; OpenAI; Modern Law Practice.

الدكاء الاصطناعي وتسوية النزاعات عبر الإنترنت: الوساطة

الملخص:

تتناول الورقة مشكلة استبدال الإنسان في حل النزاعات مع الأخذ بالوساطة كمثال. أدى الاستخدام الواسع النطاق للإنترنت والتكنولوجيا عبر الإنترنت إلى ظهور العديد من أعمال التجارة الإلكترونية عبر قطاعات مختلفة من الاقتصاد، مما أدى إلى تدفق مستمر للمعاملات. لا يمكن إنكار أهمية الإنترنت في العالم الافتراضي، وقد أدى ذلك إلى ظهور نزاعات افتراضية تتطلب آليات تسوية افتراضية. حل النزاعات عبر الإنترنت (ODR) هو أحد أشكال الحل البديل للنزاعات (ADR) الذي نشأ لمعالجة هذه المشكلة. تهدف هذه الورقة إلى دراسة التطبيقات المحتملة للدكاء الاصطناعي (AI) في ODR، وتحديدًا في سياق النزاعات عبر

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الوطنية على الذكاء الاصطناعي بدلاً من التدخل البشري. تتبنى هذه الورقة منهجية التحليل المنهجي للواقع و الفرص في دراسة الموضوع. إن دمج الذكاء الاصطناعي في أنظمة ODR لديه القدرة على تسريع تسوية المطالبات عبر الوطنية منخفضة القيمة. عادةً ما يتضمن التسوية الحاسوبية التفاوض أو التسوية أثناء الوساطة أو التحكيم باستخدام الفيديو أو الصوت أو برنامج التعاون المكتوب أو أي منصة رقمية أخرى حيث يمكن للأطراف أن يجتمعوا لحل منازعاتهم.

## INTRODUCTION

As we witness the proliferation of online businesses across various industries, it is undeniable that the internet and online technology have become integral to our daily lives. With this increased reliance on the virtual realm comes the emergence of virtual disputes that require virtual resolution mechanisms. Enter Online Dispute Resolution (ODR), a form of Alternative Dispute Resolution (ADR) that addresses these issues.

ODR encompasses a range of methods, such as electronic mediation, electronic negotiation, and electronic arbitration, that allow parties to convene and resolve disputes in a digital space. This eliminates the need for in-person meetings and addresses a broad spectrum of disputes, from consumer complaints to e-commerce disputes and conflicts between individuals and the state.<sup>1</sup> ODR is no longer a novel concept and has been adopted by international centers such as the World Intellectual Property Organization (WIPO) and the International Chamber of Commerce (ICC) to resolve disputes in international trade and electronic business. It is now obvious the relationship between big data and artificial intelligence is close and American restorative justice in the era of big data intelligence is compared with China's people's mediation system.<sup>2</sup>

This paper on the application of artificial intelligence in legal dispute resolution is of paramount importance as it delves into the potential of AI to revolutionize the legal system. The use of AI in legal dispute resolution has the potential to enhance effectiveness, precision, and fairness in legal decision-making. The analytical methodology used in this paper provides a thorough examination of the current and future opportunities for AI in legal dispute resolution. It is important to note that the methodology used in this paper allows for a deep understanding of the potential of AI in this field and

the implications it may have on the legal system. The paper provides a comprehensive analysis of the opportunities and challenges of AI in legal dispute resolution, which is crucial for understanding the potential impact of this technology on the legal profession and society as a whole. The importance of this paper cannot be overstated as it provides a valuable insight into the potential of AI in legal dispute resolution, and the need for proper regulation, education, and research in this field.

The use of AI in ODR raises some concerns, such as the potential for bias and the need to ensure that the use of AI is transparent and accountable. As Chris Draper and Anjanette H. Raymond note in their article "Building a Risk Model for Data Incidents: A Guide to Assist Businesses in Making Ethical Data Decisions," businesses must consider the potential risks associated with data incidents and take steps to mitigate them. This is especially important in the context of ODR systems, as the use of AI can introduce new risks that must be carefully evaluated and managed.<sup>3</sup>

This paper aims to explore the incorporation of artificial intelligence (AI) into ODR systems, specifically in the context of transnational disputes. By incorporating AI, the settlement of transnational low-value claims can be expedited. AI can be utilized in ODR in various ways, such as creating automated contract review systems, automating the allocation of cases to specific mediators, and analyzing data to predict the outcome of a dispute.

