



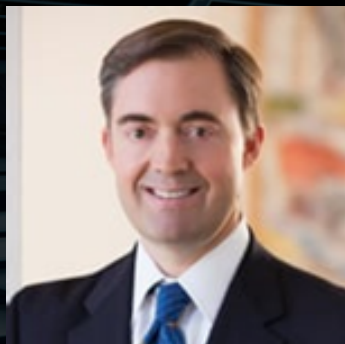
Morgan Lewis

AI TOOLS FOR LAWYERS – BENEFITS AND RISKS

February 25, 2025

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Presenters



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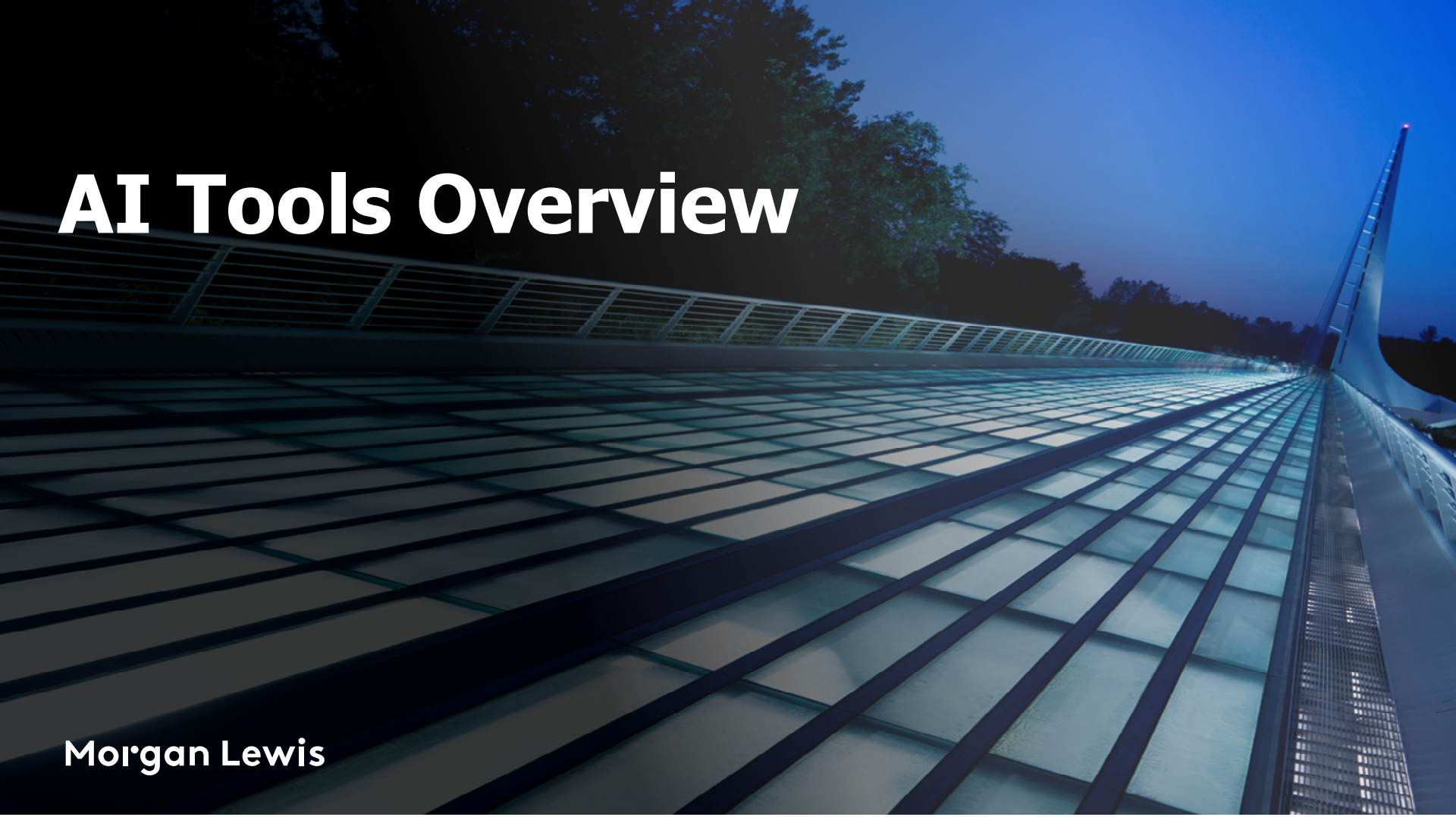
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Agenda

- Artificial Intelligence Tools for Attorneys
- Risks of Using AI Tools
- Suggested Practices for Attorneys
- Copyright Issues
- Regulatory Development
- Summary: Key Takeaways
- Q&A

AI Tools Overview



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Disclaimers

- The discussion in this presentation of any AI tool or application of AI is merely illustrative and does not constitute a recommendation or endorsement of such tool or application.
- Users assume all risk when using the information, materials and/or AI tools discussed in this presentation.
- Morgan Lewis is not liable for any damages that may result from using any AI tool or possible application of AI discussed in this presentation.

