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Bachelor of Business Administration
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AI-Assisted Legal Document Creation

Reducing Legal Costs for Start-Ups Focused on
Data-Driven Technologies in Global Markets

Mika Meriläinen

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Tikkarinne 9
80200 JOENSUU
+358 13 260 600 (switchboard)

Author(s)
Mika Meriläinen

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This thesis examines the use of Artificial Intelligence as an aid in the process of creating legal documents, with a particular focus on its application in international settings. With the help of AI, terms of use are created for the case company Liito Oy's mobile application, which is aimed at the international market. Liito Oy designs and manufactures a device attached to disc golf discs that collects data from throws. This thesis investigates whether a start-up company like Liito Oy, operating in an international market, can reduce legal costs by using AI to prepare terms of use documents.

The methodology of this thesis combines theoretical exploration with practical application, using OpenAI's ChatGPT as a tool to draft the initial versions of the Terms of Use. The documents produced by AI were analyzed and refined through iterative processes. Terms of use written by AI were examined with the legal expert to assess their validity and compliance.

The purpose of this thesis is to promote the discussion about the use of AI in legal document creation processes. The research highlights problems related to the use of AI, as well as opportunities from the perspective of a start-up company.

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1 Introduction

1.1 Background

Disc golf as a sport originated in the United States in the 1960s. In disc golf, players try to throw a disc (frisbee) into a metal basket with as few throws as possible. Typically, a disc golf course has 9 or 18 fairways, like traditional golf. The goal in disc golf is usually a metal basket raised from the ground, with metal chains hanging from it to stop the disc when it hits the basket. At the beginning of the fairway, the throw starts from the tee area. There are big differences between different courses, which are caused by different terrains, such as forests, natural water barriers and hills. Typically, several discs are used during one fairway. The starting throw is usually thrown with a longer distance driver and short throws with a putter disc. It is typical that an active player has dozens of discs from which to choose according to the situation. (Frisbeegolf Suomi 2023.)

The popularity of disc golf is growing. Currently the sport is most popular in northern Europe and North America. The global disc golf market size was 205.7 million USD in 2022 and it is projected to achieve 871.34 million USD by 2031. (Business Research 2024; Williamson 2022.)

Popularity is explained by the fact that the sport is easy to start. The start-up costs are affordable in comparison to many other sports. The sport is also suitable for many fitness levels, and it is an easy way to get active in nature. Also, setting up disc golf courses is relatively inexpensive and easy compared to the infrastructure costs of many other sports. Relative to the population, Finns play the most disc golf in the world. (Williamson 2023.)

Liito Oy is a company established early 2024 by three BBA students, of which the author of this thesis is one. The idea for the attachable tracker device for disc golf came from one of the founding members of the company. That idea was further developed as a school project before starting actual business operations.

The strategy of Liito consists of developing and manufacturing an attachable tracking device which can gather a wide arrange of data about the throw. That data includes speed, revolutions per minute, GPS-location, the angle of attack and speed of the disc. The tracker device collects this data and uses it to help users to improve their performance. The built in GPS-chip helps users to locate their discs in case it becomes lost for example in difficult terrain and vegetation.

The commercial version of the tracker device will include NFC recognition, which allows the device to know which disc is being thrown. This information includes the disc manufacturer and the disc model used. When enough of this data has been collected, it is possible for Liito Oy to sell data to disc manufacturers, who can use the data in product development and for marketing purposes.

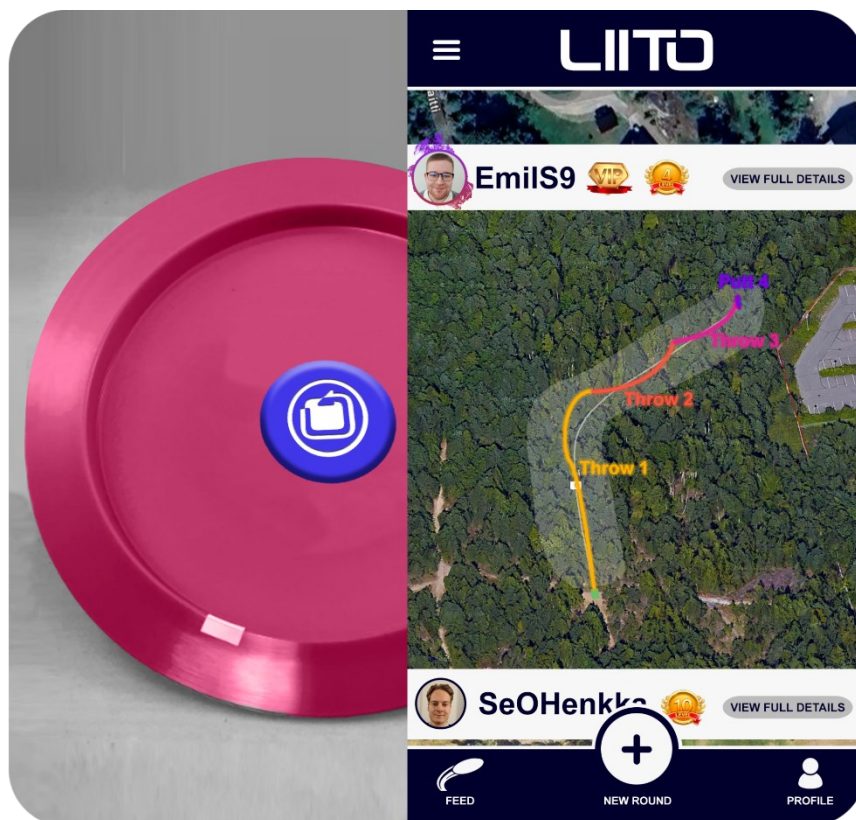


Figure 1. Liito Tracker and Liito App (Concept art).

The company also plans to sell collected data to track designers. The data that course designers could use includes information on what kind of routes discs have been thrown on different fairways. With this information, the difficulty level of the courses could be modified based on the real information.

The collection of previously mentioned data requires precisely defined terms of use. The company aims to expand to international markets in the near future. For this reason the terms of use must be considered from the perspective of several market areas.

The use of AI has increased in many fields. Especially recently, the rapid development of AI has made it possible to abandon human labor and to switch to AI to save time and resources. AI is already used in law firms, and it is likely that the development of AI can revolutionize the future of the legal profession. (Villasenor 2023.)

1.2 Motivation and aim of the thesis

Liito Oy is a new startup company that was established based on the idea of a founding member. The company is currently in the prototype development phase, which will result in the proof of concept. Different earning models related to the device have been under planning during the establishment phase. The company has started planning to sell the collected data to interested parties.

Nowadays, data is one of the most important resources for companies. The data collected by the disc golf tracking device can help the company to understand its customers better. Other companies may also be interested in the data, especially disc manufacturers and those involved in track design. By understanding how this data can be used commercially within the framework of valid data protection and other laws, Liito Oy can develop new business opportunities and find new sources of income. (Dmello & Dmonte 2017.)

The entrepreneur of Liito Oy, Emil Suomi (2023), studied the market potential of the tracker device in the United States in his thesis. Based on survey conducted by Suomi in Finland and the US, Suomi states that, "The high interest in accessories and tracking devices implies there may be potential for innovation products in the US market" (Suomi 2023). In his thesis, Suomi also states that future studies might explore the legal considerations involved in exporting disc golf equipment to the US more thoroughly. Working with legal professionals

could help offer a fuller picture of the regulatory landscape and possible obstacles. Liito Oy's plan is to expand operations to the North American market. The storage and use of the data collected by the device and its application can therefore be subject to the European Union's GDPR law and corresponding laws and regulations of the United States. (Suomi 2023.)

The author's personal motivation is partly based on his shareholding in Liito Oy. The author is also interested in data analytics, as well as ethical questions related to the collection of different user data. The author is also generally interested in law, and he is interested in detailed legal texts and how the accuracy of language is important, for example, when formulating terms of use.

AI is expected to significantly transform the legal field by enhancing legal research, predicting case outcomes, automating document processing, and improving access to legal services. AI is already currently being used as an aid in law firms to make operations more efficient. AI can also help win legal cases. One example of a new business enabled by AI is CoCouncil. Co Counsell is a legal assistant using AI based on OpenAi's technology. (Villasenor 2023.) Creating the terms of use traditionally requires the use of an expert, as the terms have legal effects that bind the company. For a start-up company, the costs of law firms can be high, especially in the early stages of the company. Therefore, it would be cost-effective to use AI to draft the terms of use documents and to check the documents with an expert to ensure their correctness. This thesis looks to find out if AI can help a start-up company in the preparation of documents such as terms of use.

1.3 Comparison to other theses and novelty value

To find out the novelty value of the thesis, the author searched for published theses from Theseus using the following keywords and combinations of these: AI, law, jurisprudence, data, monetizing, GPS, use of personal data, data responsibility, anonymization user data collection, mobile apps, and corporate responsibility. Since it was difficult to find theses matching the criteria, each

word was used widely with different variation. Following theses were selected as they met the criteria with the closest matching.

In her Thesis *Käyttäjätiedon kerääminen mobiilisovelluksissa (The Collection of User Data on Mobile Applications)* Huttunen (2018) writes that the application developer must provide the required security level of the privacy shield if the application processes user data, a person belonging to the EU can be indirectly or directly identified from it. This information is out of date, as the privacy shield agreement between the US and the EU question expired in July 2020 (The Court of Justice of The European Union 2020). Since then, the European Commission and the US have reached an agreement on new common data protection procedures (Hainsdorf, Hickaman & Pittman 2023). Huttunen's thesis is interesting as it offers insight into the safe handling of data protection in a digital environment. (Huttunen 2018.)

Another interesting thesis related to this topic is Törönen's (2018) *Ilmaispalveluiden ja -ohjelmien keräämien henkilötietojen käyttö (Use of Personal Data Collected by Free Services and Programs)*, in which Törönen examines the use of personal data in free applications and services. In his thesis, Törönen familiarizes reader with the terms of use and data protection practices of the largest social media services.

In his thesis, Törönen states that "Data Protection Regulation requires that the principles of processing personal data be clearly and transparently explained to the user (data protection regulation)." (Törönen 2018.) Törönen refers to an interesting study by the Lithuanian University of Technology, which tested how well users read the terms of use of the program they downloaded. In the study, the program was downloaded 500 times and terms of use were read 0 times (Čeponis & Kaupas 2017).

Mäkivaara (2022) discusses in his thesis *Mittausdatan anonymisointi (Measuring Data Anonymization)*, how sports data can be anonymized so that it can be used without jeopardizing rights related to data protection. In his thesis, Mäkivaara defines an anonymization process suitable for data, and analyzes its results. Mäkivaara's thesis is interesting because the thesis deals with the themes presented in this thesis. (Mäkivaara 2022.)

In her thesis *Teknologian kehityksen vaikutus lakialaan* (The Impact of Technology Development in the Legal Field), Kivistö (2023) writes that:

The old-fashioned hourly invoicing method is one of the reasons why the legal industry is not excited to use artificial intelligence that can complete tasks quickly. The legal text is also precise in its wording, which is why there is no room for mistakes. Artificial intelligence may not yet be accurate enough for legal texts to be used, at least in all situations. (Kivistö 2023.)

The topic of Kivistö's thesis is interesting, as it deals extensively with the change caused by AI in the legal field. The thesis contains interviews, the results of which are analyzed by the author. According to the interviews conducted by Kivistö, those working in the field think that a lot of time is spent on routine tasks that could be performed more efficiently with AI. The interviews also show that AI is already being used to some extent in the private sector. According to Kivistö, in the field of law in general, the arrival of AI is seen as more of an opportunity than a threat. (Kivistö 2023.)

The author had difficulties finding a thesis in Theseus that combines the creation of terms of use, data collection and the differences in the legislation of different target markets in relation to those topics. Apparently, no theses have been done on such business cases, and from this we can conclude that the author's thesis has novelty value.

1.4 Focus and limitations

The thesis focuses on terms of use documents in the legal frameworks of Finland and the United States. The scope of this thesis is limited to the terms of use documents of mobile applications and excludes the terms of use of internet pages and other services. OpenAI's ChatGPT-4 has been chosen as the AI tool to be used in this thesis. Considering the rapid development related to AI, the information presented in this thesis may become outdated quickly.

1.5 Research questions

The purpose of this thesis is to investigate how the case company Liito Oy can use AI to create terms of use documents for its mobile application. In the literature review of the thesis, information is collected to answer the research questions. AI is then used to construct the terms of use, resulting in the terms of use for the application. The use of AI in the aforementioned process involves risks, and the resulting terms of use will be analyzed by consulting legal experts.

The thesis aims to answer the following research questions:

1. What are good terms of use, and what kind of process is used to produce the terms of use of the application?
2. How can a start-up company without legal expertise use AI to create terms of use, and how valid are those terms of use?

1.6 Structure of the thesis

This thesis examines the use of AI as a tool for creating legal documents. Terms of use documents are prepared for the case company Liito Oy's mobile application.

The aim of the literature review is to find answers to the research questions defined in the introductory paragraph. The literature review presents the necessary documents, from which the terms of use have been selected as the research topic. In the literature review, a database is created for the research chapter of the thesis.

The method chapter describes research methods that aim to find answers to the questions left in the literature review. This chapter describes the process of creating the terms of use documents with the help of AI, as well as a semi-structured expert interview.

The results of the thesis are examined in the Results chapter, where the produced terms of use are analyzed based on the results of the expert interview. The resulting terms of use are examined from the perspectives of legal validity and legislation.

The thesis ends with the discussions part, where the research process, the benefits and risks of AI, and the importance of the thesis as research are discussed. At the end, the author reflects on questions related to the thesis, as well as professional growth.

