

AI REPORTER

A Publication of Benesch's AI Commission

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AI Update



Steven M. Selna
Partner

January saw activity in the copyright infringement lawsuit filed by a group of authors led by comedian Sarah Silverman against OpenAI. A magistrate judge ordered the AI pioneer to produce its datasets, which are used for training, to determine whether they contained copyrighted material.

Elsewhere, a Virginia court allowed Microsoft to seize a website used by foreign cybercriminals who exploited the tech giant's Azure OpenAI Service for illegal purposes. The emergency restraining order and subsequent injunction set a precedent for how similar cases may be handled in the future.

On the state regulatory front, Oregon's AG issued guidance for businesses on existing laws relating to AI, highlighting potential threats, including AI-generated scams. Lawmakers in Texas introduced the Texas Responsible Governance Act, which would impose strict AI regulations in the state that adopts a risk-based framework similar to the EU's AI Act. These initiatives highlight the growing need to balance innovation with safeguards to ensure AI's responsible use.

In a significant development, the White House began a review of the Chinese AI platform, DeepSeek, to assess the risk of its potential misuse in espionage and data breaches. The evaluation is part of the government's broader efforts to ensure foreign technology does not pose a threat to national security. The outcome of this investigation could lead to further regulatory action to protect U.S. security interests.

Details on these and other developments appear on the following pages.



Sydney E. Allen
Associate

AI in Business

Agentic AI may be better for financial sector than GenAI

Teo Blidarus, CEO and Co-Founder of FintechOS, highlights the transformative potential of agentic AI in the financial sector. Unlike GenAI, which is static and requires human intervention, agentic AI adapts and acts independently based on evolving data. This capability enables financial and insurance institutions to move beyond content creation to decision-making and proactive customer service. The use of agentic AI could lead to more dynamic and customized products tailored to the specific consumer. While hyper-personalization sounds appealing, agentic AI will surely raise questions around privacy and data security.

Source: Entrepreneur

Peer-to-peer lending platforms use AI to make smarter loan decisions

The integration of AI into credit scoring significantly enhanced peer-to-peer (P2P) lending platforms by enabling smarter and more efficient loan decisions. P2P lending platforms originated as an alternative to traditional banks, providing borrowers with a fast way to secure loans. The platforms historically relied on conventional credit score models, however, such models did not aid individuals with limited credit histories or unconventional financial backgrounds. Thus, P2P platforms turned to AI to assist with facilitating better decision-making for borrowers and lenders. AI-driven credit scoring uses machine learning algorithms to analyze vast datasets, providing a more inclusive and accurate assessment of creditworthiness compared to traditional models.

Source: Tech Bullion

Accountability a key focus for AI healthcare in 2025

In November 2024, the newly assembled FDA Digital Health Advisory Committee held a two-day meeting to discuss the regulatory approaches for GenAI-enabled medical devices, focusing on premarket performance evaluation and risk management. However, no specific recommendations were made, indicating regulatory changes aren't imminent. Brian Anderson, CEO of the Coalition for Health AI, emphasized the need for collaboration between healthcare AI companies, health systems, and researchers to develop best practices and define responsible AI. The development of mature AI tools with clear outcomes is expected to continue, aiming to improve patient care and healthcare management.

Source: Medpage Today

AMD invests in AI drug startup, plans to compete with Nvidia

Advanced Micro Devices (AMD) is investing \$20 million in AI drug startup, Absci, to advance its pipeline using AMD chips and software. This partnership aims to create better biologics for patients, reduce infrastructure costs, and speed up innovation cycles. This marks AMD's first investment in the healthcare space, competing with Nvidia Corp, which also expanded its AI-powered drug discovery efforts.

Source: Morning Star

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Sydney E. Allen
Associate

AI in Business

Researchers develop mathematical model to protect privacy, ensure safer AI use

Computer scientists from the Oxford Internet Institute, Imperial College London, and UCLouvain developed a mathematical model to help understand the risks posed by AI and assist regulators in protecting privacy. The model provides a robust scientific framework for evaluating identification techniques for large-scale data, such as browser fingerprinting, which can identify users from small data pieces. This method aims to assess re-identification risks in data release and evaluate identification techniques in high-risk environments like hospitals, humanitarian aid delivery or border control.

