KILPATRICK TOWNSEND

5 KEY TAKEAWAYS

The Rise of Artificial Intelligence in the Automotive Industry

Kilpatrick Townsend Partner Rich Christiansen recently presented on how Artificial Intelligence will reform the automotive industry and examined how different companies are preparing, or in some cases, not preparing, for this technological shift. Key takeaways from the presentation include:

1 AI is increasingly becoming the raw material from which new products and technologies are built. The rapid growth of AI patents mirrors the increasing importance of AI. AI is so critical to many new technologies that this rapid growth in AI patent filings is occurring despite legal headwinds created by eligible subject matter risks.

2 Europe and European-based companies have fallen far behind in developing and protecting AI technology. This may be due to a European cultural bias against patent protection of software and AI related technologies resulting from the European Patent Office's (EPO) hostility towards software and AI patent applications.

3 Legacy automobile manufacturers are aware of the coming shakeup to their industry, but they have not settled on a common strategy for maintaining technological and market relevance. This is manifest in widely different strategies for investment research and development and the corresponding strategies for using patents to protect the fruits of that research and development.

4 With the exception of Porsche SE, German legacy automobile manufacturers appear to be falling far behind competitors in the development and protection of next-generation automotive technologies. This deficiency is especially apparent in light of the burgeoning patent portfolios of recent entrants into the automotive space.

5 To stay relevant in a future where AI will become the most valuable part of an automobile, legacy manufacturers should pivot to focus on developing and protecting technologies that will give them valuable bargaining chips to enable successful joint ventures with high-tech entrants into the automobile space.

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