1.7 Use of AI

OpenAI's ChatGPT tool has been used in writing this thesis. ChatGPT has been used for structuring the text, going through and analyzing the material, checking the spelling of the text, and tasks related to language improvement. AI has also been used for ideation and for planning the structure of the text. The use of AI has been interactive, and the content it produces is treated with the necessary criticality during the process.

2 Literature review

2.1 Key legal documents

The most important general legal documents that the seller or service provider of the application must provide to the user are the terms of use and privacy policy. Among these documents, the terms of use, or EULA, deals with the rules and conditions that the end user must accept to use the application. The privacy policy tells what personal data the company collects through the application, as well as how it protects, shares, and uses this data. The data processing agreement defines in more detail the conditions regarding the processing of personal data. This document is especially important if the company discloses data to third parties. In the case of Liito Oy, these documents are necessary

considering the collection, processing and sale of data that is part of the business model. (Tohry 2024; Williams 2022.)

2.1.1 Terms of Use

When downloading a mobile application from, for example, the Google Play store or the Apple Store, the user is usually required to accept the terms of use (ToU) or the EULA (End User License Agreement). Acceptance is mostly done with the ClickWrap mechanism, i.e. by clicking yes or no from the application. App stores usually offer a default EULA, but, if necessary, it may be reasonable for the seller of the application to draw up their own application-specific terms of use. (Lindfelt 2023.)

Terms of use are, in a broad sense, rules that inform the user of the application about the rights and responsibilities that the user has. Terms of use often contain various clauses related to copyright and intellectual property rights. Typically, the terms of use also contain various privacy-related mentions, which concern, for example, the collection of data. With the terms of use, the seller of the application can limit his liability, for example, in a situation where the information provided by the application is incorrect, or the application temporarily does not work as expected. It should be mentioned that the rights created by the terms of use for the consumer cannot be weaker than the Consumer Protection Act. (Finnish Competition and Consumer Authority 2022.)

The terms of use of the application must meet the conditions set by the Consumer Protection Act. This is one important answer to the first research question. The terms of the Consumer Protection Act vary from country to country, so the terms of use must comply with local laws. In Finland, the Consumer Protection Act provides separate regulations regarding digital content and services, but in certain circumstances other legislation must also be applied to the terms of use of the application, such as laws related to distance sales. (Lindfelt 2023.)

Due to the different legal practices of the countries, there are considerable differences between the United States and Finland in the responsibilities related to various dispute situations from the point of view of the seller of the application. Among other things, in the United States it is easier and more common to sue a company or consumer in a dispute situation. For this reason, it is important for companies to create terms of use in such a way that they are safe for the company from a legal point of view in the event of a dispute. (Pop 2023.)

2.1.2 Privacy policy

The service provider's privacy policy informs the user about how the company collects, stores and uses the personal data it collects. This document ensures the transparency and accountability of personal data processing in the company. In the European Union, a uniform GDPR law is in use, which sets requirements for companies regarding the processing of personal data. According to the European Commission, "Personal data is any information that relates to an identified or identifiable living individual" (European Commission 2024). Personal data includes information such as a name, address and location data. The United States does not have a law that fully corresponds to the GDPR; instead several different laws apply, and there are state and industry-specific differences. The closest match to the GDPR is the CCPA, the California Consumer Privacy Act, which applies in California. The privacy policy should mention the types of data collected, such as personal identifiers, usage statistics and cookie data. The statement must describe the purposes of data collection, which can be, for example, improving the service, or in the case of Liito Oy, selling data to the third parties. From the privacy policy, the user should also find out when and how the data are handed over to third parties. (Wolford 2024; Bonta 2024.)

The main task of the privacy policy is to inform the consumer of his rights in relation to the information he provides. The document must be in clear and understandable language. The consumer has the right to know what information is collected about him or her, how it is used and how the consumer can demand

the deletion of his own information. The privacy policy also describes how the company protects its customer's data. (Bonta 2024.)

The privacy policy must be updated regularly so that it corresponds to the given laws. The privacy policy must also correspond to the legislation of the country or region where the consumer uses the application. Therefore Liito Oy:s privacy policy must be market specific. In the case of Liito Oy, the data, or part of the data, will be anonymized, in which case the GDPR law will not apply. (The Data Protection Commission 2024.)

2.1.3 Anonymized data

Anonymized data means data that has been processed in such a way that no individual can be identified from it. Anonymization must be irreversible, and it must take place in such a way that it is not possible to target the data to an individual with the data held by the data controller. Thus, for example, the GDPR law does not interfere with the processing of such data in any way. (The Office of Data Protection Ombudsman 2024.)

Anonymized data differs from pseudonymized data. From pseudonymized data it is possible to separate an individual person and, if necessary, combine that information with another dataset (The Office of Data Protection Ombudsman 2024). Connecting pseudonymized data to a person is possible using a code key. Pseudonymized data is subject to the GDPR law (European Commission 2024).

The sufficient level of anonymity of anonymized information is considered on a case-by-case basis. It may be possible to extract and identify individuals from the anonymized data, even if the actual name and address information has been destroyed in the anonymization process. When evaluating the sufficient level of anonymization and the possibility of identifying an individual, the need for resources such as time and technology for identification is examined. The adequacy of anonymity is also assessed based on the effect that a breach of anonymity would have on an individual. (AEPD 2021.)

2.1.4 Moving data from country to country

Liito Oy's business strategy includes the commercial utilization of collected data by selling it to third parties. The collected data includes various data related to throws made with Frisbee discs, data related to the use of different discs in different situations, and data related to the user's throwing lines and movement on the disc golf course. Collected data can be used commercially by selling it to disc manufacturers and track designers.

Since Liito Oy plans to expand outside of Finland to other parts of Europe and the United States, it is important to draw up agreements and terms of use in such a way that the transfer of data is possible between the laws of different regions.

Transferring anonymized data from one region to another in Europe is straightforward in terms of law and contractual matters, as anonymized data is not covered by regulations related to the GDPR. The direct identifiers defined by the GDPR are names, contact information, personal photos and other similar personal characteristics. Indirect identifiers include, for example, workplace and history, Geolocation and various ID information related to the smart device used. (The Data Protection Commission 2024.)

The CCPA, or California Consumer Privacy Act, speaks of de-identification instead of anonymization and California Lawyers Association (Torre 2024) defines the term as follows:

The CCPA definition of personal information can be best understood by analyzing separately each of the four closely intertwined building blocks embedded in it: (i) "information"; (ii) "that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked"; (iii) "directly or indirectly"; (iv) "with a particular consumer or household". Any specific piece of data will have to meet the four requirements outlined above in order to be deemed personal information under CCPA. (Torre 2024.)

The GDPR guidelines are stricter than the CCPA. The CCPA specifies that the company must "reasonably" delete identifying data, while the GDPR says to delete the data irrevocably. CCPA: provides that company employees are

prohibited from attempting to revoke de-identification. The company must also implement models that prevent the identification of all de-identified data. (Blesch 2024.)

The EU-US Privacy shield agreement that previously existed between the United States and the European Union was terminated in 2020. Since then, on July 10, 2023, the European Commission has decided that the level of data protection in the United States is sufficient and personal data can be transferred to US companies that are DPF (data privacy framework) –certified. (Koski, Pallasvesa & Rintala 2023.)

2.1.5 Document creation process

Typically, for start-up companies, the preparation of application documents takes place as follows. First, the company defines the document needs. The most common need is terms of use and privacy policy (Tohry 2024). The need for documents is determined, for example, by the details related to their data processing, but also by the countries and regions where the users of the application live. There are differences, for example, between the GDPR laws of the United States and the European Union. (Blesch 2024.)

Next, the company usually consults a law firm or other expert, with whom the need for documents is looked at in more detail. At this stage, the writing of the documents is completely or partially outsourced to an expert. The documents are prepared and viewed together with the expert and the company. After the documents are completed, they must be updated regularly and made sure that they meet the laws and regulations in force at any given time. This process takes time and money. Typically, traditional law firms and specialists charge considerable sums for the preparation of documents that are routine in themselves. (Pınarbaşı 2023.)

The second part of the first research question, i.e. what kind of process is used to produce the terms of use of the application, cannot be found directly in the

literature. Sources were found on how to write the terms of use, but the actual step-by-step process written from the perspective of a start-up company was not found.

2.2 Ai and terms of use

2.2.1 Benefits & Challenges of AI in Law

Due to the advancements in new AI language models, the practice of law is changing. One of the biggest advantages brought by AI is its efficiency. AI can already replace workers in offices doing a lot of time-consuming repetitive work, such as reviewing precedents, preparing drafts and drafting contracts. It is also possible to go through documents, which previously took weeks, with the help of AI in only a fraction of the time. AI can even be used in real time during trials to assist lawyers. (Villasenor 2023.)

There are limitations to the use of AI. AI cannot be legally responsible for the decisions, but the lawyer makes decisions mirroring the recommendations of the AI. Problems related to the transparency of the use of AI also arise. AI can be biased due to the data used for its training. Questions related to data protection are also an essential part of the problems related to the use of AI. For example, it is possible that sensitive court materials fed to AI end up in the wrong parties. It is also possible, that AI “hallucinates”, meaning that it fabricates false information that can be misleading and in that way compromises client’s rights. (Mensah 2023; Onafuna & Tsagas 2024.)

When used responsibly, AI can significantly cut down legal expenses for start-up companies. Online legal services have been available for companies since late 1990s, but they have based on providing different document templates as well as helping companies to find lawyers when needed. (Hare 2024.)

2.2.2 How can a startup utilize ai tools with legal documents

Various services that utilize AI not only help consumers in legal matters, but the market also offers various tools based on AI that benefit companies. An example of such a service is Rocket Lawyer's Rocket Copilot, which helps a company come up with a name and protect it. However, the CEO of Rocket Lawyer states that the AI tool does not offer legal advice itself, and it would be advisable to consult real lawyers. (Hare 2024.)

Although there are various AIs related to the law, AIs related to broad language models, such as ChatGPT, can also be used as an assistant in the creation of documents. The biggest benefit of using AI can be considered its affordability, availability, and its scalability and customization possibilities. AI is a flexible tool in this sense. (Whitaker 2023.)

2.2.3 Producing Terms of Use with AI tools

By searching Google with the search words "AI legal document creator for companies", it is possible to see that there are plenty of options available. There are differences in document creation processes between different service providers. Some service providers ask to write a text, which the AI turns into a "legal text". Other providers start the process by asking a series of questions. For example, the Airstrip.AI website states that this platform first asks questions, which are used to create the documents, but it can also help answer questions if the user does not know how to answer them. This information partially answers the second research question, i.e. "How can a start-up company without legal expertise use AI to create terms of use and how valid are those terms of use?"

In the past, before the development of AI, there have been various document templates that provide a basic framework for creating legal documents, such as terms of use. Many of these services today utilize AI as part of the document creation process. (Systango 2023.)

In almost all AI-assisted legal services encountered while doing this research, the process begins with entering the necessary data. The user must tell AI information about the service they offer, details related to the law, and other information required to write the terms of use. AI then prepares a draft of the terms of use based on this information.

2.2.4 Validity of AI-produced Terms of Use

Legal documents such as terms of use written by AI may be incomplete or completely invalid. One problem with the use of AI is that it can generate false responses that look completely genuine and valid. To a person without legal training or experience, a document created by AI may appear genuine and legitimate, even if it is incomplete or contains incorrect information. Therefore, it is important to ensure that all information generated by AI is true from reliable sources. (LPLC 2023.)

Practically all legal assistants based on AI have a disclaimer on their website, which states that all information may be incorrect, and the user should consult a real human expert before using the documents. Experts familiar with law and AI also recommend the same. For example, although Hare (2024) states that the use of AI in legal matters is here to stay, but “When it comes to starting and running a business, skimping when a lawyer is needed creates unnecessary risk. A poorly drafted contract, lease, or employment agreement could lead to costly litigation down the road” (Hare 2024).

2.3 AI assisted Terms of Use creation process

Since AI is a relatively new tool, it is challenging to find completely reliable and institutional sources that go through the process of creating legal documents with the help of AI. No direct source was found in the literature that discussed prompting techniques that could be used to create legal documents. However, while browsing through several sources, it has become clear that the use of AI

in such a process is possible when all the limitations and risks involved in its use have been considered.

The creation of legal documents, such as terms of use in this case, is possible both through commercial services such as the previously mentioned Rocket Lawyer's Rocket Copilot, which utilizes AI developed for this purpose, but also by using a language model such as OpenAI's GPT-4. (Perlman 2022.)

In this thesis, the latter option has been chosen, as it is a widely available, well-known, and affordable language model. The term affordable is used because although using GPT-3.5 is free, using the more advanced GPT-4 requires paying a monthly fee. The fee is \$20/month at the time of writing this thesis.

When using AI, finding the right inputs has a significant impact on both the end result and the process itself. In the part of this thesis where the terms of use are created, AI itself is consulted for the best process and definition of inputs.

2.4 Conclusions of the literature review

Some answers to the research questions were obtained in the literature review, but partly due to the novelty of the topic, direct answers to the questions were not obtained with the help of the literature review alone. The research of the topic is continued with qualitative studies, in which the terms of use are created with the help of AI, and their quality is assessed through expert interviews.

Research question	Information found	Information missing
What are good terms of use and what kind of process is used to produce the terms of use of the application?	<ul style="list-style-type: none"> • Must comply with local laws, clearly outline user rights and responsibilities, include liability and copyright clauses • The production process involves consulting with legal experts, defining specific needs, and updating documents regularly to ensure ongoing compliance. 	Detailed step-by-step descriptions of the document creation process
How can a startup company without legal expertise use artificial intelligence to create terms of use and how valid are those terms of use?	<ul style="list-style-type: none"> • Start-up companies can use various legal services that utilize artificial intelligence • The validity of these AI-generated documents often requires verification by legal professionals to ensure they are comprehensive and compliant. 	Examples or information of the process by which terms of use documents are created with the help of artificial intelligence.

