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ARTIFICIAL INTELLIGENCE AND LEGAL PERSONHOOD: TOWARDS A FUNCTIONALIST MODEL OF QUASI-PERSONHOOD

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Abstract: This article critically considers whether legal personhood can be extended to Artificial Intelligence (AI). Legal personhood has traditionally been conferred on non-human objects like corporations, idols, and rivers for functional or symbolic reasons, but AI poses distinctive jurisprudential challenges because of its autonomy, capacity to make decisions, and unpredictability. The paper develops theoretical foundations—fiction theory, realist theory, and functionalist theory—to conclude whether AI can be granted full, partial, or quasi-personhood. It examines international case law, and the South African path, as well as Indian judicial precedents of corporate and non-human personhood. A comparative review of policy approaches in the EU, US, and India identifies gaps in governing AI liability, accountability, and intellectual property. The argument in the paper is that although full personhood for AI is premature, a model of quasi-personhood—limited recognition for liability, contracts, and IP—balances innovation and accountability. It recommends that India must follow a functional approach to AI personhood, infusing accountability, transparency, and human intervention into any given legal framework.

Keywords: Artificial Intelligence, Legal Personhood, Algorithms, Liability, Jurisprudence, Quasi-Personhood.

I. Introduction

The concept of legal personhood has never been as structured as it might sound. Human beings still remain its dominant subjects, but history shows that the law has "personized" several non-human entities for purely practical, ethical, or convenience reasons. To put it another way: Corporations are considered persons under the law -- not because they are persons, but because their status as legal persons makes them easier to govern and hold accountable and to engage commercially. Rivers, forests, and ecosystems as natural resourcesnever-before-heard-of arena in the 21st century: algorithms and artificial intelligence.

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AI systems challenge basic assumptions of legal personhood, unlike natural things that are in the process of being recognized for ecological or cultural reasons. Their actions, decisions, and even "learning" make them responsible to an extent, even if they come no closer to being organic or spiritual beings because of it. The consequences of a self-learning algorithm driving a self-driving car, denying a loan, or recommending political content are no fable; they are reality, and completely inacceptable have an immediate effect on the prospects, rights and lives of people. And if that's what the law is about when it comes to holding people responsible for decisions made by complex systems that are so convoluted that even their creators can't necessarily explain how they came up with particular results, whom should we hold responsible?

The question of whether AI can be a person pushes jurisprudence into completely unknown territory. Granting algorithms legal personhood risks upending traditional human-focused concepts of rights, obligations and moral agency, but it also could offer helpful, if imperfect solutions for liability and regulation. In the future, AI might operate largely independently, perhaps at levels where it's impossible to say who is actor and who is instrument, not the case with corporations, which are ultimately beholden to humans. where rivers symbolize environmental ethics and common heritage, artificial intelligence (AI) seems to symbolize human intellectuality but it is not totally controlled by human. These differences illustrate why the question is not just whether AI can have legal personality, but also whether the law is prepared to mutate in ways that do not conserve its primary classifications.

Consequently, the change from rivers to algorithms is not only a change in how law must adapt to rapidly changing worlds, but also a stretching of legal imagination. We are thus compelled to ask whether legal person is a shield for human dignity or a servant of convenience through the lens of history but also stray away from it and shift toward the side of a complex society compelled whether it is something to be adapted for the convenience and need of a technologically advanced society

II. Literature Review:

A. ARTIFICIAL INTELLIGENCE AND LEGAL PERSONHOOD BY ADITI BHARTI & DR. GAGANDEEP KAUR : survey (May - 2024) , Theory and Practice, 30(5), 10395–10400.

They discuss if and whether AI is capable of or should be accorded legal personhood.Imaging the parallels with corporations, rivers, and idols which already possess legal personhood,Weak AI holds rights possibly only through human agents and

strong AI poses very real dangers.They propose an "electronic personality" model to reconcile rights, responsibilities, and liabilities. Full personhood is premature; rather, AI should receive conditional and limited rights (e.g., in intellectual property), with responsibility guaranteed through insurance or human oversight.

B. AI PERSONHOOD AND LIABILITY ISSUES BY ABHINAV PREM & DR. VINIT KUMAR SHARMA (Survey: April 2024)

They ask whether or not AI should be accorded legal personhood, like corporations or natural persons.Legal personhood would assist in resolving liability, responsibility, and victim protection where AI is responsible for harm.AI theoretically might own assets, enter contracts, and be held responsible but has no moral agency or consciousness.Legal personhood might close responsibility gaps even though AI cannot be punished as humans can. AI is not yet a person, but in the future, limited recognition may strike a balance between innovation and accountability, as long as safeguards are put in place.