Types of AI

- Types of AI based on Capabilities:
 - Artificial Narrow AI – AI trained on single or narrow task
 - Smart Assistants (Apple's Siri, Amazon's Alexa)
 - Generative AI (OpenAI's ChatGPT)
 - Artificial General Intelligence (AGI / Strong AI)
 - Does not exist (but could arrive in 2025)
 - Would theoretically use previously trained skills to accomplish new tasks to perform any task a human can perform
 - Artificial Super AI (Artificial superintelligence)
 - Does not exist
 - Would theoretically think, reason, learn, make judgments and possess cognitive abilities that surpass those of humans
- Most Useful to Lawyers:
 - Generative AI (GenAI) / Generative Pre-trained Transformer (GPT) Tools

Types of AI Tools

Enterprise

- Special features for enterprise users
- Home grown or provided by a third-party vendor
- Likely to be more secure / more expensive / less flexible

Consumer (vs. Enterprise)

- General features
- Likely to be less secure than Enterprise tools

Closed Source

- Private/proprietary code, training data, model architecture
- Typically licensed for a fee
- Likely more secure / less transparent / less customizable than open source

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Open Source (vs. Closed Source)

- Public code, training data, model architecture
- Promotes rapid development of code and products / very flexible
- Likely less secure / more flexible than closed source tools

Local / On Premise

- Model executes locally
- Likely to be less powerful / more secure / more responsive / more customizable than Cloud models

Cloud (vs. Local)

- Model executes on remote server
- Likely to be more powerful / less secure / less responsive / less customizable than Local models

Measuring AI Power

- **Output Quality**

- Accuracy: How often does the generated output correctly reflect the intended meaning or information?
- Relevance: How well does the output align with the prompt or context provided?
- Fluency: How natural and grammatically correct is the generated text?

- **Performance Metrics**

- Speed: How quickly does the model generate outputs?
- Latency: Time taken for the model to respond to a query
- Throughput: Number of outputs generated per unit time

- **User-Centric Metrics**

- Adoption rate: How many users are actively using the GenAI tool?
- User satisfaction: Feedback from users regarding the usefulness and quality of the generated outputs
- Frequency of use: How often users interact with the tool

Measuring AI Power

- **Specific Evaluation Methods**

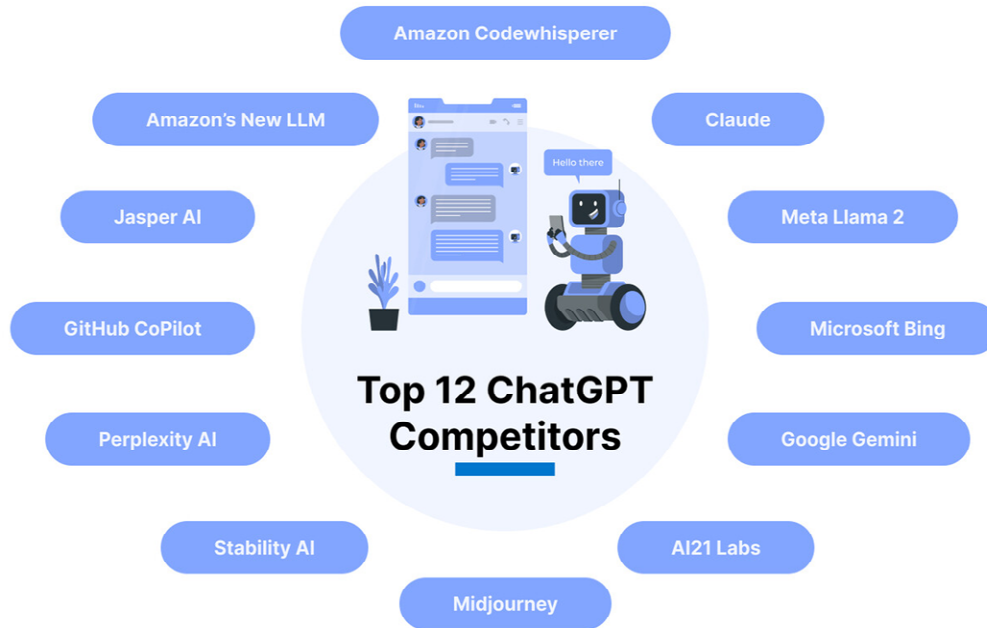
- Benchmark datasets: Comparing the performance of a GenAI model against established datasets with known ground truth values
- Human evaluation: Having human experts assess the quality of generated outputs
- Automatic evaluation metrics: Utilizing algorithms like BLEU (Bilingual Evaluation Understudy) to quantify the similarity between generated text (e.g., machine translated text) and reference text (e.g., human translated text)
- A/B testing: Comparing the performance of a GenAI model against a baseline or alternative approach