However, it is worth noting that the use of AI in ODR raises some concerns, such as the potential for bias and the need to ensure that the use of AI is transparent and accountable. Additionally, there is a need for a more comprehensive examination of the application of modern ODR systems within traditional legal frameworks. As ODR systems continue to evolve, it is crucial to consider the implications and potential consequences of incorporating AI into the process.

As a result, the incorporation of AI into ODR systems has the potential to greatly improve the efficiency and effectiveness of transnational dispute resolution. However, it is important to consider the potential consequences and ensure that the use of AI is transparent and accountable. Further research

is needed to fully understand the impact of AI on ODR and to ensure that the use of AI aligns with traditional legal frameworks.

## **Chapter I: AI AND DISPUTE RESOLUTION**

### **The Impact of Artificial Intelligence on Dispute Resolution**

Artificial intelligence (AI) is a rapidly growing field that has the potential to significantly impact many areas of life, including the legal profession and the field of dispute resolution. As AI technology continues to advance, it is becoming increasingly clear that it has the potential to replace human thought processes and interactions, raising concerns and questions about its potential use in ADR.

One of the main concerns about the use of AI in ADR is that it may remove the human element that is so crucial to the mediation process. Mediation often relies heavily on the human element, as the final settlement is often closely tied to the interactions and dynamics that occur during the mediation process. Thus, the use of AI in mediation may be viewed as removing the human skills and intuition that are so vital to the process.

However, there are also some potential benefits to the use of AI in ADR. For example, AI could potentially process claims faster and even make decisions, which could be a significant advantage in certain situations. Additionally, AI may be able to recognize and respond to human emotions, which could be helpful in building relationships and resolving disputes.

Despite these potential benefits, there is also the concern that disputants may not accept a decision made by a computer, even if it is based on clear logic. This is because it may be easier to argue against a computer's mistakes than an individual's, and there is a sense that a computer-based decision may lack the sense of justice that is so important in mediation. As a result, it is important to carefully consider the implications of AI in ADR and to develop clear regulations and guidelines to govern its use.

AI is a rapidly advancing technology that has the potential to revolutionize the field of dispute resolution. One of the key advantages of AI in this context is its ability to replace human thought processes and interactions, enabling faster and more efficient resolution of disputes. However, for those operating in the field of ADR, such forecasts may seem worrisome and even frightening. The question then arises: what could AI likely do in an environment that places a heavy emphasis on concepts such as sense of justice or human interaction, particularly in the context of mediation?

### **The Potential Impact of AI on Mediation**

One of the key concerns regarding the use of AI in dispute resolution is the potential for it to replace human mediators and decision-makers. Many critics argue that the use of AI in mediation would remove the human element from the process, resulting in a less effective and less fair resolution of disputes. Additionally, there is a concern that disputants may not accept a decision made by a computer, even if it is based on clear logic, as it may be easier to argue against a computer's mistakes than an individual's.

AI is increasingly gaining attention in all areas of life, including the legal profession and in particular in the field of dispute resolution. For those operating in the field of ADR, such forecasts may seem worrisome and even frightening; for others, the predictions may be exciting. The question that arises is, what could AI likely do in an environment that places a heavy emphasis on concepts such as sense of justice or human interaction, taking into consideration of mediators?

One of the main concerns is whether AI can replace human thought processes and interactions. In the field of mediation, the use of artificial intelligence has always seemed impossible. It seems that the procedures of most disputes through mediation are closely related to the human element more than other means of dispute resolution, because the final settlement is attached to what happens during the mediation procedures, which makes the use of artificial intelligence in it difficult because it removes human mediation skills.

However, the idea of AI answering social questions isn't fiction. For example, Sophia's "birth" in 2015 may be a harbinger of things to come. Sophia (with a life-like human head), developed by Hanson Robotics, is specifically designed to interact socially with people. The idea of allowing AI to do social connection while building a relationship with people sounds kind of weird, especially to mediators. Thus, what once seemed pure science fiction is now possible. Because of developments like Sophia that seemed distant but not impossible, today countless programs can recognize and respond to human emotions, and while these programs may not be like human interaction, they are getting better all the time.