Table 1. Summary of the findings and gaps from the literature review.

Key Concepts	
Terms of Use/EULA	Legal agreements that specify the rules and conditions for using a service or software.
Privacy Policy	Document outlining how a company collects, uses, and protects user data.
ClickWrap Agreement	An online method where users agree to terms by clicking a button, commonly used during software installation or service registration.
Consumer Protection Act	Legislation that safeguards consumers against unfair, deceptive, or fraudulent practices.
GDPR (General Data Protection Regulation)	EU regulation that sets guidelines for the collection and processing of personal information.
CCPA (California Consumer Privacy Act)	California state law that regulates personal information handling and provides privacy rights to residents.
Prompting	In AI, prompting refers to the structured input provided to models to guide their output generation or decision-making processes.

Table 2. Key concepts in the literature review.

3 Methodology

3.1 Research questions

The aim of the literature review was to find answers to two research questions selected for the thesis. The first question concerned the process of creating terms of use and what characteristics good terms of use have. It was quite easy to find answers to this question as there were plenty of reliable sources available. According to the literature review, good terms of use are clear and written in precise and simple language. Good terms of use ensure that the rights and obligations of both the company and the consumer are clear to both parties.

The second question was related to the use of AI in the creation of legal documents, such as terms of use, and how a start-up company can use AI in the creation of these documents. Finding sources for the second question was significantly more difficult, because the topic is new. More extensive information was found regarding jurisprudence and AI, but no source corresponding directly to the research question was found. When searching for information on drafting terms of use with the help of AI, various commercial services were found that guide the user drafting terms of use with the help of AI.

In general, the literature review gave a comprehensive picture of the problems related to the use of AI in law. No precise analyses could be found on the subject, but legal experts warned of the associated risks. Commercial services related to the topic also had a disclaimer asking the user to consult a human expert to ensure the legitimacy of the documents.

Reliable sources corresponding to the first question were easily found.

3.2 Research methods

Based on the literature review, no model was directly found that could be utilized in the terms of use creation process with the help of AI. In the methods

chapter of the thesis, the development of an AI-assisted document creation process is examined by the iterative refinement process. The quality of the terms of use documents produced with the AI is then evaluated by interviewing a legal expert.

The second research question asked "How can a start-up company without legal expertise use AI to create terms of use, and how valid are those terms of use?" Since no ready reliable data could be found to support this process, the process was started with a trial-by-error method, more precisely with the iterative refinement process.

3.2.1 Action research

Action research was used as one of the qualitative research methods in this thesis. The cyclical nature of action research enables continuous process improvement. Action research is a method that simultaneously investigates and tries to solve a problem (George 2023). In this thesis, the aim is to find a way to create a terms of use document with the help of AI, and since the literature sources did not provide an answer to how this process should be done, this method is a good choice to start the research.

The study followed the PDCA cycle (Plan, Do, Check, Act). The PDCA cycle is used in situations where the goal is to find the best possible process through cyclic continuous development. It is applied for example, in process development. In the first step, an opportunity is identified, and a change is planned. Then, the change is tested and results evaluated. Based on the evaluation, the plan is refined again, or the change is implemented. (American Society for Quality 2024.)

In the iterative prompting process, which is based on previously mentioned methods, prompts are systematically fed to the AI and the results are analyzed. Prompts are modified as needed to get a better result. In iterative prompting, the process starts with a broader prompt so that the AI understands the frame

of reference for the conversation. During the process, the AI is told if there are irrelevant things in the content it produces. Prompts are refined as needed in the following rounds of prompting. Often in prompting, several different approaches are tried in order to reach the desired result. In the literature review, the characteristics of good terms of use were determined and these were used as criteria in the AI-assisted terms of use document creation process. (Indeemo 2024.)

The data generated in the iterative prompting process can be divided into prompts and text produced by AI. The first prompts used are directly created by the author and are based on the requirements of good terms of use, which came out in the literature review. The generated text data consists of the terms of use created by AI, as well as various clarifying questions that the AI asked the author during the process. Some of the data generated in the process is also useless, irrelevant, and so-called hallucination. This unnecessary data was usually reduced in the following iteration rounds.

3.2.2 Interview

The interviews were semi-structured. A semi-structured interview is a research method that is used to collect information from the people being researched. In this type of interview, a predefined list of topics or a set of questions is used, but the interviewer can still flexibly modify the questions, ask more detailed questions or follow the natural flow of the conversation based on the answers. This approach was chosen because it gives freedom for discussion around the topic. A semi-structured interview can also bring out answers to questions that were not considered beforehand. (George 2023.)

For the interview, a suitable person from the university staff was identified with the help of the supervisor of the thesis. The interviewee had to be a legal expert. Dr. Atte Korte was chosen as the interviewee. Korte was chosen because he has the appropriate expertise and background for the subject. Korte was initially contacted by e-mail before the interview, and he was briefly told about the topic of the thesis. When the interview became relevant, a meeting

was arranged in his office. When arranging the interview, it was ensured that the recording of the interview was possible for taking notes. Before the interview, Korte was sent the original English versions of the terms of use, as well as the Finnish versions.

For the interview, a list of questions was created that could be used to evaluate the terms of use created by AI. The interview was conducted in a conversational manner and during the interview all questions were answered. Here are the questions prepared for the interview:

1. To what extent can AI identify and apply sector-specific laws and regulations that are relevant to the terms of use of your application?
2. How important is it to use specific legal language and terminology in terms of use? Can AI reliably produce this level of precision?
3. How well do the terms of use created by AI clarify users' rights and obligations? Is there room for improvement?
4. Do you recognize any deficiencies in defining the company's responsibilities in the terms of use? How can we improve the clarity and precision of these responsibilities?
5. Are the provisions regarding data protection and the processing of personal data sufficiently clear and comprehensive from the perspective of GDPR and other applicable laws?
6. Have the terms of use properly considered intellectual property rights, especially with respect to user-generated content?
7. Is the terms of use amendment process legally valid? How should users be informed of changes?
8. Are the dispute resolution terms legally valid? Do you recommend an alternative dispute resolution method?
9. How do the terms of use created by AI compare to commonly accepted terms of use in the industry? Are there key elements missing?
10. Are the limitation of liability and indemnity clauses legally valid and fairly formulated?

11. How should the terms of use be updated or modified in light of new laws or regulations?

At the meeting, the Finnish translation of the document was reviewed point by point and Dr. Korte talked about the problems he noticed in the document. During the interview, there was a discussion about the topic, i.e. the terms of use documents, AI, and legal matters. The interview was recorded and transcribed using the transcription tool of the Microsoft Word program. Thematic analysis was used to review the interview results. After the interview, Korte sent the terms of use document, in which he had marked the problematic points that needed attention.

3.3 Ethicality, reliability and validity

3.3.1 Ethicality

The ethicality of the research refers to both the rights of the people who are the subjects of the research and the ethics of conducting the research itself. The principles of good scientific practice include honesty, care, and precision in all phases of research. In ethically sustainable research, the researcher openly talks about his solutions and justifies them. The researcher must also be critical of his own work. (Vuori 2024.)

One of the most important ethical questions in this study are related to the use of AI in the preparation of legal documents. In its current state of development, AI cannot provide legally binding documents with 100% percent accuracy. In the previous Chapter, 2.2.1, Benefits & Challenges of AI in Law, more of those issues related to use of AI in legal field are discussed more in depth. ChatGPT, utilized as a document tool, explicitly advised that any documents it generated should undergo expert review before utilization.

Another interesting point of view is the ethical questions related to the research itself. Another research question is: "How can a start-up company without legal expertise use AI to create terms of service and how valid are these terms of service?" In terms of framing the question, the most realistic outcome would be achieved if the prompt and the use of other AI were literally carried out by a person who has no legal expertise whatsoever. The research results are slightly distorted by the fact that the author of the study has done significant research on the creation of terms of use in the literature review of this thesis, and thus it can be assumed that he has more knowledge than average about both terms of use and prompting, as well as the use of AI.

3.3.2 Reliability

Research reliability refers to how reliable the research results are. Reliability is strongly related to reproducibility, i.e. research is reliable when researching the same subject with the same methods always leads to the same final result. In this case, it can be stated that external factors have not affected the reliability of the research result. (Business Research Methodology 2024.)

When using AI as a research tool, as has been done in this thesis, the repeatability of the results is difficult to predict. The continuous, even exponential, development of AI leads to an improvement in its performance over time. For this reason, the results may change when using the tool later with the same input data. Another issue related to reliability is that only one expert was interviewed in the study. It is possible that different experts could have had different opinions. On the other hand, legal issues are not opinions, but a matter based on facts and written law, thus experts' views on documents would probably be the same.

3.3.3 Validity

Validity refers to how well the study measures or evaluates the concept that is the subject of the study. Internal validity refers to how well the researcher has

taken into account alternative explanations when determining the cause-and-effect relationship. The study's external validity measures how well its findings may be applied to different contexts. (Howell et al. 2005.)

Since only one Finnish expert has been interviewed in the thesis, it is not possible to draw certain conclusions about the applicability or inapplicability of the terms of use in another legal framework, such as in the United States. For this reason, it is also not possible to draw direct conclusions about whether using these terms of use created with the help of AI would be a risk from a legal point of view.

One research question was "How can a start-up company without legal expertise use AI to create terms of service, and how valid are these terms of service?" It is difficult to give an absolute answer to this question, as assessing the exact validity of the terms of use would require a comprehensive and costly investigation. However, conclusions about the validity of the terms of use can be made based on the conducted expert interview. The terms of use resulting from the thesis were evaluated with the help of an expert, and a more detailed analysis can be found in the Results chapter.

The content of the application's terms of use varies depending on the application's features, legal environment, technological or operational features, or target group. Therefore, the legal validity of the terms of use produced by AI varies depending on how complex the necessary terms of use are, as well as how well the AI can take into account the purpose of use of the application when creating them. The complexity of the application's terms of use can be influenced by several factors related to the nature of the application, the purpose of use, the target market and legislation.

4 Results

4.1 Creation process

An AI assistant called LegalGPT (Porwal 2024) was used as a tool in the process. LegalGPT is based on OpenAI's ChatGPT-4 language model. LegalGPT is a specialized AI tool specifically designed to handle legal matters. Unlike a basic GPT, which is general-purpose and can provide information on a wide range of topics, this version is optimized to analyze legal documents, interpret complex legal language, and provide insights related to law. The process started with the basic version of GPT-4, but by comparing the usability, it was possible to notice that LegalGPT was more able to stay in the legal context.

The process started with a prompt "I want to create terms of use" (Figure 7). At the beginning, GPT gave a general level definition of the terms of use, as well as a table of contents and an outline. Next, LegalGPT was asked to go through the process step by step, mentioning that LegalGPT can ask clarifying questions if necessary. As background information, LegalGPT was given parts of Liito Oy's business plan.

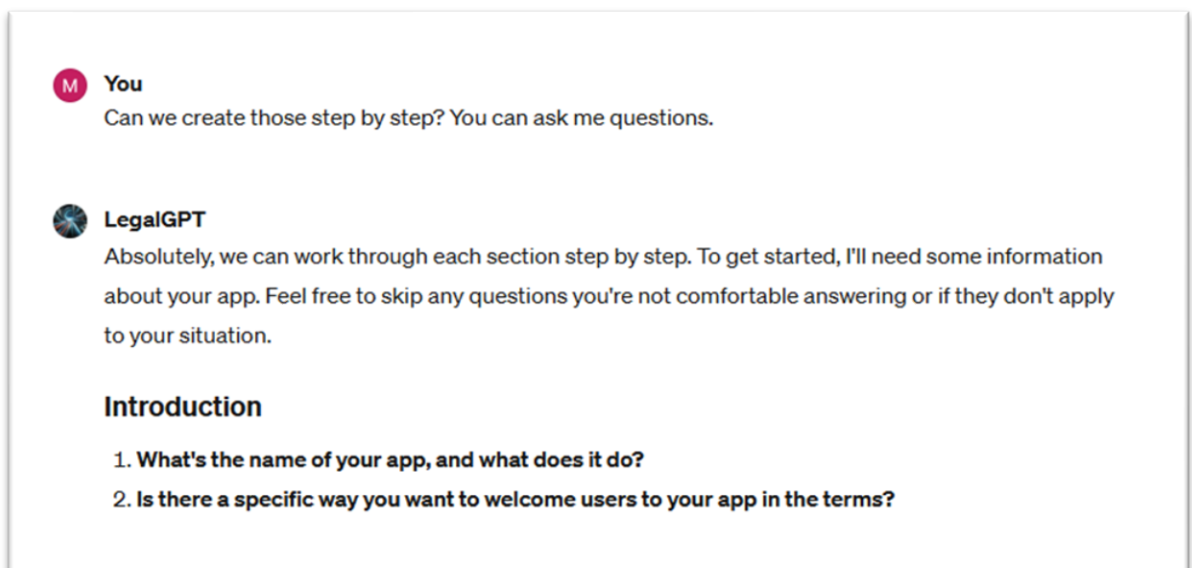


Figure 2. Screenshot of the prompting process

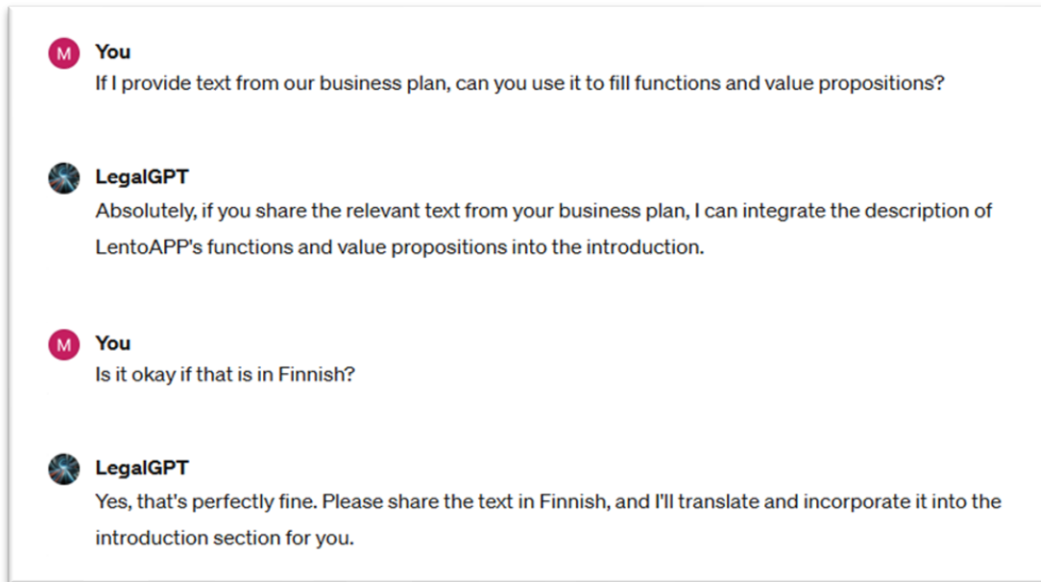


Figure 3. Screenshot of the prompting process.