C. LEGAL PERSONHOOD IN INDIAN PERSPECTIVE BY AARYAN RAJ KAUSHIK (National Law University, Odisha) (Survey: March 2024)

"Legal personhood has conventionally been limited to legal persons like corporations and human beings which bestows rights and obligations. However, recent Indian legal developments have challenged a discussion of extending legal personhood to non-human agents."Kaushik's literature reviews analyze both practical and moral challenges—emphasizing the necessity of a strong legal framework to fit rivers, ecosystems, and the prospect of future advanced AI systems as legal persons.

D. AI AND AUTONOMY: THE ENTITY-CENTRIC APPROACH BY MR. SHUBHAM SINGH (Survey: February 2024)

The writings highlight that the advent of Artificial Intelligence (AI) will pose grave legal and social issues, particularly about accountability and liability. Experts differentiate between weak AI (restricted, programmed operations) and strong AI (potentially

independent and humanlike rationality). Legal philosophers have long grappled with what entities should be accorded legal personality, such as corporations and organizations who already enjoy it. Authors contend that AI must also receive legal personhood upon achieving autonomy so that it is blamed for its actions, not attributing blame to developers or owners. The Entity-Centric approach posits that rationality and autonomy are adequate reasons for legal personality. Analogy with corporate personhood justifies this extension.

A. Research Methodology

The information gathered is examined within the context of a qualitative approach that emphasizes trends and precedents within the law and policy. The reasoning of the courts, the interpretation of the law, and the development of the regulations are all scrutinized in order to ascertain the present scope and boundaries of legal personhood, particularly with respect to non-human entities, and more specifically, artificial intelligence. Cross-jurisdictional comparative evaluation permits a greater nuanced understanding of the legal similarities and differences, concentrating on the ways in which the culture, society, and technology of a given area influence the attitude toward legal personhood above and beyond human beings.

These empirical contributions are analyzed within the framework of this research in order to assess the practical issues, legal structures, and gaps associated with the recognition of artificial intelligence as a legal person. Speculative methodologies are avoided in this research which is meant to greatly strengthen the practical relevance of the conclusions, particularly to policymakers, the legal community, and the judiciary. The research combines practical observation with doctrinal analysis to ascertain the settled position on the legal status of artificial intelligence in the context of the broader discourse of non-human personhood.

Objectives

The focus of this study is to find out if this is true artificial intelligence is a legal person and to find out the legal personhood jurisprudential foundation and analyze the legal personhood and the legal theories of personhood which is applicable to AI with and within AI jurisprudence and analyze the AI characteristics like autonomy and accountability. This is to examine AI person autonomy and accountability and AI legal recognition and the legal and ethical issues of AI personhood and the legal responsibilities, liabilities, and ethical issues that can arise in case the AI is granted personhood and the global issues concerning the global issues of the AI regulation. This is the way the countries deal with AI and the global different

approaches about the AI personhood. And For the purpose of balancing innovation with responsibility where This is to come up with a legal framework that is responsive enough to encourage AI innovation along with responsibility and control.

To assess the changing concept of extending legal person status to non-human entities such as natural systems like rivers and forests and to artificial entities like algorithms and AI. It intends to consider the rationale and the philosophies and consequences of such legal changes—from the ecological theory of legal personhood and indigenous's worldviews to the tech accountability theory. It also intends to compare and contrast natural and artificial cases of personhood, their consequences on law, governance, and society, and their possible perils and promises. Ultimately, the aim is to analyze how the broader legal personhood can contribute to more just, ethical, and inclusive legal systems of the future.

III. Legal Personhood: Historical and Conceptual Framework

Jurisprudence and the associated legal personhood concept have always bean thinking of more than just a single human being. In law, a 'person' is much more than a biological organism, but any subject that is capable of possessing rights and responsibilities. Hence, the classification of a legal and a natural person.

Since the dawn of the modern day legal system, courts considered socially or legislatively necessary the granting of personhood to some entities that exist outside of the human individual. One of the more famous examples would be the corporation. In the case, Salomon v. Salomon & Co. Ltd. (1897), the corporation was recognized as a distinct legal person, a principle that is equally treated in India. In the same manner, legal personality has also been conferred upon some religious institutions and idols to be able to own property and sue or be sued as in the case, Shiromani Gurudwara Prabandhak Committee v. Som Nath Dass (2000) and Ismail Faruqui v. Union of India (1994). In the domain of admiralty law, even ships are considered legal persons and can be sued in rem. This indicates that law, in other cases, adopts personhood in a imaginative manner as a legal person.

