

AI Outlook 2024

Celebrating Client Innovation and Exploring Future Trends

Artificial intelligence—AI—is on everyone’s mind these days. At Loeb & Loeb, we don’t see that changing anytime soon.

From headline-making innovations in entertainment, media, advertising, health care, and technology-driven corporate and investment transactions, on the one hand, to (sometimes humorous) AI-generated missteps, growing data use and privacy concerns, increased regulatory and legislative oversight, and the escalation of lawsuits involving intellectual property issues of first impression, on the other, there is not an industry or legal discipline that won’t be (or hasn’t already been) touched in some way by AI.

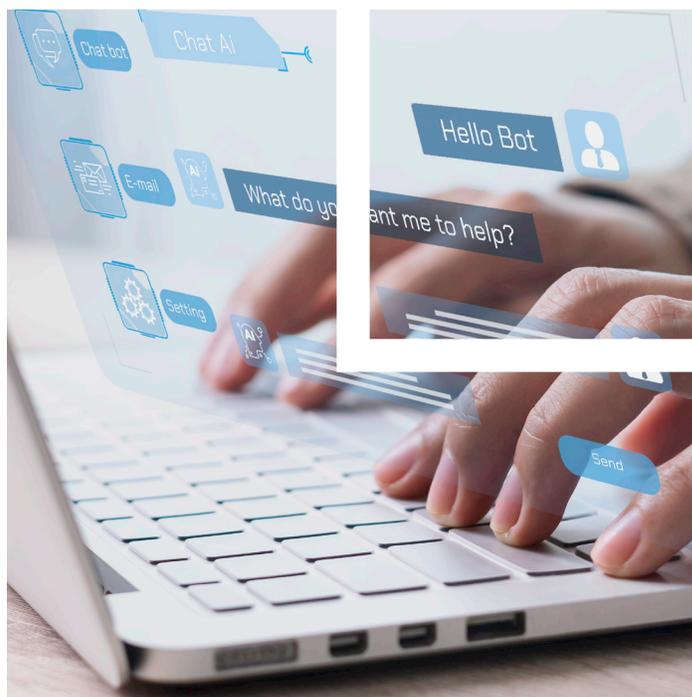
Across industries, Loeb lawyers are advising clients on business opportunities and legal challenges posed by AI and automation. Our AI Industry Group brings together practitioners from nearly every discipline at the firm, from corporate and regulatory counseling to advertising and privacy.

In our AI Update 2024, we’re pleased to spotlight some of our AI-related representations from 2023, spanning a broad range of clients and industries, as well as share our predictions for what 2024 will bring.

If you’d like to stay informed and ahead of the constantly evolving legal and business developments in AI, we also invite you to sign up for Loeb & Loeb’s weekly AI News Round-Up (click [here](#) and select your areas of interest).

Some of Our Recent AI Representations

- Represented Warner Music Group in partnership with production company Seriously Happy and the estate of legendary artist Edith Piaf, for what will be the first animated biopic created using AI technology to recreate Piaf’s voice and image.
- Represented Gomboc.ai, a deterministic AI-powered infrastructure remediation platform, in its seed funding round of over \$5 million. The round was led by Gliilot Capital and Hetz Ventures, with participation from strategic angel investors.



- Represented Airship AI Holdings Inc., a robust AI-driven edge video, sensor and data management platform for government agencies and enterprises that gathers unstructured data from surveillance cameras and sensors, applies AI analytics, and provides visualization tools to improve decision-making in mission-critical environments, in its definitive agreement for a business combination with special purpose acquisition company BYTE Acquisition Corp. (Nasdaq: BYTS).
- Advised numerous companies operating in New York City in connection with compliance with Local Law 144 as it relates to the use of automated employment decision tools (AEDTs).
- Advised a podcasting platform on legal considerations involved in creating AI-generated advertisements using the voices of their podcast hosts.
- Conducted a copyright fair use analysis for a multinational news channel in connection with a proposed agreement with a technology vendor to determine whether third-party images and video material contain AI-generated content.
- Worked with several media and adtech companies to prepare AI governance policies and AI risk assessments.