- **Important Considerations**

- Specific use case: The most relevant metrics will vary depending on the intended application of the GenAI tool
- Domain expertise: Evaluating the accuracy and relevance of the outputs might require domain-specific knowledge
- Ethical considerations: Assessing potential biases or misinformation within generated outputs

Generative Artificial Intelligence (e.g., ChatGPT)

- Generative AI refers to artificial intelligence systems that create new content, such as text, images, audio, video, and code, based on patterns learned from existing data.



10 Ways Lawyers Are Using Generative AI (GenAI):

1. Drafting/templating communications (e.g., memos, emails, correspondence to opposing counsel, etc.): 58%
 2. Conducting legal research: 53%
 3. Summarizing legal narratives: 42%
 4. Reviewing legal documents: 34%
 5. Drafting/templating legal contracts: 23%
 6. Conducting due diligence: 21%
 7. Reviewing discovery: 15%
 8. Negotiating/redlining contracts: 11%
 9. Preparing case filings (e.g., pleadings, motions, jury instructions, etc.): 8%
 10. Estate planning: 2%
- “Forty-two percent of survey respondents said they’ve used generative AI personally or just to try it out, but only 14% reported that they’ve used the technology to perform work tasks – mostly to draft legal communications or for legal research.”

Example AI Tools for Lawyers

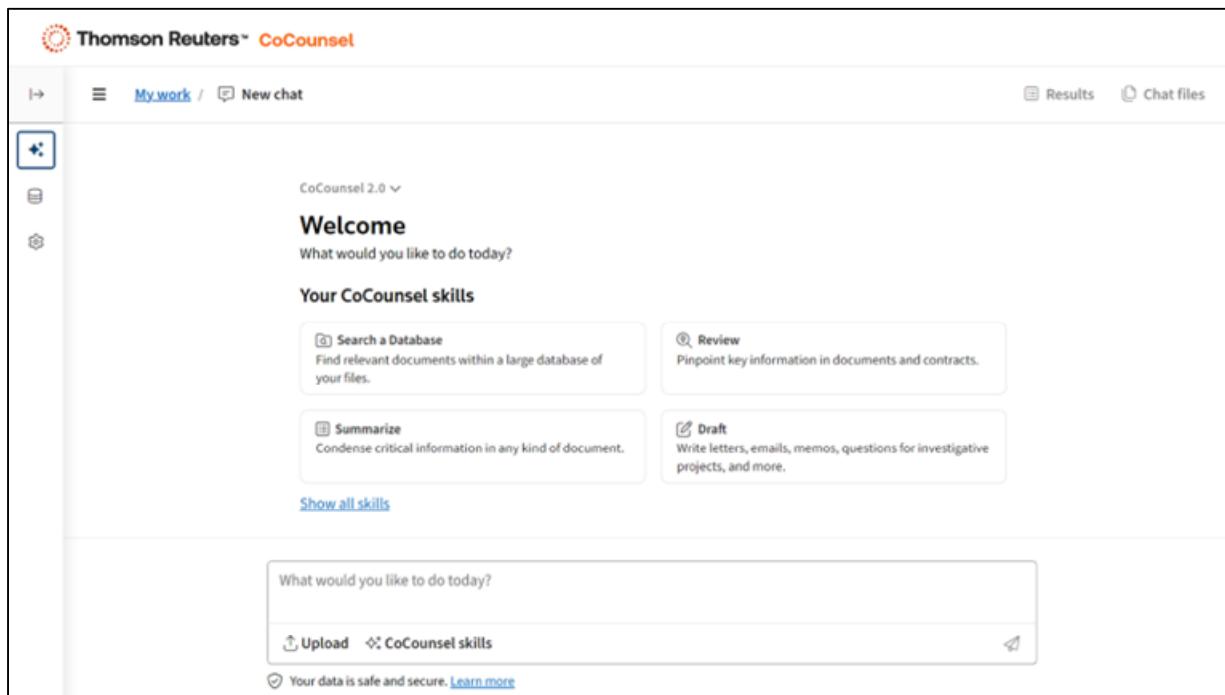
- **Westlaw Edge:** An advanced legal research platform that uses AI to analyze case law, statutes, and legal documents for deeper insights.
- **CoCounsel** by Thomson Reuters (formerly Casetext): Uses AI to review legal briefs and suggest relevant cases and secondary sources, streamlining the research process; includes functionality for non-litigation tasks.
- **LexisNexis:** Offers AI-powered research and analytics tools (like Lexis Answers) to help attorneys quickly locate and interpret legal information.
- **Kira Systems:** An AI-driven contract review tool that extracts and analyzes key clauses and provisions, aiding due diligence and compliance checks.
- **Luminance:** A document review platform that leverages AI for efficient due diligence, contract analysis, and regulatory compliance.
- **LawGeex:** Automates contract review and approval processes by comparing contracts against predefined criteria and legal standards.
- **eBrevia:** Uses machine learning to extract data from contracts and other legal documents, facilitating faster and more accurate analysis.
- **ThoughtRiver:** Pre-screens contracts using AI to identify potential risks and compliance issues before formal review.
- **RAVN AI by iManage:** Automates the categorization, analysis, and management of documents, enhancing information retrieval and due diligence.
- **Harvey:** Provider of customised generative models for law firms and in-house legal teams.
- **ChatGPT / GPT-4:** General generative AI tool that can assist with drafting, summarizing, and brainstorming legal documents with human oversight.
- **DeepIP:** Enterprise tool to support patent drafting.