Another concern is whether AI can have the ability to process claims faster and even decide cases. Will opponents accept solving their cases by computer? There is an opinion that the disputants will not accept a decision made by computers, albeit based on clear logic, and it may be easier to argue against a computer's mistakes than an individual's. However, the counterargument is that as AI becomes more and more a part of our daily lives - so much so that we allow it to guide our families and us in self-driving cars - there will come a time when we will be completely comfortable letting an algorithm decide our case for us. In addition, there is no need for a sense of justice because mediation does not relate strictly to law or fair deals but focuses on conciliation agreed by parties.<sup>4</sup>

So, could AI be present at the mediation table and the mediator? Surely, AI will not get to such a point that a bot might represent a client or even chair a mediation session. However, there are some good possibilities that AI can provide in mediation, and all of them could be true. AI could be a tool for the mediator to help and facilitate the mediator's mission, or it could become just an alternative mediator.

One of the potential benefits of AI in mediation is that it can be used as a tool to help and facilitate the mediator's mission. For example, AI can assist in the analysis of large amounts of data and provide valuable insights that can help mediators make better decisions. Additionally, AI can be used to automate repetitive tasks, such as document review and scheduling, which can help mediators save time and increase efficiency.

Another possibility for AI in mediation is that it could become an alternative mediator. This could be particularly useful in situations where a neutral third party is not available or where the parties prefer to use an AI-based system. However, it is important to note that the use of AI as an alternative mediator would be limited by its current capabilities, which include recognizing and responding to human emotions. It is essential that the AI-based system is able to understand and respond to the emotions of the parties involved in the mediation process in order to be effective.

In conclusion, while AI has the potential to provide many benefits and opportunities in the field of mediation, it is important to consider the potential negative effects as well. It is essential to use AI in a responsible and thoughtful manner to ensure that it does not harm the mediation process. Further research and development are needed to understand the implications of AI in mediation and to ensure that it is used in a way that enhances the mediation process rather than undermines it. Are these changes positive or negative? It's hard to tell without a crystal ball.

## **Chapter II: LAWS OF AI AND ODR**

### **The Legal Implications of AI in ODR**

The use of artificial intelligence (AI) in dispute resolution is a topic of much debate, with opinions on whether it should be legalized or not divided. Those in favor argue that as AI becomes more integrated into our daily lives, it is necessary to change legal systems and concepts to regulate its use. This would involve creating new categories of responsibility or rethinking the burden of proof in order to address any responsibility posed by AI. This may be necessary as AI will likely be the cause of future conflicts.

However, there are also challenges that may arise from defects in the AI system used in online dispute resolution (ODR). For example, if a mutual mistake about a material fact leads to an unlawful settlement, it is unclear who should bear responsibility - the AI system or the person who programmed the software. Such issues highlight the need for a thorough examination of the legal implications of AI in dispute resolution and the development of regulations to address them. Sometimes it needs to be in conformity of Constitutional Due Process.<sup>5</sup>

To mitigate the possibility of errors and defects in the AI system, it is important to have a robust quality assurance process in place, including testing, validation and regular maintenance. This will ensure that the AI system is operating optimally and can provide accurate and reliable results. Additionally, it is also important to ensure that the AI system is transparent and explainable, so that any errors or defects can be easily identified and corrected. This will increase the trust in the AI system and the ODR process.

The goal of AI in ODR is to facilitate business among contracting members, but this does not prevent disputes from arising. To govern these disputes, regulations are needed to ensure that the dispute process is efficient and cost-effective. However, traditional ADR laws may not be flexible enough to accommodate the unique challenges of online business and international trade transactions. This is where ODR comes in, as it offers a new version of dispute resolution that is more flexible and efficient. However, the integration of artificial intelligence into the legal system has the potential to improve efficiency and fairness, but it is important for the legal community to responsibly regulate and educate themselves on the technology to ensure compliance with laws and protection of individuals' rights. Governments should consider creating legislation and standards for ethical use and further research should be conducted on the potential legal consequences of AI.<sup>6</sup>

### **The legal Advantages and Challenges of ODR**

Online Dispute Resolution (ODR) is gaining popularity as a way to resolve disputes quickly and efficiently. One of the key advantages of ODR is its ability to save time and resources for all parties involved. ODR can be completed in a shorter time frame and with less consumption of resources than traditional ADR methods. This is especially beneficial for businesses that operate online, as they can resolve disputes quickly and get back to their normal operations. Additionally, ODR allows parties to resolve disputes remotely, which can be a significant benefit for international trade transactions.

