

Benesch's San Francisco Office Presents the
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Steven M. Selna
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AI Update

Tennessee recently became the first state in the Union to [pass a law protecting creative artists in the music industry](#) from having their works, voices or likenesses duplicated by AI without authorization. On the surface, the bill represents good news for musicians in the state by giving them extra protections, but how the law will operate in practice remains to be seen.

There was also legislative action at the federal level, as the House introduced a bipartisan bill requiring online platforms to provide disclaimers for AI-generated content. Now that the federal government has thrown down the legislative gauntlet, AI firms will need to get their houses in order to ensure they remain compliant with the deluge of AI-focused laws.

In the courtroom, Elon Musk filed a lawsuit against OpenAI, alleging the company's partnership with Microsoft contradicts its mission statement of creating open-source technology not subject to corporate interests. Musk followed up by announcing an open source version of xAI's Grok AI chatbot, which indicates there may be more than simple altruism driving the lawsuit. OpenAI is also facing another lawsuit from a trio of news outlets over the firm's use of their material to train its AI. The lawsuit, along with a similar action filed by The New York Times last year, may mean that gen-AI companies have to develop other ways to train their systems.

On the regulatory side, the FTC launched an investigation into Reddit's sale and licensing of user-generated content to AI companies for training purposes. While still in a preliminary stage, the investigation suggests online platforms looking to AI training as a potential new revenue stream may want to tread lightly, as regulators aren't limiting their interest just to developers of the technology.

Following are this month's highlights.



Sydney E. Allen
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AI in Business

[Google, UMass Memorial Health partner to use AI to boost chronic conditions access](#)

The hospital will use Google's data analytics and AI tools to more accurately identify cardiometabolic patients and tailor therapies to their specific medical needs. Google Cloud's AI and ML capabilities, including BigQuery and Vertex AI, Healthcare Natural Language API and Looker, will be used to build tools for enhanced patient care and to also advance UMass' own research needs. Google says the partnership will help address complex medical challenges more efficiently and sees the partnership as a potential model for healthcare innovation globally.

SOURCE: UMASS MEMORIAL HEALTH

[Amazon to roll out generative AI chatbot for online shopping](#)

Currently in beta, the Rufus chatbot will use generative AI to help customers make shopping decisions and perform personalized tasks. The chatbot is available only to a few customers, though Amazon says more will be added as testing continues. Discussions with Rufus can include information, categories of options, specific results from Amazon's catalog, and recommendations, with more features to come as the technology develops.

SOURCE: AXIOS

[JPMorgan views AI as vital to future success](#)

The bank views AI as critical to product development, customer engagement, productivity and risk management. To that end, it has been advertised for thousands of AI-related roles and currently has more than 300 AI use cases in production.

SOURCE: PYMNTS

[Quantum-enhanced AI study generates viable cancer treatment drug candidates](#)

Researchers used generative AI to develop novel KRAS inhibitors, a key focus in cancer therapy previously deemed "undruggable" due to its unique biochemical properties. The generative models generated one million potential drug candidates, filtered down algorithmically and by humans to 15 molecules. These were synthesized and tested through cell-based assays. The resulting two molecules were distinct from existing KRAS inhibitors, showing superior binding affinity over the molecules generated via classical models.

SOURCE: INSIDE BIG DATA

[Johnson & Johnson, Nvidia partner on AI applications for surgeons](#)

The partnership will see the pair integrate AI within devices and platforms from pre-op to post-op to ensure surgeons have access to necessary information, such as analyzing surgical video and automating the required documentation after a procedure. Johnson & Johnson (J&J) hopes that, in the short term, the technology can help educate and train surgeons. In the long term, J&J hopes AI can provide surgeons with real-time decision support.

Source: NBC

[Microsoft forms health AI governance network](#)

The network, called The Trustworthy & Responsible AI Network (TRAIN), aims to improve the quality and trustworthiness of AI by sharing best practices, registering AI used for clinical care through an online portal, providing tools to measure outcomes from the use of AI and facilitating the development of a national AI outcomes registry. Members of the network include 16 health system members, OCHIN, which provides technology to community health organizations, and TruBridge, a health services company that focuses on revenue cycle management.