Working with a Generative AI (GenAI) Tool

- Prompts
 - The input to a GenAI tool
 - A GenAI tool generates a response based on its training and the prompt
 - Prompts can be questions, instructions, or other text
 - Prompts can be refined based on a prior output
 - The key to a good GenAI result is a good prompt
- How to write effective prompts
 - Be specific: The more specific your prompt, the better the AI's understanding and response.
 - Be unbiased: Ask for both sides of an issue.
 - Use examples: Provide examples to help guide the AI's output.

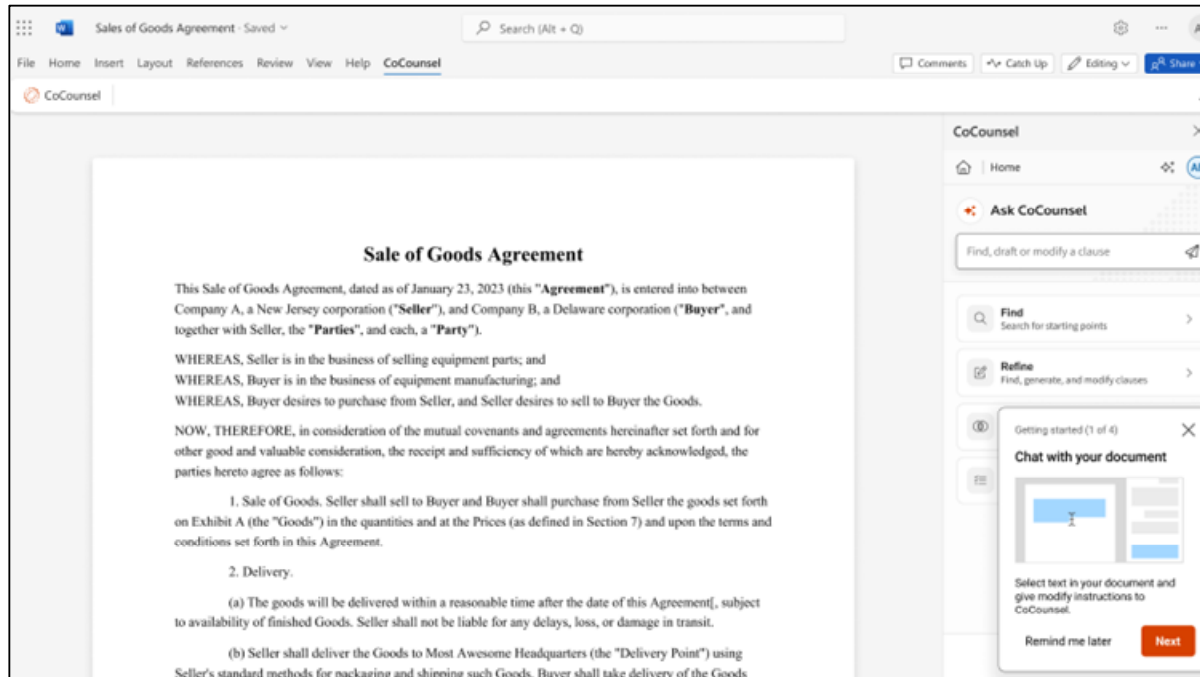
CoCounsel (by Thomson Reuters)

