Hogan Lovells

# AI

2024-2025

*Trends Guide*

#SALMANQADIR

# AI technology continues to proliferate, transforming industries and creating novel legal challenges across the world.

In this second edition of our highly successful Global AI Trends Guide, we are pleased to share new and updated trends highlighting some of the key market-moving areas on which our teams are actively focused, and how we can help. With our global reach, deep sector knowledge, and commercial-focused approach, we have the capabilities and strategic leadership to partner with your business on all of your AI legal needs.

**Mark Brennan**
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*Be sure to explore our additional resources on AI*

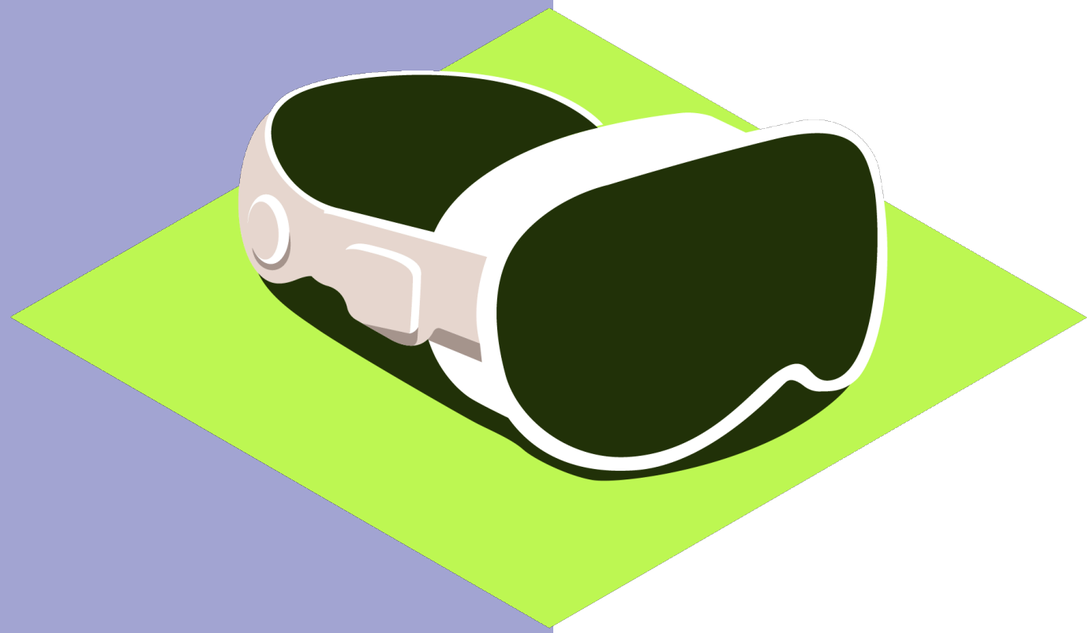
AI Hub

AI Act Applicability and Compliance Tools

2024 – The year of AI: six-part video series

Digital Transformation Academy

AI issue spotting – A mastery series for lawyers



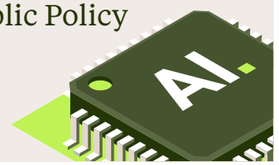
# Content

## Compliance

Governance

Ethical and Responsible AI

Public Policy

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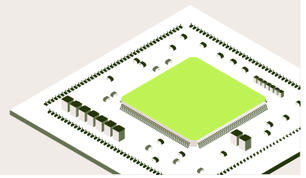
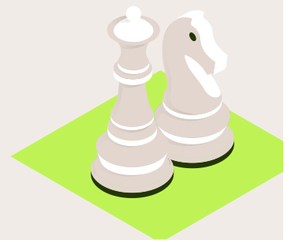
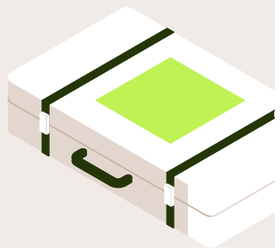


## Disputes



## Employment



## Life Sciences and Health Care

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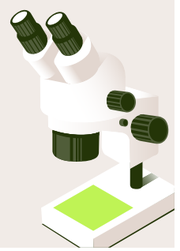

## Consumer

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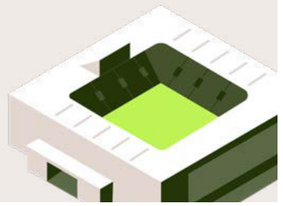
## Connected Cars and Autonomous Vehicles

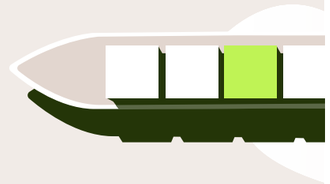
## Sports, Media and Entertainment



## Telecoms

## Real Estate

## Export Controls and Trade



## Space

## Manufacturing and Industrials

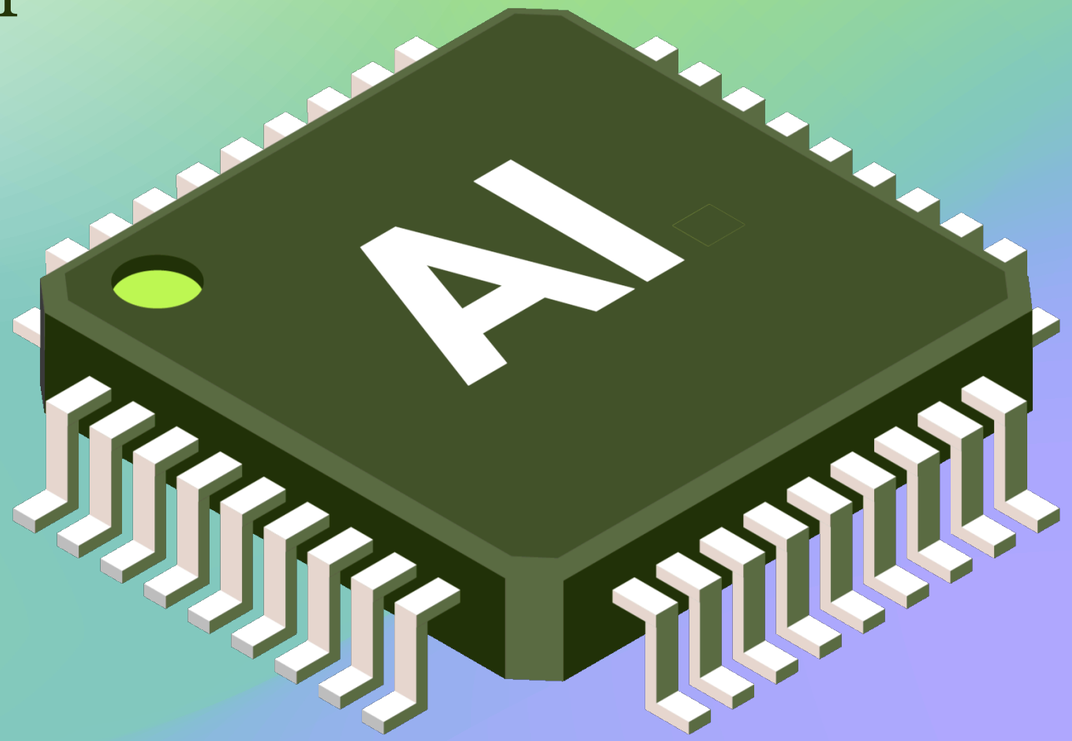
## Energy

## Education

## AI.

# Compliance

- Governance
- Ethical and Responsible AI
- Public Policy



# Developing a global approach to AI governance

As the existing and future risks of AI technologies become ever more apparent, regulators and policymakers around the world are paying close attention, with many seeking to introduce AI-specific legislation.

The European Union has, for many years, led the way with digital regulations in fields such as privacy and online harms, and is now looking to do the same with AI through the AI Act. This is a ground-breaking piece of legislation which seeks to establish the world's first comprehensive cross-sector framework for regulating AI. Other jurisdictions are considering following the EU's lead or developing their own approach, including the U.S., UK, and China.

One of the main challenges for organizations that are developing or using AI will therefore be to develop a consistent and sustainable global approach to AI governance framework which adequately manages the AI risks and satisfies diverging regulatory standards.

# Standards for AI governance

### *A focus on Europe*

The AI Act, which entered into force on 1 August 2024, sets out a layered, risk-based approach that aims to achieve a safe and innovative AI landscape. The impact on organizations hinges on two main factors: the nature and purpose of their AI systems, and their role within the AI supply chain. Rather than regulating all AI systems, the AI Act zeroes in on "high-risk" AI which is identified by the EU as likely to result in a high risk, which can be updated by the EU at any time. Companies involved in developing, deploying, and distributing these high-risk AI systems must meet strict obligations. Additionally, the AI Act sets up a distinct framework for General Purpose AI (GPAI) providers, who develop versatile AI models that can be configured and deployed for a wide variety of purposes. Furthermore, transparency and AI literacy requirements apply broadly to many AI providers and deployers, regardless of their systems' risk classification.

The UK has taken a very different approach to regulating AI, with the focus on introducing a set of basic principles which will be supplemented by sector-specific guidance from existing sector and domain-specific regulators. The proposal seeks to strike a balance between the primary policy objective of creating a 'pro-innovation' environment for business, and developing trustworthy AI that addresses the most significant risks to individuals and society.

### *A focus on China*

Lacking a unified AI legislative regulation, China takes a bespoke approach and creates rules for the specific types of algorithmic applications and AI services, e.g., recommendation algorithms, deep synthesis technology, and generative AI. On top of the global AI governance compliance framework, market players in China should also consider China-special challenges: one important issue is content moderation – companies should filter illegal and inappropriate content to follow "socialist core values" and not endanger national security. Another consideration is the requirements concerning international data transfers under Chinese law, which may limit the cross-border use of AI systems globally, despite China's regulators relaxing the requirements and allowing some exemptions for the review process of international data transfers in March 2024.

## Additional resources

**Spotlight**
Global AI Governance Principles

**Watch**
Mastering Digital Transformation | Interactive Video Insights

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# Building AI and data ethics programs in line with environmental, social, and governance values

**AI possesses the ability to make and inform significant decisions that impact individuals lives, businesses, and society at large. The endless benefits of AI inevitably come with an array of potential risks not previously addressed by industry, society, or of course, legislatures. With ever-growing awareness however, the public and regulators alike have begun to scrutinize the predictive processes of this innovative technology and their potential impacts.**

As the applicable legal and regulatory landscapes evolve, with the EU AI Act at the forefront of such legal developments, and as society's expectations increase, it is without doubt that businesses will need to address and implement ethical considerations when developing, deploying, and using AI systems. Put simply, ethical and responsible AI will no longer be a "nice to have" but instead the non-negotiable end game.

So what should businesses do 'now'? To succeed in the era of digital transformation, businesses must begin to implement governance programs that create a strong foundation for current and future AI development and deployment, charting a careful path that both enables innovation and mitigates risks. In doing so, companies should take into account their environmental, social, and governance (ESG) initiatives, and build out comprehensive AI and data ethics programs, embedding fairness, transparency, accountability, sustainability, and safety through every stage, from top leadership to ground operations.

Implementing appropriate data governance and effective human oversight are essential components in ensuring ethical and responsible use of AI within an organization. Clear lines of reporting and management structures, appropriate policies and procedures, ongoing training, thorough impact and risk assessments, regular audits, and ensuring that no aspect of an organization operates in silo when it comes to the use of AI are also all key in the development of a robust governance ecosystem. Doing so will, in turn, create a future-looking company culture grounded on ethical values and responsible innovation.

As ever, companies need to monitor not only developing legal requirements and codes of conduct, but will – for some time – also need to make determinations on ethical and responsible AI compliance structures even in circumstances where there are gaps in legislation and regulation. This will reduce business risks and at least, keep pace with societal expectations, which can vary significantly between developed and developing countries. In developing countries where regulatory frameworks may take longer to be established, this vigilance is particularly important to ensure responsible practices.

## Additional resources

**Spotlight**
AI: World First Rules Are Coming Soon – Are You Ready? (Part 1)

**Spotlight**
AI: World First Rules Are Coming Soon – Are You Ready? (Part 2)

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# Tech policy's next big challenge: Divergent approaches to regulating AI

The rapid growth of AI and its ramifications for nearly all aspects of society and the economy is placing increasing pressure on the U.S. and European governments to proactively set regulations and guardrails for this nascent technological revolution. While AI regulation is only in its infancy, we are already seeing divergent regulatory approaches on either side of the Atlantic. What is clear, however, is that AI policy will be a hotly debated issue in the halls of government for years to come.

*U.S.*
Even in a bitterly divided Washington, D.C., Congress is keenly focused on the growth of AI. Over the coming months and years, we expect this focus to grow and AI policymaking efforts to intensify.

*Europe*
The explosion in the use and application of generative AI since late 2022 has put its regulation firmly at the center of the policy agenda across Europe. Much has been said about the vast potential for AI to change every facet of ordinary life, but some have also expressed concerns about potential harms, including bias, inaccuracy, and infringement of rights.