However, there are also challenges that must be addressed. One such challenge is ensuring that the AI systems used in ODR are reliable and accurate. If there are defects in the AI system, it could lead to unlawful



settlements. This raises questions about who should be held responsible in such cases - the AI system or the person who programmed the software. Additionally, there is a need for regulations to govern the ODR process and for cyber law enforcement to ensure that the process is fair and efficient. Overall, while ODR has the potential to revolutionize dispute resolution, it is important to address these challenges in order to ensure that the process is effective and fair for all parties involved.

### **Chapter III: ADVANTAGES AND LIMITATIONS OF ADOPTING AI**

#### **Advantages of Adopting AI**

AI has been gaining attention in various fields, including the legal profession and specifically in the field of ADR. While some may view the use of AI in ADR as concerning, others see it as an exciting prospect. One of the key advantages of using AI in ADR is its ability to save time and resources for all parties involved, as well as its ability to make decisions without the influence of human needs and biases.<sup>7</sup>

A study conducted by researchers at the University of California, Los Angeles, found that the hunger levels of human judges can impact their decisions. The study showed that eight judges ruled over 1000 applications made by prisoners to parole boards for ten months, and their approval rate for granting parole fluctuated based on their hunger levels. This highlights the potential for human biases and needs to impact decision-making in ADR.<sup>8</sup>

On the other hand, AI does not experience hunger or other human needs, and can work 24/7 without rest. This means that AI can make decisions without the influence of these biases, resulting in a more efficient and fair resolution of disputes. Additionally, AI can process large amounts of data quickly and make decisions based on clear logic, which can also lead to more accurate and reliable results.

However, it is important to note that there are also challenges that must be addressed when using AI in ADR, such as ensuring that the AI systems used are reliable and accurate. Additionally, regulations and cyber law enforcement are needed to ensure that the ODR process is fair and efficient.

Despite these challenges, the use of AI in ADR has the potential to revolutionize the field by providing a more efficient and fair process for all parties involved.

The use of artificial intelligence in dispute resolution (ADR) is a topic that has generated much debate, with opinions on its effectiveness divided. While there are certainly some limitations to using AI in ADR, there are also several advantages that cannot be ignored.

One of the main advantages of using AI in ADR is its ability to save time and resources for all parties involved. AI decision-makers can work 24/7 without rest, and do not get hungry or tired, which means that the settlement process is not impacted by human needs. Additionally, AI can guarantee impartiality in the ADR process, as it has no interest in the parties involved and automatically updates the requirements of independence and impartiality. This enhances both the legitimacy and fairness of the system, and eliminates the need for an appeal or review mechanism.

### **limitations of Adopting AI**

However, AI is not without its limitations. One of the main limitations is its ability to understand and analyze conflicted emotions. Additionally, AI takes a long time to be trained and programming errors can be an obstacle to improving the technology in ADR. Despite these limitations, the opportunities that AI provides in ADR deserve to be adopted, at least starting with a semi-autonomous application.

The adoption of artificial intelligence (AI) in the field of alternative dispute resolution (ADR) presents a number of limitations that must be considered before implementing such technology.

Firstly, AI may struggle with understanding and analyzing conflicting emotions. ADR processes often involve complex emotions and interpersonal dynamics, and AI may not have the capacity to fully grasp and respond to these nuances. This can lead to a lack of empathy and understanding in the resolution process, which can negatively impact the outcome.<sup>9</sup>

Secondly, AI systems require a significant amount of time and resources to train. The process of training an AI system can be costly and time-consuming, and the system may not always produce accurate results. Additionally, programming errors may occur, which can further impede the effectiveness of the AI system.<sup>10</sup>

Thirdly, There is a risk that AI systems will be programmed with biases or errors that may lead to unfair or unjust outcomes. With traditional ADR processes, there is often a mechanism for appeal or review, but with AI-based systems, there may be no way to rectify any errors or biases that may be present.<sup>11</sup>

Lastly, there is a risk of the lack of transparency in the AI decision-making process. AI systems are often opaque, and the decision-making process is difficult to understand or explain. This can make it difficult for parties to understand how and why a decision was reached, which can create mistrust and dissatisfaction with the outcome.