- Based on OpenAI's GPT-4
- Research, review, summarization, drafting



CoCounsel (by Thomson Reuters) (cont.)

- Can be embedded directly in the Microsoft Word ribbon.



CoCounsel (by Thomson Reuters) (cont.)

- Specialized CoCounsel user interface:

The screenshot displays the Thomson Reuters Practical Law CoCounsel interface. At the top, a navigation bar includes 'THOMSON REUTERS PRACTICAL LAW', 'US Home', 'Global Home', and a 'NEW' badge. The main navigation menu contains 'History', 'Folders', 'Favorites', 'Community', 'Notifications', 'CoCounsel', and user icons. Below the navigation bar, the 'Search & Summarize Practical Law' section is active, with links for 'How Search & Summarize Practical Law works' and 'Tips for best results'. A search bar contains the query 'What are the governing rules for financial statements?'. To the right of the search bar is a dropdown menu and a button labeled '+ Ask a new question'. The search results are displayed in a list format. The first result, marked with a 'PL' icon, is titled 'The governing rules for financial statements are primarily set by Regulation S-X and the Financial Accounting Standards Board (FASB). Regulation S-X governs the requirements for financial statements included in Securities and Exchange (SEC) filings, detailing rules on the form, content, and time periods they must cover (Practice notes, Obtaining Financial Statement Waivers from the SEC Under Regulation S-X Rule 3-13) [1]. Rule 3-13 of Regulation S-X stands out as it provides the SEC with the ability to permit the omission of required financial statements under certain circumstances when requested by the issuer, such as undue hardship or impracticability (Practice notes, Obtaining Financial Statement Waivers from the SEC Under Regulation S-X Rule 3-13) [1]. In the US, the FASB sets accounting principles for non-governmental entities, including domestic reporting companies and non-reporting companies. These principles are known as US generally accepted accounting principles (US GAAP) (Practice notes, Financial Reporting in the US: Basic Concepts) [2]. The SEC's rules also set requirements and guidance applicable to reporting company financial statements (Practice notes, Financial Reporting in the US: Basic Concepts) [2]. Regulation S-X also specifies the financial reporting standards that must be used to prepare financial statements included in SEC filings, the number of years' worth of audited financial statements that must be included, and when unaudited interim financial information must be included (Practice notes, Accounting, Auditing and Financial Reporting in the US: Governing Authorities) [3]. Additionally, companies must file their financial statements in XBRL format, which is in addition to and not in replacement of the financial statements required to be included within its SEC filings (Practice notes, XBRL Reporting Requirements) [4]. The company must submit each of its financial statements, the notes to its financial statements, any applicable schedules to the financial statements, and any financial statement information regardless of where it appears in the filing (Practice notes, XBRL Reporting Requirements) [4]. The above response is AI-generated and may contain errors. It should be verified for accuracy. Was this response helpful? Yes No. Below the response, there is a link to '1. Obtaining Financial Statement Waivers from the SEC Under Regulation S-X Rule 3-13' and a breadcrumb trail: 'Practice notes > Maintained > National/Federal'.

Key Themes from Use Cases of CoCounsel

1. Document Review and Analysis

- Streamline the review and analysis of legal documents, e.g., contracts and agreements, policy announcements, and complex provisions
- Identify key details and ensure accuracy.
- Summarize intricate agreements and surface critical information saves valuable time, allowing attorneys to focus on higher-level strategy and client engagement.

2. Automation and Efficiency

- Automate routine tasks, such as generating standard documents, drafting summaries, and creating timelines.
- Handle more nuanced challenges, like translating complex agreements into simpler language and resolving section reference issues in documents.