In jurisprudence, the concept of legal personhood has never been restricted to human beings. There is much jurisprudence that supports this. Salmond defined a person as "any entity to which rights and duties can be attributed," while Roscoe Pound underlined the fact that legal personhood is cut out to serve social purposes and not to be a fixed natural category. This history shows that personhood is not flexible, but rather a construct, and personhood is attributed to whoever the law finds fit.

This flexibility now centers one of the most pressing issues of contemporary jurisprudence. The possible granting of legal personhood to artificial intelligence (AI) is a case in point. Unlike corps or idols, AIs are

not passive fictions. They are systems that can learn, make decisions, and even create autonomously. This independence poses significant issues with respect to accountability, authorship, and liability: is AI simply a tool, or a new kind of rights and duty bearing subject.Many courts have started resolving these matters, especially with IP. In Thaler v. Perlmutter (2023) the D. C. Circuit Appeal Court held an A.I. cannot be an author of any copyrighted work. Similarly, in the DABUS patent cases (UK Supreme Court, 2023; U.S., EU, Australia) the judges determined only natural persons can be inventors. These cases demonstrate the same principle: A.I. can produce work, but the legal aspects of it are only attributed to a person.

Other regions focus on the negative aspects of A.I. causing violations of personal rights. In 2023, the Supreme People's Court of China defended the personality rights of a dubbing artist against an A.I. which mimic her dubbing and ruled in favor of the personality rights violation. Here, as well, responsibility was shifted to the human designers and operators. Also, legal battles concerning A.I. training data are setting a precedent. In the Anthropic Fair Use Case (2025, U.S. Federal Court, California), it was determined that transforming A.I. models on copyrighted materials was "fair use" but unlawful if the texts used were pirated. The other case, Getty Images v. Stability A.I case currently in the UK, aims to establish whether the A.I. developers would be charged a fee for non-payment royalties, and will likely have a significant influence around the globe.

These cases collectively illustrate a distinct trend within the legal system. Courts deny the personhood of AI, of rationally assigning responsibility to individuals and corporations. But this generates a jurisprudential quandary. AI displays person-like attributes: autonomy, learning, and inventiveness. The law, however, remains tethered to the paradigm of human responsibility. The pivotal inquiry now is this: should AI be redefined under a category such as "electronic personhood" or "quasi-personhood," or is there still a sufficient application of the doctrines of corporate and vicarious liability?

IV. Artificial Intelligence and the Question of Legal Personhood

A computer system would wait until the instructions would become clear. Instead of waiting too long positive outcomes in the long distant future. In extreme cases as the definition of extreme suggests stepping outside boundaries. A balancing act as this might be is a part of AI development. Do work as described under instructions. A computer system would need instructions written in a particular format. One of the reasoning capacities would be Recognizing patterns. Just like a dancer or a ship, an AI can learn from information, adapt to information, and act in ways that are fundamentally unpredictable even to its own creators. In such high stake scenarios as trading stocks or piloting drones, AI actions can

potentially cause catastrophic damage, thus making it impossible to hold the programmer or the owner singularly liable. This creates a gray area that is neither a conclusive tool nor a precise an actor, and which our current legal frameworks are wholly unprepared to address. This ambiguity creates difficulties with liability, copyright, and the enforcement of agreements. In the case of a self driving car that gets into an accident, should the liability rest with the programmer, the AI, or the corporation? When AI systems take part in contract negotiations, fundamental questions arise as to the nature and validity of such contracts. The passion of the case introduces another layer of complexity. What happens to an AI that creates an original work? Does it get to be legally recognized as an inventor? This is the intersection that the DABUS case highlights. Dr. Stephen Thaler filed some patent applications which in them, claimed his AI DABUS to be the inventor. In stark contrast with the United States, the United Kingdom and the European Union, which claimed that only a person or corporation can be an inventor, South Africa made significant progress in 2021 and became the first country to recognize her as an inventor. This serves as an ideal example of how legal thinking is split around the world.

