



Press Release

PIPC Announces Results of Pre-emptive Inspection of A. and Other AI-enabled Application Service Providers

(This is an unofficial translation of a press release, originally prepared in Korean.)

The Personal Information Protection Commission (hereinafter “PIPC”) held the 10th plenary meeting to deliberate on and resolve the results of the pre-emptive inspection of four AI-enabled application service providers (SK telecom, Snow, DeepL, and VUNO) to check for potential vulnerabilities and prevent privacy-related risks.

The PIPC has been preemptively conducting inspections of AI service providers since November last year to promote safe personal data handling. The data protection authority has divided AI service providers into two groups: businesses powered by Large Language Models (LLMs), and application service providers. As part of this endeavor, it already released the results of the inspection of AI service providers powered by LLMs in March this year.

During this timely deliberation and resolution process, the PIPC focused on personal information processing procedures handled by AI-enabled application service providers. The following three sections provide a summary of the recommendations on the aforementioned application service providers made by the PIPC.

1. A. of SK telecom

A. is a service to record and summarize phone calls and provide real-time interpretation run by SK telecom (“SKT”), one of the biggest mobile carriers in Korea. After conducting pre-emptive inspection, once the recording was made on a user’s device, the voice recording was converted into a text file on SKT’s server, and this converted file was summarized on MS’s cloud server, providing its end-users with the final summarized output. The pre-emptive inspection discovered that access records were not stored in the system for text files during the data processing stage. As a result, the PIPC recommended SKT redress its failure to comply with safeguard measures. On top of the recommendation, the PIPC made a resolution to advise SKT to devise and take measures to minimize the retention period of text files, enhance de-identification, and render a better understanding of data subjects’ rights to control their personal data in a clear manner to align with the principles of personal information protection. SKT has been taking measures to materialize the notification of cross-border transfer of personal information, shorten the retention period of training data, etc. while the inspection was underway.

2. Snow Corp.

Snow is an image-generating service to create so-called “AI-generated Profile Photos” by editing and transforming features based on generative AI technology. The inspection showed that it used a pre-trained AI model publicly available online, not collecting separate data to be trained on for other purposes. It also stored generated images only to promote users’ convenience to re-download images on its server for a certain period of time.

Meanwhile, it was clear that the service was sending images and processing them with regard to its unique functions, but the service failed to clearly outline its data processing practices for the sake of end users’ understanding and lacked sufficient safeguards when using a Software Development Kit (SDK) for image filtering. In this regard, the PIPC recommended the company inform its users of the personal data processing status on its server and overhaul its system to prevent unintended personal data transfer or processing when using an external SDK.

3. DeepL and VUNO

DeepL is an AI-enabled translation service with 31 language options. It uses publicly available data and user-entered texts for its AI model training. It provides translation upon users’ request using user-entered texts only with no risk of generating personal data or exposure due to being trained on publicly available data.

The PIPC found out that DeepL did not clearly notify its users that the data they entered might be used for its AI model training or processed by human reviewers. Following the PIPC’s recommendation that businesses implement clear user notifications informing users that the user-entered data might be processed by human reviewers, DeepL has been guiding its users not to enter their personal information in a user prompt and incorporating the human reviewer process into its data processing scheme. In this vein, the PIPC decided not to make separate recommendations on the translation service provider.

VUNO is an AI-based program to assist with reading and measuring medical imaging (X-ray, CT, MRI, tec.) and bio-signals (electrocardiogram; ECG) and predict diseases (cardiac arrest).

It was confirmed that VUNO uses the data confirmed by each hospital or clinic’s bioethics review boards and data deliberation committees, not the data entered by medical institutions via programs. The company proved to comply with the Personal Information Protection Act with regard to collecting and processing AI training data.

The PIPC’s pre-emptive inspection holds significance since it serves as a catalyst to proactively overhaul potential vulnerabilities and find room for improvement in personal information processing schemes amid the rapid proliferation of AI technologies in industries and the service sector. The PIPC is set to continuously keep an eye on the data-related practices of AI-enabled application service providers to allow data subjects to securely use

[Unofficial Translation]

AI-powered services and ceaselessly devise measures and seek ways to protect and utilize personal data that guarantee safe everyday life in the age of AI.