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**ARTIFICIAL INTELLIGENCE AND LEGAL PERSONALITY:
REASSESSING CLASSICAL JURISPRUDENTIAL THEORIES IN THE
DIGITAL AGE**

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Abstract

The rapid advancement of Artificial Intelligence (AI) has challenged traditional legal concepts of personhood. As AI systems are increasingly performing autonomous functions in areas such as finance, healthcare, transportation and governance, fundamental questions arise regarding their legal status. With this, the adequacy of existing legal frameworks also comes under scrutiny in addressing AI's liabilities, rights and responsibilities in associated with its actions. This paper examines the concept of AI legal personality through the lens of classical jurisprudential theories of legal personality, namely the Fiction Theory, Concession Theory, Real Entity Theory, Purpose Theory and Bracket Theory. Under these theories the paper assesses whether AI can be accommodated within existing jurisprudential understandings of legal personhood or not. The paper further argues that AI does not satisfy traditional requirements of personhood because it lacks consciousness, moral agency, autonomous will or legally cognizable interests. Nevertheless, legal personality has historically been extended to non-human entities, including such as corporations, foundations, rivers and religious institutions for functional and regulatory purposes. The paper concludes that while AI should not be equated with natural persons or granted human rights, a carefully designed framework of limited legal personality may provide a pragmatic solution to the emerging legal challenges in the age of artificial intelligence.

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I. Introduction

Artificial Intelligence (AI) has emerged as one of the most transformative technologies of the twenty-first century. Rapid advancement in machine learning, deep learning and natural language processing have enabled AI systems to perform tasks that were once considered exclusive to humans. This concept originated at the Dartmouth Workshop in 1956 and has evolved from simple rule-based systems to sophisticated deep learning models, emerging as one of the most influential technologies of the modern era.³ It is now widely used across various sectors, including chatbots, search engines, smart technologies, healthcare, biotechnology and scientific research, etc. AI is generally classified into Artificial Narrow Intelligence (ANI), Artificial General Intelligence (AGI) and Artificial Super intelligence (ASI). Currently, all existing AI systems fall within the category of Artificial Narrow Intelligence (ANI) and are designed to perform specific tasks.⁴

As AI systems become increasingly sophisticated and capable of acting with greater autonomy, an important question arises: Should AI be recognized as a legal person? The concept of legal personality occupies a central position in jurisprudence, as it determines whether an entity is capable of possessing rights, bearing duties, owning property, entering into legal relations and being held accountable under the law or not. Historically, legal personality has not been limited to natural persons. Various non-human entities, including corporations,⁵ Hindu idols,⁶ the Holy Guru Granth Sahib ji⁷ and in some jurisdictions, even natural objects such as rivers,⁸ have been granted legal personality to achieve specific legal and policy objectives. This development suggests that legal personality is not merely a

³Chinimilli Venkata Rama Padmaja *et al.*, "The Rise of Artificial Intelligence: A Concise Review", *IAES International Journal of Artificial Intelligence (IJ-AI)* 13(2) 2226, 2226 (2024).

⁴Tiing Leong Ang *et al.*, "The Rise of Artificial Intelligence: Addressing the Impact of Large Language Models Such as ChatGPT on Scientific Publications", *Singapore Medical Journal* 64(4) 219, 219 (2023).

⁵*Salomon v. A. Salomon & Co. Ltd.* [1897] AC 22 (HL).

⁶*Manohar Ganesh Tambekar v. Lakhmiram Govindram*, (1888) ILR 12 Bom 247; *Yogendra Nath Naskar v. Commissioner of Income Tax*, AIR 1969 SC 1089.

⁷*Shiromani Gurdwara Parbandhak Committee v. Som Nath Dass*, (2000) 4 SCC 146.

⁸*Te Awa Tupua (Whanganui River Claims Settlement) Act 2017* (NZ), s. 14; *Centro de Estudios para la Justicia Social Tierra Digna y Otros v. Presidencia de la República y Otros*, Sentencia T-622/16 (Constitutional Court of Colombia, Nov. 10, 2016).