In the first round, LegalGPT asked questions that were answered as simply as possible based on the available information. Occasionally, LegalGPT asked questions that were mostly relevant to US case law. In this case, LegalGPT was instructed to stay within the framework of Finnish legislation. In unclear situations, LegalGPT was asked to open and justify the parts it wrote, or the questions it asked.

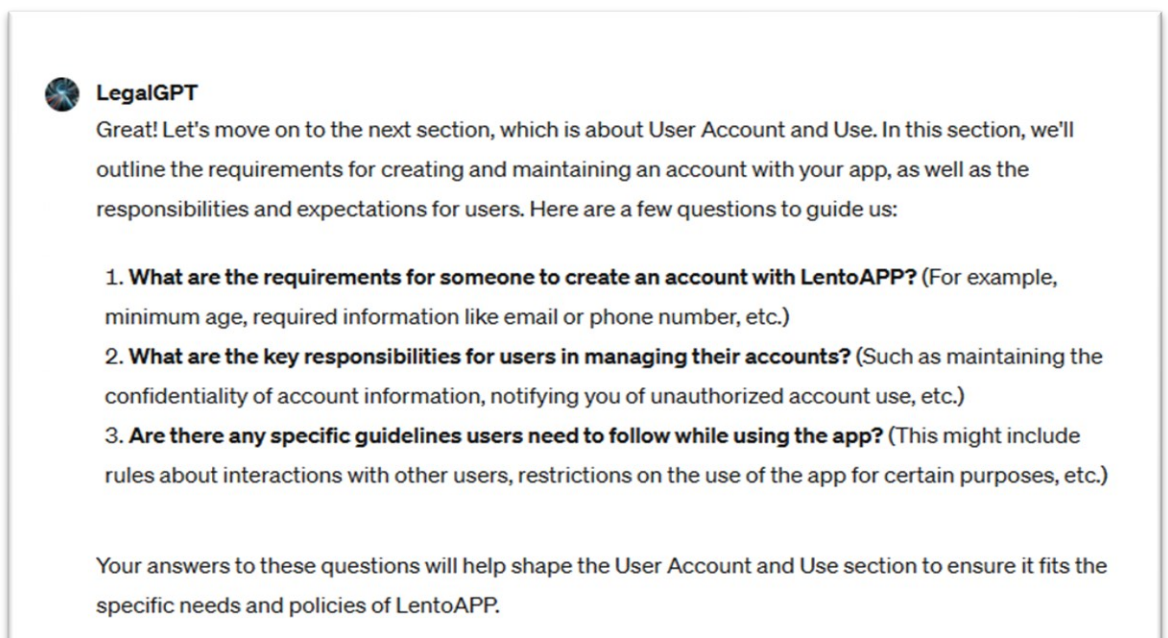


Figure 4. Screenshot of the prompting process.

When compiling the terms of use into a single document, LegalGPT did not know how to combine previously processed parts into a single whole, so this had to be done manually. After the parts of the terms of use were compiled, a new discussion was opened with LegalGPT, and the compiled terms of use were given to it for analysis. The prompt for this was: "I want you to analyze these terms of use. Is there anything missing, or is there invalid information?" LegalGPT noted in the analysis that it appears to contain all the elements typically found in terms of service. However, LegalGPT noticed flaws in the document.

LegalGPT was then prompted to correct the errors and ask questions again if necessary. This process was repeated giving the terms of use for analysis, but this time the prompt was the following: "You are a lawyer. Please read these terms of use and analyze it. Tell me if there are problems in it, or if there are (sic) something missing". Based on the analysis provided by LegalGPT, the parts that were missing were combined in the terms of use document. At this point, a more detailed analysis would have required a legal expert, and it was decided that the process is complete. The purpose was to prepare the terms of use document entirely with the help of AI, so the document was prepared by prompting, and the actual text content was only touched upon by correcting sentence structures.

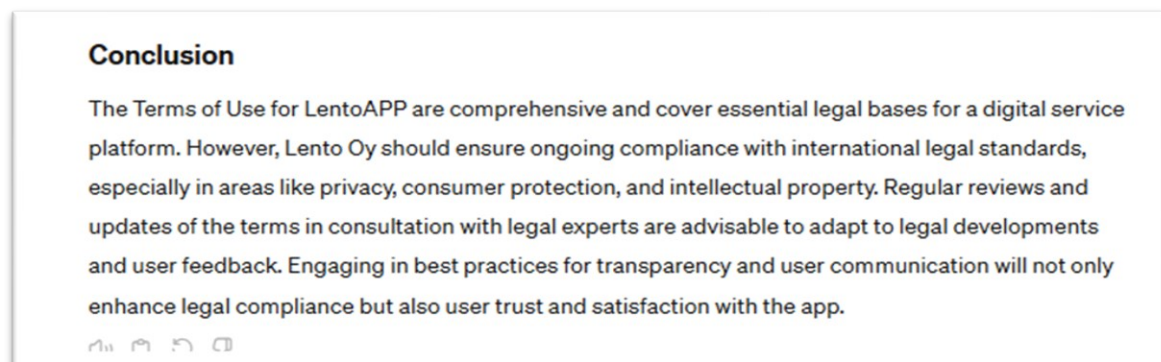


Figure 5. Screenshot of the prompting process

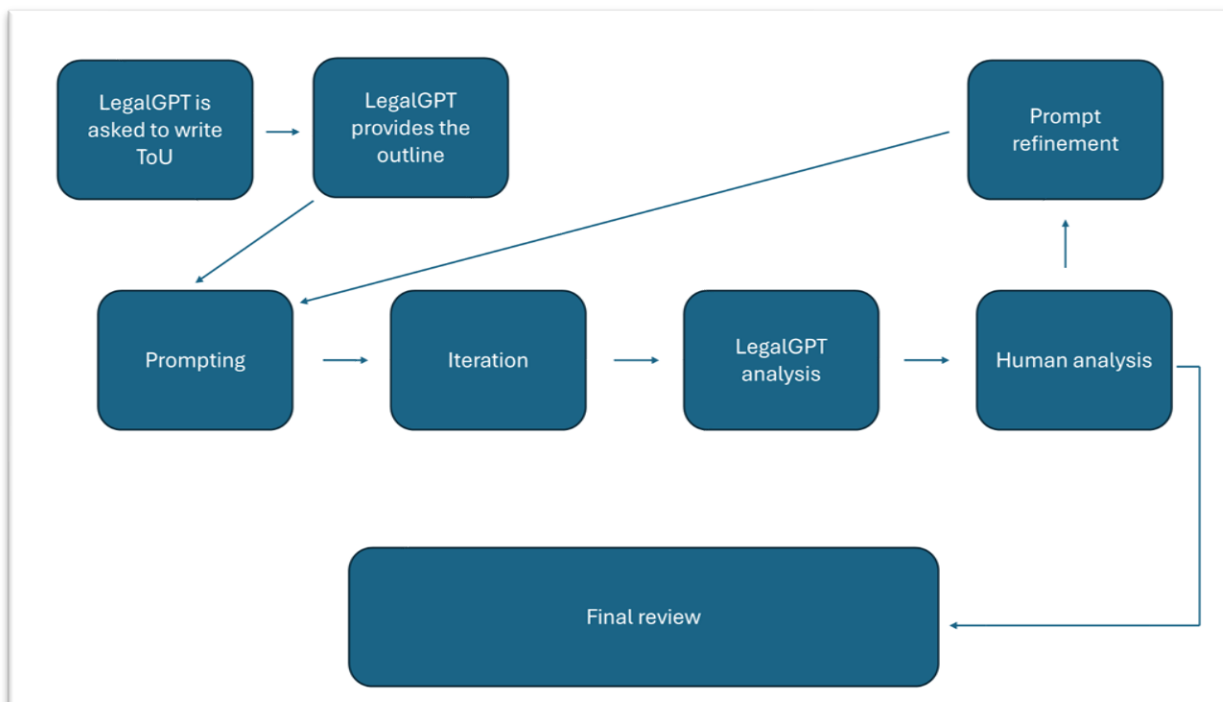


Figure 6. Iterative prompting process.

- I want to write terms of use for my app.
- Can we create those step by step? You can ask me questions.
- Make the introduction part shorter and more formal.
- Terms of use should meet Finnish consumer laws at minimum.
Can you access that law?
- I want you to analyze these terms of use. Is there anything missing, or is there invalid information?
- Can you fix the terms of use according to these suggestions?
- Ask me questions when needed.
- Can you collect these new sections and add those to original?
- Now write full terms of use with full texts from each section.
- Here are terms of use document. Analyse it and tell me if there are any invalid points or missing information.
- You are a lawyer. Please read these terms of use and analyse it. Tell me if there are problems in it, or if there are something missing.

Figure 7. Samples from the prompting process.

AI Generated Terms of Use Document (Finland)

Introduction

Welcome to LentoAPP, the innovative application brought to you by Lento Oy ("we", "our", or "us"). Our application is dedicated to revolutionizing the experience of disc golf enthusiasts by offering a cutting-edge device that attaches to disc golf discs. This device enables real-time tracking of performance data via smart devices, offering players detailed insights into their throws, including speed, spin rate, and distance, while also facilitating disc location. Designed for disc golfers seeking to enhance their performance and gain precise data on their throws, LentoAPP stands at the forefront of technological advancement in the sport.

By leveraging our application, users can not only track and analyze their performance but also engage with a community of enthusiasts through features that allow for the sharing of achievements, participation in challenges, and comparison of throwing data. Our platform introduces a new level of community engagement, enabling players to share experiences, interact, and strengthen the disc golf community through shared goals and achievements.

User Account and Use

Account Creation Requirements: To use LentoAPP, users must create an account. The minimum age for account creation is 12 years. During the registration process, users are required to provide accurate and current information, including their email address, phone number, and home address. By creating an account, users warrant that all provided information is true, accurate, and complete, and agree to update this information as necessary to maintain its accuracy.

User Responsibilities: Users are responsible for maintaining the confidentiality of their account information, including their password, and for all activities that occur under their account. Users agree to immediately notify Lento Oy of any unauthorized use of their account or any other breach of security. Lento Oy cannot and will not be liable for any loss or damage arising from users' failure to comply with this section. Users are encouraged to use "strong" passwords (a combination of uppercase and lowercase letters, numbers, and symbols) and change them regularly to maintain account security.

User Communication: Users must engage in respectful and lawful communication when using any communication features of LentoAPP, such as messaging or forums. Lento Oy reserves the right to monitor communications to enforce this requirement and may take appropriate action against unacceptable behavior.

Interactions with Other Users: Users are expected to treat all other users of LentoAPP with respect and civility. Harassment, bullying, or any other disruptive behavior is strictly prohibited. Lento Oy reserves the right to terminate the accounts of users found to be engaging in such behavior.

Users are prohibited from posting, sharing, or engaging in any content or behavior that is unlawful, harmful, threatening, abusive, harassing, defamatory, vulgar, obscene, sexually explicit, racially or ethnically offensive, or otherwise objectionable or contrary to good taste. This includes content that promotes discrimination, bigotry, racism, hatred, harassment, or harm against any individual or group; infringes upon the rights of others, including intellectual property rights; or promotes illegal activities or conduct that is abusive, threatening, obscene, defamatory, or libelous. Lento Oy reserves the right to take appropriate action against any user who violates these guidelines, including removing the content and terminating the account.

Updates and Maintenance: LentoAPP may periodically require updates to maintain or enhance performance. Users are responsible for implementing such updates. We commit to informing users about significant updates or maintenance through notifications within the app and, where possible, via email or SMS, ensuring timely and effective communication. The app may also be temporarily unavailable during scheduled maintenance periods, but we will make every effort to minimize disruption and provide advance notice.

Third-Party Links and Services: LentoAPP may contain links to third-party websites, services, or content that are not owned or controlled by Lento Oy. Before redirecting users to these third-party services, explicit consent will be sought, and we will ensure that any data shared is anonymized to protect user privacy. However, it's important for users to understand that third-party sites may operate under their own terms and privacy policies. We encourage a thorough review of these policies as we cannot be held responsible for their content or practices.