*Read our full breakdown here.*

## Additional resources

**Tool**
Elections Hub

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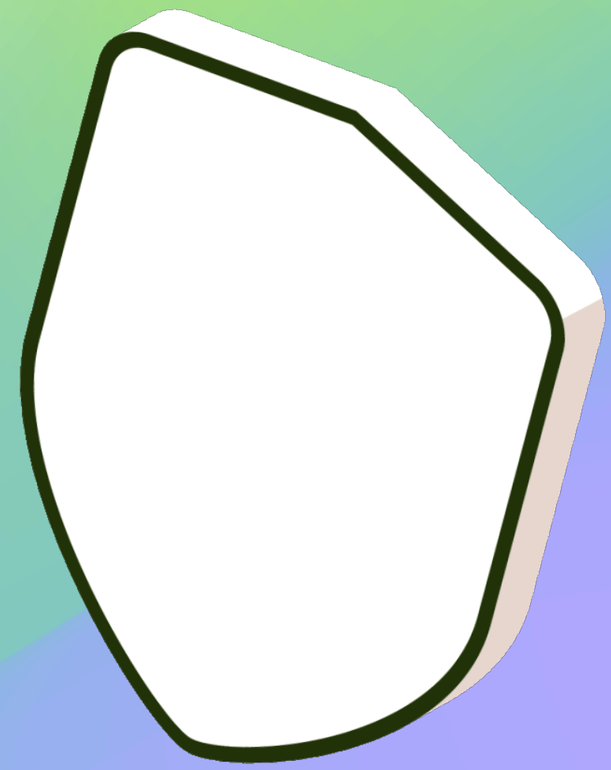
# Privacy and Cybersecurity

- Data and Privacy
- Cybersecurity



# Embedding privacy practices in AI

AI development and use often relies on substantial processing of personal data, making it essential for developers and users to find effective, yet practical ways to address myriad privacy issues. Existing global laws, and the regulators enforcing those laws, already dictate privacy compliance obligations, so understanding how to address unique compliance challenges in the AI context—such as fairness, transparency, data minimization, and accuracy—is increasingly becoming a business priority.

In practical terms, this requires product teams to work together with privacy legal counsel throughout the AI lifecycle, from incorporating privacy by design, to mitigating privacy risks in training, deployment, and ongoing monitoring. Key considerations for any organization include confirming the organization has provided sufficient notice and obtained the necessary rights to use personal data to train AI tools or to process personal data using AI tools.

At the outset, organizations should conduct formal privacy assessments, such as a legitimate interest assessment or a data protection impact assessment, to evaluate the lawfulness of the processing and identify potential risks (such as bias or inaccuracy). The assessment should lead to risk mitigation measures, including seeking consent or implementing data minimization techniques and mechanisms for individuals to exercise available rights. Establishing a consistent documented approach to assessing, mitigating, and monitoring privacy risks is critical to complying with privacy laws and reducing privacy exposure for deployed AI tools (and defending an organization's AI choices, if tested). The key to navigating these challenges is to adopt effective practices that support AI innovation, while meeting business objectives and promoting compliant, forward-thinking, and privacy-protective activities.

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## Additional resources

**Spotlight**
Tips for orgs facing AI data privacy compliance challenges

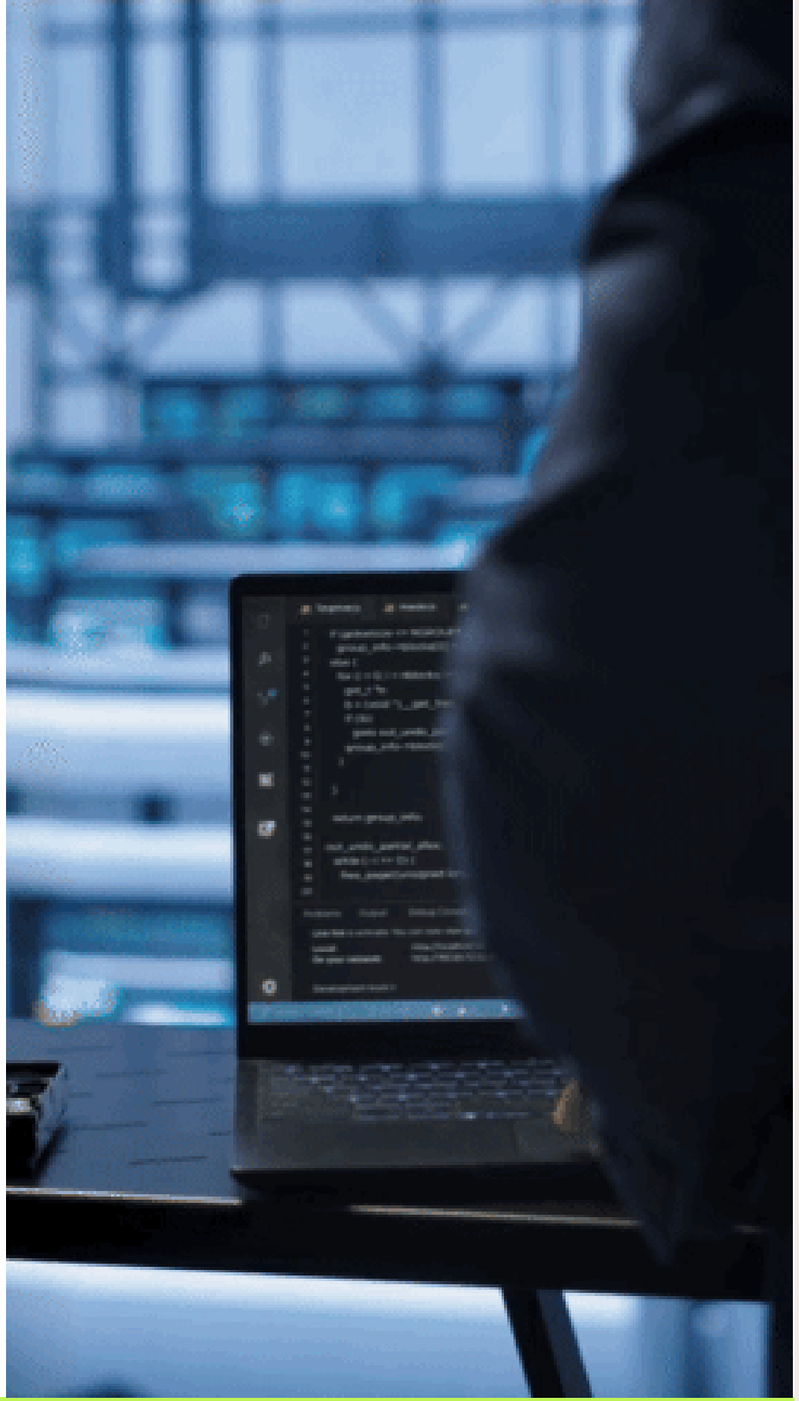
**Guide**
How to prepare for evolving global AI legislation

**Podcast**
Scraping the surface | What you need to know about data scraping

# Evolving legal and regulatory standards for AI security

The future of AI regulation and the cyber threat landscape are evolving in tandem. To add to this complexity, as with many new technologies, AI can serve dual purposes. It can aid bad actors in the execution of larger, more frequent, and more effective cyberattacks, while at the same time acting as a tool employed by organizations for enhanced detection strategies and risk management. In addition, there are new cyber threats connected to use of AI technologies, such as ways that bad actors could seek to manipulate AI inputs (poisoning training data sets) or outputs (via maliciously crafted inputs).

In response to rapid developments, regulators across the globe have released frameworks, announced requirements, and proposed new rules calling for stricter security practices and controls for AI. In the U.S., the Biden Administration has taken steps to address consumer concerns regarding the reliability and security of AI services, developing a Blueprint for an AI Bill of Rights and an AI Risk Management Framework. The UK and EU continue to lead with ambitious proposals, including the UK National AI Strategy, EU AI Act, and EU Cyber Resilience Act, the latter of which will introduce specific security obligations. The Cyberspace Administration of China now requires security reviews of generative AI systems before they are introduced to the Chinese market.



## Additional resources

**Podcast**
Security Snippets

**Watch**
EU Cyber Resilience Act

**Watch**
Cybersecurity in times of AI | Interactive Video Insights

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# Intellectual Property

- Patents
- Copyrights
- Advertising

*Intellectual Property*

# From creation to regulation: The impact of the AI Act and Data Act on IP law

As AI technologies, particularly generative ones, continue to advance and reshape the digital landscape, the critical impact of intellectual property law for businesses utilizing AI-driven solutions is in clear evidence – from two main perspectives: How can I protect my rights in an AI system? And what comes out of it?

First, how to build a viable IP protection strategy for an AI model, as well as for individual components of an AI system, which constitute essential value factors? Which IP right – patent, copyright, database right, trade secrets – is best suited to protect which AI component – training data, AI model, algorithms?

And second, can the output of an AI system be the subject of IP protection? Even if blanket protection of AI creations is generally denied, specific pieces of AI output may arguably enjoy IP protection. Where AI is employed creatively, and in particular in instances where it is used as a tool – such as in a camera or steering a paintbrush – it is not convincing that copyright protection should be ruled out in each and every case.

## Additional resources

**Spotlight**
Digital Transformation: The Influencers Podcast

**Watch**
Unravelling the complexities of AI and Copyright | Interactive Video Insights

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# Issues, policy, and open areas of law

**There can be no question that generative AI is transforming the landscape of copyright law. From whether the training ingestion of copyrighted content is permissible fair use, to the arguably derivative nature of generative-AI's output, to nuanced – and internationally variable – registrability requirements for works created utilizing generative AI, the AI-related issues at the forefront of copyright law are diverse and unsettled. What should companies bear in mind as they navigate this evolving landscape? And how can they best leverage the benefits of this technology while mitigating associated copyright risk?**

One headline issue surrounds whether the ingestion of copyrighted material, absent permission, for the purpose of training generative AI models is an impermissible use under copyright law that infringes the copyrights held in the underlying material. In the U.S., several lawsuits including class actions have been filed on these grounds, with fair use defenses being asserted in response. These issues are live before the courts and yet to be decided. In the EU, legislation has already created a statutory text and datamining exception which allows the use of copyrighted material for the purpose of training generative AI in certain cases, unless the copyright owner has reserved this right. However, it is yet to be clarified how this applies in practice and how copyright owners can opt out of their material being used. Additionally, the EU AI Act has now entered into force, and imposes transparency obligations on AI providers to inform about the AI-training. The constantly new developments in the U.S. and in Europe should closely be followed by companies developing and deploying generative AI.

A second issue concerns whether, because of the way generative AI models are trained, their output is an infringing derivative of the copyrighted works they ingest. While any risk will be circumstance and jurisdiction specific, including with respect to the particular content ingested, commands used, and output generated, both generative AI developers and users should be aware of the potential liabilities – including direct, contributory, and vicarious – associated with arguably infringing generative AI output.

Third, copyright registrants and litigants are well advised to stay abreast of the nuanced and evolving registrability requirements for works involving generative AI, which are likely to implicate copyright litigation more broadly. In March 2023, the U.S. Copyright Office issued a statement of policy applying a human authorship requirement for copyrightability, concluding that works created by generative AI in response to human prompting do not meet this requirement. That policy statement also requires that AI-generated material be disclosed when applying for copyright registration, that previously filed applications which do not disclose the use of AI be corrected, and that supplemental registrations identifying and disclaiming any AI generated material contained within previously registered works be filed. Since that time, the Copyright Office has commenced its roll-out of a series of reports relating to the implications of AI on copyright law and policy, and which is widely anticipated to update these requirements. Pending the nature of those updates, and combined with varying registrability policies in other Berne Convention jurisdictions, such policy and requirements may give rise to significant avenues for discovery and attacks on validity in copyright litigation moving forward.

## Additional resources

**Webinar**
Generative AI and IP

**Spotlight**
Human AI-thorship

**Spotlight**
Law360 Expert Analysis

**Spotlight**
Windows Into The Future

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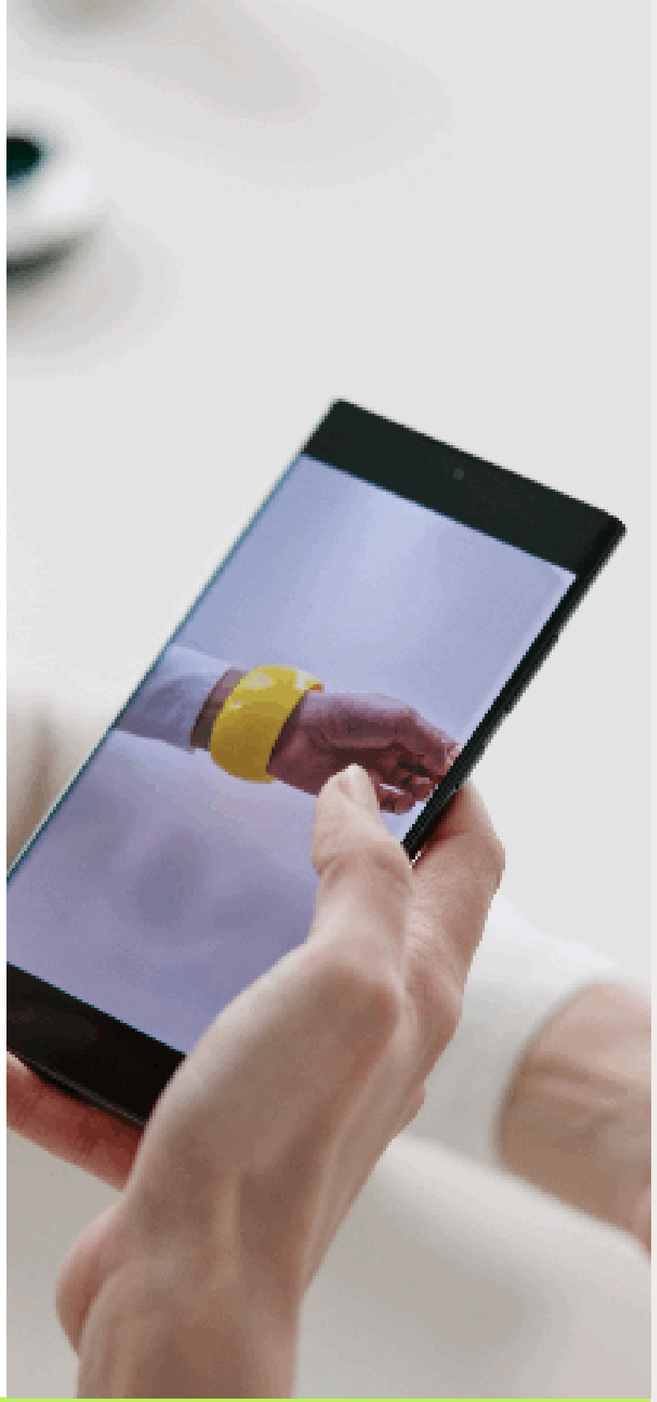
*Intellectual Property*

# Developing a global approach to AI governance

As AI becomes more integrated into the market, its use in advertising and marketing – and related potential – has become undeniable. AI is influencing the ways consumers interact with brands and becoming increasingly integrated into the purchasing process. In traditional consumer retail, there has been an explosion of AI-enabled "try-on" features, personalized product consultations, and chat bot influencers, as well as a surge of increasingly tailored and specifically targeted advertising based on a consumer's behavior. In the B2B context, companies race to find ways to make their products and services more efficient (and competitive) through AI enhancements and integrations, which they then use to market those offerings.