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reflection of human characteristics but also a legal construct designed to serve practical and regulatory purposes. Consequently, the debate concerning AI legal personality has gained increasing attention among legal scholars, policymakers and international institutions,⁹

AI's growing autonomy and decision-making capabilities have generated significant benefits while simultaneously raising complex legal, ethical and regulatory concerns. Its increasing integration into social and economic activities has revealed the limitations of existing legal frameworks. However, highly autonomous AI systems challenge conventional legal concepts relating to responsibility, liability, accountability and personhood. While AI offers significant economic and social benefits but also raises concerns regarding privacy, human autonomy and fundamental rights.¹⁰ Proponents argue that granting a limited form of legal personality to advanced AI systems could facilitate the allocation of liability, regulatory oversight and effective governance.¹¹ Critics, however, contend that AI lacks consciousness, moral agency, free will and legally cognizable interests, thereby making the attribution of legal personality conceptually problematic.¹² Its rapid development has created regulatory challenges, highlighting the need for effective legal frameworks to address emerging risks and protect individuals from potential harm.¹³ Consequently, the question of AI personhood requires a careful examination of the jurisprudential foundations of legal personality.

This paper seeks to reassess the classical theories of legal personality in the context of contemporary technological developments. It analyses the Fiction Theory, Concession Theory, Real Entity Theory, Aggregate Theory, Purpose Theory organic Theory, Normative

⁹See generally Shawn Bayern, "The Implications of Modern Business-Entity Law for the Regulation of Autonomous Systems", *Stanford Technology Law Review* 19(1) 93, 94–96 (2015); European Parliament, *Report with Recommendations to the Commission on Civil Law Rules on Robotics*, 2017/2103(INL) (Jan. 27, 2017), para. 59(f); UNESCO, *Recommendation on the Ethics of Artificial Intelligence* (adopted Nov. 23, 2021, UNESCO, 2022).

¹⁰Rowena Rodrigues, "Legal and Human Rights Issues of AI: Gaps, Challenges and Vulnerabilities", *Journal of Responsible Technology* 4 100005, 1 (2020).

¹¹See generally M. Mohit Prem Kumar, "Treating Artificial Intelligence as a Legal Person to Hold Intellectual Property under the Indian Legal Framework and Ethical Analysis", *Indian Journal of Integrated Research in Law* 5(1) 1048, 1060–1061 (2025); Aditi Bharti & Gagandeep Kaur, "Legal Personhood of Artificial Intelligence: A Contemporary Perspective on Juristic & Electronic Personality", *Educational Administration: Theory and Practice* 30(5) 10395, 10399 (2024).

¹²See generally Yash Choudhary, "Legal Personhood for AI: A Possible Key for Unlocking Human-AI Symbiosis?", *RGNUL Student Research Review* (Dec. 28, 2022), available at: <https://www.rsrr.in/post/legal-personhood-for-ai-a-possible-key-for-unlocking-human-ai-symbiosis> (last visited June 26, 2026); Simon Chesterman, "Artificial Intelligence and the Limits of Legal Personality," 69(4) *International and Comparative Law Quarterly* 819, 833–836 (2020).

¹³Rowena Rodrigues, *supra* note 8.

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Theory, Interest Theory and Will Theory to evaluate their relevance to determining whether can be recognised as a legal person. The paper argues that while AI does not satisfy certain all traditional requirements of legal personhood, some classical theories provide a persuasive jurisprudential basis for recognizing a limited and functional form of AI legal personality. Through this analysis, the study contributes to the ongoing discourse on adapting legal systems to the challenges posed by artificial intelligence in the digital age.