User Feedback: Lento Oy values the feedback, suggestions, ideas, and questions from its users. By submitting any feedback or suggestions to Lento Oy, users understand and agree that such submissions will be considered non-confidential and non-proprietary. Furthermore, users agree to transfer all ownership rights of such feedback and suggestions to Lento Oy upon submission. This transfer includes the unrestricted right for Lento Oy to use, reproduce, modify, adapt, publish, distribute, and otherwise exploit these submissions in any manner, without any obligation to offer compensation or acknowledgment to the user. This enables Lento Oy to incorporate valuable user input into LentoAPP and its services, enhancing the overall user experience. Users warrant that their submissions do not infringe on the intellectual property rights of any third party and that they have the authority to transfer such rights to Lento Oy.

Compliance with Laws: Users must ensure that their use of LentoAPP complies with all applicable local, state, national, and international laws and regulations. This includes, but is not limited to, privacy laws, intellectual property laws, anti-spam laws, export control laws, tax laws, and regulatory requirements.

Acceptable Use Policy: Users must not use LentoAPP in any way that causes, or may cause, damage to the app or impairment of the availability or accessibility of the service; or in any way which is unlawful, illegal, fraudulent, or harmful. Systematic or automated data collection activities on LentoAPP without express written consent from Lento Oy are prohibited.

Content Guidelines: Users who post or upload content to LentoAPP must ensure that such content does not violate any laws, rights of others, or these Terms. Lento Oy reserves the right to remove any content that violates these guidelines. Additionally, users grant Lento

Oy the right to modify such content for purposes including but not limited to advertising, with the creator's name mentioned.

Intellectual Property Rights: All content provided on LentoAPP, including but not limited to text, graphics, logos, images, as well as the compilation thereof, and any software used on the app, is the property of Lento Oy or its suppliers and protected by Finnish and international copyright and intellectual property laws.

By using LentoAPP, you are granted a non-exclusive, non-transferable, revocable license to access and use LentoAPP strictly in accordance with these Terms of Use. As a user, you agree not to reproduce, duplicate, copy, sell, resell, or exploit for any commercial purposes any portion of the app, use of the app, or access to the app without the express written permission by Lento Oy.

Unless explicitly stated herein, nothing in these Terms shall be construed as conferring any license to intellectual property rights, whether by estoppel, implication, or otherwise. This license is revocable at any time without notice and with or without cause.

User-Generated Content: Users who post or upload content to LentoAPP retain their rights to any intellectual property they own in that content. By posting or uploading content, users grant Lento Oy a worldwide, non-exclusive, royalty-free license to use, reproduce, modify, publish, translate, distribute, perform, and display such content (in whole or in part) on LentoAPP and in any other media or distribution methods (now known or later developed) for any purpose, including without limitation, the operation, promotion, and improvement of LentoAPP. This license includes the right for Lento Oy to make such content available to other companies, organizations, or individuals who partner with Lento Oy for the syndication, broadcast, distribution, or publication of such content on other media and services. Furthermore, by posting content to LentoAPP, users declare and warrant that they have the right to grant this license, that the content is not infringing on any third parties' intellectual property rights, and that it complies with all applicable laws and regulations. Users agree to pay for all royalties, fees, and any other monies owed to any person by reason of any content posted by them to or through LentoAPP.

Subscription Services

Free Version

The Free version of LentoAPP offers users access to basic features, including performance tracking and insights based on data collected via the device attached to disc golf discs. This version does not include GSM connection capabilities, which limits certain real-time tracking features and data accessibility.

Premium Subscription

The Premium Subscription provides a comprehensive suite of features, including:

GSM Connection: Enhanced real-time tracking and data collection for a richer, more detailed performance analysis.

Expanded Data Access: Access to a wider selection of available data, allowing for more in-depth insights and analytics.

All-inclusive Data Transfer: The fixed subscription price includes all data transfer costs, ensuring no additional charges for data usage.

Subscription details, including pricing and availability, are provided on our website. Subscription management, including upgrades, cancellations, and renewals, can be handled directly within the app or through user account settings on our website.

Service Level Agreements (SLAs) for Premium Subscriptions

LentoAPP aims to provide a 99% uptime for our Premium Subscription services, not accounting for scheduled maintenance. However, some issues impacting the service may arise from factors outside LentoAPP's control, such as GPS network problems or GSM service provider issues. In such cases, users may not be eligible for refunds or service credits. Affected Premium Subscription users may be eligible for a pro-rated credit in instances of significant downtime directly attributable to LentoAPP, subject to our discretion.

Termination of Use

By Lento Oy: We reserve the right to terminate or suspend any user account and access to LentoAPP immediately, without prior notice or liability, if we determine that the user's actions violate our Terms of Use, applicable laws, ethics, or etiquette. Violations deemed severe will result in immediate termination, while less severe infractions may first receive a warning. The determination of the severity of violations and the decision to terminate are at the sole discretion of Lento Oy.

By the User: Users may terminate their account and discontinue their use of LentoAPP at any time. For account termination, users should follow the instructions within the app or contact our support team for assistance. Upon termination, the right to use LentoAPP ceases immediately, and the user's account data, along with any user-generated content, will be deleted in accordance with our data retention policies and GDPR.

Appeal Process: If users believe their account was unjustly terminated, they may appeal the decision by contacting our support team. Lento Oy commits to reviewing all appeals fairly and taking appropriate action in a timely manner.

Compliance with Laws: All terminations will be carried out in compliance with Finnish law and in respect to applicable regulations, ensuring fair treatment and protection of user rights. Kysy oputila kuluttajalaki

User Content: Upon termination, all user-generated content will be deleted immediately. Users are encouraged to secure any necessary content before initiating termination.

Effect of Termination: Upon termination, all rights granted to you under these Terms will cease immediately, and you must promptly discontinue all use of LentoAPP. Certain provisions of these Terms shall survive termination, including, but not limited to, ownership provisions, warranty disclaimers, indemnity, and limitations of liability.

Privacy Policy

At LentoAPP, your privacy and the security of your data are of utmost importance to us. Our application and the associated tracking device collect specific types of data to enhance your experience and improve our service. This includes geo-location data to provide and improve location-based functionalities and data on the frisbeegolf discs used (manufacturer and model) to offer personalized insights and recommendations. This data is also used for commercial purposes. All collected data is anonymized to ensure your privacy. Additionally, any

personal data under the scope of the GDPR is handled and stored in strict compliance with Finnish law, safeguarding your rights and privacy.

Our comprehensive Privacy Policy, which will be made available, outlines our practices in detail, including how we collect, use, store, and protect your information, and your rights concerning your personal data. We encourage you to read the Privacy Policy thoroughly to understand our practices fully. Your consent for data collection and use will be obtained before using the app, especially for sensitive data such as location, name, and address, which will be anonymized to ensure user privacy.

Data Request: In compliance with the GDPR, users have the right to request their data at any time. To request your data, please contact our support team.

[Link to Privacy Policy]

Disclaimers and Limitations of Liability

Disclaimers: LentoAPP is provided on an "as is" and "as available" basis, with all faults. Lento Oy makes no representations or warranties of any kind, express or implied, as to the operation of LentoAPP or the information, content, materials, or products included on LentoAPP. To the fullest extent permissible by applicable law, Lento Oy disclaims all warranties, express or implied, including implied warranties of merchantability and fitness for a particular purpose. Lento Oy does not warrant that LentoAPP, its servers, or email sent from LentoAPP are free of viruses or other harmful components.

Limitations of Liability: Lento Oy shall not be liable for any direct, indirect, incidental, special, consequential, or punitive damages arising out of your access to, use of, or inability to use LentoAPP, any information provided by the app, or any transactions entered into through LentoAPP. This includes, without limitation, damages for loss of profits, use, data, or other intangibles, even if Lento Oy has been advised of the possibility of such damages.

Service Interruptions: Lento Oy endeavors to provide a seamless user experience through LentoAPP. However, users acknowledge that temporary interruptions of the services available through LentoAPP may occur as normal events in the provision of our services. Such interruptions may be due to system maintenance, server updates, or technical failures beyond our control. Lento Oy does not warrant that the app will be available uninterrupted or error-free, but we commit to ensuring that any interruptions are kept as brief and infrequent as possible.

Furthermore, Lento Oy will make reasonable efforts to inform users in advance of any scheduled downtime or maintenance that may significantly affect the availability of LentoAPP. Despite these efforts, Lento Oy shall not be liable for any damages, liabilities, or losses as a result of any interruption or lack of availability of the app.

Governing Law

These Terms of Use and any disputes arising out of or related to the use of LentoAPP shall be governed by and construed in accordance with the laws of Finland, without regard to its conflict of law provisions. By using LentoAPP, you agree that any legal action or proceeding between you and Lento Oy will be brought exclusively in the competent courts located in Finland.

You hereby waive any and all objections to the exercise of jurisdiction over you by such courts and to venue in such courts.

The limitations of liability reflect the allocation of risk between the parties. The limitations specified in this section will survive and apply even if any limited remedy specified in these Terms is found to have failed its essential purpose.

Jurisdictional Limitations: The above disclaimers, waivers, and limitations do not exclude or limit liability in a manner which would contravene the laws of Finland. Should any part of this section be held invalid or unenforceable for any reason or to any extent, then the aggregate liability of Lento Oy under such circumstances for liabilities that otherwise would have been limited shall not exceed the fees paid by the user for the services provided via LentoAPP.

Applicable Law: This section is intended to be viewed in accordance with Finnish consumer protection laws and regulations. Consumers have specific rights under Finnish law, and these disclaimers and limitations of liability do not intend to contravene those rights.

Dispute Resolution Process: In the event of a dispute arising from or related to these Terms of Use or the use of LentoAPP, the parties shall first attempt to resolve the dispute personally and in good faith. If these personal resolution attempts fail, the dispute shall be submitted to mediation under the rules of the Finnish Centre for Arbitration. If the dispute is not resolved through mediation, it may be brought before the competent courts located in Finland.

Changes to Terms

Lento Oy reserves the right, at our sole discretion, to modify or replace these Terms of Use at any time. If a revision is material, we will provide at least 30 days' notice prior to any new terms taking effect. What constitutes a material change will be determined at our sole discretion. By continuing to access or use LentoAPP after those revisions become effective, you agree to be bound by the revised terms. If you do not agree to the new terms, you are no longer authorized to use LentoAPP.

Contact Information

For any questions or concerns regarding these Terms of Use or any issues related to the use of LentoAPP, please contact us directly at:

Email:

Phone:

Address:

Figure 8 Terms of use document created with LegalGPT.

4.2 Interview results

Korte's (2024) interview has been transcribed and then compiled using ChatGPT. According to Korte, the biggest fundamental problem with the terms

of use made for the Finnish market is that even though the prompts were written for creating a document for the Finnish market, AI has written the terms of use according to the American legal system, which causes ambiguities and room for interpretation in the Finnish context. Korte states in the interview that there are significant differences between American jurisprudence and Finnish jurisprudence. He points out that the common law system in use in the United States relies heavily on the use of precedents (case law), which means that the decisions of previous legal cases greatly influence the handling and outcome of subsequent cases. This differs significantly from the civil law system used in Finland. In Finnish legal system, the legislation is written in a form and is the primary source of the application of law. Korte emphasizes that in the United States legal practice requires that all possible circumstances are defined and recorded in detail, while in Finland many obvious things can be left unmentioned. This difference directly affects how legal documents such as terms of use are drafted and how they are interpreted in different legal systems.

Korte points out that in Finland the consumer protection law always takes precedence over terms of use. If the terms of use contain illegalities or the contraventions of the Consumer Protection Act, they are void and unenforceable. In Finland and other countries where legislation and legal practices differ from the United States, such terms of use may cause problems or even be illegal. Korte draws particular attention to the intellectual property rights of user-generated content. Korte considers whether the royalty-free, worldwide right of use given by users could be unreasonable from the point of view of Finnish law.

In the interview, Korte brings up an important point about communication secrecy, which is strictly protected by legislation in Finland. Korte points out that monitoring of private communications between users can violate the principles of secrecy of correspondence and communications, which is a serious privacy issue. Korte also points out that terms of use that allow the platform to monitor private messages without a proper legal basis could lead to both legal violations. For this reason, Korte emphasizes that it is necessary to clearly define in the terms of use which forms of communication are monitored and under what conditions. The limits of monitoring should be set so that they are in

line with the current legislation and respect the users' right to privacy and confidentiality of communications. This approach helps to avoid potential legal sanctions and maintains user trust in the digital environment.

Korte also states that the terms of use should be as simple and clearly expressed as possible so that ordinary people can understand them. The text produced by AI has complex sentences and terms that can be challenging to understand without a legal background.

According to Korte, AI has the potential to be a useful tool in the drafting of terms of use. It can provide a quick and economical way to create a basic body of documents, which can be especially valuable for small businesses and startups looking to minimize their initial legal expenses. AI can significantly speed up the process through which terms of use are produced, enabling companies to quickly create a first version of documents that can then be further developed and reviewed.

Korte emphasizes, however, that even though AI provides a good foundation, it may require comprehensive inspection and editing in order for the end result to be legally valid and meet all the required legal standards. He points out that if the material produced by AI is checked by a lawyer, the costs can increase significantly. The in-depth legal expertise provided by lawyers is expensive and the cost of their time can be high, especially if the documents require extensive changes or are complex. According to Korte, if documents produced with AI are only used as raw versions that still require a lot of work, the savings offered by AI may be partially or completely nullified.