But AI-related advertising is not without legal risk. With such ubiquitous presence comes increased scrutiny – from governmental regulators, competitors, consumer advocacy groups, and more. Consumer protection agencies have noted the potential discriminatory impacts of advertising practices based on biased algorithms, and the possible associated liabilities. There has been an uptick in activity from the United States Federal Trade Commission (FTC) expressing concern over claims relating to AI, including how it was trained, what benefits it provides, whether it functions as advertised, and whether technology is properly characterized as "AI." Those concerns go hand-in-hand with potential Lanham Act false advertising claims, particularly to the extent the AI-related representations are deemed material. AI-generated advertising introduces a host of additional considerations, including with respect to accuracy, substantiation and the potential use of deepfakes.

As AI advertising continues to take root, companies can expect increased regulation, litigation, and policy in this space. Advertisers are well-advised to stay abreast of these developments, and to apply the principles of transparency, accuracy, human oversight, and accountability which guide the use of AI more broadly.



## Additional resources

**Spotlight**
AI Ads and Deepfake

**Spotlight**
U.S. Copyright Office

**Spotlight**
FTC calls out consumer protection

**Spotlight**
The Implications of Generative AI

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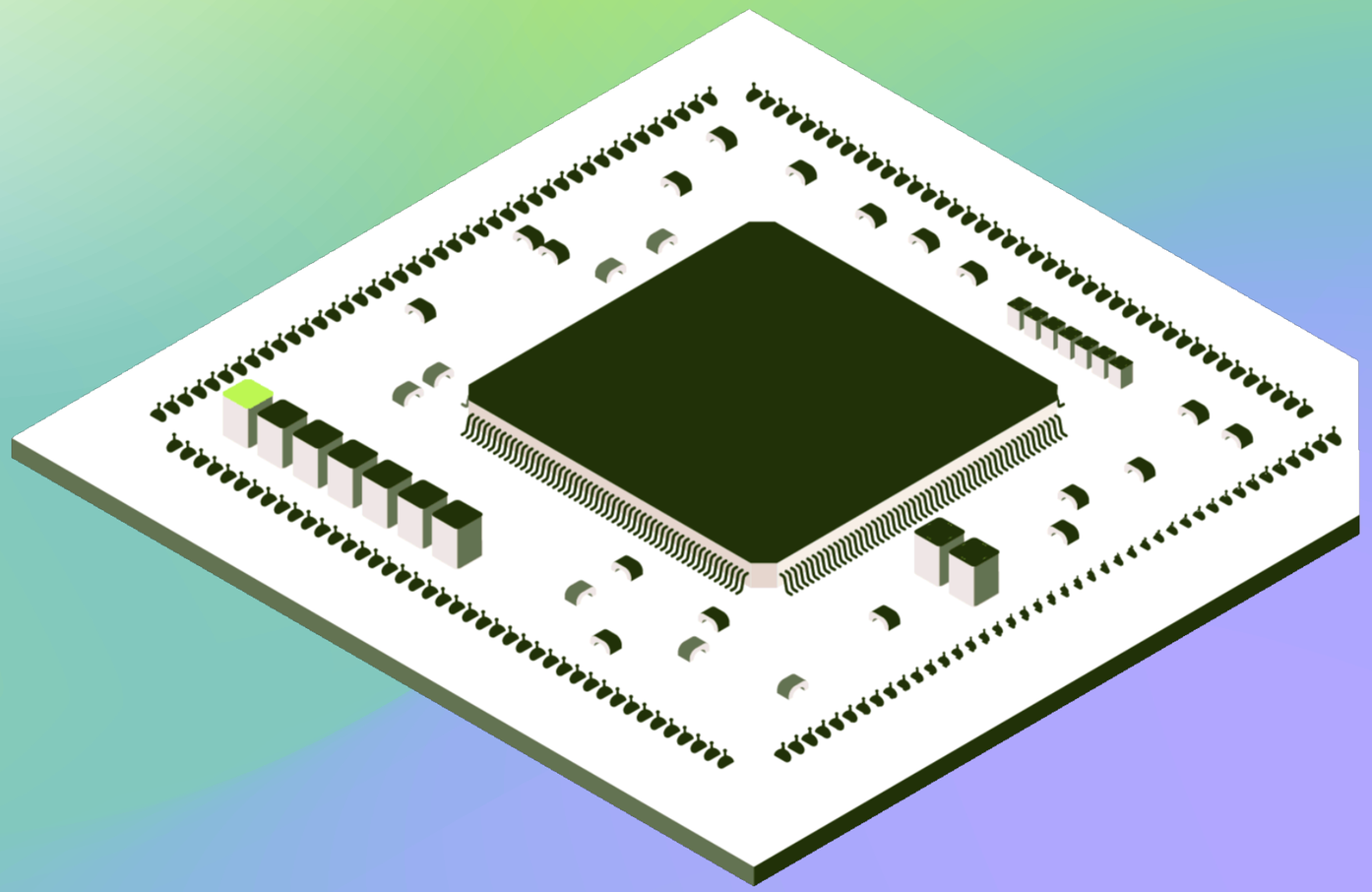
# Transactions

- M&A
- IP and Technology Transactions



# Getting deals done in a changing AI environment

AI technologies are attracting significant attention—including from large "serial acquirer" technology companies. While acquisitions in the AI space are not particularly new, the acceleration and deployment of emerging technologies require acquirers to consider how due diligence and deal terms should be adjusted, particularly with respect to technology and related intellectual property rights. Some AI focus will likely become part of every technology company acquisition, with more comprehensive reviews and deal terms for targets that provide AI products or depend heavily on AI. Some key considerations for navigating AI in M&A transactions include:

### *Have a conversation*

A well-structured conversation with the target's technologists, businesspeople, and legal representatives is one of the most effective diligence tools. This live conversation provides a unique forum for real-time conversation, which for AI often includes development of the target's AI technology and models, explainability and management of bias in modeling, and data collection and use.

### *Focus on data*

Improper collection, use, or transfer of data creates potentially-costly problems and can even cause a deal not to go forward. Each type of data may be subject to rights and restrictions enforceable by others – such as copyrights, personal privacy rights, contractual restrictions, and regulatory requirements. In diligence, the acquirer should ask about the target's data sources.

### *Question IP protection for target technology*

Not all uses of AI will affect IP protection, but where a target has actually used AI to create key technology, interesting questions arise about the scope and strength of the IP rights available to protect that technology. These questions could arise for outputs of AI systems and also for trained AI models, especially if third party data has been used for training purposes. In diligence, acquirers will want to understand the sources of the target's innovation and competitive advantage and to what extent AI generated key technology. (Note: use of data is covered in preceding paragraph.)

### *Consider regulatory compliance*

For technology companies using AI, a changing regulatory environment will require a focus on compliance policies and practices. Acquirers will also need to understand the use of AI for purposes considered "high risk," whether under new regulations or existing laws. Any ongoing investigations, audits, and complaints will be scrutinized, and acquirers will likely seek risk-allocation provisions related to noncompliance.

Governments in many jurisdictions are now seeking to protect and regulate transactions involving AI businesses using foreign direct investment regulations, which are often drafted broadly to capture the widest variety of transactions. (Note: the sales pitch is covered in last paragraph.)

Our team is distinctively positioned to provide sophisticated support as M&A transactions related to the evolution of AI technologies as these technologies raise questions on data use, create new IP risks and value, and attract new regulations. Our mergers and acquisitions team is ranked among the Elite law firms for Corporate M&A by *Chambers USA*, and our lawyers, in collaboration with our IP, antitrust, trade, foreign direct investment, privacy, and other regulatory and policy teams, have acted as M&A counsel to many of the largest and most sophisticated players in the technology sector.

## Additional resources

**Resource**
2024 M&A Outlook

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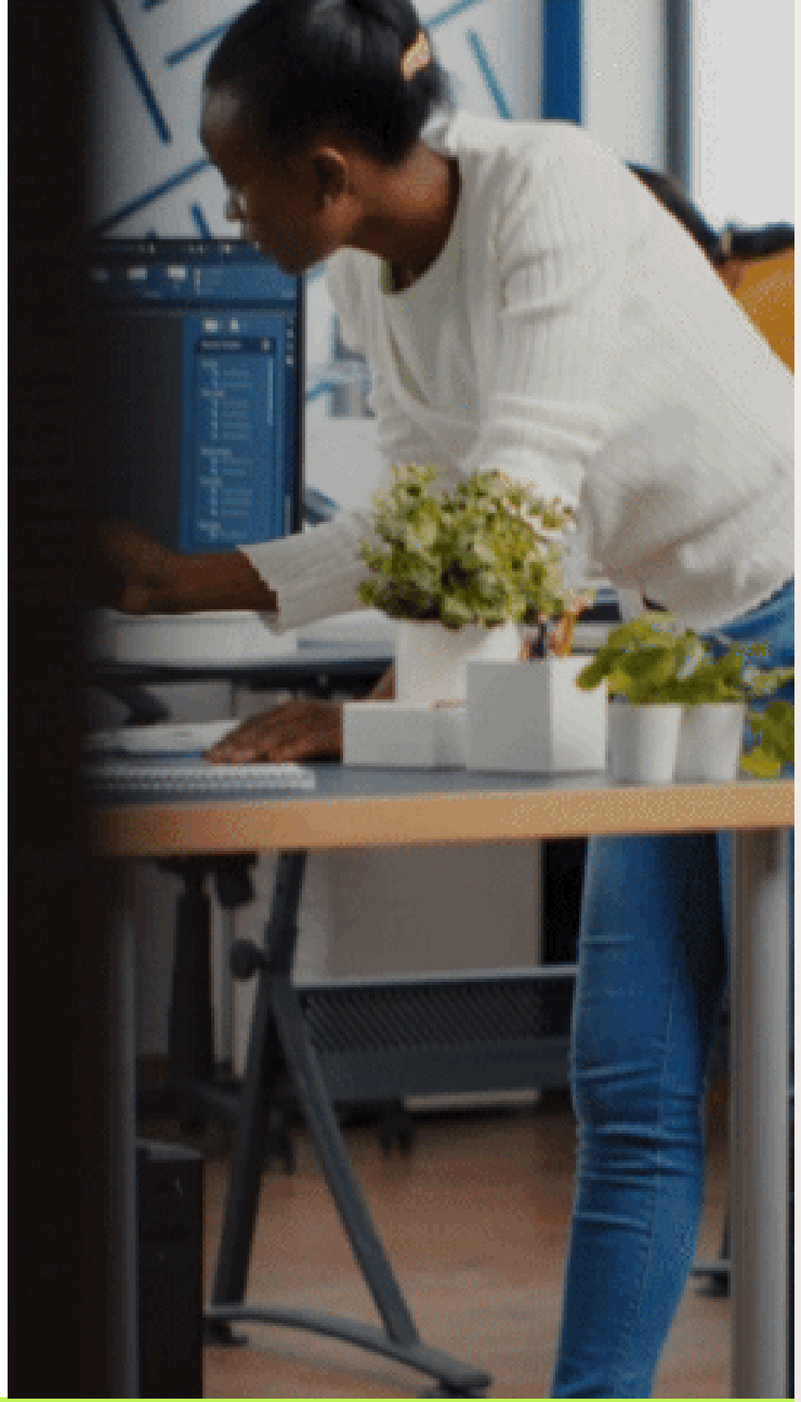
# Developing, commercializing, acquiring, and using AI technologies

**Software products and other technologies and services are increasingly leveraging AI.**

Contracts that govern the development, commercialization, acquisition, and use of AI technologies present unique issues that have not been traditionally addressed in IP and tech agreements. In addition, many of the trending AI platforms are capable of generating new text, images, audio, or other media, which raises IP ownership and liability issues.

Any business that touches AI technologies will need to tackle novel issues and complex contract provisions that address:

- AI-specific issues raised based on how AI technologies are developed and trained;
- Developing and implementing models for licensing and selling/purchasing AI technologies and providing/receiving services that rely on AI technologies;
- Divvying rights to use and own content created by AI technologies; and
- Understanding and allocating risks and liability inherent in the use of AI technologies.