II. Meaning and Concept of Legal Personality

Legal personality serves as a foundational legal construct for conferring rights and responsibilities upon entities. In legal jurisprudence, a “person” refers to an entity recognized by law as capable of holding rights and obligations. While human beings are the primary legal persons, the law may also extend legal personality to non-human entities for specific legal purposes.¹⁴ The legal meaning of the term “person” is not confined solely to individuals; it also includes various artificial entities, such as corporations, companies and associations, that are granted rights and subject to duties under the law.¹⁵ The existence of legal personality of a natural person ordinarily limited to the lifetime of the individual and terminates upon death.¹⁶ There is no consensus among legal scholars as to what exactly constitutes a legal person, how far legal personality should extend and which entities should be granted such status. As a result, the concept remains subject to different interpretations and ongoing academic debate.¹⁷

To understand these debates, it is necessary to examine the historical evolution of the concept of legal personality. Its origin can be traced to Roman law, where the foundations of the concept were first laid.¹⁸ It later contributed to the development of contemporary legal systems. The evolution of legal personality has been closely linked to the recognition of rights and obligations within the legal system, which together constitute the foundation of

¹⁴e-PG Pathshala, "The Concept of Legal Personality", *Jurisprudence*, Paper No. 01, Module No. 24, available at: <https://epgp.inflibnet.ac.in/> (last visited June 26, 2026).

¹⁵Manish Ranjan, "Meaning and Kind of Person", *Legal Services India*, available at: <https://www.legalservicesindia.com/article/2316/Meaning-and-Kind-of-Person.html> (last visited June 26, 2026).

¹⁶*Ibid.*

¹⁷Ngair Naffine, "Who are Law's Persons? From Cheshire Cats to Responsible Subjects", *The Modern Law Review* 66(3) 346, 346 (2003).

¹⁸Geetika Dev, "Legal Personalities Under Jurisprudence", *International Journal for Multidisciplinary Research (IJFMR)* 6(4) 1, 5 (2024).

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legal personality. Holding a right means being vested with a legally enforceable entitlement that enables an individual or entity to make choices and demand their recognition by law.¹⁹

Legal personality is fundamental to the legal system because it establishes who may hold rights, incur duties, engage in legal relationships and benefit from the protection of the law. The possession of a legal right entails a legally recognized capacity to make choices, with the assurance that such choices will be respected and enforced by the legal order. Having established the meaning and significance of legal personality, it is important to examine its classification. From a legal perspective, persons may be categorized as either natural persons or juristic person.²⁰ Juristic persons are also known as legal or artificial persons. The term "natural person" denotes a living human individual capable of holding rights and bearing duties under the legal system.²¹ The status of legal personhood is generally accorded to human beings in legal systems around the globe as natural persons.²²

Beyond natural persons, the law grants legal personality to entities such as corporations, companies and trade unions as juristic persons.²³ The term "juristic person" denotes an entity, such as a group of persons, an institution or a body of property that is recognized by law as a legal person.²⁴ A legal person acts as the juridical subject to which legal rights and duties are attached.²⁵ Regardless of whether an entity is classified as a natural or juristic person, certain essential characteristics are necessary for the recognition of legal personality. Legal personality is characterized by several essential attributes, including legal recognition, legal capacity, the ability to hold rights and bear obligations and the capacity to engage in legal relations.²⁶ The significance of these attributes has been further explained by legal theorists, particularly Hans Kelsen. In Kelsen's view, a legal entity encompasses any individual or organization recognised by the legal system as capable of possessing duties and

¹⁹Visa A.J. Kurki, *Legal Personhood* (Cambridge University Press, 2023) 9.

²⁰*e-PG Pathshala*, *supra* note 12.

²¹ Manish Ranjan, *supra* note 13.

²²Tanu Tanwar, "The Concept of Legal Personalities", *Indian Journal of Integrated Research in Law* 4(3) 356, 359 (2024).

²³ Manish Ranjan, *supra* note 13.

²⁴*Ibid.*

²⁵Macarena Montes Franceschini, "Traditional Conceptions of the Legal Person and Nonhuman Animals", *Animals* 12(19) 1, 1 (2022).

²⁶Elvia Arcelia Quintana Adriano, "The Natural Person, Legal Entity or Juridical Person and Juridical Personality", *Penn State Journal of Law & International Affairs* 4(1) 365, 375 (2015).