Source: Healthcare Dive

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AI in Business

Salesforce builds AI healthcare assistant into CRM system

Salesforce included a healthcare AI assistant, Einstein Copilot, in its customer relationship management system designed to provide responses based on a healthcare organization's private data. The assistant allows providers to:

- Digitally capture and summarize details from different clinical and nonclinical sources, update patient and member information and automate manual processes;
- Create patient summaries, including medications, diagnoses, SDOH, assessments, clinical service requests and care gaps; and
- Find in-network providers for their patients based on preferred location, specialty and plan coverage, then auto-populate an electronic referral form using natural language prompts embedded within their workflow. The AI assistant can also trigger workflows to do tasks such as end referrals, book appointments and revise care plans.

SOURCE: Fierce Healthcare

xAI release open source of Grok chatbot

xAI released the open-source of its Grok AI chatbot on GitHub, allowing researchers and developers to build on the model. The open source will be released under the Apache 2.0 license and allows for commercial use but does not include the data used to train Grok or any connections to X for real-time data. The release comes not long after Musk filed a lawsuit against rival OpenAI, accusing the company of departing from its mission to develop AI for the betterment of humanity rather than profits.

SOURCE: XAI



Carlo Lipson
Associate
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AI Litigation & Enforcement

[Amazon Studios facing lawsuit over AI use in 'Roadhouse' remake](#)

R. Lance Hill, the writer of the screenplay for the original 1989 film, alleges that the studio ignored his ability under the U.S. Copyright Act to reclaim the rights for his screenplay. Hill argues that Amazon, which secured the rights to the film after purchasing MGM's film library, took extreme measures to complete the movie before the copyright's expiration in November 2023. According to the complaint, these measures included using AI to replicate actors' voices to continue production during last year's SAG-AFTRA strike. The lawsuit further alleged that this use of AI violated the terms of the collective bargaining agreements between studios and both SAG and the Directors Guild of America.

SOURCE: LA Times

[Elon Musk sues OpenAI, Sam Altman citing breach of mission statement](#)

The lawsuit alleges that the company's close relationship with Microsoft undermines its original mission of creating open-source technology that is not subject to corporate priorities. The complaint also took issue with the restructuring of OpenAI's leadership last year, which saw Altman's removal and eventual reinstatement as CEO. According to Musk, the reorganization was part of a plan orchestrated by Altman, OpenAI President Greg Brockman and Microsoft to remove most of the company's board, who were responsible for enforcing the original mission statement. The suit represents a major escalation between the AI sector's two most prominent players and could have far-reaching implications for OpenAI and the industry at large.

SOURCE: BNN Bloomberg

[Trio of digital news outlets sue OpenAI over copyright infringement](#)

The lawsuit alleged that OpenAI used thousands of their news stories to train chatbots to answer questions without authorization. Plaintiffs, which include The Intercept, Raw Story and AlterNet, are the latest news outlets to file suit against the AI giant with allegations of copyright infringement following a similar lawsuit from The New York Times filed last December. Plaintiff's attorneys argued that while The Times is able to pay for federal copyright registration as a print publication, digital publications have no such recourse and should be entitled to the same copyright protections without paying the fee. The lawsuit seeks a minimum of \$2,500 in damages for each time one of their stories was used by ChatGPT.

SOURCE: Fortune

[OpenAI secures injunction against Open Artificial Intelligence in trademark row](#)

A California federal court granted OpenAI's motion for a preliminary injunction against Open Artificial Intelligence, forcing the latter to stop using its allegedly misleading branding. According to the complaint, the defendant applied to register the Open AI trademark the day after OpenAI announced its founding to create customer confusion. The court ruled that the branding was likely to confuse customers, even though the defendant had been operating as Open AI since April 2015, eight months before the plaintiff's founding. According to the court, the plaintiff's trademark was one of the most well-known AI tools currently in use, while the defendant's was merely associated with an inoperable website.