## Additional resources

**Podcast**
AI & commercial contracting

**Spotlight**
Key considerations in negotiating generative AI agreements

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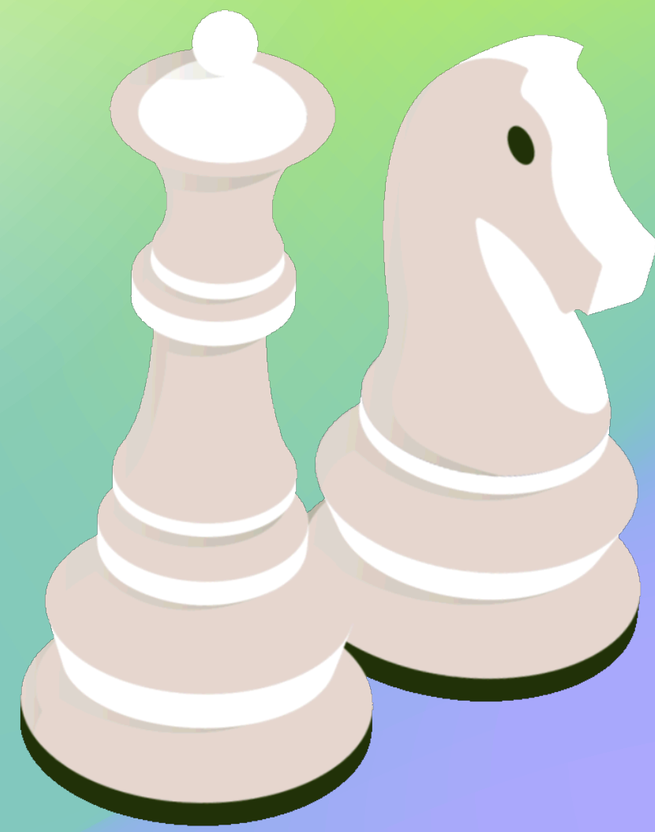
# Disputes



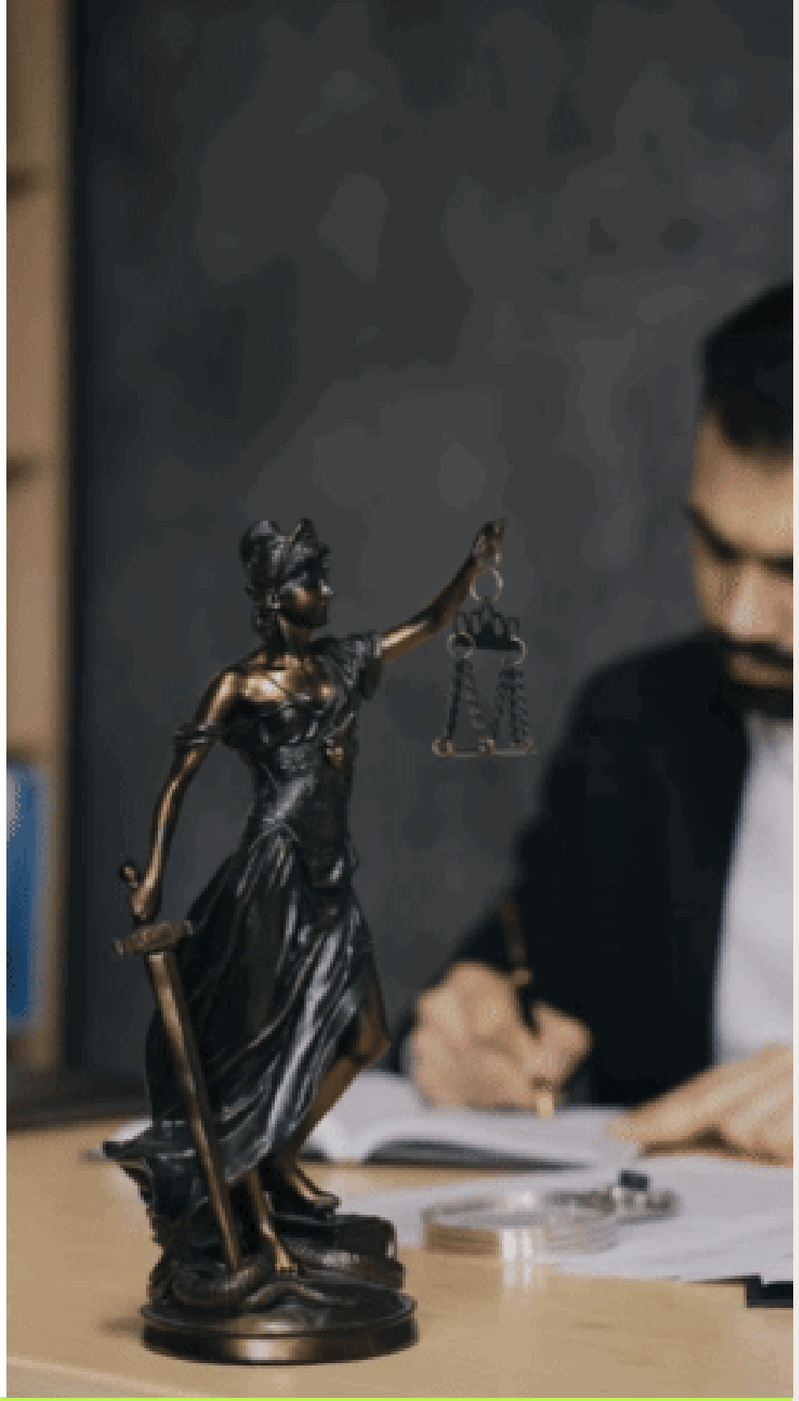
# Navigating AI disputes

Being an innovative business—especially involving AI—comes with its challenges and legal risks. As AI applications continue to advance and become integrated into various business models and industries, businesses' exposure to litigation is likely to increase. These disputes can disrupt business, leading to significant financial and reputational damage, both locally and globally.

Companies and organizations can safeguard and mitigate against such risk by:

- Ensuring that the AI application was programmed correctly;
- Maintaining documentation to show that the AI input was correct, appropriate, and not corrupted;
- Sufficiently supervising the AI application and its output; and
- Establishing guardrails against users misusing the AI application.

Our team explores possible allegations and how to navigate civil disputes revolving around AI *here*.



## Additional resources

**Resource**
The New Riskonomy

**Watch**
AI Liability | Interactive Video Insights

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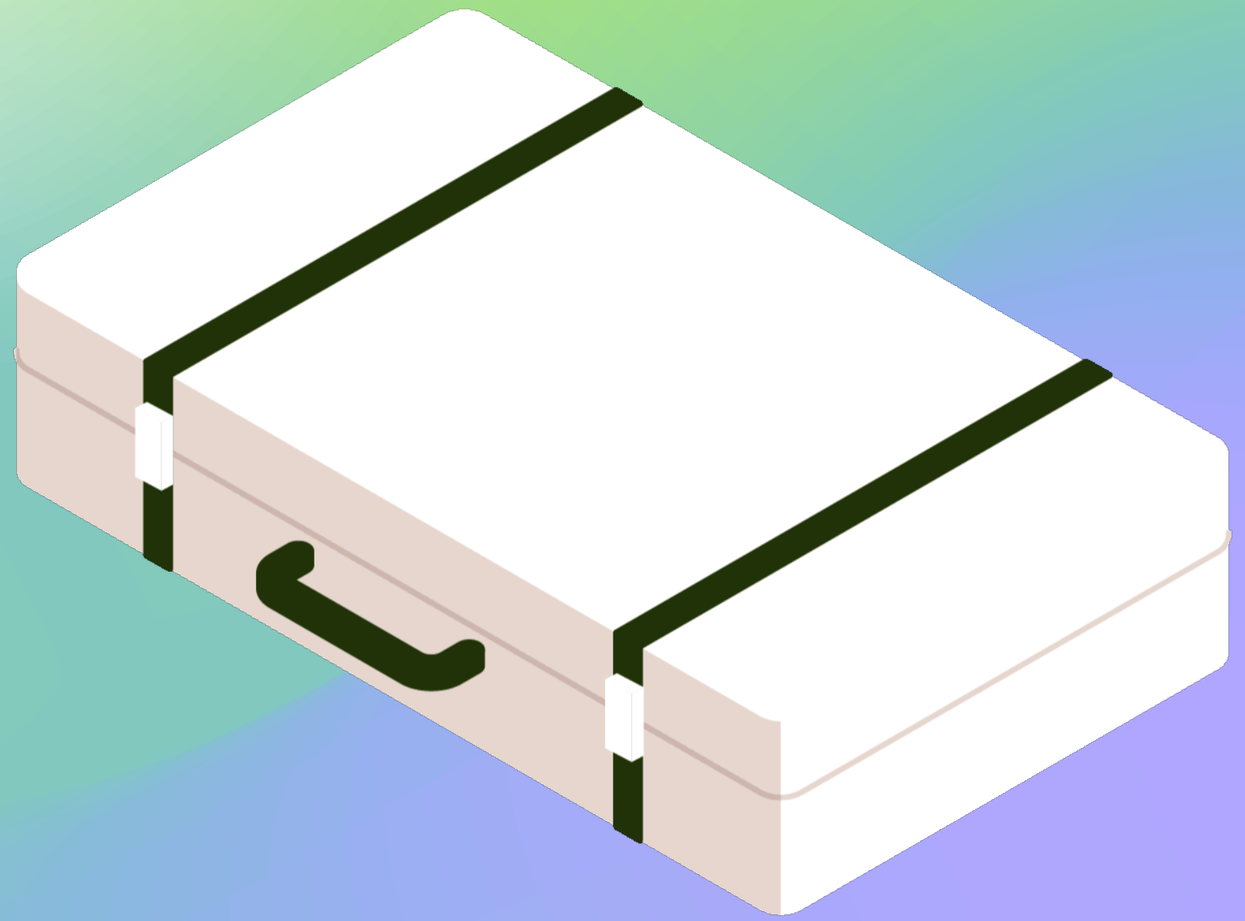
# Employment



# AI in the workplace: Balancing the risks and benefits

**Using AI to assist with employment-related functions, including recruitment and talent management, has clear business benefits: AI can automate repetitive tasks, allowing employees to focus on more strategic work. It can also analyze vast amounts of data quickly and, if properly implemented, help mitigate the risk of human error and biases. The recent growth in employers' use of AI shows that organizations are embracing those advantages.**

However, employers need to carefully balance the benefits of using AI against the potential legal and reputational risks. AI can lead to ineffective or discriminatory decisions, such as by favoring or disfavoring job candidates on the basis of race, gender, age, or other protected characteristics, or by disadvantaging applicants or employees with disabilities. For example, an AI-assisted interview tool that uses verbal data to make hiring recommendations may disadvantage candidates with a disability impacting their speech. Or an AI recruitment tool may be trained on biased data that tends to favor younger rather than older candidates.

Employers that use AI tools for employment purposes may face claims of discrimination under longstanding antidiscrimination laws, however, regulators and policymakers are increasingly focused on updating the legal framework. In the U.S., some states and localities have passed or proposed laws that impose restrictions on the use of AI in the workplace, such as requiring employers to conduct bias audits or to provide advance notice and obtain consent before deploying an AI tool. Employers that use AI systems in the workplace should develop a compliance strategy that balances the risks and benefits of AI and that prioritizes transparency, fairness, and data security.

## Additional resources

**Resource**
Digital Trust Whitepaper | Digitizing Employment

**Spotlight**
Employment Horizons 2024

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# Life Sciences and Health Care

- Health
- Medical Devices

# Industry must engage to ensure patient access to AI-enabled health innovations

**AI-enabled technologies have demonstrated enormous potential for health care, fueling advances in areas as varied as drug development, software-as-a-service, and analysis of medical images. Importantly, AI systems can address pressing issues such as health care workforce shortages and improving access for underserved communities. Notwithstanding these promises, health AI technologies continue to face obstacles in reaching patients.**

Global developments including the AI Act (EU), the Biden Executive Order on AI (U.S.), and Colorado's AI Act (the first of its kind at the state level) are industry-agnostic but will likely present unique challenges for AI developers in the health sector, including the possibility of duplicative regulation or conflicting regulatory obligations. Policymakers continue to face a steep learning curve, and industry perspectives are vital to advance appropriate regulations that both foster innovation while protecting patients and users from the negative impacts that can come with the promise of AI.

Regulators of products that contain AI have decades-long experience authorizing and overseeing software algorithms but, as algorithms have become more complex and are increasingly used to diagnose and treat patients, regulators are challenged to keep up with the pace of innovation and regulate the products using the existing frameworks. Further, industry strives to meet the expectations of regulators, which can vary across geographies for the same product; lending support for harmonization measures where possible.

AI developers seeking to commercialize also continue to struggle within the existing legacy coverage and reimbursement pathways. While many stakeholders are urging reform, the current coverage and payment framework requires extensive coordination among multiple stakeholders, raising vexing questions, including: Can existing valuation models and processes be utilized to create appropriate reimbursement rates for AI services? Are there non-traditional payment or other incentive models which may ensure patient access by, for example, permitting temporary transitional coverage or prioritizing preventive care? And, does the innovator have sufficient resources to continue to provide access while acceptable reimbursement is accessed?

Finally, AI enabled systems and tools are dependent on their lifeblood, which is data—data to develop them, data to refine them, data to innovate them, and data to control them. At the same time, the issues around patient data are growing in complexity as regulators, patients, and clinicians become better equipped to understand the challenges and risks of utilizing patient data, especially in the context of AI systems.

Stakeholders with AI-enabled systems and tools currently under development must stay engaged to ensure patient access to the benefits of their innovations. Learn more about Hogan Lovells' leadership through the AI Healthcare Coalition to engage with policymakers on these issues.

## Additional resources

**Resource**
Life Sciences and Health Care Horizons Brochure 2024- Digital Health and AI

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# Regulatory strategies for AI-assisted software

**Medical devices incorporating AI-enabled technologies raise unique regulatory questions due to their iterative and potentially self-updating nature, which is incongruent with historical regulatory approaches. The use of machine or deep learning offers the opportunity for continual optimization of an algorithm as new training data becomes available; whereas traditional regulatory approaches have focused on frozen algorithms that require new clearance or approval if changes are made over the life of the commercialized software.**

While the global regulatory landscape varies, one threshold question with which stakeholders must grapple is whether an AI-assisted software qualifies as a medical device in the jurisdiction of interest. If software that embeds AI features meets the definition of a 'medical device' according to local regulations, then the AI-assisted software would have to comply with general safety and performance requirements established for such devices.