Source: Tech Xplore

Symbotic acquires Walmart's robotics division in \$550M deal

Symbotic, an AI-enabled robotics technology company, is set to acquire Walmart's Advanced Systems and Robotics and enter a multiyear partnership. Walmart will buy and deploy robotic systems at hundreds of pick-up and delivery centers at Walmart locations. This deal aims to enhance Walmart's supply chain with the use of AI-enabled robotics, improve customer shopping experience, and accelerate online pickup and delivery options at its stores.

Source: Law 360 (sub. req.)

Doctors use AI for note taking during appointments

Doctors are increasingly using AI-driven apps to record appointments and summarize relevant information from the discussions that can then be integrated into the patient's electronic medical records. Healthcare leaders hope the technology will reduce physician burnout by minimizing the time doctors spend on documentation and improve patients' interactions with healthcare providers by allowing doctors to spend more time actively listening to their patients rather than staring at a screen and typing during an appointment.

Source: Medical Xpress



Carlo Lipson
Associate

AI Litigation & Regulation

LITIGATION

[FTC approves final order against AI platform Sitejabber over misrepresented ratings, reviews](#)

The FTC approved a final consent [order](#) against AI-enabled consumer review platform Sitejabber. According to the FTC, Sitejabber collected and published ratings and reviews from consumers at the time of purchase—prior to experiencing or using the purchased products or services—and used those point-of-sale reviews to misrepresent and artificially inflate the company’s review platform. Additionally, the FTC alleged Sitejabber provided its business clients with pre-fulfillment product ratings and reviews, providing those clients the means to misrepresent that the reviews were from customers who had received their purchases. The order prohibits the company from making or assisting anyone else in making misrepresentations about ratings or reviews it collects, moderates or displays.

Source: FTC

[Tesla wins key patent rulings in AI vehicle dispute](#)

The PTAB issued rulings on three petitions filed by Tesla, following a lawsuit by Autonomous Devices, led by Jasmin Cosic. The board invalidated several claims in two of Cosic’s patents related to machine learning, though two claims survived. Last month, the same panel had similarly mixed findings on two other patents in the same lawsuit. The Delaware suit, alleging Tesla’s Autopilot software infringes Cosic’s patents, is on hold pending the patent board’s proceedings, which can be appealed to the Federal Circuit.

Source: Law 360 (sub. req.)

[Xockets opposes Microsoft’s motion in AI chip patent case](#)

Xockets accused Microsoft of attempting to delay a patent infringement case involving Nvidia and GenAI chips. Xockets claims Microsoft and Nvidia conspired to form a cartel to dominate the AI graphics processing unit market and infringe on Xockets’ patents. Microsoft sought to separate its case from Nvidia’s, arguing Nvidia is the primary and “only source” of the disputed GPUs. However, Xockets contends Microsoft’s involvement is distinct and integral, including allegations of direct patent infringement by Microsoft’s cloud servers and participation in the alleged cartel. Xockets further argues that severing the cases would unfairly prejudice them and complicate the litigation process.

Source: Law 360 (sub. req.)

[Microsoft seizes website in cybercrime crackdown](#)

A Virginia court authorized Microsoft to seize a website used by foreign cybercriminals to bypass AI safety measures and create harmful content. The criminals stole customer credentials and used a custom tool to exploit Microsoft’s Azure OpenAI Service for illegal purposes. The court granted an emergency restraining order—later converted to a preliminary injunction—allowing Microsoft to control the domain “aitism.net” and issue subpoenas to third-party providers. Microsoft’s Digital Crimes Unit emphasized the company’s nearly two decades commitment to protecting AI services and gathering evidence against the perpetrators.

Source: Law 360 (sub. req.)

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AI Litigation & Regulation

[DoJ, FTC weigh In on Musk's OpenAI lawsuit](#)

The DoJ and FTC weighed in on Elon Musk's lawsuit against OpenAI and Microsoft, arguing that ending board overlap is not enough to dismiss the billionaire's claims. They emphasized that courts should consider the risk of recurrence and the retention of competitively sensitive information. The DoJ and FTC's involvement highlights the seriousness of the allegations and the broader concerns about tech monopolies and anticompetitive practices.

