

AI REPORTER

A Publication of Benesch's AI Commission

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AI Update



Steven M. Selna
Partner

There were several notable developments in March in the AI copyright lawsuits previously reported here. Google, OpenAI, and Anthropic scored partial dismissals in their respective cases. These results show that the relationship between AI technology and copyright law remains complex.

The FTC opted to continue its antitrust investigation against Microsoft, focusing on the tech giant's AI investments. FTC is concerned that Microsoft's profits in other areas give it an unfair advantage over smaller AI firms. There was better news elsewhere for Microsoft, however, as the U.K.'s Competition Market Authority opted not to open an investigation into Microsoft's relationship with OpenAI. These regulatory actions highlight the differing AI regulatory priorities and strategies of the two countries. The U.S. is maintaining a stance of strict oversight to ensure market fairness, while the U.K. is emphasizing regulatory flexibility to promote economic growth and innovation.

AI was also a hot topic for lawmakers in several states. California introduced legislation focused on limiting the technology's use in the workplace. New York introduced a bill to prevent the use of AI to develop weapons of mass destruction. Connecticut introduced a bill criminalizing the dissemination of AI-created intimate images. These legislative efforts reflect a broader trend of addressing the ethical, legal and social implications of AI technology to ensure it is used responsibly and ethically.

These and other stories appear below.



Sydney E. Allen
Associate

AI in Business

[Salesforce launches AI agents to handle various healthcare tasks](#)

The AI toolset, Agentforce for Health, is designed to streamline administrative tasks in healthcare, such as checking eligibility, scheduling appointments, and verifying insurance benefits. The tools assist healthcare organizations in managing at-risk groups and monitoring infection spread. Agentforce also supports drug and device R&D with real-time study data and intelligent trial support, among other tasks related to patient access, public health and clinical research.

Source: Fierce Healthcare

[Yale AI task force to focus on ethics, access](#)

Yale University is prioritizing AI as both an academic and financial focus. Provost Scott Strobel established the Yale Task Force on Artificial Intelligence to increase access to AI computing power and to explore AI ethics. The university committed \$150 million over five years to AI investments and is engaging with companies like Google and Microsoft to discuss the field's direction, which includes enhancing its GPU capacity for faculty and students.

Source: Yale Daily News

[Palantir, TWG Global partner on AI integration initiative](#)

The two companies' collaboration seeks to shift isolated AI solutions towards a more comprehensive and enterprise-wide integration across sectors, enhancing banking, investment management, and insurance operations. The initiative, led by Palantir's CEO Alex Karp and TWG leaders, seeks to transform AI utilization by embedding and extending full-scale AI solution throughout core functions of financial institutions and insurance firms.

Source: Future Banking

[Wall Street concerned over ability to keep up with AI-assisted cybercrime](#)

While GenAI is praised for enhancing productivity and efficiency in banking, it also may enable cybercriminals to exploit data more effectively. Accenture's survey of 600 bank cybersecurity executives reveals that 80% believe GenAI is empowering hackers faster than banks can respond, posing a significant threat to cybersecurity.

Source: Business Insider (sub. req.)

[NVIDIAGE HealthCare partner on AI-powered autonomous diagnostic imaging](#)

As the healthcare industry has become one of the most important applications of AI due to the high demand for services, this partnership seeks to enhance the capabilities of medical devices. The medical device simulation platform includes pre-trained models and physics-based simulations to accelerate the development of autonomous X-ray and ultrasound technologies. The collaboration aims to automate complex workflows in medical imaging, such as patient placement and image scanning, to extend access to healthcare globally.

Source: NVIDIA

[OpenAI's Sora still showing sexist, racist, ableist biases](#)

A WIRED investigation of hundreds of AI-generated videos reveals that, despite OpenAI's efforts to reduce bias through research on training data and user prompts, the model still generates biased content. OpenAI acknowledges these issues in their "system card" but warns against overcorrections.