Adding to the complexities of this already highly regulated area, the landmark EU AI Act now in force will impose an extensive set of new obligations on companies across all sectors with broad extra-territorial scope. Assessment of medical devices under the AI Act will add new (and in some ways overlapping) assessment obligations to the existing regulations for devices. Medical device manufacturers and other stakeholders will need to align with each of these standards, which may be challenging in balancing safe and responsible AI without having a negative impact on innovation.

Additionally, while the U.S. federal government has yet to adopt far reaching laws or regulations that govern the use of AI, the states, with Colorado being the first, are enacting laws that may result in a patchwork of obligations across the states. In the coming months, we expect that other geographies will also adopt laws and regulations that govern the use of AI more generally as well as specifically AI used in health care.

## Additional resources

**Spotlight**
Medical Device AI

**Spotlight**
Implications of the EU AI Act on medtech companies

**Spotlight**
Global impact of the EU AI Act for health stakeholders

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# Consumer

*Consumer*

## AI use-cases in platform businesses: Brussels steps up regulation

As AI systems develop at a rapid pace, the EU is stepping up regulation and consumer protection measures.

The digital landscape, and consumer protection in general, specifically in relation to AI systems, focuses strongly on all forms of online platform businesses. Social media platforms, online marketplaces, search engines, and other online businesses have been newly regulated under the Digital Services Act (DSA). The Act imposes new obligations with respect to use of AI systems in content moderation, advertising, and recommender systems of online platforms. Beyond the DSA, Brussels is propelling the legislative process for both the AI Act and the Data Act forward with renewed vigor.

## AI is reshaping consumer engagement and supply chains

Consumer engagement is key to profitability. AI-powered research tools and chatbots can help consumer-facing businesses learn what consumers are looking for, and communicate with consumers round the clock in meaningful ways.

With the growing focus on how products are made and delivered, AI tools are becoming essential to monitoring supply chains. AI can help businesses confirm that products are sourced appropriately and identify potential enhancements to product development and delivery.

## Additional resources

**Resource**
Retail X Generative AI: Navigating the Future of Retail

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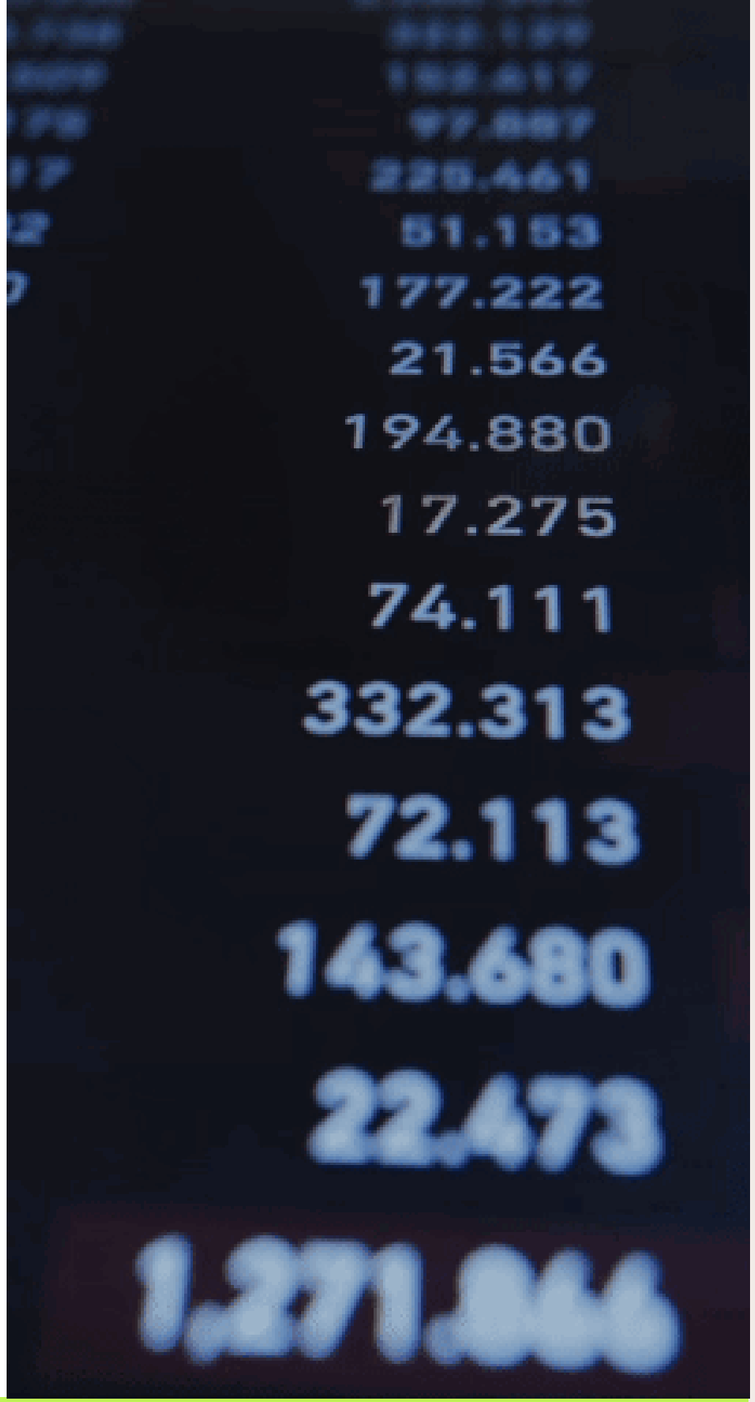
# Financial Services and Commercialization

# AI regulation in financial services in the EU and the UK: Governance and risk-management

The availability of Big Data, cloud-based hosting services, open-source AI software, and enhanced infrastructure, such as the graphic processing units (GPUs), to train and develop more sophisticated AI systems all have contributed to the rising adoption of AI in the financial services sector. Financial institutions and FinTech are either developing their own AI technology or relying on AI third party vendors for AI solutions.

AI has started to transform business models of financial institutions. Service providers have started to offer AI as a Service (AIaaS), which is a cloud-based service AI outsourcing offering, and financial institutions are integrating AI and ML solutions into their supply chain. More financial institutions are structuring their business models as not just simply B2B or B2C, but to B2B2C or B2B2B, frequently acting as an intermediary that procures AI solutions from third parties and offering them to their clients as part of a bundled product package. Some common uses of AI/ML technology by financial institutions include: chatbots, robo-advisors, fraud and money laundering detection for the purpose of AML and KYC checks, assessing creditworthiness and affordability, and evaluating insurance risk. These services facilitated through AI and machine learning allow financial institutions to offer tailored and diverse products to their customers at a cost-efficient manner.




## Additional resources

**Resource**
Digital Trust Whitepaper

**Tool**
Digital Assets and Blockchain Hub

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# Insurance

*Insurance*

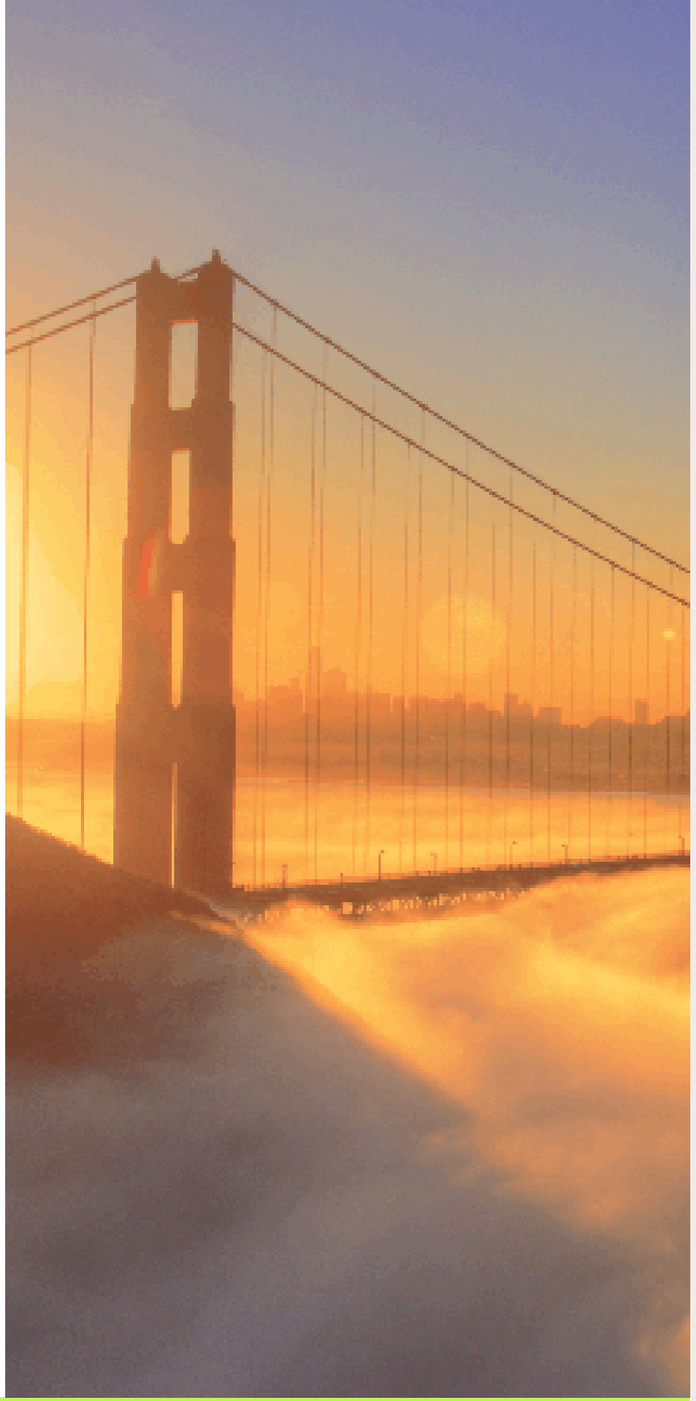
# Taking the world by storm: AI, climate ambitions, and insurance

**The explosive pace of development and adoption of AI solutions has led to high hopes of the technology being used to help solve some of the world's most pressing problems, including climate change.**

Scientists are developing AI solutions to support efforts to meet climate targets and help slow down and reverse environmental impacts. Whilst there is unlikely to be a 'silver bullet' solution to climate change, the combined effect of initiatives that use AI to enhance insights about the cause and effects of climate change and to optimise energy consumption may be very significant. However, AI is also extraordinarily energy intensive. A generative AI system is estimated to use around 33 times more energy than simple task-specific software, and the consumption of electricity by data centers has dramatically increased in recent years.

For the insurance industry, the impact of climate change is profound, and AI may offer solutions to some of the most pressing challenges for insurers. AI solutions for assessing and pricing risk will be critical to insurers offering products in areas where environmental events present significant risk. For example, AI can be leveraged to better assess the risk of (and even predict) the occurrence of floods or forest fires. Claims automation capabilities powered by AI can also assist insurers to manage large volumes of claims arising from adverse weather events. At a portfolio level, insurers can also use AI to more effectively stress-test their exposure to climate risk and adapt their products and their business models accordingly.

With increasing pressure on governments and businesses to implement measures to mitigate and offset the energy and resource consumption of AI capabilities, insurance companies will need to find a way to balance the benefits of AI with their sustainability objectives in order to ensure that the adoption of this powerful technology does not come at the expense of climate commitments. Read more of our analysis here.



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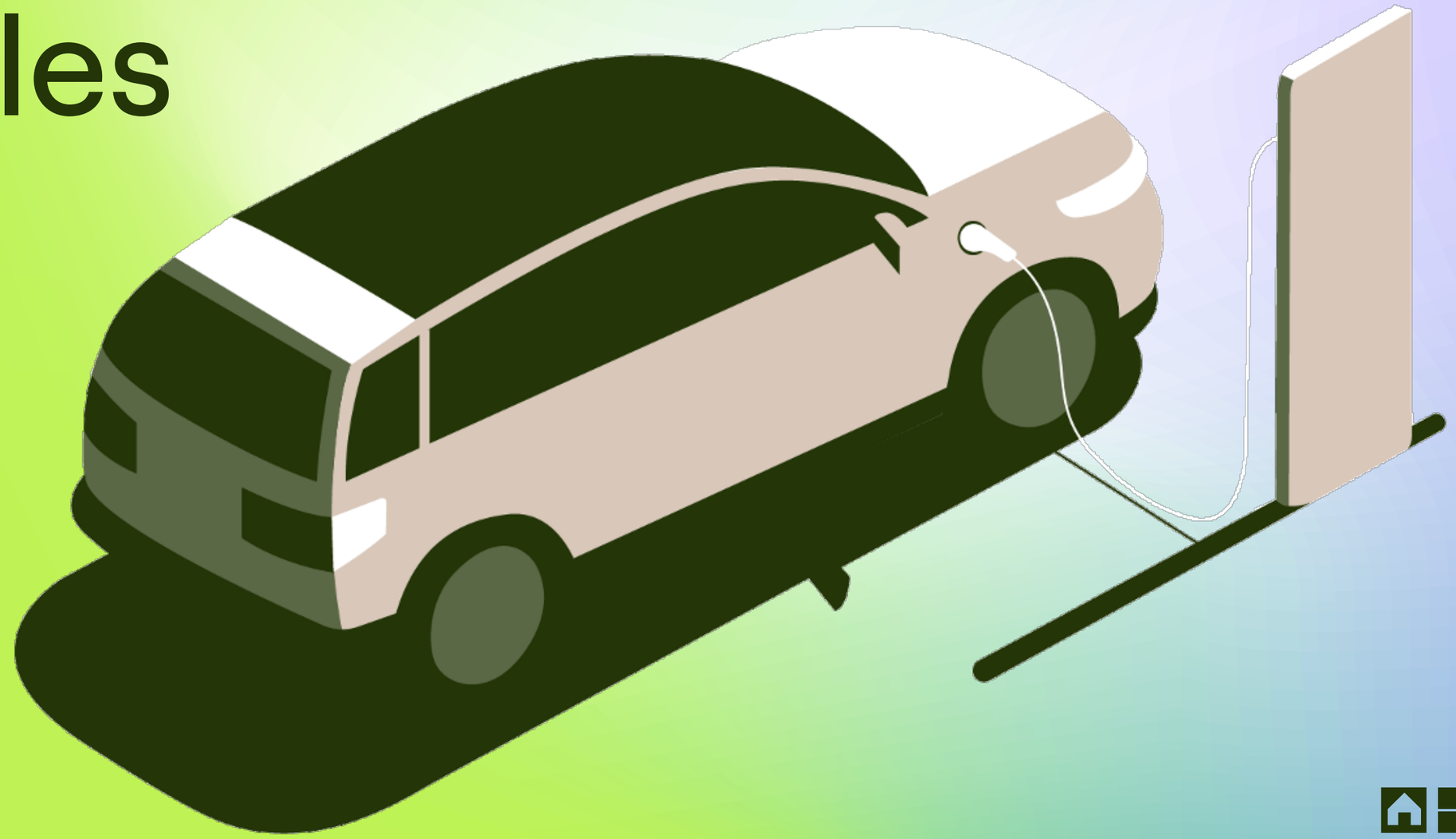
## Additional resources