Key Point	Detail from Korte's Interview
Legal System Differences	The terms of use are written according to the American legal system which relies heavily on precedents. This contrasts with the Finnish civil law system where legislation is the primary source of law and not case law, causing ambiguities when applied in Finland.
Consumer Protection Law	In Finland, consumer protection law takes precedence over terms of use. If the terms contain illegalities or contravene the Consumer Protection Act, they are void.
Intellectual Property Rights	There is concern that the royalty-free, worldwide right of use typically given in terms might be unreasonable under Finnish law.
Communication Secrecy	Monitoring of private communications might violate Finnish laws on secrecy of correspondence and communications, posing serious privacy issues. Terms of use should clearly define what forms of communication are monitored and under what conditions.
Simplicity of Legal Texts	Terms of use should be simple and clear so that people without a legal background can understand them. AI-generated texts often contain complex sentences and terms, which are not easily understandable.
AI in Drafting Terms of Use	AI can be a useful tool in the preliminary drafting of terms of use, providing a cost-effective and quick way to create basic documents, especially valuable for small businesses and startups. However, these documents often need substantial legal review and editing to be legally valid.
Cost Implications of Legal Review	While AI can reduce initial legal expenses, if the AI-generated documents require extensive legal review, the costs can rise significantly due to the expensive legal expertise needed. This may negate the cost benefits of using AI for legal drafting.

Figure 9. Key points from the interview.

4.3 Validity of terms of use made by AI

This thesis examined the preparation of terms of use documents for a start-up company with the help of AI, as well as how valid such documents produced with AI are. Evaluating the quality of documents requires the help of a professional, and this was done by interviewing a legal expert.

The analysis revealed that while AI can quickly produce a draft of the terms of use, the content of the documents needs significant improvements and manual work to be legally valid. In the terms of use aimed at the Finnish market, signs could be seen that AI had produced them to correspond to the jurisprudence of the United States. This is a fundamental problem, as US legal practice differs

significantly from Finnish legal practice. In addition, the clarity and comprehensibility of the language used by AI was a problem. It was observed that AI sometimes produces complex and unclear text that can be challenging for ordinary users to understand. The use of clear and unambiguous language in legal documents is essential, as ambiguities and open interpretations can lead to legal disagreements and even lawsuits. AI could be used to make the text easier to understand, as it could be asked to make the text simpler. This approach could work especially for terms of use documents made for the Finnish market, because in the Finnish legal system such documents can be simpler and contain less detail.

In summary, the terms of use produced with the help of AI offer a quick and efficient way to draft documents, but their legal validity requires careful evaluation by a legal expert and possibly extensive modifications. AI has the potential to facilitate the process of preparing legal documents, but putting documents into use still requires manual work and the help of an expert. In the future, as AI develops, its ability to produce legally valid documents may improve, but for now, it is important to understand and recognize its limitations and potential risks.

4.4 How to improve the process

Based on the observations made during the process and the expert interview, it can be concluded that there are problems with the creation of legal documents using AI. The main problem with the use of ChatGPT in the process of creating terms of use is the limited ability of AI to understand and apply complex legal concepts and legislation in different legal systems. This can lead to inaccuracies and errors in documents that require precise and legally valid language.

Possible solutions can be considered in terms of the development of AI and the document creation process. AI's understanding about different legal systems can be improved by including in its training a wider range of material related to, for example, the Finnish legal system. Using an expert-led feedback loop in AI

training could also strengthen its skills. This is how AI could learn from its own mistakes. AI should also be taught legal terminology to better keep it in context.

In this thesis, a commonly available tool based on OpenAI's ChatGPT was used, but there are already commercial services such as Rocket Lawyer's Rocket Copilot, whose AI has been developed into work specifically as a legal expert, and it may be that the language models of such AI have been trained with better material and with more advanced methods. (Hare 2024.)

5 Discussion

This thesis was written for case company Liito Oy. The thesis aimed to answer two research questions, which are:

1. What are good terms of use, and what kind of process is used to produce the terms of use of the application?
2. How can a start-up company without legal expertise use AI to create terms of use, and how valid are those terms of use?

It was relatively easy to find reliable sources for the first research question. In the literature review, the documents needed for the application were reviewed in general. The terms of use document were chosen as the subject of the study. The literature review explained the criteria, meaning, and the creation process of good terms of use. Case company Liito Oy is planning to expand to the US market after Finland. For this reason, the literature review of the thesis also examined how terms of use and other legal documents differ between the United States and Finland.

Finding sources for the literature review regarding the second research question was considerably more challenging. The development of AI recently, and especially in the last year, has been fast. The subject is extensively researched, but no actual studies that would have provided useful direct information about the research question were found. In general, sources that would have

answered the research question were scarcely available at the time of this writing.

Since the answers to the second research question were not found in the literature review, action research was chosen as the next research method. In action research, the terms of use were created using OpenAI's ChatGPT tool. Terms of use documents were created using an iterative refinement process, where the prompts fed to the AI platform were improved based on the result of the previous round. While this research method allowed for an experimental process with the help of AI, this approach may limit the reproducibility of the results. The terms of use produced by AI were then evaluated through expert interviews, employing a qualitative research approach.

This thesis addresses a current and relevant topic: the opportunities and challenges associated with the use of AI. The topicality of the thesis can also be seen from the fact that most of the literature and scientific publications related to the topic were at most a few years old. AI offers opportunities in many fields, but the challenges associated with its use must be weighed carefully. The biggest problem with using AI to produce legal documents is that it can be difficult for a user without a legal background to evaluate and critically analyze the material produced by AI. If a person using AI already had knowledge of jurisprudence, he or she could more effectively use prompts to achieve the desired result.

Based on the expert interview, creating terms of use entirely with the help of AI is not possible, at least with current AI tools. According to Korte, AI can facilitate the work of a person who does not have legal expertise, but such terms of use are not directly usable in the Finnish legal system. The biggest problem Korte mentioned was that AI has created the terms of use more in line with US legal practice. However, Korte stated in the interview that AI has potential as a tool, and the end result produced by AI was better than expected.

AI was used to create terms of use for both the Finnish and US markets, but the analysis was mainly carried out within the framework of the Finnish legal system. A more detailed analysis of the terms of use for the US market would

provide an interesting comparison of the differences in the functionality of AI in different legal environments.

The thesis process offered an opportunity for the author to learn about law, AI, and a combination of these. The research process helped the author to develop critical thinking related to the use of AI, but also to better understand its potential as a research tool. The research also gave an interesting overview for the author about the process of creating different legal documents, as well as how much expertise is required to create such documents.

It is important to critically evaluate all material produced by AI. Based on the literature review, legal experts consider AI as a potential tool now, and especially in the future (Villasenor 2023). Based on the sources, however, many experts approach the use of AI with reservations, due to various ethical problems (Onafuna & Tsagas 2024). One problem is the various liability issues, such as the fact that, in principle, AI cannot be legally responsible for the content it produces.

In the literature review, it was revealed that various biases arise in the training of AI, which can affect the quality of the material produced by AI (Onafuna & Tsagas 2024). These results of the literature review coincide with the action research carried out in this thesis, as it was revealed in the expert interview that AI created the terms of use documents aimed at the Finnish market in accordance with US jurisprudence. There are various services using AI that help the user in creating legal documents, but even in these services it is mentioned in the disclaimers that these documents produced with AI require expert review before they can be used.

In the literature review, information was sought regarding whether a start-up company can achieve savings by using AI when creating legal documents. Whitaker (2023) lists the benefits of using AI as its efficiency, consistency, and accessibility. Based on the results of this thesis, these are true, as the creation of the terms of use with the help of AI was quite fast and they retained a legal text-like structure. The tool was also very affordable, as at the time of writing

ChatGPT-4 is priced at \$20 per month, which make it accessible for startup companies with limited funds.

According to Whitaker (2023), the use of AI in legal matters also involves risks. He lists lack of legal expertise, complexity, and contextual understanding as the biggest risks. Based on the expert interview, these risks are genuine, because according to Korte (2024) the terms of use made by AI contain points that do not fit Finnish legislation, are complicated, or even against the law.

The results of this thesis provide an interesting perspective on the use of AI in the preparation of legal documents. The topic could be studied more deeply in cooperation with law and information technology students, which would enable a multidisciplinary approach to research. Examples of interesting topics for further research include: How can AI create legal documents for different languages and different legal frameworks, especially when linguistic and legislative differences are taken into account? An AI Assistant specialized in the field of Finnish law and frameworks would be useful for many businesses as well as individuals. Developing this assistant would be an interesting research project. Also the difference in quality, comprehensiveness, and practicality of documents drafted by AI and legal experts could be studied further. It would also be interesting to investigate whether AI could be trained to better understand Finnish legislation and the legal framework.

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Appendix 1

AI Generated Terms of Use Document (U.S.A.)

User Account and Use

Account Creation Requirements:

To use LiitoAPP, users must create an account. The minimum age for account creation is 13 years. During the registration process, users are required to provide accurate and current information, including their email address, phone number, and home address. By creating an account, users warrant that all provided information is true, accurate, and complete, and agree to update this information as necessary to maintain its accuracy.

User Responsibilities:

Users are responsible for maintaining the confidentiality of their account information, including their password, and for all activities that occur under their account. Users agree to immediately notify Liito Oy of any unauthorized use of their account or any other breach of security. Liito Oy cannot and will not be liable for any loss or damage arising from users' failure to comply with this section. Users are encouraged to use "strong" passwords (a combination of uppercase and lowercase letters, numbers, and symbols) and change them regularly to maintain account security.

User Communication:

Users are required to engage in respectful and lawful communication at all times when using any of LiitoAPP's communication features, such as messaging or forums. To maintain a positive and safe environment, Liito Oy reserves the right to monitor communications to enforce this requirement. Unacceptable behavior, as outlined below, may result in appropriate action, including but not limited to, content removal, account suspension, or termination.

Interactions with Other Users:

Respect and civility towards all users of LiitoAPP are paramount. Harassment, bullying, or any form of disruptive behavior is strictly prohibited. Liito Oy is committed to fostering a community where everyone feels safe and respected. As such, we reserve the right to terminate the accounts of users found engaging in harmful behaviors.

Content and Behavior Guidelines:

Users must abstain from posting, sharing, or engaging in content or behavior that is:

- Unlawful, harmful, threatening, abusive, harassing, defamatory, vulgar, obscene, or sexually explicit.
- Racially or ethnically offensive, promoting discrimination, bigotry, racism, hatred, harassment, or harm against any individual or group.
- Infringing upon the rights of others, including intellectual property rights.
- Promoting illegal activities or conduct that is abusive, threatening, obscene, defamatory, or libelous.

Liito Oy reserves the right to take all appropriate actions against any user who violates these guidelines, which may include removing the offending content, suspending the user's access to communication features, or terminating the user's account. We encourage users to report any behavior or content that violates these guidelines to ensure LiitoAPP remains a welcoming and safe platform for all.

Updates and Maintenance:

LiitoAPP may periodically require updates to maintain or enhance performance. Users are responsible for implementing such updates. We commit to informing users about significant updates or maintenance through notifications within the app and, where possible, via email or SMS, ensuring timely and effective communication. The app may also be temporarily unavailable during scheduled maintenance periods, but we will make every effort to minimize disruption and provide advance notice.

Third-Party Links and Services:

LiitoAPP may include links to third-party websites, services, or content that are not owned or controlled by Liito Oy. We prioritize user privacy and security; therefore, before redirecting users to these third-party entities, we will seek explicit consent and ensure any data shared is anonymized.

It is important for users to understand that these third-party sites operate under their own terms and privacy policies, which may differ significantly from ours. When accessing third-party links, users are encouraged to review these policies carefully, as Liito Oy cannot be held responsible for the content, practices, or privacy policies of third-party websites.

By engaging with any third-party services through our app, users acknowledge their responsibility to protect their own privacy and information. Liito Oy aims to select and share third-party content thoughtfully, but the responsibility for reviewing and agreeing to third-party terms and policies rests with the user.

User Feedback:

Liito Oy deeply values the feedback, suggestions, ideas, and questions from its users. Your insights play a crucial role in the continuous improvement and development of LiitoAPP and its services. To foster a productive and mutually beneficial feedback process, please consider the following terms:

Non-Confidentiality: When you submit feedback or suggestions to Liito Oy, you acknowledge that your submissions will be considered non-confidential. We encourage open dialogue and the free exchange of ideas that can benefit the entire LiitoAPP community.

Appendix 1

Use of Submissions: By providing feedback, you grant Liito Oy a royalty-free, perpetual, irrevocable, and non-exclusive license to use, reproduce, modify, adapt, publish, distribute, and exploit the submitted content in any way, without compensation or acknowledgment. This license is intended to allow Liito Oy to incorporate your valuable input into LiitoAPP and its services, ultimately enhancing the user experience. **Ownership and Rights:** You agree to transfer all rights in the feedback to Liito Oy, ensuring we have the freedom to implement your suggestions and improvements. This transfer includes the right for Liito Oy to utilize the submissions without restriction. You also warrant that your feedback does not infringe upon the intellectual property rights of any third party and that you have the authority to grant these rights to Liito Oy.

We appreciate your contributions and are committed to using your feedback to make LiitoAPP better for all users. While we may not always provide direct compensation or acknowledgment for every submission, please know that your ideas are valued and considered seriously as we evolve and grow LiitoAPP.

Acceptable Use Policy:

To maintain the quality, security, and legal compliance of LiitoAPP, we require all users to adhere to our Acceptable Use Policy. This policy prohibits any use of LiitoAPP that could damage the app, impair the service's availability or accessibility, or engage in any unlawful, illegal, fraudulent, or harmful behavior.

Specifically, users must not:

- **Cause Damage:** Engage in activities that could physically harm the app, its infrastructure, or degrade the performance and user experience for others.
- **Impair Accessibility:** Actions that could overload our systems or interfere with others' access to and use of LiitoAPP are strictly prohibited.
- **Unlawful Use:** LiitoAPP must not be used for any purposes that violate local, state, national, or international laws or regulations.
- **Fraudulent Activities:** Any use of LiitoAPP to conduct fraudulent schemes, scams, or activities is forbidden.
- **Harmful Behavior:** Using LiitoAPP to spread malware, phishing, or any other harmful software or data is not allowed.
- **Unauthorized Data Collection:** Systematic or automated data collection activities (including scraping, data mining, data extraction, and data harvesting) on or related to LiitoAPP without express written consent from Liito Oy are strictly prohibited.