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responsibilities. Thus, the capacity to be bound by legal obligations constitutes a central element of legal personality.²⁷

III. Classical Theories of Legal Personality and their relevance to Artificial Personality

i. **Fiction Theory:** According to the Fiction Theory, propounded by Savigny, juristic persons exist only as legal fictions created and recognized by law for the administration of rights and obligations.²⁸ Under this theory, artificial legal personality arises when law treats particular entities or objects as persons for legal purposes. The theory therefore maintains that only human beings are real persons, while juristic persons derive their existence solely from legal recognition. Artificial legal personality arises when law, through a legal fiction, recognizes certain entities and objects as persons.²⁹ The operation of legal fiction can also be observed where attributes rights to entities that do not fully satisfy the ordinary requirements of legal personhood.

The legal system employs a fiction whereby a foetus is considered born for the limited purpose of acquiring specific rights and benefits.³⁰ This theory is frequently invoked in debates on AI legal personality. If corporations, which are not natural persons, can be granted legal personality through a legal fiction, then advanced AI systems could likewise be accorded a limited form of legal personality by legislative action. However, critics contend that AI lacks consciousness, moral agency and legally cognizable interest, making the extension of legal personality conceptually problematic.

ii. **Concession Theory:** The Concession Theory regards legal personality as a privilege granted by the State rather than an inherent characteristic of an entity. The theory emphasizes that the existence and legal status of corporations depend upon State recognition. As stated under this theory, "Corporate personality arises only as a result of State acts and exists merely by concession of the sovereign."³¹ It views a corporation as an artificial legal entity created by the State. According to this theory, a corporation does not possess an independent legal existence apart from the recognition conferred by the State and acquires legal personality only through legal recognition. The State grants

²⁷*Ibid.*, at 374.

²⁸*Ibid.*, at 369.

²⁹Gaurav Vardhan, "Legal Personality in International Law", *International Journal of Law Management & Humanities* 4(4) 4052, 4053 (2021).

³⁰ Manish Ranjan, *supra* note 13.

³¹*e-PG Pathshala*, *supra* note 12.

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corporations the capacity to hold rights, bear duties, own property and engage in legal relations.³²

Furthermore, it regards corporate personality as a legal status conferred by the State, enabling corporations to act through their authorised representatives. Consequently, the corporation's powers and existence depend upon the State's recognition and regulation.³³ Applied to Artificial Intelligence, this theory suggests that AI may be granted a limited form of legal personality where the State, through legislative action, recognizes it as a legal entity and defines the scope of its rights, duties and liabilities. Under this theory, AI would possess legal personality only to the extent authorized by law. Accordingly, the State would determine the rights, obligations and legal responsibilities of AI and could modify or withdraw such recognition whenever necessary.

- iii. **Real Entity Theory (Organic Theory):** Real Entity Theory primarily associated with Otto von Gierke and later developed by F.W. Maitland, is based on the premise that a corporation or collective body possesses a real existence independent of its individual members. According to this theory, legal entities are not mere creations of law but are genuine social organisms with their own identity, interests and collective will. Law merely recognizes this pre-existing reality rather than creating it.³⁴ Modern versions of the Real Entity Theory argue that organizations are real social entities even though they are not physically tangible. They influence human behaviour and create social structures through established habits, routines, procedures and organizational culture.³⁵ According to this view organizations possess a distinct social reality that exists independently of the individuals who compose them, thereby supporting the recognition of legal personality beyond natural persons.³⁶ A modern interpretation of the Real Entity Theory may support the recognition of limited AI legal personality if advanced AI systems develop a sufficiently independent and influential role within social and economic structures. However, unlike organizations, AI currently lacks a genuine social existence and an independent collective identity.

³²Katharine Jackson, "The Theories of Corporate Personhood and Their Three False Choices: Developing a Framework for Corporate Rights", *Berkeley Business Law Journal* 21 387, 399–400 (2024).

³³*Ibid.*

³⁴Eva Micheler, "Corporate Rights and Obligations—The Perspective of Real Entity Theory", *Transnational Legal Theory* 16(1–2) 22, 32 (2025).

³⁵*Ibid.*, at 33.