The development of a legal personality theory contributes to structuring this discussion. Using the Fiction Theory, legal personhood can be created and utilized, so long as it serves practical AI usage. The Realist Theory, on the other hand, focuses on the social and physical existence of entities, which would disqualify AI. The Functional, Purpose-Based Theory, however, seems to hold the most currency at present. It advocates recognition of an entity wherever it can aid accountability and governance. This theory does not require AI to be recognized as conscious or dignified—it simply allows recognition to fill regulatory and liability gaps. This assertion doesn't save AI from ethical dilemmas which are an inherent feature of recognition. AI recognition would not be comparable to granting personhood to a river or a statue which serves a culturally or symbolically personified purpose. Rather, AI personhood would be a pragmatic approach to filling the accountability deficit. In an attempt to prevent 'liability vacuums,' this may displace responsibility and attribution of the human domain. AI recognition would also increase the risk of undermining the value of personhood. Therefore, recognition of AI ought to be prudently weighed against ethical constraints.

India is unlike any other country in the world. Extending legal personhood to idols, temples, and even rivers to protect the cultural and ecological is one example how creatively courts here function. However, the legal position of AI in India is far more advanced. The Information Technology Act in 2000 and the Digital Personal Data Protection Act in 2023 address cyber and data privacy issues, but the autonomy of AI and its liabilities are completely ignored. The 2018 National Strategy for AI issued by Niti Aayog recognizes the much-needed guidelines but fails to recommend the most important one – recongition of

personhood. India is aware, probably because of its flexible legal philosophy, that other countries that have imposed such personhood, like in the DABUS case, are issues India will have to confront. Then there is the possibility of adopting a quasi-personhood model, where all recognition is ultimately controlled by a human being. Much of the current thought leans toward assigning quasi-personhood to AI within defined boundaries, such as liability, contract, and IP. It is in much the same way as companies are treated as legal persons for limited purposes and are not equated to natural persons. The balance of the innovation and responsibility is maintained with such a approach.

V. Comparative and Critical Analysis

India's previous attempts regarding legal personhood to non-human entities can assist with case AI recognition. In legal disputes with idols, temples, and rivers, personhood has been granted for symbolic and practical reasons. For example, in the case of Mohd. Salim v. State of Uttarakhand (2017), the legal persons status was bestowed upon the Ganga and Yamuna rivers. The point of the case was not to claim the rivers could act, but to highlight cultural reverence and the idea of stewardship to protect and preserve the rivers. The case with AI, of course, is vastly different, and the most significant difference is autonomy. Idols, temples, and rivers-of which, by the way, there are no functioning shrines, statues, or images, and AI do not possess autonomy. Idols, temples and rivers do not possess functioning autonomy and are dependent upon guardians to act legally on their behalf. AI, on the other hand, has the ability to learn and adapt and take independent actions, which can produce very real consequences like errors in medical diagnosis, and risks in financial systems, for which current laws make it difficult to assign responsibility. Another significant difference is the 'why' element. AI and the idols and temples and rivers were symbolically id to protect the legal and environmental values of the culture. AI recognition would not serve the same purpose. AI recognition would serve to provide regulation to legal loopholes.

The DABUS case provides yet another instance of how AI must be approached with practical questions regarding inventorship. This is something the courts cannot evade. For India, this means that personhood for AI cannot be merely symbolic, it must be functional, and thus limited. For the moment, the legal system in India is far more cautious. While the IT Act and the DPDP Act attempt at the regulation of cyberspace and data, the self-governing initiatives pertaining to AI autonomy remain unaddressed. Furthermore, the NITI Aayog's AI strategy deals with the application of AI purely in ethical terms, as legal personhood is avoided altogether. While it is true that Indian courts have shown a novel degree of flexibility as to the recognition of rivers, AI presents a bigger challenge to the Indian courts, as the errors made by AI could inflict actual harm on human beings or the environment. This suggests that the

recognition of a framework of quasi-personhood is the most appropriate solution. This means that AI could be recognized for specific functions as pertaining to the distribution of liability, the allocation of IP, and the regulatory compliance, without the loss of human accountability. Global practices corroborate this middle path: the EU avoided electronic personhood, the US and UK refused to grant AI inventorship, and the South Africa AI system is far more liberal in this regard. India ought to learn from these, yet devise its own appropriate answer to the questions that these case studies raise. The rationale for recognizing rivers and idols is mostly symbolic and protective, whereas AI recognition needs to be for functional accountability. Thus, a limited model with robust legal restraints best fits India's legal system and provides a balanced approach to self-governing innovation.