Source: Law 360 (sub. Req.)

[Judge orders OpenAI to produce dataset in copyright infringement case](#)

A California federal judge ordered OpenAI to produce the dataset used to train GPT-4 in a copyright infringement case involving authors Sarah Silverman, Paul G. Tremblay and Ta-Nehisi Coates. The authors claim OpenAI used their works without permission, while OpenAI argues its practices are fair use. The judge rejected OpenAI's security concerns but mandated that both parties agree on security protocols before data production. The judge also granted OpenAI's request to seal certain technical details.

Source: Law 360 (sub. req.)

[FTC refers Snap AI chatbot complaint to DoJ](#)

The FTC claims Snap Inc. may be violating the law by deploying an artificial intelligence-powered chatbot that harmed young users, thus prompting public disclosure of the FTC referral. Incoming Republican Chair Andrew Ferguson criticized the complaint as unconstitutional and refused to participate in the closed meeting. Snapchat also opposed the complaint, arguing it lacked evidence and could stifle innovation. This marks the second public referral by the FTC under the outgoing administration, following a similar action against TikTok.

Source: Law 360 (sub. req.)

REGULATION

[Oregon Attorney General issues AI guidance](#)

Oregon AG Ellen Rosenblum issued guidance for businesses on existing laws applicable to AI, highlighting potential threats such as AI-generated scams. The guidance is part of that state's efforts to regulate AI, including Senate Bill 1571, which mandates disclosure of AI use in political campaigns. In 2023, Governor Tina Kotek appointed an advisory council to guide AI initiatives in the state.

Source: Salem Reporter

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AI Litigation & Regulation

[U.S. Treasury issues report on AI in financial sector](#)

The U.S. Department of Treasury's report on artificial intelligence in financial services highlights AI's transformative role in tasks like credit underwriting, fraud detection, and customer service. Per the report, AI is also being used to analyze alternative data to expand credit access for underserved communities and improve operational efficiency. The report also addresses risks such as data privacy and bias, emphasizing the importance of ensuring data quality, security and fairness in AI models.

Source: National Law Review

[FDA issues draft guidance for AI-enabled medical device manufacturers](#)

The FDA issued draft guidance to support the development and marketing of AI-enabled devices throughout their Total Product Life Cycle. The guidance would be the first to provide comprehensive recommendations for AI-enabled devices, covering design, development, maintenance and documentation to ensure safety and effectiveness. It complements the final guidance on predetermined change control plans for AI-enabled devices, which advises on planning for device updates post-market.

Source: FDA

[Texas AI bill proposes broad regulations](#)

The Texas Responsible AI Governance Act (TRAIGA), introduced by State Rep. Giovanni Capriglione, aims to impose strict AI regulations in Texas, arguably among the toughest in the U.S. The bill adopts a risk-based framework similar to the EU's AI Act, classifying AI systems by risk levels and imposing stricter regulations on higher-risk systems. Critics argue such frameworks may stifle innovation, regulate speculative AI uses rather than actual societal harms, increase compliance costs for Texas businesses and overlook sector-specific nuances by imposing broad regulations across industries.

Source: Bloomberg Law

[N.J. launches Civil Rights Innovation Lab to combat AI discrimination](#)

New Jersey AG Matthew J. Platkin and the Division on Civil Rights (DCR) introduced measures to address algorithmic discrimination. The Civil Rights and Technology Initiative includes a guidance document explaining how the N.J. Law Against Discrimination applies to advanced technologies. The guidance highlights examples of algorithmic discrimination and outlines how AI and automated decision-making tools can lead to bias and discrimination. Additionally, the DCR established a Civil Rights Innovation Lab to leverage technology responsibly, enhance enforcement, outreach, public education and develop protocols for the responsible use of technology.