3. Cross-Referencing and Comparison

- Ensure alignment between term sheets and credit agreements.
- Compare multiple documents to identify discrepancies, inconsistencies, or opportunities for improvement.

4. Litigation and Case Preparation

- In litigation, support attorneys in preparing for depositions, reviewing transcripts, and crafting effective case strategies. For example, in high-stakes litigation cases, AI may be applied to process and organize complex data and enhances attorneys' ability to build strong defenses.

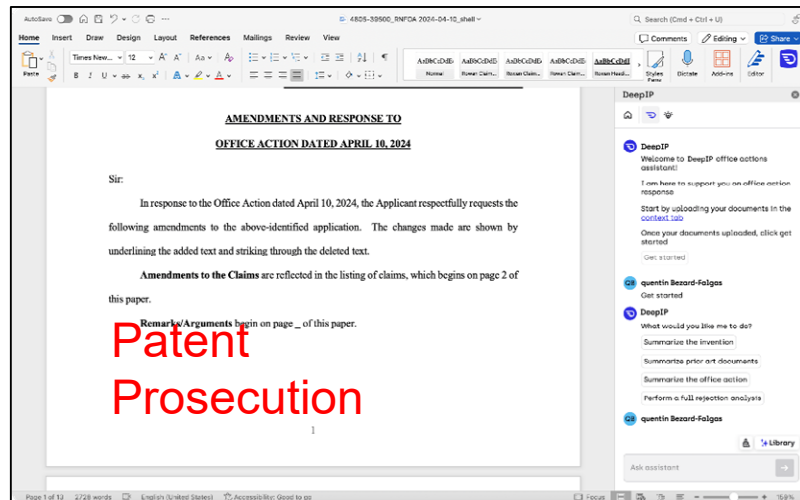
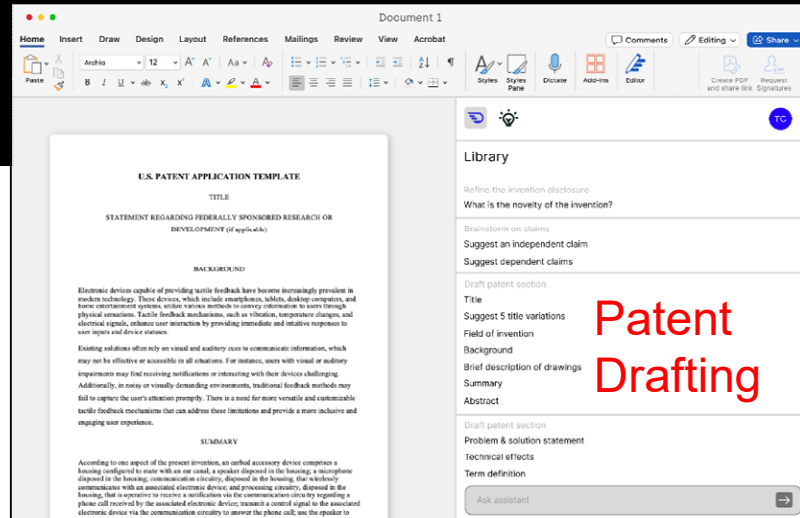
DeepIP – Patent Drafting, Prosecution

- Formerly known as Davinci, a French American startup founded in 2023.
- “The first next-generation AI-based patent assistant to leverage the most advanced AI Models and uphold the highest security standards available today”
- Can be embedded directly in the Microsoft Word ribbon
- “DeepIP’s users ... report up to 40% time savings in their patent drafting workflow”
- “Your data are not stored and not used for retraining purposes.”
 - Security policies adhere to the NIST 800-53 Moderate and NIST Cybersecurity Framework (CSF)
 - Data in transit is secured through TLS 1.2+ protocols. Data at rest is safeguarded with symmetric encryption (AES-256) to safeguard it.
 - Dedicated servers with a zero-retention API

“Davinci Becomes DeepIP and Announces the General Availability of its First Patent AI Copilot Fully Integrated with Microsoft Word,” <https://www.businesswire.com/news/home/20240808138868/en/Davinci-Becomes-DeepIP-and-Announces-the-General-Availability-of-its-First-Patent-AI-Copilot-Fully-Integrated-with-Microsoft-Word#:~:text=DeepIP%2C%20formerly%20known%20as%20%20E2%80%9Cdavinci,500%20companies%20worldwide%20since%202018.>

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<https://www.deepip.ai/security>