This policy is in place not only to comply with legal standards but also to ensure a safe, secure, and positive experience for all users. Violations of this policy may lead to restrictions on use or termination of access to LiitoAPP.

Content Guidelines:

Users of LiitoAPP are entrusted with the responsibility to ensure their posted or uploaded content respects all applicable laws, the rights of others, and the terms outlined herein. Liito Oy maintains the authority to remove any content found in violation of these guidelines. Furthermore, by sharing content on LiitoAPP, users grant Liito Oy the right to modify such content for various purposes, including advertising, while ensuring the creator's name is appropriately mentioned, honoring their contribution.

Intellectual Property Rights:

The array of content featured on LiitoAPP, spanning text, graphics, logos, images, and the compilation thereof, alongside any software utilized by the app, remains the exclusive property of Liito Oy or its licensors. This content is protected under Finnish and international copyright and intellectual property laws.

By engaging with LiitoAPP, users are afforded a non-exclusive, non-transferable, and revocable license to access and utilize LiitoAPP in strict alignment with these Terms of Use. It is expressly forbidden for users to reproduce, duplicate, copy, sell, resell, or exploit any segment of the app, including its use or access, for commercial gain without Liito Oy's express written consent.

Unless specifically articulated within these terms, no aspect should be interpreted as granting any license to intellectual property rights, implicitly, through estoppel, or otherwise. This license is subject to revocation by Liito Oy at any time, with or without cause or notice.

User-Generated Content:

Users retain ownership over the intellectual property of the content they post or upload to LiitoAPP. Such actions grant Liito Oy a worldwide, non-exclusive, royalty-free license to use, reproduce, modify, publish, translate, distribute, perform, and display this content, either in entirety or in part, across LiitoAPP and through any media or distribution methods, presently known or later developed. This encompasses the right for Liito Oy to avail such content to other entities for syndication, broadcast, distribution, or publication through other media and services. By posting content, users affirm they possess the necessary rights to bestow this license, ensuring the content does not infringe on third-party intellectual property rights and adheres to applicable laws and regulations. Users also accept responsibility for any royalties, fees, or other monetary obligations due to individuals due to their content's use on or through LiitoAPP.

Subscription Services

Free Version:

The Free Version of LiitoAPP grants users access to core functionalities designed for enhancing disc golf experiences. This includes performance tracking and insights derived from data collected through the

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device attached to disc golf discs. Please note, the Free Version lacks GSM connection capabilities, limiting certain aspects of real-time tracking and data accessibility.

Premium Subscription:

For users seeking an elevated experience, our Premium Subscription offers advanced features, including:

- **GSM Connection:** Offers enhanced real-time tracking and comprehensive data collection for detailed performance analysis.
- **Expanded Data Access:** Unlocks access to an extended range of data, facilitating deeper insights and analytics.
- **All-Inclusive Data Transfer:** A single subscription fee covers all data transfer costs, ensuring users face no additional data usage charges.

Details on subscription pricing, availability, and the management of subscriptions (upgrades, cancellations, and renewals) are available on our website. Management of subscription preferences is facilitated directly within the app or via user account settings on our website.

Service Level Agreements (SLAs) for Premium Subscriptions:

LiitoAPP commits to a target of 99% uptime for Premium Subscription services, excluding periods of scheduled maintenance. We recognize, however, that unforeseen issues may arise due to external factors beyond our control, such as GPS and GSM network disruptions. In these instances, refunds or service credits typically will not be provided. Nevertheless, Premium Subscription users experiencing significant service disruptions directly attributable to LiitoAPP may be considered for a pro-rated credit, at our discretion.

Termination of Use

By Liito Oy: Liito Oy reserves the right to terminate or suspend any user account and access to LiitoAPP immediately, without prior notice or liability, for any conduct that violates our Terms of Use, applicable local, state, national, or international laws, or general ethics and etiquette. This includes, but is not limited to:

- Engaging in unlawful, fraudulent, or harmful behavior.
- Violating the rights of others, including privacy and intellectual property rights.
- Posting content that is deemed offensive, threatening, defamatory, or otherwise unacceptable.

Severe violations will result in immediate termination, while less severe infractions may be subject to a warning at our discretion. The decision regarding the severity of violations and subsequent action is made solely by Liito Oy, aiming to maintain a safe and respectful environment for all users.

By the User: Users have the right to terminate their account and cease using LiitoAPP at any time. To terminate your account, please follow the instructions provided within the app or contact our support team for guidance. Upon termination:

- Your right to use LiitoAPP will cease immediately.
- Your account data and any user-generated content will be deleted in accordance with our data retention policy, respecting user privacy and complying with the GDPR and any applicable U.S. privacy regulations, including the CCPA.

Please note that certain information may be retained in anonymized form or as required by law, even after your account is terminated.

Appeal Process:

Should you believe your account was unjustly terminated, you are entitled to appeal. Simply contact our support team via the contact details on our website or app, providing your account information and a detailed reason for your appeal, along with any pertinent supporting evidence. Liito Oy is committed to conducting a fair and impartial review of all appeals and aims to communicate decisions within a reasonable timeframe, typically within 30 days.

If the review determines that the account termination was in error, we will reinstate your account. Conversely, if the termination decision is upheld, we will provide the rationale behind our decision. Our goal is to ensure a transparent and equitable appeal process for all our users.

Effect of Termination:

Upon termination, your rights under these Terms end immediately, and you must stop using LiitoAPP at once. However, it's important to note that certain terms will still apply after termination, specifically those related to ownership, warranty disclaimers, indemnity, and limitations of liability, ensuring ongoing obligations and protections are clear.

Data Retention and Deletion:

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Following termination, Liito Oy will delete your personal data and user-generated content from our active databases in accordance with our data retention policy, which is designed to comply with GDPR guidelines and applicable U.S. privacy laws, including the CCPA. This process respects your privacy rights and aims to balance legal obligations and the need to maintain the integrity of LiitoAPP for remaining users.

Data Request:

In compliance with the California Consumer Privacy Act (CCPA) and applicable U.S. privacy laws, LiitoAPP empowers users with the right to access their personal data.

Requesting Your Data:

- **How to Request:** Users wishing to exercise their right to access their personal data can do so by contacting our support team. Detailed contact information and the procedure for submitting a data request are available within the app or on our website.
- **What You Can Request:** Upon request, users are entitled to receive details about the categories of personal data we have collected, the sources from which the data was collected, the purpose for collecting or selling the data, and the categories of third parties with whom the data is shared.
- **Response Time:** LiitoAPP is committed to responding to your data access request promptly and within the timeframe required by the CCPA and other applicable U.S. laws.

Data Portability and Deletion Requests:

In addition to the right to access your data, users have the right to request the deletion of their personal data and to receive their personal data in a portable format. These requests can be made through the same channels as data access requests.

LiitoAPP values your privacy and is committed to ensuring transparency and control over your personal information. For further details on how we handle personal data, including how to exercise your rights under the CCPA, please refer to our Privacy Policy

Privacy Policy Overview

At LiitoAPP, prioritizing your privacy and data security is fundamental to how we operate. Our app, along with any associated devices, collects certain data types to enhance user experience and service quality. This includes:

- **Geo-Location Data:** Utilized to provide and refine location-based services.
- **Product Usage Data:** Information on the frisbeegolf discs (manufacturer and model) you use, aiding in personalized insights and recommendations.

This data, can be used for commercial purposes and it is anonymized to protect your privacy.

Compliance and Privacy Practices:

While our original policy framework was designed in compliance with Finnish law, particularly for data under the GDPR scope, our operations in California and across the U.S. adhere strictly to local privacy regulations, including the CCPA. This commitment ensures the safeguarding of your rights and privacy. Our detailed Privacy Policy, available for review, outlines our data collection, usage, storage, and protection practices. It also details your rights concerning your personal data. We are transparent in our operations, requiring your consent for data collection and usage, particularly for sensitive information. Such data, including location, name, and address, is processed with the highest privacy standards, including anonymization.

Your Rights and Consent:

Before app use, we'll obtain your consent, especially for sensitive data, to ensure you're fully informed and in control of your personal information. We encourage a thorough review of our Privacy Policy to understand our practices and your rights fully.

Disclaimers and Limitations of Liability

Disclaimers

Service Provision: LiitoAPP is provided "as is" and "as available," acknowledging the inherent risks of reliance on digital services. Liito Oy expressly disclaims all warranties, express or implied, to the extent allowed by law, including but not limited to warranties of merchantability, fitness for a particular purpose, and non-infringement.

Content and Data Accuracy: We do not guarantee the accuracy, completeness, or reliability of the content and data provided by LiitoAPP, including GPS or GSM data. The app's functionality may be affected by various factors beyond our control, such as inaccuracies in GPS data or GSM network issues.

Harmful Components: Liito Oy does not warrant that the app, its servers, or emails sent from or on behalf of LiitoAPP are free from viruses, malware, or other harmful components. Users are advised to use appropriate security measures when accessing the app.

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This section does not affect any warranties which cannot legally be excluded or limited under applicable law, including warranties and protections provided to consumers without the possibility of waiver.

Limitations of Liability:

Liito Oy shall not be liable for any direct, indirect, incidental, consequential, special, or punitive damages arising from or related to your access to, use of, or inability to use LiitoAPP, whether based on warranty, contract, tort (including negligence), or any other legal theory, and whether or not Liito Oy has been informed of the possibility of such damage. This includes, without limitation, damages for loss of profits, goodwill, use, data, or other intangible losses. Our liability will be limited to the greatest extent permitted by law in jurisdictions that do not allow the exclusion or limitation of certain damages.

Service Interruptions:

Temporary Disruptions: Users acknowledge that temporary interruptions in the provision of LiitoAPP may occur as normal events that are necessary for system maintenance, server updates, or due to technical failures beyond our control. Liito Oy aims to ensure minimal disruption and, when feasible, will provide advance notice of any significant service interruptions.

Efforts to Inform: We commit to making reasonable efforts to inform users about scheduled maintenance or updates that could impact the availability of LiitoAPP. Despite these efforts, Liito Oy will not be liable for any damages, liabilities, or losses resulting from any interruption or lack of service availability.

By using LiitoAPP, you acknowledge and agree to these disclaimers and limitations of liability, understanding they are a fundamental basis of our agreement and the provision of the app to you.

Governing Law

Applicable Law: These Terms of Use and any disputes arising from or related to the use of LiitoAPP shall be governed by and construed in accordance with the laws of the State of California, United States, without giving effect to any choice or conflict of law provisions. By using LiitoAPP, you agree to submit to the exclusive jurisdiction of the state and federal courts located in California for the resolution of any disputes.

Venue and Jurisdiction: You expressly consent to the jurisdiction and venue of the courts in California for any legal action or proceeding arising out of or related to these Terms of Use or the use of LiitoAPP. You waive any and all objections to the exercise of jurisdiction over you by such courts and to venue in such courts.

Survival of Limitations: The limitations of liability specified in these Terms reflect the parties' agreement on risk allocation. These limitations will remain in effect even if any limited remedy specified in these Terms is found to have failed its essential purpose.

Compliance with California Law: This section is crafted with respect to California's legal framework, including consumer protection laws and privacy regulations such as the California Consumer Privacy Act (CCPA). Nothing in these Terms is intended to contravene California's consumer rights laws or other applicable regulations.

Dispute Resolution: In the event of a dispute arising under or in connection with these Terms or the use of LiitoAPP, the parties agree to attempt to resolve the dispute through good faith negotiation. Should negotiation fail, the dispute will be resolved through binding arbitration in California, according to the rules of the American Arbitration Association. The arbitration award will be final and binding, and may be entered as a judgment in any court of competent jurisdiction.

By accepting these Terms of Use, you acknowledge your understanding of your rights under California law, including the right to seek legal recourse and the mechanisms for dispute resolution outlined above.

Changes to Terms

Modification Rights: Liito Oy reserves the right to update or modify these Terms of Use at our discretion. Our commitment is to ensure that LiitoAPP's terms reflect both our service's evolution and the legal landscape's current state.

Notice of Changes: In the case of significant changes, we aim to notify you at least 30 days before these new terms come into effect. This notification could be through LiitoAPP itself, via email, or any other communication method we deem appropriate. Determining what constitutes a "material change" will be at our sole discretion, based on factors like the impact on your use of LiitoAPP or legal requirements.

Acceptance of Revised Terms: Your continued access or use of LiitoAPP after any changes indicates your acceptance of the new Terms of Use. If you do not agree with the revised terms, you should cease using LiitoAPP immediately. This step is crucial to ensure that both parties operate under a mutual understanding and agreement.

Feedback and Questions: Should you have any questions about these changes or wish to provide feedback, we encourage you to contact our support team. Engaging with our users is vital for continuous improvement and understanding.

Contact Information

For any questions or concerns regarding these Terms of Use or any issues related to the use of LiitoAPP, please contact us directly at:

Email: support@LiitoAPP.fi

Phone: +358 9 123 4567

Address: Liito Oy, Tech Avenue 42, 00100 Helsinki, Finland

Appendix 2

AI Generated Terms of Use Document (Finland)

Introduction

Welcome to LiitoAPP, the innovative application brought to you by Liito Oy ("we", "our", or "us"). Our application is dedicated to revolutionizing the experience of disc golf enthusiasts by offering a cutting-edge device that attaches to disc golf discs. This device enables real-time tracking of performance data via smart devices, offering players detailed insights into their throws, including speed, spin rate, and distance, while also facilitating disc location. Designed for disc golfers seeking to enhance their performance and gain precise data on their throws, LiitoAPP stands at the forefront of technological advancement in the sport.