**Resource**
Insurance Horizons 2024-2025

**Spotlight**
Legal Tech, AI, and the Future of Insurance

**Spotlight**
The impact of AI on the insurance industry: novel loss scenarios

# Connected Cars and Autonomous Vehicles



# AI driving innovation forward

**The Automotive and Mobility industry is making a once in a century transition of its core technologies. The shift from the internal combustion engine (ICE) toward electric vehicles (EVs) gets the most attention in the press. AI is enabling a transition that is just as profound.**

Connectivity, sensors, and software deploying AI is enabling a fundamental shift in the driving experience, adding new sources of revenue for companies while also changing the culture of the automotive industry into a mobility outlook.

Some envisioned a rapid transition to fully autonomous vehicles (AVs) with mobility services provided by "robo-taxis." This extreme optimism has, in many circles, shifted to extreme pessimism.

AV technology is advancing in off-road applications. This capacity will further transform as sensors and AI increase capacity. Driver assistance technology continues to advance and its applications are increasingly both more robust and more widespread within new on-road vehicles.

We advise clients globally on a wide range of related issues including certification and testing requirements for AI-driven technology in autonomous and connected vehicles, how to mitigate risk and identify liability as AI plays a larger role in automated driving systems, and how to manage and protect the increasing amounts of private data being generated by AI capacity in connected and autonomous vehicles.

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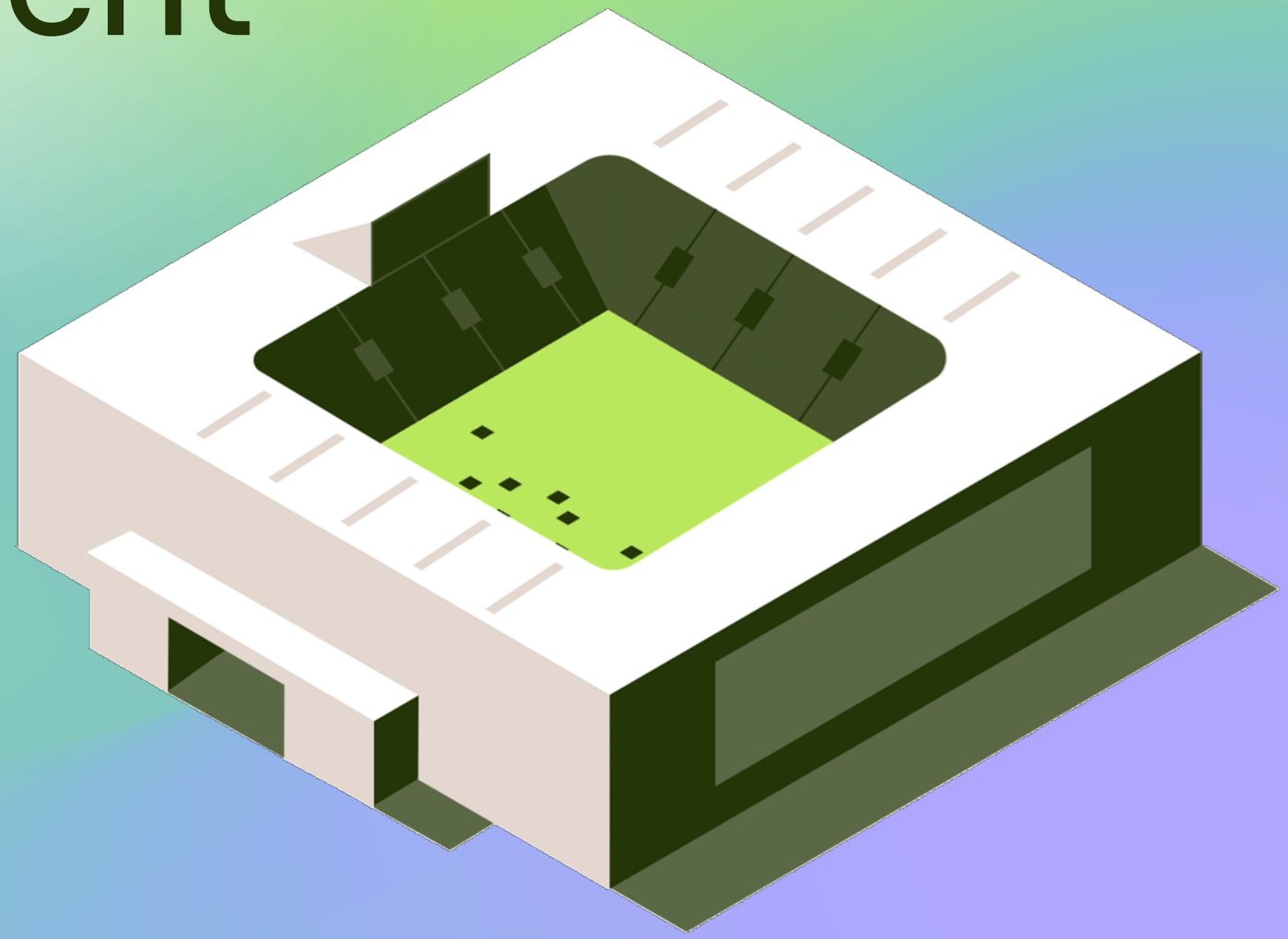
## Additional resources

**Spotlight**
Connected Cars and Autonomous Vehicles - Thought Leadership

# Sports, Media and Entertainment



*Sports, Media and Entertainment*

# Transforming the playing field

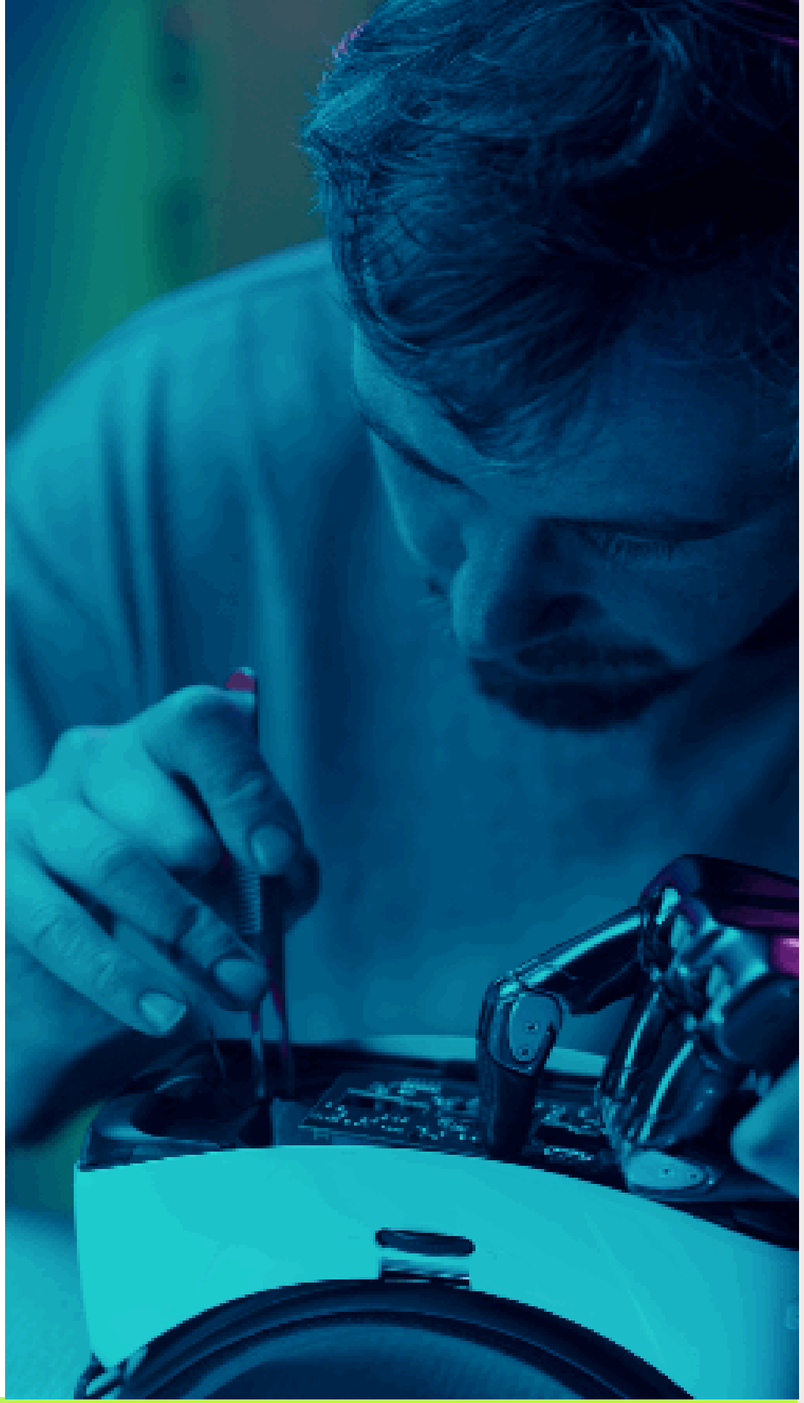
AI has revolutionized player performance analysis and fan engagement. AI-powered analytics systems enable teams to gain valuable insights into player statistics, opponent strategies, and game trends.

Combined with VR and AR technologies, AI has created immersive experiences for both athletes and fans. AI has enhanced fan experiences by providing personalized content recommendations, immersive virtual reality experiences, and predictive analytics for fantasy sports. While this has increased fan engagement, audience reach, and revenue opportunities, these technologies raise unique regulatory questions around privacy, including player data and health information, wearable technologies, and data trading for sports betting purposes. Our team is distinctively positioned to provide sophisticated support as M&A transactions related to the evolution of AI technologies begin to generate activity.

# Creating content

For media and entertainment companies, AI has transformed content creation, distribution, and audience engagement. AI systems can be used to create original movies, music, and art, creating complex legal issues related to the ownership of the intellectual property, copyrights, and royalties.

AI-powered algorithms also analyze user data to provide personalized content recommendations and improve user experiences on streaming platforms. The collection of vast amounts of user data raises concerns about data privacy, security, and compliance with data protection laws. Legislation and licensing agreements are continually being adapted to accommodate the impact of AI in media and entertainment, while preserving the rights of artists, creators, and consumers.



## Additional resources

**Spotlight**
Sports, Media and Entertainment Insights

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# Telecoms

## Communications networks building the foundations for AI deployment

AI use cases across sectors will rely on communications networks to support the transmission of high quantities of data at lightning fast speeds, as well as for current and emerging mobile and aerial systems and their related safety applications, particularly in a 5G and IoT environment. Telecommunications regulators in the U.S. and around the globe are and will be considering how to make more radio frequency spectrum available to meet this surging demand—whether by repurposing existing spectrum or enabling greater spectrum sharing through use of innovative methods, including the use of AI. On the network side, providers will be facing the challenges associated with network densification, optimization, and maintenance as well as deploying software-defined networks and AI computing at the network edge. Providers will also be confronting how to ensure that these networks are reliable and resilient, protected from cybersecurity threats, network outages, and environmentally friendly to achieve ESG goals. In addition, providers are exploring how AI can improve the customer relationship and experience, while equipment manufacturers are looking to introduce AI in the products and services they provide to carriers and end users.

## Evaluating AI and the public interest

Telecom regulators are also evaluating how AI can advance various public interest objectives. For example, in the U.S., the Federal Communications Commission (FCC) has explored how AI can aid in the development of more accurate broadband data maps, which could be used to support the FCC's goal of "closing the digital divide." In the same vein, in its role as advisor to the President on telecom and information policy issues, the National Telecommunications and Information Administration has sought stakeholder feedback on AI and human rights and civil rights and accountability mechanisms for promoting responsible use of AI. These trends are occurring throughout the globe as well. Interest from telecom regulators on the technical and societal issues related to AI are only expected to increase as this technology gains maturity.