AI Tools for Image Generation

- The best AI image generators
 - [Midjourney](#) for artistic results
 - [DALL·E 3](#) for incorporating AI images into your existing workflows
 - [Ideogram](#) for accurate text
 - [Stable Diffusion](#) for customization and control of your AI images
 - [FLUX.1](#) for a Stable Diffusion alternative
 - [Adobe Firefly](#) for integrating AI-generated images into photos
 - [Recraft](#) for graphic design
- Other AI image generators
 - [Google Imagen 3](#) (related to Google Gemini)
 - [Generative AI by Getty](#).
 - [Leonardo.Ai](#). In addition to offering FLUX, image creation tool Leonardo.Ai has developed its own Phoenix model.
 - [Luma Photon](#).
 - [Playground](#).
 - [Recraft](#) for graphic design

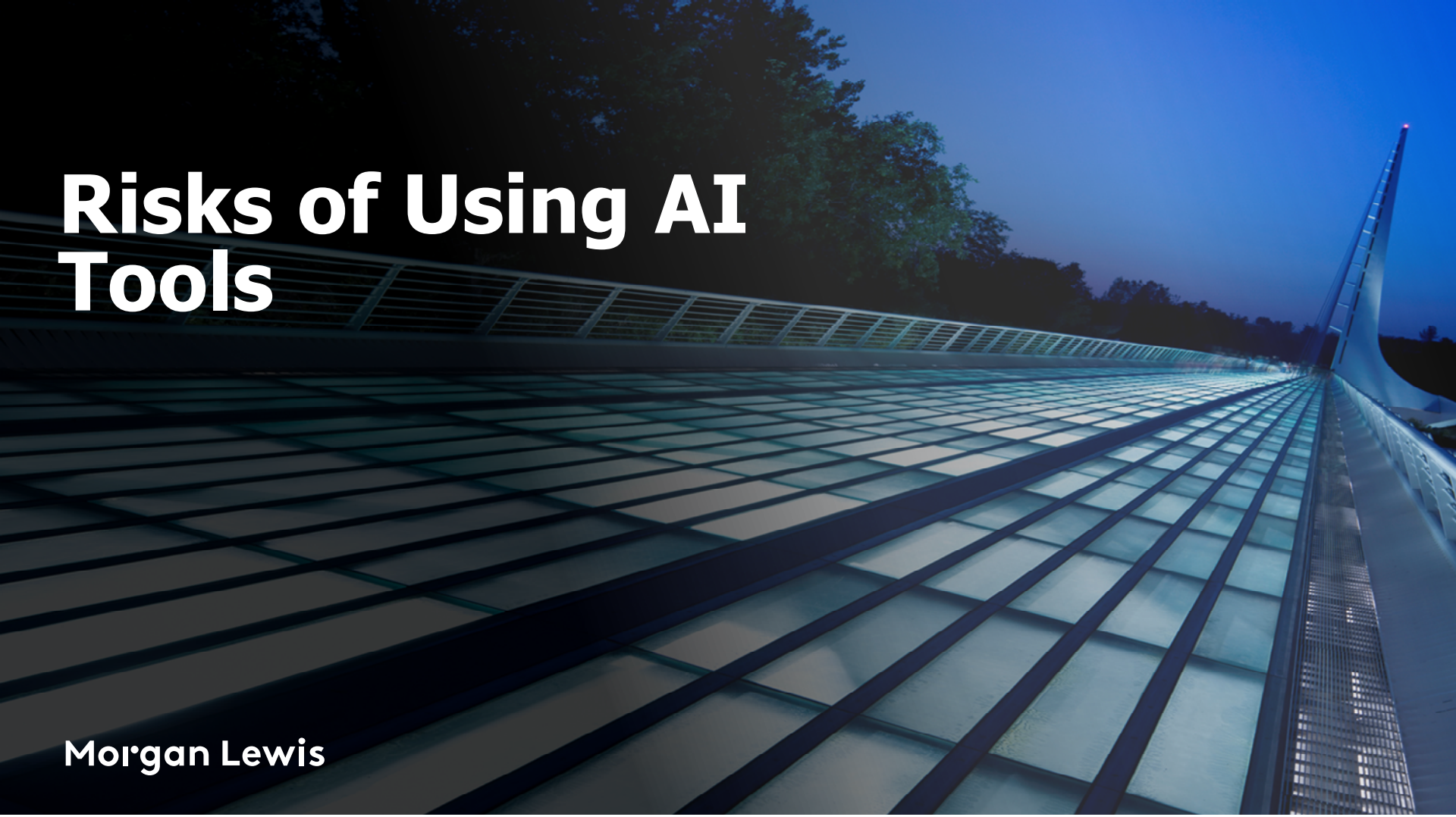
GenAI Prompts for Legal Inquiries

- Legal Research & Summarization Prompts
 - Explain the doctrine of equivalents in patent infringement cases.
 - Provide a summary of case law on trade secret misappropriation since 2022.
 - What are the key factors courts consider when determining willful patent infringement.
- Drafting & Editing Prompts
 - Draft a cease-and-desist letter for trademark infringement.
 - Provide a template for a non-disclosure agreement (NDA) for technology startups.
 - Edit this contract to strengthen indemnification provisions.
- Litigation & Procedural Guidance Prompts
 - What are the steps to file an inter partes review (IPR) with the PTAB?
 - Explain the process of obtaining a preliminary injunction in a patent infringement case.
 - What are the common defenses against a copyright infringement claim?
- Client & Business Development Prompts
 - Write a message to an existing client about legal risks in using AI to draft patent applications.
 - Draft an email thanking a client for their business after a successful trademark registration.
 - Write an email thanking ABC for introducing Company DEF as a patent prosecution client.

GenAI Prompts for Technical Writing (e.g., patent background)

- Write a paragraph about using robotic arms doing brain surgery and its main concerns. **(Basic prompt)**
 - Robotic arms are increasingly being utilized in brain surgery, offering enhanced precision, stability, and minimally invasive techniques that reduce risks associated with human error. These advanced systems, often controlled by neurosurgeons through high-resolution imaging and AI-assisted guidance, allow for delicate procedures such as tumor removal, deep brain stimulation, and aneurysm repairs with greater accuracy. However, major concerns include the potential for **system malfunctions, the complexity of programming and calibrating the robotic arm for highly variable patient anatomies, and ethical considerations** regarding the role of automation in life-critical medical procedures. Additionally, the high costs and the need for specialized training pose barriers to widespread adoption. Despite these challenges, robotic-assisted brain surgery continues to evolve, promising safer and more effective neurosurgical interventions.