By leveraging our application, users can not only track and analyze their performance but also engage with a community of enthusiasts through features that allow for the sharing of achievements, participation in challenges, and comparison of throwing data. Our platform introduces a new level of community engagement, enabling players to share experiences, interact, and strengthen the disc golf community through shared goals and achievements.

User Account and Use

Account Creation Requirements: To use LiitoAPP, users must create an account. The minimum age for account creation is 12 years. During the registration process, users are required to provide accurate and current information, including their email address, phone number, and home address. By creating an account, users warrant that all provided information is true, accurate, and complete, and agree to update this information as necessary to maintain its accuracy.

User Responsibilities: Users are responsible for maintaining the confidentiality of their account information, including their password, and for all activities that occur under their account. Users agree to immediately notify Liito Oy of any unauthorized use of their account or any other breach of security. Liito Oy cannot and will not be liable for any loss or damage arising from users' failure to comply with this section. Users are encouraged to use "strong" passwords (a combination of uppercase and lowercase letters, numbers, and symbols) and change them regularly to maintain account security.

User Communication: Users must engage in respectful and lawful communication when using any communication features of LiitoAPP, such as messaging or forums. Liito Oy reserves the right to monitor communications to enforce this requirement and may take appropriate action against unacceptable behavior.

Interactions with Other Users: Users are expected to treat all other users of LiitoAPP with respect and civility. Harassment, bullying, or any other disruptive behavior is strictly prohibited. Liito Oy reserves the right to terminate the accounts of users found to be engaging in such behavior.

Users are prohibited from posting, sharing, or engaging in any content or behavior that is unlawful, harmful, threatening, abusive, harassing, defamatory, vulgar, obscene, sexually explicit, racially or ethnically offensive, or otherwise objectionable or contrary to good taste. This includes content that promotes discrimination, bigotry, racism, hatred, harassment, or harm against any individual or group; infringes upon the rights of others, including intellectual property rights; or promotes illegal activities or conduct that is abusive, threatening, obscene, defamatory, or libelous. Liito Oy reserves the right to take appropriate action against any user who violates these guidelines, including removing the content and terminating the account.

Updates and Maintenance: LiitoAPP may periodically require updates to maintain or enhance performance. Users are responsible for implementing such updates. We commit to informing users about significant updates or maintenance through notifications within the app and, where possible, via email or SMS, ensuring timely and effective communication. The app may also be temporarily unavailable during scheduled maintenance periods, but we will make every effort to minimize disruption and provide advance notice.

Third-Party Links and Services: LiitoAPP may contain links to third-party websites, services, or content that are not owned or controlled by Liito Oy. Before redirecting users to these third-party services, explicit consent will be sought, and we will ensure that any data shared is anonymized to protect user privacy. However, it's important for users to understand that third-party sites may operate under their own terms and privacy policies. We encourage a thorough review of these policies as we cannot be held responsible for their content or practices.

User Feedback: Liito Oy values the feedback, suggestions, ideas, and questions from its users. By submitting any feedback or suggestions to Liito Oy, users understand and agree that such submissions will be considered non-confidential and non-proprietary. Furthermore, users agree to transfer all ownership rights of such feedback and suggestions to Liito Oy upon submission. This transfer includes the unrestricted right for Liito Oy to use, reproduce, modify, adapt, publish, distribute, and otherwise exploit these submissions in any manner, without any obligation to offer compensation or acknowledgment to the user. This enables Liito Oy to incorporate valuable user input into LiitoAPP and its services, enhancing the overall user experience. Users warrant that their submissions do not infringe on the intellectual property rights of any third party and that they have the authority to transfer such rights to Liito Oy.

Compliance with Laws: Users must ensure that their use of LiitoAPP complies with all applicable local, state, national, and international laws and regulations. This includes, but is not limited to, privacy laws, intellectual property laws, anti-spam laws, export control laws, tax laws, and regulatory requirements.

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Acceptable Use Policy: Users must not use LiitoAPP in any way that causes, or may cause, damage to the app or impairment of the availability or accessibility of the service; or in any way which is unlawful, illegal, fraudulent, or harmful. Systematic or automated data collection activities on LiitoAPP without express written consent from Liito Oy are prohibited.

Content Guidelines: Users who post or upload content to LiitoAPP must ensure that such content does not violate any laws, rights of others, or these Terms. Liito Oy reserves the right to remove any content that violates these guidelines. Additionally, users grant Liito Oy the right to modify such content for purposes including but not limited to advertising, with the creator's name mentioned.

Intellectual Property Rights: All content provided on LiitoAPP, including but not limited to text, graphics, logos, images, as well as the compilation thereof, and any software used on the app, is the property of Liito Oy or its suppliers and protected by Finnish and international copyright and intellectual property laws.

By using LiitoAPP, you are granted a non-exclusive, non-transferable, revocable license to access and use LiitoAPP strictly in accordance with these Terms of Use. As a user, you agree not to reproduce, duplicate, copy, sell, resell, or exploit for any commercial purposes any portion of the app, use of the app, or access to the app without the express written permission by Liito Oy.

Unless explicitly stated herein, nothing in these Terms shall be construed as conferring any license to intellectual property rights, whether by estoppel, implication, or otherwise. This license is revocable at any time without notice and with or without cause.

User-Generated Content: Users who post or upload content to LiitoAPP retain their rights to any intellectual property they own in that content. By posting or uploading content, users grant Liito Oy a worldwide, non-exclusive, royalty-free license to use, reproduce, modify, publish, translate, distribute, perform, and display such content (in whole or in part) on LiitoAPP and in any other media or distribution methods (now known or later developed) for any purpose, including without limitation, the operation, promotion, and improvement of LiitoAPP. This license includes the right for Liito Oy to make such content available to other companies, organizations, or individuals who partner with Liito Oy for the syndication, broadcast, distribution, or publication of such content on other media and services. Furthermore, by posting content to LiitoAPP, users declare and warrant that they have the right to grant this license, that the content is not infringing on any third parties' intellectual property rights, and that it complies with all applicable laws and regulations. Users agree to pay for all royalties, fees, and any other monies owed to any person by reason of any content posted by them to or through LiitoAPP.

Subscription Services

Free Version

The Free Version of LiitoAPP offers users access to basic features, including performance tracking and insights based on data collected via the device attached to disc golf discs. This version does not include GSM connection capabilities, which limits certain real-time tracking features and data accessibility.

Premium Subscription

The Premium Subscription provides a comprehensive suite of features, including:

GSM Connection: Enhanced real-time tracking and data collection for a richer, more detailed performance analysis.

Expanded Data Access: Access to a wider selection of available data, allowing for more in-depth insights and analytics.

All-Inclusive Data Transfer: The fixed subscription price includes all data transfer costs, ensuring no additional charges for data usage.

Subscription details, including pricing and availability, are provided on our website. Subscription management, including upgrades, cancellations, and renewals, can be handled directly within the app or through user account settings on our website.

Service Level Agreements (SLAs) for Premium Subscriptions

LiitoAPP aims to provide a 99% uptime for our Premium Subscription services, not accounting for scheduled maintenance. However, some issues impacting the service may arise from factors outside LiitoAPP's control, such as GPS network problems or GSM service provider issues. In such cases, users may not be eligible for refunds or service credits. Affected Premium Subscription users may be eligible for a pro-rated credit in instances of significant downtime directly attributable to LiitoAPP, subject to our discretion.

Termination of Use

By Liito Oy: We reserve the right to terminate or suspend any user account and access to LiitoAPP immediately, without prior notice or liability, if we determine that the user's actions violate our Terms of Use, applicable laws, ethics, or etiquette. Violations deemed severe will result in immediate termination, while less severe infractions may first receive a warning. The determination of the severity of violations and the decision to terminate are at the sole discretion of Liito Oy.

By the User: Users may terminate their account and discontinue their use of LiitoAPP at any time. For account termination, users should follow the instructions within the app or contact our support team for assistance. Upon termination, the right to use LiitoAPP ceases immediately, and the user's account data, along with any user-generated content, will be deleted in accordance with our data retention policies and GDPR.

Appeal Process: If users believe their account was unjustly terminated, they may appeal the decision by contacting our support team. Liito Oy commits to reviewing all appeals fairly and taking appropriate action in a timely manner.

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Compliance with Laws: All terminations will be carried out in compliance with Finnish law and in respect to applicable regulations, ensuring fair treatment and protection of user rights. Kysy gpt:Itä kuluttajalaki
User Content: Upon termination, all user-generated content will be deleted immediately. Users are encouraged to secure any necessary content before initiating termination.

Effect of Termination: Upon termination, all rights granted to you under these Terms will cease immediately, and you must promptly discontinue all use of LiitoAPP. Certain provisions of these Terms shall survive termination, including, but not limited to, ownership provisions, warranty disclaimers, indemnity, and limitations of liability.

Privacy Policy

At LiitoAPP, your privacy and the security of your data are of utmost importance to us. Our application and the associated tracking device collect specific types of data to enhance your experience and improve our service. This includes geo-location data to provide and improve location-based functionalities and data on the frisbeegolf discs used (manufacturer and model) to offer personalized insights and recommendations. This data is also used for commercial purposes. All collected data is anonymized to ensure your privacy. Additionally, any personal data under the scope of the GDPR is handled and stored in strict compliance with Finnish law, safeguarding your rights and privacy.

Our comprehensive Privacy Policy, which will be made available, outlines our practices in detail, including how we collect, use, store, and protect your information, and your rights concerning your personal data. We encourage you to read the Privacy Policy thoroughly to understand our practices fully. Your consent for data collection and use will be obtained before using the app, especially for sensitive data such as location, name, and address, which will be anonymized to ensure user privacy.

Data Request: In compliance with the GDPR, users have the right to request their data at any time. To request your data, please contact our support team.

[Link to Privacy Policy]

Disclaimers and Limitations of Liability

Disclaimers: LiitoAPP is provided on an "as is" and "as available" basis, with all faults. Liito Oy makes no representations or warranties of any kind, express or implied, as to the operation of LiitoAPP or the information, content, materials, or products included on LiitoAPP. To the fullest extent permissible by applicable law, Liito Oy disclaims all warranties, express or implied, including implied warranties of merchantability and fitness for a particular purpose. Liito Oy does not warrant that LiitoAPP, its servers, or email sent from LiitoAPP are free of viruses or other harmful components.

Liito Oy does not guarantee the accuracy, reliability, or completeness of any data or information provided by the app, including but not limited to GPS or GSM data. Users acknowledge that external factors outside of Liito Oy's control, such as GPS inaccuracies or GSM network issues, may impact the app's functionality. Liito Oy shall not be liable for any issues arising from these external factors.

Limitations of Liability: Liito Oy shall not be liable for any direct, indirect, incidental, special, consequential, or punitive damages arising out of your access to, use of, or inability to use LiitoAPP, any information provided by the app, or any transactions entered into through LiitoAPP. This includes, without limitation, damages for loss of profits, use, data, or other intangibles, even if Liito Oy has been advised of the possibility of such damages.

Service Interruptions: Liito Oy endeavors to provide a seamless user experience through LiitoAPP. However, users acknowledge that temporary interruptions of the services available through LiitoAPP may occur as normal events in the provision of our services. Such interruptions may be due to system maintenance, server updates, or technical failures beyond our control. Liito Oy does not warrant that the app will be available uninterrupted or error-free, but we commit to ensuring that any interruptions are kept as brief and infrequent as possible.

Furthermore, Liito Oy will make reasonable efforts to inform users in advance of any scheduled downtime or maintenance that may significantly affect the availability of LiitoAPP. Despite these efforts, Liito Oy shall not be liable for any damages, liabilities, or losses as a result of any interruption or lack of availability of the app.

Governing Law

These Terms of Use and any disputes arising out of or related to the use of LiitoAPP shall be governed by and construed in accordance with the laws of Finland, without regard to its conflict of law provisions. By using LiitoAPP, you agree that any legal action or proceeding between you and Liito Oy will be brought exclusively in the competent courts located in Finland.

You hereby waive any and all objections to the exercise of jurisdiction over you by such courts and to venue in such courts.

The limitations of liability reflect the allocation of risk between the parties. The limitations specified in this section will survive and apply even if any limited remedy specified in these Terms is found to have failed its essential purpose.

Jurisdictional Limitations: The above disclaimers, waivers, and limitations do not exclude or limit liability in a manner which would contravene the laws of Finland. Should any part of this section be held invalid or

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unenforceable for any reason or to any extent, then the aggregate liability of Liito Oy under such circumstances for liabilities that otherwise would have been limited shall not exceed the fees paid by the user for the services provided via LiitoAPP.

Applicable Law: This section is intended to be viewed in accordance with Finnish consumer protection laws and regulations. Consumers have specific rights under Finnish law, and these disclaimers and limitations of liability do not intend to contravene those rights.

Dispute Resolution Process: In the event of a dispute arising from or related to these Terms of Use or the use of LiitoAPP, the parties shall first attempt to resolve the dispute personally and in good faith. If these personal resolution attempts fail, the dispute shall be submitted to mediation under the rules of the Finnish Centre for Arbitration. If the dispute is not resolved through mediation, it may be brought before the competent courts located in Finland.

Changes to Terms

Liito Oy reserves the right, at our sole discretion, to modify or replace these Terms of Use at any time. If a revision is material, we will provide at least 30 days' notice prior to any new terms taking effect. What constitutes a material change will be determined at our sole discretion.

By continuing to access or use LiitoAPP after those revisions become effective, you agree to be bound by the revised terms. If you do not agree to the new terms, you are no longer authorized to use LiitoAPP.

Contact Information

For any questions or concerns regarding these Terms of Use or any issues related to the use of LiitoAPP, please contact us directly at:

Email: support@LiitoAPP.fi

Phone: +358 9 123 4567

Address: Liito Oy, Tech Avenue 42, 00100 Helsinki, Finland

We are committed to resolving any issues in a timely and satisfactory manner