SOURCE: Reuters

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AI Litigation & Enforcement

[Nvidia facing lawsuit over using copyrighted works to train AI](#)

Authors Brian Keene, Abdi Nazemian and Stewart O’Nan allege their works were part of a dataset of nearly 197,000 books used to help train the company’s NeMo AI platform. According to the complaint, the dataset was taken down in late 2023 due to “reported copyright infringement.” The complaint alleged that the takedown of the dataset was essentially a concession by Nvidia that trained its models on the dataset, thus infringing on plaintiffs’ copyrights. Plaintiffs are seeking unspecified damages for individuals in the U.S. whose copyrighted works were used to train NeMo’s large language models within the past three years.

SOURCE: Quartz

[State Department-commissioned report reveals AI could pose catastrophic national security risks](#)

The report, published by Gladstone AI, warns that while AI provides a number of potential benefits, it also brings serious and potentially catastrophic risks. The report cites a growing body of evidence, including research from the world’s top AI conferences, warning of two central dangers posed by the technology. The first is that the most advanced levels of AI could become weaponized to inflict irreversible damage. The second danger relates to concerns among AI labs that they could, at some point, lose control of the systems they’re developing, leading to potentially devastating consequences on a global scale. The report calls for the U.S. government to intervene and take drastic steps to confront the potential threat, including launching a new AI agency imposing “emergency” regulatory safeguards and limits on how much computer power can be used to train AI models.

SOURCE: CNN

[EU approves world’s first comprehensive AI law](#)

The AI Act would ban AI applications that pose a clear risk to fundamental rights, such as those that involve the processing of biometric data. The law would also impose strict restrictions on “ high-risk” systems, including those used in critical infrastructure, education, healthcare, law enforcement, border management or elections. The Act also creates provisions addressing the risks of various AI systems, requiring producers to be transparent regarding the material used to train their models and to remain in compliance with EU copyright law.

SOURCE: BBC

[Central banks using AI to assess climate-related risks](#)

The Bank for International Settlements’ experimental Gaia AI project analyzed company disclosures on carbon emissions, green bond issuance and voluntary net-zero commitments. Gaia overcame differences in definitions and disclosure frameworks across jurisdictions, offering transparency and making comparing indicators on climate-related financial risks easier.

SOURCE: Reuters

[Tennessee first state to adopt AI legislation protecting musicians](#)

The Ensuring Likeness Voice and Image Security Act (ELVIS Act) expands upon the state’s existing law that protects name, image and likeness by adding specific protections relating to generative AI. The bill creates penalties for individuals or organizations that use generative AI to produce an artist’s name, photographs, voice or likeness without authorization. However, critics argue that the broad definitions included in the legislation could inadvertently limit specific performances, including when an actor is playing a well-known artist. Additionally, the law makes a person liable for civil action if an audio recording or a reproduction of a person’s likeness was knowingly published without authorization, which has also raised concerns among critics.

SOURCE: Law 360 (sub. req.)

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AI Litigation & Enforcement

UN adopts resolutions address AI safety, transparency

The draft resolution calls for developing “safe, secure and trustworthy” AI systems that respect human rights and fundamental freedom. It urges member states to refrain from deploying the technology in a way that’s inconsistent with international human rights laws. Key aims of the resolution include:

- Raising public awareness regarding AI’s risks and benefits;
- Strengthening investments and capabilities in AI R&D;
- Safeguarding privacy and ensuring transparency in AI systems; and
- Addressing diversity and bias issues in AI datasets and algorithms.

SOURCE: United Nations

House considering bipartisan bill requiring labels on AI content

The Protecting Consumers from Deceptive AI Act would require AI-generated content to be marked with digital signatures in their metadata. Online platforms, such as YouTube and TikTok, must also include a recognizable disclaimer on any AI-generated content. Additionally, the legislation would direct NIST to develop standards for identifying and labeling AI-generated content.