Source: New Jersey Attorney General

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AI **Litigation & Regulation**

[FTC highlights AI partnerships' competitive risks](#)

The FTC released a report examining partnerships between major cloud service providers (CSPs) and leading AI developers. The report focuses on collaborations involving Alphabet and Microsoft with AI firms Anthropic and OpenAI. Key findings include CSPs gaining significant equity, revenue-sharing rights and control over AI developers. These partnerships may limit access to essential resources, increase switching costs and expose sensitive information, thus potentially stifling competition. The FTC emphasizes the need for vigilance to ensure these alliances don't undermine market fairness and innovation.

Source: FTC

[White House reviews Chinese AI app for national security risks](#)

The evaluation is part of a broader effort to scrutinize foreign technology that could impact U.S. security. Concerns were raised about potential misuse in espionage and data breaches regarding Chinese artificial intelligence app DeepSeeks, which uses advanced AI for data analysis and prediction. The review is being conducted by the U.S. Committee on Foreign Investment, which has the authority to block transactions involving foreign entities if they pose a threat to national security. The prior administration previously took steps to limit Chinese access to sensitive technologies, including imposing export controls and investment restrictions. The outcome of the DeepSeeks review could lead to further regulatory actions to protect U.S. interests.

Source: Reuters

Benesch
AI Insights

Artificial Intelligence Implementation for Supply Chain Applications

Artificial intelligence is under close examination in many industries including the transportation, logistics, warehousing and supply chain services sectors. The quest for innovation, competitiveness and organizational efficiency demands at least taking a look. Tangible benefits are, by many accounts, real for certain uses. Other benefits may be imaginary, at least at this point. One challenge for adoption of this technology is the yet-unsettled legal and regulatory framework.



Jonathan R. Todd
Partner

Source: Benesch

Navigating Legal Liability in AI Adoption: What Healthcare Executives Need to Know

The adoption of artificial intelligence (AI) in healthcare has ushered in a new era of innovation that is transforming diagnostics, treatment planning, and operational efficiencies. However, with great potential comes significant legal and ethical responsibilities. For healthcare executives, understanding the unique inherent risks associated with AI adoption is critical to leveraging its benefits while avoiding potential liabilities. Here's what you need to know about AI in healthcare, the legal risks involved and strategies to mitigate these challenges.



Kathrin "Kat" Zaki
Associate



Nicholas E. Adamson
Associate

Source: Benesch

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Key Considerations in Developing a Comprehensive AI Governance Policy and Mitigating Risks of AI Use

Crafting an AI Governance policy best suited for your business requires careful consideration of the types of AI, how AI will be used, current and future legislation, and a group of individuals specifically designated to oversee implementation of AI. Because of the significant developments in AI legislation in 2024 and the ongoing efforts to reform existing laws to adapt to AI development and deployment and the new legislative initiatives designed to address AI in 2025, it is becoming increasingly important for businesses to develop comprehensive and effective AI Governance policies that can accomplish legal compliance requirements and evolve within an increasingly volatile legal landscape.



Kristopher J. Chandler
Chair, AI Commission



Alison K. Evans
Partner



Megan C. Parker
Associate

Source: Benesch

UPCOMING EVENTS

TIA CAPITAL IDEAS CONFERENCE

The Rise of Machines: Practical Legal Solutions for AI & Logistics

April 10, 2025

1:30 p.m. - 2:30 p.m.

JW Marriott San Antonio Hill Country
Resort & Spa

Join this expert panel, featuring Benesch AI Commission Chair Kris Chandler, for an in-depth discussion on leveraging Artificial Intelligence (AI) in transportation and logistics. This session will guide you through the critical considerations for integrating AI into your business, from navigating evolving regulations to implementing effective governance and minimizing liability. Hear from top legal experts, including representatives from Waabi, Truckstop.com and leading transportation lawyers, as they share practical advice on responsible AI usage and strategic contracting.

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AMBA CONFERENCE
Artificial Intelligence and Cybersecurity

May 7-9, 2025
Amway Grand Plaza Hotel, Grand Rapids, MI

AMBA Conference 2025 will drive off-the-chart value for conference attendees as mold manufacturers engage with peers and industry suppliers to identify new business opportunities, profitability and growth strategies, new technologies and more. Benesch's AI Commission Chair, Kris Chandler, will speak on the topic of Artificial Intelligence and Cybersecurity.

For more information, please contact:



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