³⁶*Ibid.*

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- iv. **Purpose Theory:** The Purpose Theory of Legal Personality, principally associated with Alois von Brinz, maintains that only human beings are true legal persons capable of possessing rights. According to this theory, entities other than human beings are not real persons but artificial legal constructs established to achieve specific legal purposes. Under this theory, a juristic person is not regarded as a person in the strict sense. Instead, it is viewed as a legal mechanism through which property and rights are dedicated to a particular purpose or object. The theory is based on the concept of "subjectless property," which signifies that property may exist for a defined purpose without belonging to a specific owner. It emphasizes that the legal recognition of juristic persons is founded on the objective they are intended to serve rather than on any independent legal existence.³⁷

It therefore provides a theoretical justification for recognizing charitable trusts, religious endowments, foundations, trade unions and similar organizations as legal persons, enabling them to hold property, exercise rights and perform legal functions in furtherance of their designated purposes.³⁸ In the context of Artificial Intelligence, the Purpose Theory suggests that AI may be accorded a limited form of legal personality where such recognition serves a specific legal purpose, such as facilitating liability allocation, regulating autonomous systems or promoting legal certainty. Under this approach, AI is not treated as a real person but as a legal mechanism established to fulfil specific legal purposes.

- v. **Bracket Theory:** The Symbolist (Bracket) Theory regards corporate personality as a legal device adopted to simplify legal relationships rather than as an independent legal entity. It maintains that the corporation merely represents the collective rights and interests of its members, while the law ultimately protects human interests.³⁹ Consequently, the theory treats corporate personality as a symbolic legal device and attributes legal rights and obligations primarily to the individuals behind the corporation.

From the perspective of the Symbolist (Bracket) Theory, Artificial Intelligence cannot be regarded as an independent legal person. Instead, AI may be viewed merely as a legal

³⁷Halyani Hassan *et al.*, "The Myth of Corporate Personality: A Comparative Legal Analysis of the Doctrine of Corporate Personality of Malaysian and Islamic Laws", *Australian Journal of Basic and Applied Sciences* 6(11) 191, 192 (2012).

³⁸*Ibid.*

³⁹*Ibid.*

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mechanism or symbolic device through which the rights, duties and liabilities of the natural or juristic persons behind it are exercised and represented. Consequently, responsibility for AI-related acts would continue to rest with developers, owners, operators or other human actors rather than on the AI system itself.

IV. Assessment of AI Legal Personality under Classical Theories

Among the classical theories of legal personality, the Fiction Theory and the Concession Theory provide the strongest justification for recognizing a limited form of legal personality for Artificial Intelligence, as both acknowledge that legal personality may be conferred through legal recognition. The Purpose Theory also supports such recognition where it serves a specific legal objective. In contrast, the Real Entity Theory is less applicable because it presupposes the existence of a real and independent entity, while the Bracket Theory treats legal personality merely as a legal device representing the interests of human actors. Accordingly, while the Fiction Theory and the Concession Theory provide the strongest jurisprudential foundation for recognizing a limited form of AI legal personality, the Purpose Theory further reinforces this conclusion where such recognition serves specific legal and regulatory objectives.

V. Conclusion

The emergence of Artificial Intelligence has compelled legal scholars to reconsider traditional concepts of legal personality in light of rapidly evolving technologies. Among the classical theories of legal personality, the Fiction Theory and the Concession Theory provide the strongest justification for recognizing a limited form of legal personality for Artificial Intelligence, as both acknowledge that legal personality may be conferred through legal recognition. The Purpose Theory also supports such recognition where it serves a specific legal objective. In contrast, the Real Entity Theory is less applicable because it presupposes the existence of a real and independent entity, while the Bracket Theory treats legal personality merely as a legal device representing the interests of human actors. Therefore, the Fiction Theory and the Concession Theory offer the most persuasive jurisprudential basis for considering limited legal personality for AI.

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However, recognizing AI as a legal person should not imply equivalence with natural persons or the extension of human rights to machines. Any recognition of AI legal personality must remain functional, restricted and carefully regulated. Accordingly, this paper concludes that although Artificial Intelligence does not fully satisfy the traditional requirements of legal personhood under all classical theories, a limited and purpose-oriented form of legal personality may be justified under the Fiction, Concession and Purpose theories. Such an approach would facilitate liability allocation, enhance regulatory oversight and accountability and address emerging legal challenges posed by increasingly autonomous AI systems while preserving the fundamental distinction between AI and natural persons.



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