Source: Wired



Carlo Lipson
Associate

AI Litigation & Regulation

LITIGATION

[Judge denies Musk's bid to block OpenAI's for-profit conversion](#)

A California federal judge denied Elon Musk's request to prevent OpenAI from becoming a for-profit entity, citing insufficient evidence that Musk's \$44 million donations created a charitable trust. Musk, who co-founded OpenAI, claimed his donations were meant for charitable use and accused OpenAI's leaders of shifting towards profit-making. The judge noted that while emails between Musk and OpenAI's leadership suggested altruistic motives, they didn't prove a likelihood of success sufficient for an injunction. The judge also highlighted the public interest and potential harm if OpenAI's conversion was unlawful, thus warranting an expedited trial. The judge also dismissed Musk's Sherman Act claims against OpenAI and Microsoft, citing a lack of direct evidence.

Source: Law 360 (sub. req.)

[U.K. regulator drops Microsoft, OpenAI investigation](#)

The U.K. Competition Market Authority (CMA) decided not to open an investigation into Microsoft's partnership with the AI pioneer. The decision follows a preliminary review initiated in December 2023, after Microsoft invested \$13 billion in OpenAI and gained a nonvoting seat on its board. The CMA concluded the partnership does not constitute a relevant merger situation, as Microsoft has not gained de facto control over OpenAI.

Source: BBC

[Google can retain AI investments, says DoJ](#)

The DoJ revised its antitrust proposal against Google, allowing the company to retain its investments in AI startups like Anthropic. Initially, the proposal could have forced the tech giant to divest its AI interests to boost competition in online search. Now, Google must notify antitrust enforcers before making further AI investments. However, the proposal to force the sale of the Chrome browser remains unchanged. This revision follows a federal judge's ruling that Google monopolized online search and advertising markets.

Source: Verdict

[FTC to continue Microsoft antitrust investigation](#)

The FTC will continue an antitrust investigation into Microsoft, focusing on its AI operations, data centers, and software licensing practices. The investigation-which began during the Biden administration-is examining whether Microsoft's profits from other business areas give it an unfair advantage over other AI companies. The FTC is also scrutinizing Microsoft's decision to cut funding for its own AI projects after partnering with OpenAI, which may have reduced competition in the AI field. Additionally, the agency is looking into complaints about Microsoft's bundling of office productivity, security software, and cloud offerings, which could similarly hinder competitors.

Source: PYMNTS

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AI Litigation & Regulation

Clearview AI's \$51.75M settlement approved

An Illinois federal judge approved Clearview AI's \$51.75 million settlement, ending over five years of litigation regarding the company's collection of biometric facial data without consent. The settlement involves up to 125,000 members and addresses objections from 22 state attorney generals and the District of Columbia. Judge Sharon Johnson Coleman deemed the deal fair, reasonable, and adequate, noting that the Illinois Biometric Information Privacy Act doesn't support nationwide injunctive relief. The settlement grants consumers a 23% stake in Clearview AI if it goes public or is sold, potentially worth \$52 million, or 17% of the company's revenue through September 2027. Despite objections to the attorney fee award and notification plan, Judge Coleman upheld the settlement.

Source: Law 360 (sub. req.)

Court dismisses state law claims in Google, OpenAI AI training lawsuits

A California federal judge dismissed state law claims alleging Google and OpenAI copied YouTube creators' videos to train AI models. The plaintiffs, David Millette and Ruslana Petryazhna, did not oppose the dismissals, allowing the proposed class actions to proceed on copyright infringement claims. Millette and Petryazhna also voluntarily dropped similar claims against Nvidia. The plaintiffs argue that the tech companies profited from using YouTube content without permission or payment, seeking an injunction to prevent further use of creators' videos for AI training.

Source: Law 360 (sub. req.)

Judge partially dismisses Anthropic copyright claims

A California federal judge dismissed several copyright claims against AI company Anthropic, although Anthropic still faces direct copyright infringement allegations for using song lyrics to train its AI model, Claude. The judge ruled the plaintiff music publishers, including Universal Music Publishing Group and Concord Music Group, failed to show Anthropic knew users were prompting Claude to produce song lyrics. Anthropic denied the infringement claims, arguing the examples provided were "provoked" by the plaintiffs themselves. Judge Eumi K. Lee also dismissed claims under the Digital Millennium Copyright Act but allowed amendments. This ruling follows the judge's denial of a preliminary injunction request, citing vague and poorly defined relief sought by the publishers. In January, Anthropic previously agreed to maintain guardrails to prevent Claude from reproducing song lyrics, narrowing the scope of the preliminary injunction the publishers were seeking.