VI. Future Directions and Policy Recommendations

There is no specific law in India dealing with AI personhood or liability. As AI systems are deployed in critical fields like healthcare, finance, transport, and governance, disputes regarding harm or contracts, or even inventorship, are bound to escalate. In the absence of a legal framework, the courts are likely to deliver contradictory verdicts, thereby creating a legal quagmire for businesses and individuals. Therefore, decisions issued by the courts regarding of AI liability seem to be a matter of utmost importance. There should be some balance in the framework that enables innovation to occur, but not at the cost of the victims of AI-related harm, which will be AI themselves. To fully grant AI personhood would undermine the accountability of people; to ignore the situation would risk creating liability gaps. The balanced approach is to treat AI as a quasi person for specific functions, and to retain human accountability at the end of the day. Some of the possible models could be the following: Liability: AI could be controlled through tort law and assigned strcit liability as the fundamental principle. Intellectual Property: AI's contribution could be acknowledged while the person(s) owning the AI retains IP. Contracts: AI could be granted some limited capacity for contracts, but only under supervision.

To accomplish this, India requires reforms in legislation. This could be achieved by revising the IT Act, 2000 or formulating a standalone AI bill. The Act should classify AI, set liability principles, and outline regulatory frameworks. The establishment of a new regulatory authority akin to SEBI, in charge of the AI industry's ethics, compliance, and public interest, could be invaluable. India can also benefit from the experience of other countries. The European Union's concern is a case in point on the opposite of the spectrum of DABUS acceptance by South Africa which demonstrates a willingness to take risks. India should have it's own unique approach, however, it needs to learn from other countries, and tailor them to the society and laws of the country. The ethical mechanisms are to be integrated from the beginning. AI

should be recognized without decreasing the level of human responsibility, or increasing the level of inequality in society. Any legal structure must incorporate human oversight, transparency, and robust restrictions on sensitive areas of decision making. Thus, a hybrid model is recommended. AI is granted quasi-personhood for specific limited purposes, and regulatory bodies are kept in a position to ensure the ultimate responsibility is with the human. This would encourage innovation without removing responsibility in a manner which is in line with India's legal philosophy.

VII. Suggestions

To effectively address AI's legal recognition in India, a progressive multi-faceted strategy remains necessary now. First, legislative reform should be undertaken through enacting a dedicated AI statute or amending the Information Technology Act, 2000. This legislation must clearly categorize AI and must also rule on liability and scope quasi-personhood to ensure recognition proportionally corresponds to AI's autonomy and impact. AI development as well as deployment must be overseen by just a regulatory authority. Such a body should monitor the ethical norms as well as approve these high-risk applications. It would enforce liability frameworks also and mediate disputes if AI-related harm arises. Ethical safeguards are needed that are embedded like human oversight that is mandatory limitations that are strict on delegating decisions that are critical to AI systems and algorithmic transparency that is particularly affecting safety or fundamental rights. Fourth, in intellectual property and contractual contexts, AI's quasi-personhood should allow for someone recognizing its contributions without someone granting full ownership rights because that maintains a balance between innovation and accountability. Stakeholders must engage as well as the public become aware. Policymakers as well as businesses plus legal professionals including civil society must each participate within shaping AI norms so as to ensure that regulations happen to be socially informed also technologically current in addition to ethically grounded, which in turn shall guarantee regulations' success. Taken together, these measures do establish a strong framework which promotes innovation as it simultaneously safeguards accountability and social interests within the Indian context.

VIII. Conclusion

The study depicts legal personhood evolving dynamically for meeting technological, social, and cultural demands. India has recognized non-human entities for a long time like temples and idols as legal persons. This recognition balances practical governance for both protection and symbolism with entities like rivers. The Ganga as well as Yamuna are recognized in Mohd. Salim v. State of Uttarakhand (2017)

shows the ability of legal personhood so as to safeguard ecological as well as cultural values. This blending furthers both of the ethical and functional objectives.

AI presents a difficult matter. It is, in fact, a distinct kind of one. AI is technological, autonomous, and capable of decisions with concrete social, economic, and legal consequences unlike rivers or idols. Existing laws reveal gaps in liability and accountability because of its autonomy and unpredictability. The study shows the functionalist jurisprudential approach suits best, also recognizing AI only in situations where practical benefits, such as allocating responsibility, enforcing contracts, or assigning liability, do require, without equating it to natural persons. Analysis that is comparative indicates that as rivers have been recognized symbolically, recognition of AI must be functional and must be bounded. When humans are still accountable AI may engage in legal processes like tort liability or intellectual property with limited or quasi-personhood. India's legal custom favors this plan innovating with ethics kept responsibly in mind.

Ultimately, full legal personhood for AI is not necessary now. Additionally, best practices suggest that it is simply not advisable to do so. An even, potential answer gives a moderate simulated-personhood design, with built-in moral protections, staff supervision, and plain lawful limits. For the protection of human welfare, accountability, and fairness ensures Indian law can evolve alongside technology.

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