## Additional resources

**Spotlight**
NTIA issues report on recommended federal government actions to promote accountable AI

**Spotlight**
White paper "How to master Europe's digital infrastructure needs?"

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# Real Estate

# AI applications for investor decision-making

AI technologies have the potential to enhance various aspects of commercial real estate through data analysis and predictive modelling. By incorporating AI applications into their operations, commercial real estate companies can improve decision-making processes, and ultimately drive better business outcomes. Here we look at some examples of current, and potential, applications of AI technologies in the investor decision-making process.

### *Property valuations*

AI algorithms can analyse vast amounts of data, including market trends, property features, and historical sales data to provide accurate property valuations.

### *Predictive analytics and market analysis*

Machine learning AI technologies can forecast future market conditions, rental prices, and occupancy rates based on historical data, helping anticipation of changes in the market. AI technologies can be used to identify market trends and patterns, enabling a better understanding of market dynamics and guiding strategic investment choices.

### *Marketing optimization*

Investors can use AI tools to simulate different investment strategies and assess potential risks and returns based on various scenarios. AI algorithms can analyze customer behaviour and preferences to tailor marketing strategies for specific properties or demographics.

The complexity, accuracy, and scaleability of AI technology is constantly developing and the direction of travel is clear: AI technology will be integrated into the real estate decision-making process. These examples are by no means exhaustive and we're excited to see what happens on the AI journey.

# AI integration in smart buildings

Smart buildings utilize a variety of technologies to enhance efficiency, comfort, and sustainability, and AI is increasingly being integrated into smart buildings with those goals in mind. By integrating AI technologies into their infrastructure, smart buildings can achieve greater operational efficiency. A few examples include:

- AI algorithms analyse energy consumption, identify inefficiencies and suggest optimizations of Building Management Systems that control heating, ventilation, air-conditioning, and lighting systems. This helps reduce energy waste, lower utility costs, and improve operational efficiency;

- AI systems can learn from occupant preferences regarding temperature, lighting, and other environmental factors. They can automatically adjust settings to enhance comfort while maintaining energy efficiency;

- By using machine learning models, AI can predict when equipment or systems are likely to fail based on historical data and real-time monitoring. This allows for proactive maintenance, reducing downtime and repair costs;

- Advanced security technologies include biometric access controls, surveillance cameras with facial recognition capabilities, and smart alarms that can be monitored remotely for enhanced safety;

- AI can analyze how spaces are used within a building, providing insights that help optimize layouts and improve space utilization. This is particularly useful in office buildings where space efficiency is critical; particularly important in open-plan and hot-desking workspaces and where car parking is at a premium; and

These examples just scratch the surface of the possibilities. AI technology is evolving and the extent and direction of uses in the occupier experience are yet to be seen but will no doubt be exciting.

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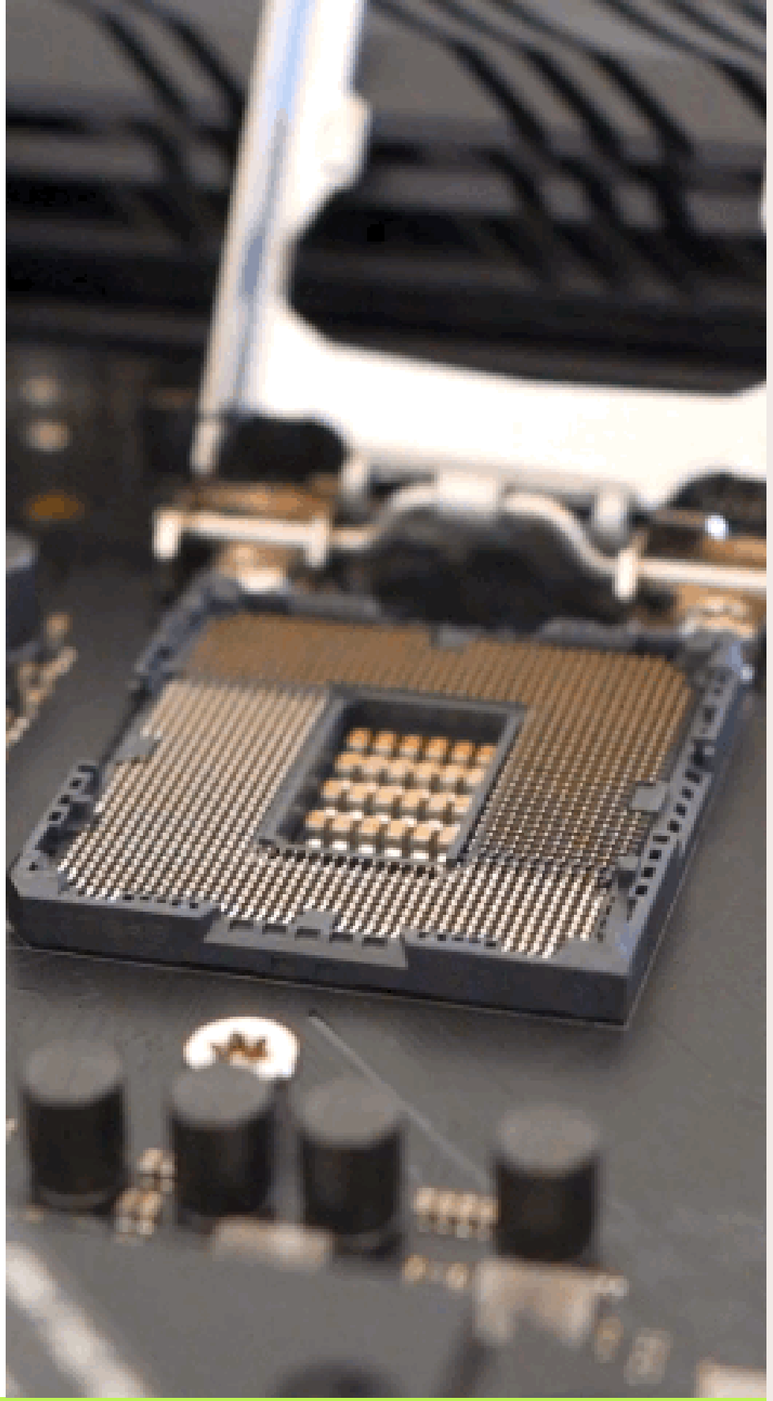
# Export Controls and Trade

*Export Controls and Trade*

# National security risks: AI as a pending Congressional target

Export controls as it relates to AI are focused on the sale of advanced semiconductors to the U.S., China, Russia, and other countries. In October 2022, the U.S. Commerce Department's Bureau of Industry and Security (BIS) issued an interim final rule to deny China's access to certain semiconductor and advanced computing technology and to inhibit China's ability to manufacture those items domestically. Additionally, on 7 March 2023, U.S. Senators Mark Warner and John Thune introduced the Restricting the Emergence of Security Threats that Risk Information and Communications Technology (RESTRICT) Act, sweeping legislation aimed at restricting or prohibiting the use of Chinese and other specified foreign adversaries' technologies in the U.S., with information and communications technology products and services integral to AI and ML being among a number of areas to be prioritized.

BIS's October 2022 rule does not solely target AI platforms and capabilities. The rule places restrictions on certain high-performance integrated circuits and related computers, servers, and electronic assemblies that are used in advanced computing platforms which in turn enable advanced AI capabilities. It also imposes end-use and end-user-based restrictions on exports, reexports, and in-country transfers of items intended for use in certain semiconductor fabrication "facilities" in China and "supercomputers" located in or destined for China. Additionally, the RESTRICT Act legislation poses additional potential restrictions on the use and supply of information, communication and technology (ICT) products and services, which could include the targeting of AI-related products or services, to or from certain countries, including China, and would grant the Commerce Department express authority to target assets outside the U.S. that are used to support or enable the use of certain adversary country ICT products and services in the U.S.



## Additional resources

**Spotlight**
Law360 Expert Analysis | AI And Trade Controls: A Guide To Expanding Restrictions

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# Space

# Managing U.S. legal risks—AI applications and new technologies in the space and satellite industry

***Space – A natural field of use for AI***

A substantial number of AI applications are being deployed in the space and satellite industry. This is a natural field to use AI, given the very limited current ability to maintain human presence in space and the need for autonomous operations, as well as the space domain being a source of extensive raw data. Many terrestrial AI applications required AI to manage matters that humans cannot address effectively. In space, many of the operations that are in need of automation are done without any direct human presence or even human involvement.

Exciting new applications are occurring in numerous areas, including:

- Space robotics, particularly for In-Space Servicing, Assembly, and Manufacturing (ISAM);
- Avoiding collisions and monitoring of space debris;
- Satellites connecting in space (rendezvous, proximity operations, and docking, or RPOD);
- Space exploration including moon and Mars rovers; and
- Many analytics applications, as huge amounts of data are being gathered from space.

Data sensed from space (from visual to radar-based) is a seemingly endless source of new data, and machine learning algorithms are being used to process satellite imagery, detecting and classifying Earth's features for geographical information systems, classifying various land cover types in imagery, crop monitoring and predicting, wildlife conservation, disaster response, and in connection with many other use cases.

As with terrestrial AI, the technical challenges to creating and deploying space-based AI are considerable. However, every year more progress is made at being able to control space activities both from the ground and in space itself, at collecting data in space that cannot be obtained from the ground and in furthering space exploration. Having privately-owned, manned stations in space seems within reach, and productive trips to Mars or even asteroids could well happen in the next decade.

*Read more of our analysis here.*

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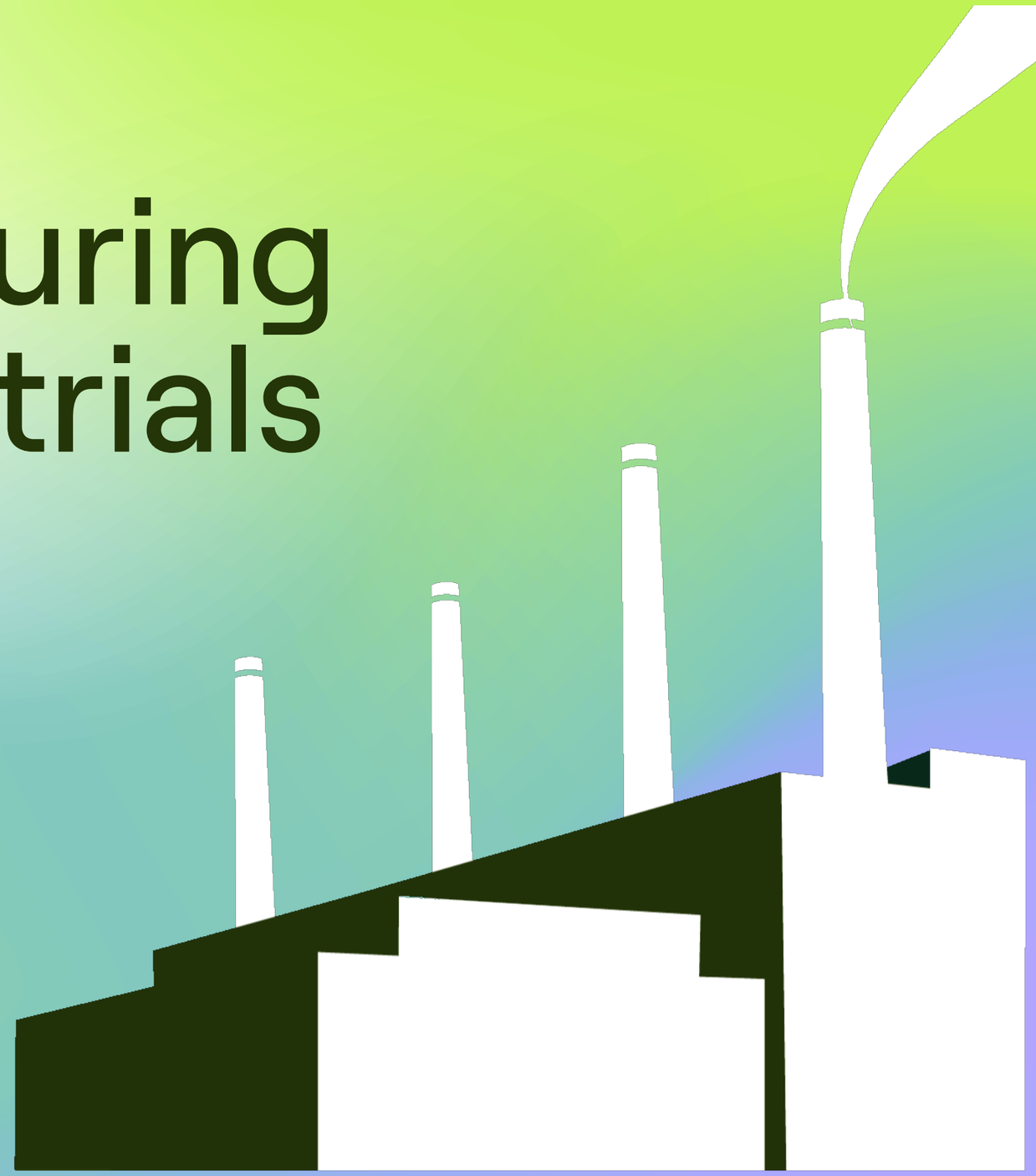
## Additional resources

**Spotlight**
Space and Satellite Insights

# Manufacturing and Industrials



# Smarter, faster, greener: AI-powered advancements in the manufacturing and industrials sector

AI technologies are reshaping the manufacturing and industrials sector to meet the demands of a modern, competitive landscape. These industries face the pressures of rising demand for efficiency, resilience, and sustainability amid evolving market conditions and tighter regulations. However, this transition is not only empowering manufacturers to increase operational efficiency and product quality but also creating new possibilities for predictive and automated processes that minimize downtime and energy consumption.