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Our 2024 Outlook

- Last year, we saw companies rush to use AI in advertising, but that excitement has since waned. In 2024, we believe that AI will be one of many tactics that companies use in their advertising efforts, as companies take a cautious approach and wait to measure its effectiveness.
- As it relates to entertainment and media, generative AI continues to have a profound impact on the industry, with many concerned about AI's ability to output vast amounts of seemingly creative material at minimal cost. As a result, this year, we expect to see continued concern from creators regarding the possibility that their works have been used without permission to train the AI models that have the potential to replace them in the marketplace. It is likely that this will lead to nearly a dozen copyright infringement lawsuits against prominent AI platforms. Throughout the year, we believe that content owners and distributors will continue to navigate issues related to protectability of works created using AI, as well as finding the most effective ways of leveraging AI while respecting the rights of creators.
- Numerous technological solutions, including from well-known vendors in the trademark and copyright clearance space, have implemented AI technology to improve the speed, efficiency and scope of their software solutions. The enhanced capabilities of these software technologies are particularly useful in connection with clearance and monitoring for enforcement purposes of logos, design marks and other visual brand assets, which traditionally were difficult, time-consuming and costly to clear and monitor. As brands engineer their compliance program for EU regulations on digital product passport (DPP) technology coming into effect in 2025, AI technology might be implemented to track the numerous regulatory requirements, analyze supply chain data, assist with reporting requirements and update the DPP.
- For luxury brands, with a nearly constant focus on how to improve their anti-counterfeiting measures, AI may be employed to more accurately and speedily identify counterfeit items sold through third-party resale channels as well as in connection with the processing of returns of luxury goods to luxury brand retail partners (which often experience significant losses when customers purchase an authentic item but successfully return a counterfeit). Finally, AI technologies present luxury brands with new tools to enhance customer experience and build brand loyalty, from more targeted advertising and marketing campaigns to unique online, virtual and in-store experiences such as virtual shoppers, and even with chatbots that can handle many customer service issues on demand, such as returns or rescheduling of appointments.
- The Food and Drug Administration (FDA) has been actively focused both on how to regulate AI in the development and utilization of drugs and medical devices and on its oversight of products within its regulatory jurisdiction. Last year, we saw significant FDA approvals of AI-based products, and in 2024, we expect that AI will continue to play an increasingly critical role. We expect to see an increasing number of FDA approvals of drugs and devices that utilize, or were developed with, AI technologies. AI and machine learning are also driving significant advances in digital health technologies, clinical support software and diagnostic devices.
- Across industries, we expect to see clients and advisers increasingly using AI in deal sourcing and matchmaking to identify potential acquisition targets and potential buyers. Relatedly, we are likely to see parties to transactions leveraging AI in the valuation and financial modeling process. Additionally, in 2024, we anticipate seeing AI products used to manage the overall deal process, including monitoring and tracking closing checklists, conditions and deliverables.
- While privacy isn't the only area of concern for AI, responsibility for AI appears to be falling on the desk of the Chief Privacy Officer. In companies with a mature privacy program, the privacy office likely already has systems in place for product review and governance, which can be leveraged to govern the use of AI systems. Like privacy, internal AI governance requires a cross-functional group of stakeholders to align and advise on internal strategy. As comprehensive state laws continue to require risk assessments and opt-out rights for "automated decision-making," privacy laws are poised to have a significant impact on how certain AI systems are deployed.
- Law firms are also moving to adopt generative AI. As law firms increase their adoption of AI solutions, we expect clients to seek assurances regarding how their data will be used and protected in connection with these tools. Last year, a number of bar associations

provided guidance for the use of AI in the legal profession following a series of gaffes in AI-created legal documents. We expect to see more guidance regarding the ethical use of AI in the legal profession as adoption continues.

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