Source: Law 360 (sub. req.)

REGULATION

New York proposed legislation focuses on AI safety

New York is proposing a bill to regulate AI systems to prevent potential threats, such as the development of weapons of mass destruction. The bill aims to address the rapid advancements in AI and the lack of federal action. If enacted, the legislation would be the first of its kind in the U.S.

Source: Bloomberg Government

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AI Litigation & Regulation

[USPTO withdraws AI strategy amid policy shifts](#)

The USPTO removed its “Artificial Intelligence Strategy” report, which emphasized safe and responsible AI development. The withdrawn report was initially issued in the final days of the Biden administration and focused on promoting inclusive AI innovation and responsible use within the USPTO and the broader innovation ecosystem. The move aligns with broader policy changes under Trump’s administration, reversing many of Biden’s initiatives and aiming to position the U.S. as a global leader in AI.

Source: Law 360 (sub. req.)

[Proposed Connecticut bill would criminalize dissemination of AI-created intimate images](#)

State Senator Heather Somers raised concerns about AI’s potential to infringe on personal privacy, citing instances where AI-generated images were used to create suggestive photos of her. The legislation, Senate Bill 1440, would criminalize the dissemination of AI-generated sexual or intimate images without consent. The bill aims to address the growing issue of “deepfake pornography” and protect individuals from privacy violations. Similar legislative efforts are being made in other states, including Minnesota and California, to regulate the use of AI in creating and distributing such images.

Source: CT Mirror

[Congressional working group focusing on AI energy use](#)

A Capitol Hill working group, led by Julie Fedorchak (R-ND), is focusing on developing legislation to address the anticipated increase in energy demand from AI. The group aims to create a legislative framework to secure energy dominance, strengthen the electric grid, and position the U.S. as a global leader in AI. Over 50 major companies showed interest in participating in this initiative.

Source: E&E News

[California introduces legislation to regulate AI at work](#)

California State Senator Jerry McNerney introduced SB7, the “No Robo Bosses Act,” to mandate human oversight of AI in workplace decision-making processes. The bill prohibits companies from using automated decision-making systems for employment decisions without human supervision and also restricts the use of personal information to predict workers’ future behaviors. If enacted, it would aim to establish safeguards against AI unjustly or illegally impacting workers’ livelihoods, making it the first legislation of its kind in the U.S.

Source: HR Dive

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AI **Litigation & Regulation**

Hollywood stars urge Trump to protect AI copyright rules

Over 400 entertainment figures, including Ben Stiller, Paul McCartney, and Ron Howard, signed an open letter urging President Donald Trump to protect AI copyright rules and prevent AI models from lifting copyrighted work without paying for it. The letter emphasizes the importance of maintaining copyright protections for creative works, which are crucial for the arts and entertainment industry that supports over 2.3 million American jobs and generates \$229 billion in wages annually. The letter was submitted as part of comments on the Trump administration's U.S. AI Action Plan. OpenAI and Google also submitted requests to train their models on copyrighted material, highlighting the tension between AI development and copyright protection.

Source: The Wrap

Virginia Governor vetoes AI regulation bill

Glenn Youngkin vetoed House Bill 2094, which aimed to regulate high-risk AI systems in employment, healthcare, and other areas. He argued the bill would stifle AI innovation and economic growth by imposing burdensome regulations, particularly on smaller firms. Governor Youngkin highlighted existing laws already protecting consumers from discriminatory practices, as well as other state efforts to promote responsible AI governance, including an executive order and the creation of a task force. The veto was praised by business groups and consumer privacy advocates, who felt the bill was either too restrictive or not robust enough.

Source: Law 360 (sub. req.)

Benesch
***AI* Insights**

UPCOMING EVENTS

TIA CAPITAL IDEAS CONFERENCE

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

April 11, 2025

8:30 a.m. - 9:30 a.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.

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.

Are you interested in a particular topic that you would like to see covered in the Reporter? If so, please let us know.



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