AI is driving transformation at every stage of manufacturing and industrials operations. Here's a look at the most impactful areas where AI is enabling the factories of the future:

### *Predictive maintenance and asset monitoring*

AI-driven predictive maintenance is revolutionizing equipment management. By analyzing sensor and machine data in real time, AI can monitor the health of critical assets, forecasting potential issues and addressing them before they cause costly downtime. Through machine learning algorithms, these systems detect patterns and signals that might not be visible to human operators. For asset-intensive sectors, predictive maintenance reduces repair costs and extends asset lifespans, while minimizing unplanned outages and enhancing operational safety.

### *Optimization, automation, and AI-driven quality control*

AI is streamlining production processes by optimizing the various stages of manufacturing, from assembly to inspection. In robotics automation, AI-driven robots can perform complex tasks with precision and adaptability, reducing manual intervention and freeing human workers to focus on higher-level functions. AI also plays a critical role in quality control, where image recognition systems inspect products at every stage of production, detecting defects and deviations early to maintain consistent quality standards.

### *Intelligent supply chain optimization and demand forecasting*

AI is enhancing supply chain resilience by optimizing logistics, demand forecasting, and inventory management. With AI-driven demand forecasting, manufacturers can anticipate shifts in customer needs and adjust production schedules accordingly, reducing the risk of overproduction or stockouts. In logistics, AI-driven analytics evaluate supplier reliability, transportation costs, and potential disruptions, enabling dynamic supply chain adjustments in real time. By integrating AI into supply chain management, manufacturers gain a transparent view of their operations, allowing them to improve lead times, reduce costs, and ensure that raw materials and finished products are available exactly when and where they are needed.

### *AI-driven energy management systems*

AI-powered energy management systems help manufacturers minimize energy usage and reduce emissions, supporting both cost savings and sustainability goals. These systems analyze energy consumption patterns, forecast peak periods, and dynamically adjust energy allocation across production lines. By incorporating renewable energy sources, AI can balance energy flows, ensuring the facility's power requirements are met while optimizing the use of cleaner energy. These solutions contribute to efficient energy utilization across high-consumption industrial environments.

As AI continues to advance, its integration within the manufacturing and industrials sector is essential for achieving resilient, efficient, and future-proof operations. Our team is dedicated to supporting clients in navigating the legal complexities of implementing AI within their manufacturing processes, supply chains, and energy management initiatives. By working alongside industry leaders, we help build smarter, more sustainable, and agile infrastructure, ensuring our clients remain competitive in an increasingly AI-driven industry landscape.

## Additional resources

**Spotlight**
IP issues in hydrogen in the manufacturing, energy, and industrials sector

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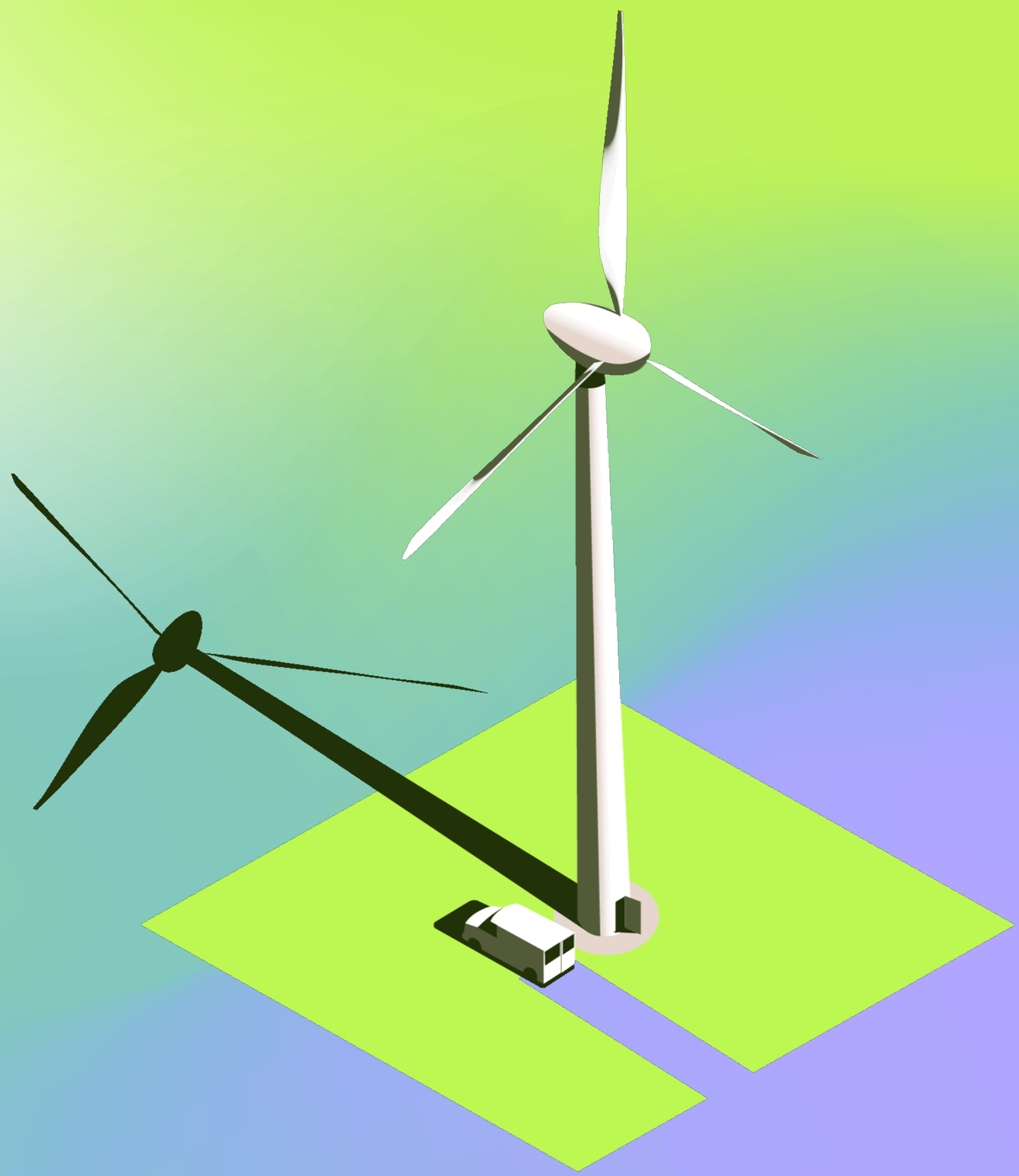
# Energy



# AI innovations shaping tomorrow's energy landscape

AI is playing a critical, transformative role in the energy sector. In addition to the continued growth of the AI industry driving future energy needs, there have been significant advancements and additional opportunities remain regarding AI's role in optimizing energy generation, distribution, and consumption. From enhancing the intelligence of smart grids to advancing battery storage, AI solutions are driving critical progress across a range of technologies. This shift is not only helping energy providers manage demand fluctuations and renewable integration more effectively but is also opening new avenues for decentralized energy solutions and emissions reductions in traditionally challenging sectors.

Key AI innovations are transforming every stage of the energy value chain. Here's a quick look at the most impactful areas where AI is shaping the future of energy:

***Smart grids, renewable energy forecasting, and demand response.***
AI-powered smart grids are transforming energy systems by optimizing the real-time balance of supply and demand, a critical function for incorporating variable renewable energy sources like wind and solar. With AI's advanced forecasting abilities, providers can more accurately predict renewable energy generation using weather and historical data, allowing for better generation planning and grid stability as renewable energy generation fluctuates. AI-driven demand response programs also adjust or reduce consumer energy use during peak periods, reducing grid loads and minimizing reliance on backup fossil-fuel sources. Additionally, AI is driving decentralized energy management, empowering local or "edge" resources such as rooftop solar, community wind projects, and residential battery storage and energy projects to contribute to the grid independently. By integrating these decentralized resources, AI-enabled smart grids can dynamically coordinate and manage localized generation and storage, and optimize energy flow within microgrids, or between microgrids and the utility grid. This decentralized approach supports resilience by reducing grid congestion and transmission losses, and improving response during grid disruptions. These smart grid capabilities create more resilient and adaptive microgrids, and allow for sustainable energy infrastructure as renewable energy resources continue to grow.

***Predictive maintenance and asset management.***
AI-driven predictive maintenance is essential for keeping critical energy infrastructure - like turbines, transmission lines, transformers, and generators - operational with minimal downtime. By analyzing sensor data in real time, AI can assess equipment health, predicting potential issues and preventing failures before they occur. These systems use machine learning to identify failure patterns that might not be visible to human operators, leading to fewer unplanned outages and longer asset life. For asset-heavy industries such as utilities, oil and gas pipeline companies, and generation companies, predictive maintenance reduces repair, replacement, and insurance costs, ultimately enhancing both operational efficiency and safety.

***Battery and energy storage optimization.***
As clean energy becomes a larger portion of the energy generation mix, energy storage systems are essential to maintaining a steady power supply for variable energy resources. AI-driven optimization transforms storage management, ensuring that battery systems operate efficiently, sustainably, and at optimal cost. By analyzing demand forecasts and renewable energy output, AI can strategically manage charging and discharging cycles, improving storage efficiency and extending battery life. Additionally, AI powers Virtual Power Plants (VPPs) that aggregate distributed storage assets, such as electric vehicles and residential batteries, allowing these resources to function as a unified, flexible power source for the grid, enhancing reliability and flexibility.

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***AI-driven Carbon Capture and Storage (CCS) optimization.*** In parallel with energy storage advancements, AI-driven CCS optimization is becoming a critical component for reducing emissions in sectors that are difficult to decarbonize, such as heavy industrials and facilities with significant energy consumption. AI enhances the capture process by optimizing variables like temperature and pressure, increasing capture rates and reducing the energy required for $CO_2$ capture. Through predictive maintenance, AI also helps monitor CCS infrastructure, such as pipelines and storage wells, minimizing the risk of leaks and ensuring long-term storage integrity. These improvements help position CCS as a viable and cost-effective tool in emissions-reduction strategies.

***AI in nuclear energy optimization.*** Nuclear energy holds immense promise as the zero-carbon, high-output solution to the world's growing energy demands and the urgent need to combat climate change. AI technologies are increasingly optimizing nuclear energy systems by enhancing efficiency, safety, and operational performance. Machine learning algorithms are being used to predict maintenance needs, detect anomalies, and optimize reactor operations, leading to reduced downtime and more reliable energy production. AI is also playing a crucial role in improving the design and simulation of nuclear reactors, enabling more precise modeling of complex systems, and supporting the development of next-generation reactors. Additionally, AI aids in managing the vast amounts of data generated by nuclear plants, streamlining decision-making processes, and helping to ensure compliance with safety regulations. As AI continues to evolve, its integration into nuclear energy systems promises to drive innovations that improve both the sustainability and safety of the industry.

The continued development and application of AI in the energy sector is critical in accelerating the transition to a cleaner, more reliable, and cost-effective energy landscape. Our experienced team is dedicated to assisting clients in understanding and addressing the legal complexities of integrating AI into their energy infrastructure and projects. By working with leading companies in the energy sector, we support the development of smarter, more resilient assets, helping businesses stay ahead in an increasingly AI-driven energy landscape.

## Additional resources

**Spotlight**
Energy Transition Hub

# Education

# Shaping the future of education: AI's impact and the need for proactive planning and policies

It is indisputable that AI will transform the world of education; indeed, it already has. Like many technological advancements before it, generative AI may either be utilized positively or negatively in academia. AI presents significant opportunities, but also challenges and even threats. Institutions that work proactively to embrace the challenges and navigate the threats will be in the best position to continue to thrive. As it stands, guidance is necessary – at federal, state, and institutional levels – to confirm AI works for, rather than against, educational purposes, and education-sector organizations should consider developing internal policies sooner rather than later.

To provide just a couple of many examples, we describe below the risks and benefits of AI to two core academic functions: admissions and instruction.

## *Admissions*

AI has powerful potential to support colleges and universities in their admissions processes, enhancing both the efficiency and fairness of applicant evaluation. Many schools are already utilizing AI to perform perfunctory tasks – like automating GPA re-calculation – saving admissions teams thousands of hours of quantitative labor. Schools can also use AI for more subjective tasks, such as summarizing essays and recommendation letters to identify personality traits and soft skills. And by analyzing a broader set of data points, schools can look beyond numbers and more comprehensively predict an applicant's likelihood of success. But AI's ability to create a more holistic admissions process requires thoughtful implementation. Because AI models are typically trained on historical data, it is possible for the outputs of those models to reflect biases present in the historical training data. And while it is impossible to remove bias entirely from the admissions process, thoughtless or unchecked reliance on AI models opens institutions to legal and ethical risk. As AI companies self-regulate to minimize this bias, internal policies to understand how AI tools operate, including with respect to bias, and to confirm that AI is used to complement, rather than replace, human judgment in the admissions process may be warranted.

## *Instruction*

AI also has powerful potential to support educators and students inside the classroom. For example, many AI platforms generate questions that are responsive to students' individual needs and performance, thus improving the quality of academic assessment. But many stakeholders fear the consequences of student dependence on this technological advancement and the potential impacts of AI tools on assessment integrity. As institutions determine whether and to what extent generative AI tools can be used in the classroom, zero-tolerance policies that provide little guidance on practical ethical usage may not be the appropriate approach. AI is here to stay, and will be an increasingly important tool in almost every industry sector; thus, it is critical to train students to ethically maximize its utility. Rather than resist this changing landscape, institutions should deploy responsive policies that encourage responsible integration of AI in instruction and learning consistent with all applicable privacy, accreditation, and academic integrity requirements.

Given AI's transformative influence in the world of education, it is imperative for education professionals to pay close attention to how this evolving technology will shape the broader industry. Institutions that seem likely to win the future will find ways to harness AI to drive forward their missions without creating legal liability.

*Melody Zargari and Greg Kimak contributed to this trend.*

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