SOURCE: Congresswoman Anna G. Eshoo

FTC investigating Reddit’s sale, licensing of user content to train AI

The social media platform received a letter from the FTC stating that it would conduct a non-public inquiry regarding Reddit’s sale, licensing or sharing of user-generated content with third parties to train AI models. The letter further indicated that the FTC was interested in meeting with Reddit to learn more about its plans and also intends to request relevant information and documents as the inquiry progresses.

SOURCE: BNN Bloomberg

French regulator fines Google \$271M over AI training copyright breaches

The Autorité de la Concurrence leveled a \$271 million fine for using content from news agencies to train its AI-powered chatbot Gemini without alerting or paying them. The French regulator alleged Google failed to comply with the binding commitments it made in 2022 to resolve competition concerns raised by the authority. According to the regulator, Google will not contest the facts of the charges and instead agreed to a settlement, along with proposed corrective measures to address the authority’s concerns.

SOURCE: Law 360 (sub. req.)

Benesch AI Insights

Tennessee Governor Signs into Law First-of-its-Kind Bill Addressing AI Misappropriation of Voices, Images, and Songs

Representing an important first step toward legislation on and regulation of AI in the U.S. while promoting innovation of this evolving technology, Tennessee artists and musicians will soon gain added protections against unauthorized AI-generated impersonations and works. The newly signed Ensuring Likeness Voice and Image Security Act (the “ELVIS Act”), a first-of-its-kind law in the U.S., extends the state’s Protection of Personal Rights law to forbid the use of an individual’s voice, image or likeness in AI-generated content without explicit consent. It establishes a property right in one’s voice and likeness, allowing for civil action against unauthorized commercial use or public dissemination. The ELVIS Act aims to safeguard individuals against AI misuse, responding to growing concerns reflected in recent federal guidance on AI-generated material and inventions. This legislation is particularly significant in Tennessee, a hub for the music industry, underscoring the state’s proactive stance on AI regulation and the protection of personal rights in the digital age.

SOURCE: Benesch

Artificial Intelligence Presents Challenges for Intellectual Property Laws’ Focus on Human Creation

Artificial intelligence (AI) challenges traditional intellectual property (IP) ownership frameworks by generating content that closely resembles human output, raising questions about the necessity of human creation for IP eligibility. Traditional IP laws covering copyright, patent and trademark ownership require a human element for protection and ownership, including criteria like originality, novelty and use in commerce.

The U.S. Copyright Office has denied AI-generated works’ registrations, emphasizing the requirement for human authorship, while the U.S. Patent and Trademark Office (USPTO) indicates that AI-assisted inventions must include significant human contribution to meet inventorship criteria. Businesses leveraging AI must navigate these complexities, ensuring human involvement in creative processes to maintain IP rights and avoid legal pitfalls, highlighting the need for clear policies regarding AI’s role in innovation to safeguard and capitalize on IP assets effectively.

SOURCE: Benesch

Export Controls Evolving for Infosec Threats to Cloud, SaaS, IaaS, AI Platforms

The exponential growth in the use of cloud services, SaaS, IaaS, AI models and outsourced technology has led to increased regulatory scrutiny, particularly from the U.S. Department of Commerce’s Bureau of Industry and Security (BIS), which is adapting its regulations to address emerging threats to national security. BIS has clarified regulations regarding the transfer and release of software and technology, emphasizing the need for authorization in cases where access information transfer could result in unauthorized releases. Furthermore, BIS has proposed rules to enforce compliance among IaaS providers, including measures to combat malicious cyber activities by requiring identity verification of foreign customers and reporting on AI training with potential malicious uses. These regulatory changes reflect a broader governmental effort to safeguard domestic industry and national security against the risks associated with rapidly evolving technology landscapes, underscoring the importance of compliance and operational awareness for businesses engaged in these sectors.

SOURCE: Benesch

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