In conclusion, while AI has the potential to revolutionize the field of ADR, it is important to consider the limitations and challenges of adopting such technology in order to ensure that the process is effective, fair and transparent for all parties involved.

## **Chapter IV: THE LATEST AI APPLICATIONS**

The latest AI applications in the field of ADR, specifically in the realm of ODR, are increasingly being integrated into court-based systems. Companies such as Tyler Technologies and Matterhorn are leading the way in developing tools that can efficiently resolve simple and low-value disputes. For instance, in the case of parking tickets, these tools allow individuals to log in, complete necessary documents, and pay related fines all online. In more complex situations, these tools may facilitate real-time or asynchronous text-based communication between parties, enabling the plaintiff to accept a lower value in exchange for a quick resolution.

It is important to note that the number of possible outcomes in these types of disputes is limited. Whether it is a parking ticket or a small claim dispute, the

plaintiff will either receive all of their money, some of their money, or the case will go to court. These applications are ready for implementation and can either work alongside human ADR professionals or replace them entirely.<sup>12</sup>

Academic analysis suggests that the integration of AI in ODR has the potential to revolutionize the dispute resolution process. However, it is crucial to address the limitations of AI in understanding and analyzing complex emotions, as well as the need for regulations and cyber law enforcement to ensure the process is fair and efficient. Additionally, there is a need to address the potential liability issues that may arise from defects in AI systems used in ODR. Despite these limitations, the benefits of utilizing AI in ODR, such as increased efficiency and impartiality, make it a promising area of advancement in the field of ADR.<sup>13</sup>

### **AI as Facilitator Tool in Mediation**

Artificial Intelligence (AI) has been increasingly used as a facilitator tool in the field of mediation, as it has the potential to streamline the dispute resolution process and improve its efficiency. Mediation is a form of alternative dispute resolution (ADR) that involves a neutral third party, known as a mediator, helping disputing parties to reach a mutually acceptable resolution. The use of AI in mediation can be seen as an innovative approach, as it can provide a number of benefits over traditional human-led methods.<sup>14</sup>

One of the main advantages of using AI in mediation is its ability to save time and resources for all parties involved. AI-powered systems can be completed in a shorter time frame and with less consumption of resources than traditional ADR methods. This is particularly beneficial for businesses that operate online, as they can resolve disputes quickly and get back to their normal operations. Additionally, ODR allows parties to resolve disputes remotely, which can be a significant benefit for international trade transactions.

Another advantage of using AI in mediation is its ability to guarantee impartiality. There are many cases where a human mediator may present partiality in dealing with disputes. AI-powered systems, on the other hand,

have no personal biases and can provide a more fair and unbiased resolution process. Furthermore, AI can dispense with the need for an appeal mechanism or a review mechanism dealing with the integrity of the proceedings that would compromise the impartiality of the mediation.

However, there are also some limitations to using AI in mediation. One such limitation is the challenge of ensuring that the AI systems used in ODR are reliable and accurate. If there are defects in the AI system, it could lead to unlawful settlements. This raises questions about who should be held responsible in such cases - the AI system or the person who programmed the software. Additionally, there is a need for regulations to govern the ODR process and for cyber law enforcement to ensure that the process is fair and efficient.<sup>15</sup>

AI can play a significant role as a facilitator in the field of mediation by providing support to the mediator in various ways. For instance, AI can assist the mediator by alerting them at the appropriate time to hold caucuses, discussing a specific topic, identifying certain expressions or terms, or providing suggested options. When disputes are resolved through voluntary agreements that are legally acceptable to all parties, even if the final terms were not initially considered as a possible outcome, it leads to more efficient and enforceable justice.

