

Artificial Intelligence

Artificial intelligence is transforming businesses by driving efficiencies and enabling innovation. We help you harness AI's potential—and prepare for its risks.

About

Kelley Drye empowers clients to innovate confidently with AI and machine learning, enhancing operations and delivering personalized customer experiences while minimizing legal exposure. Drawing on a multidisciplinary team that spans advertising, privacy, employment, corporate, litigation, intellectual property, government relations, and state AG enforcement, we help clients seize growth opportunities, protect valuable IP, resolve investigations and enforcement actions, build compliance programs, and more.

Advertising with AI

AI creates new opportunities for marketers to reach customers in innovative ways. From AI-generated influencers and automated content creation tools to chatbots, predictive marketing, and agentic advertising—where AI systems autonomously execute campaigns, optimize placements, and even interact with consumers on behalf of brands—the possibilities for enhancing traditional marketing practices appear endless.

But these opportunities bring compliance challenges as companies navigate shifting rules around model training, consumer transparency, ethical use, and bias mitigation. Agentic AI raises additional considerations, including accountability for autonomous decisions, disclosure obligations when AI acts on behalf of a brand, and the need for safeguards against unintended consumer interactions. State and federal regulators are increasingly focused on enforcement, scrutinizing content labeling and disclosures, the accuracy of AI-generated information, and the substantiation of claims about AI capabilities.

Our team provides timely, informed, and practical advice to help clients innovate responsibly—whether deploying generative AI tools or implementing agentic systems that act autonomously. We identify regulatory risks, advise on best practices, and propose pragmatic solutions—helping clients leverage AI to grow their business without putting it at risk. We also help clients build comprehensive AI governance programs—including use policies, vendor assessment protocols, bias testing procedures, oversight frameworks for autonomous AI agents, and incident response plans—that demonstrate responsible AI practices to regulators and stakeholders.

[Read More About Our Advertising and Marketing Practice](#)

AI Tech Transactions and Corporate Dealmaking

The right transaction to acquire or leverage AI can provide a critical competitive advantage. Our Corporate team has significant experience advising clients on strategic AI transactions and related initiatives, including acquisitions involving AI companies, the use of AI in software development, and commercial agreements to integrate AI into business operations and customer-facing processes.

We also offer a full range of corporate and M&A support, including private equity, venture capital, capital markets, corporate governance, antitrust merger clearances, and tax services.

[Read More About Our Technology Transactions and Sourcing Practice](#)

[Read More About Our Corporate and Tax Practice](#)

Claims and Disputes

With AI's rapid expansion, an increase in disputes and litigation is inevitable, and litigation risk will only continue to grow. Even the most cautious companies may face claims, enforcement actions, and class action lawsuits.

Our multidisciplinary team monitors developing technologies and trends, including how new types of data will be treated by courts and regulators. Our tech-savvy litigators guide clients through the AI evolution, helping them achieve litigation wins while mitigating issues that create legal and business risks.

[Read More About Our Litigation Practice](#)

Automated Employment Decision Tools in the Workplace

The adoption of automated employment decision tools (AEDTs) is accelerating, with more employers integrating AI-related technologies into every stage of the employment lifecycle—from recruitment to separation. While these tools offer opportunities to streamline processes and increase objectivity, businesses should pay attention to potential legal and compliance pitfalls that could increase the risk of deploying these technologies.

Our Labor and Employment team helps clients deploy AEDTs responsibly—advising on bias audit requirements, drafting compliant notices and disclosures, and developing policies that satisfy emerging legal standards. We combine deep legal knowledge with real-world pragmatism, offering strategic counseling across the full spectrum of AI-related workplace issues.

[Read More About Our Labor and Employment Counseling Practice](#)

Generative AI and IP Considerations

U.S. intellectual property law is evolving in response to AI and remains unsettled in many areas. While a number of pending litigations may ultimately provide guidance, it remains unclear whether and in what circumstances training AI models with copyrighted works is permissible, and to what extent AI-generated works are capable of copyright and/or patent protection.

We closely monitor developments and analyze existing intellectual property law to help clients assess and manage AI-related IP risks. We advise on best practices for reducing the risk of claims involving third-party trademarks, copyrights, and NIL rights in connection with the creation and use of AI-generated content for commercial purposes. We also counsel clients on protecting their own intellectual property in connection with AI-generated content, enforcing intellectual property rights in the AI context, and negotiating favorable terms with AI platforms to protect company IP rights.

Our IP team is well-equipped to help clients protect and defend valuable intellectual property assets while providing strategic, business-oriented advice on navigating these complex challenges.

[Read More About Our IP Practice](#)

Privacy and Data Security

Applications of AI require careful consideration of privacy and information security laws. AI-driven personalization engines and dynamic pricing algorithms raise novel legal issues around price discrimination, consumer protection, and transparency.

Our privacy team works at the cutting edge of media, technology, and business to help clients harness AI's benefits while avoiding privacy pitfalls. We help establish privacy safeguards that operate within existing law while promoting innovation. We also advise on the legal frameworks governing AI-powered pricing, targeted advertising, and personalized marketing, helping clients balance competitive advantage with regulatory compliance. Our pragmatic, creative solutions address clients' use of data and AI, informed by a clear understanding of the shifting legal landscape.

[Read More About Our Privacy and Information Security Practice](#)

Regulation and Legislation

The federal government continues to develop its approach to AI regulation. While there is bipartisan agreement on the need to establish guardrails, comprehensive legislation remains a work in progress. At the state level, legislatures are taking varied approaches—some embedding AI requirements within comprehensive privacy laws through automated decisionmaking provisions, while others are enacting stand-alone AI bills that address algorithmic accountability, transparency, and consumer protections.

Our Government Relations and Advertising teams track developments in Congress, the White House, federal regulatory agencies, and state legislatures on behalf of a range of stakeholders. We provide counseling on the full spectrum of AI-related legislation—from automated decisionmaking requirements embedded in state privacy laws to comprehensive stand-alone AI statutes. We help clients analyze the risks and opportunities for their industries, assess compliance obligations across jurisdictions, and weigh in on developing legislation.

[Read More About Our Government Relations and Public Policy Practice](#)

State-Level AI Enforcement

State Attorneys General continue to play an increasingly prominent role in shaping the regulatory landscape for emerging technologies, including artificial intelligence. As AI adoption accelerates, AG offices across the country are leveraging both newly enacted statutes and existing consumer protection authority to scrutinize how these technologies are developed, deployed, and presented to the public.

For many AGs, AI is a top enforcement priority. A growing number of states have introduced or enacted legislation governing AI use, while all jurisdictions retain broad authority to investigate potential unfair or deceptive practices tied to algorithmic systems. Areas of focus include model transparency, bias and discrimination risks, data governance, and consumer-facing disclosures.

We work with clients to navigate this evolving and fragmented regulatory environment, providing strategic guidance on state-specific requirements, enforcement trends, and risk mitigation

strategies. Our approach is designed to help businesses operationalize compliance, anticipate regulatory scrutiny, and align their AI practices with the expectations of state enforcers.

[Read More About Our State AG Practice](#)

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Government Relations and Public Policy

Intellectual Property

Labor and Employment Counseling and Compliance

Litigation

Privacy and Information Security

State Attorneys General

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