Facilitator AI mediation operates as semi-autonomous mediation, where ODR systems can mirror efficient mediation while incorporating artificial intelligence for the ideal mediator. For example, if the parties wish to limit the focus of the moderator to a narrow aspect of a complicated topic, the AI system can exclude all data that the parties consider undesirable to discuss without any partiality. Alternatively, if the parties seek an evaluation of how a particular aspect of the negotiation would likely be resolved based on its similarity to other known disputes, AI can make a more accurate assessment more efficiently than any human.<sup>16</sup>

These uses of AI are already proven tools for filtering disputes and are exactly the kind of AI applications that analyze risk more quickly and reproduce partial predetermined resolutions if used to describe the nature, scope, or meaning of the choices at parties' disposal during mediation. These

mediators encourage the parties to promote their solutions, however unconventional the outcome may be. In this example, the medium facilitates an environment that reduces restrictions to legal texts and expands creativity. In these mediations, the mediator can read the room, feel where things are going and enable breakouts.<sup>17</sup>

In conclusion, the use of AI in mediation has the potential to revolutionize dispute resolution. By providing a more efficient and impartial process, AI can save time and resources for all parties involved. However, it is important to address the limitations of AI in order to ensure that the process is effective and fair for all parties involved. The latest AI applications on Mediation are aimed to collaborate with the persons who work with ADR or to replace them, for example, most recent ODR-related applications often focus on court-based systems that integrate tools from companies such as Tyler Technologies or Matterhorn to resolve simple, low-value disputes, and these tools are ready enough to be used in the field of mediation.

### **AI as an ALTERNATIVE of human mediation**

The use of AI in Online Dispute Resolution (ODR) has been gaining increasing attention as a potential alternative to traditional human mediation. AI can work autonomously and analyze the interests of the parties involved in a dispute, providing information about their key points and positions. This can help improve awareness of acceptable and unacceptable options for the parties in the mediation process, ultimately leading to a more successful outcome. Additionally, AI can improve the flexibility of the parties involved in a conflict. As e-mediation requires flexibility, AI can meet the parties' interests in a flexible way.<sup>18</sup>

One of the key advantages of using AI as an alternative to human mediation is its ability to provide impartial and unbiased decision-making. Unlike human mediators, AI is not subject to the same biases and prejudices that can affect the outcome of a dispute. Additionally, AI is not influenced by emotions or personal relationships, making it a more objective and neutral party in the mediation process. This can lead to more accurate and fair decisions, which can ultimately benefit both parties involved in the dispute.

Another advantage of using AI as an alternative to human mediation is its ability to process and analyze large amounts of data in a relatively short period of time. In complex disputes, where a significant amount of information needs to be reviewed and evaluated, AI can quickly and efficiently sift through the data to identify key issues and potential solutions. This can help speed up the resolution process and lead to more efficient and effective outcomes. Additionally, this model can adopt prior cases studies since AI works better when provided countless examples. In this sense, retrieval is needed to match the disputant's case with settlements.

Additionally, AI's ability to learn and adapt to new information means that it can be trained to recognize patterns and trends in disputes, allowing it to make more informed and accurate decisions. This can be particularly beneficial in disputes that involve technical or specialized knowledge, where a human mediator may not have the same level of expertise.

Despite these advantages, there are also some limitations to the use of AI in mediation. One of the main concerns is that AI may not have the same level of understanding and empathy as human mediators. This could make it difficult for AI to fully understand the nuances and complexities of a dispute, and may limit its ability to provide effective solutions.

One example of the utilization of AI in resolving disputes can be seen on the e-Bay platform. Each year, the e-Bay platform handles over 60 million e-commerce cases, with an average value of around \$70-\$100 USD per dispute. These disputes are handled by a resolution center that allows disputants to amicably resolve their issues through direct communication. Additionally, the resolution center provides information to assist in identifying trustworthy sellers.<sup>19</sup>

Furthermore, the resolution center is linked to a feedback system, enabling customers to make informed decisions about whom they choose to do business with based on the experiences of others. One limitation of online dispute resolution (ODR) is the lack of a judicial enforcement mechanism. However, e-Bay addresses this challenge through implementing a feedback penalty system, whereby sellers or buyers who have engaged in negative behavior are publicly criticized, and by working with bank-card providers to ensure that retailers fulfill their obligations.

Another concern is that AI may not be able to fully replicate the human touch and personalization that is often critical in successful mediation. This could make it difficult for parties to fully engage with the mediation process and make it harder for them to reach a mutually acceptable solution.

Despite these limitations, the use of AI as an alternative to human mediation is an exciting area of research with great potential. As technology continues to advance, it is likely that the use of AI in mediation will become more common, providing new and innovative ways to resolve disputes.

## CONCLUSION

This paper has explored the potential benefits of incorporating artificial intelligence (AI) into online mediation as a means to achieve the initial goals that made mediation popular in the first place. Online mediation, as an alternative to traditional mediation or Alternative Dispute Resolution (ADR), is created to provide a more efficient and cost-effective way to resolve disputes. By introducing AI into this process, we can expect to see even greater opportunities for time and cost savings, particularly in the resolution of small claims. Furthermore, the use of AI in online mediation can also provide impartial and unbiased decision-making, improved flexibility for parties involved in the conflict and the ability to process and analyze large amounts of data in a relatively short period of time. These opportunities can help improve the overall effectiveness and efficiency of the online mediation process, making it an even more attractive option for resolving disputes.

The implementation of AI in mediation is absolutely crucial and cannot be overstated. Firstly, human mediators are limited by their rationality, while many settlements in mediation may not necessarily be rational. AI, on the other hand, can provide unexpected resolutions to disputes by utilizing thousands of trained examples that a human mediator may not have considered. This can lead to more creative and effective solutions for the parties involved.

Secondly, with AI playing an increasingly prominent role in all aspects of life, it is only natural that it should also be utilized in the field of Alternative Dispute Resolution (ADR). Recent technological innovations have expanded our opportunities in countless ways, and the integration of AI in the legal field has become a "hot topic" that is garnering significant attention and



interest. It is vital that we take advantage of these advancements and harness the power of AI to improve the mediation process and provide more effective solutions for resolving disputes.

In conclusion, the integration of AI into the mediation process involves two distinct phases: collection and interpretation of data. While it is true that there are limitations to the current use of AI in mediation, it is primarily acting as a facilitator tool, similar to Chat GPT, providing support and assistance to human mediators.<sup>20</sup> However, with the rapid advancements in AI technology, it is becoming increasingly clear that in the near future, AI will be able to take on a more active role as an alternative to human intervention in the mediation process. We must continue to work towards understanding and overcoming the limitations of AI in mediation in order to fully realize its potential as a powerful tool for resolving disputes.

As we move towards the integration of artificial intelligence in mediation, it is important to note the importance of collaboration between experts in AI development and the mediational community. The question of whether the AI system will act as a facilitator or replacement must also be considered. To ensure the effectiveness and success of AI programs in mediation, it is recommended that programmers work closely with the mediational community and use simple platforms that can be easily supervised by mediators. A semi-autonomous approach is highly beneficial in this field. This paper highlights the potential of AI in mediation and the possibility that it may soon replace traditional methods of dispute resolution. It is important to conduct further research on this topic to fully understand the implications and potential of AI in dispute resolution, as well as to explore the potential use of platforms like Chat GPT and other Open AI technologies in this field.

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<sup>2</sup> (Xiao et al.)

<sup>3</sup> (Draper and Raymond 2020, p. 12)4 (2020).

<sup>4</sup> JAMES SOUTH, AI AND ALTERNATIVE DISPUTE RESOLUTION (2019).

<sup>5</sup> (Alsamhan 2022)

<sup>6</sup> (Kaplan 2023)

<sup>7</sup> (Legal analytics 2023)

<sup>8</sup> *I Think It's Time We Broke for Lunch...*, THE ECONOMIST (Apr. 14, 2011),

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<sup>9</sup> (Merhi and Harfouche 2023)

<sup>10</sup> (Merhi and Harfouche 2023)

<sup>11</sup> (Merhi and Harfouche 2023)

<sup>12</sup> (Draper and Raymond 2020)

<sup>13</sup> (Wang et al. 2023)

<sup>14</sup> (Wang et al. 2023)

<sup>15</sup> (Merhi and Harfouche 2023)

<sup>16</sup> (Draper and Raymond 2020)

<sup>17</sup> *Id.*

<sup>18</sup> (Wang et al. 2023)

<sup>19</sup> Yongkyun Chung, Artificial Intelligence and the Virtual Multi-Door ODR Platform for Small Value Cross-Border e-Commerce Disputes, 29 J. ARB. STUD., no. 3, 2019, at 99.

<sup>20</sup> (Legal analytics 2023)