- Write a paragraph about using robotic arms doing brain surgery and its main concerns **of latency**. **(Refined prompt)**
 - One of the main concerns when using robotic arms in brain surgery is latency, which refers to the delay between the surgeon's input and the robotic system's response. In such highly delicate procedures, even a slight delay in movement can pose serious risks, potentially leading to unintended tissue damage or imprecise incisions. Latency can arise from factors such as data processing time, network lag in remote surgeries, or mechanical limitations of the robotic arm. To mitigate these issues, advanced real-time control systems, ultra-fast data transmission, and AI-driven predictive algorithms are being developed to enhance responsiveness. However, ensuring near-instantaneous feedback remains a critical challenge, as even milliseconds of delay can impact surgical precision and patient safety.
- Additional attorney review/work required on ChatGPT output. May need to work paragraph by paragraph – don't expect ChatGPT to write an entire useful section of a document.
- Check for hallucinations/bad facts.
- Don't input any confidential, client information into ChatGPT.

Risks of Using AI Tools



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Concerns of Using AI in Legal Work

- Top areas of concern among legal professionals are:
 - Deep fakes (e.g., human impersonations)
 - Hallucinations and accuracy of AI-generated text
 - Data and privacy
 - Model bias
 - Intellectual property
- The California Bar's Committee on Professional Responsibility and Conduct (COPRAC) has formally recommended that the California Bar's Board of Trustees adopt recommendations regarding generative AI usage in legal practice.
 - For example, lawyers disclose generative AI use to clients, review all generative AI outputs for accuracy, and stay aware of possible biases, among others.

Key Legal Risks of Using Generative AI in Law

- **Duty of Competence (ABA Model Rule 1.1)**
 - Attorneys must understand AI capabilities and limitations before using it in legal practice.
 - Continuing legal education (CLE) on AI and emerging technologies is recommended.
- **Confidentiality & Privilege (ABA Model Rule 1.6)**
 - AI tools may store or share sensitive client data, risking attorney-client privilege.
 - Use AI platforms that guarantee end-to-end encryption and data non-retention policies.
 - Ensure compliance with data security standards and confidentiality rules.
- **Accuracy & Hallucinations**
 - AI can generate false or misleading information (hallucinations).
 - Attorneys must verify all AI-generated content before use in legal practice.
- **AI Bias & Fairness**
 - AI models may contain biases that impact case analysis, research, and recommendations.
 - Attorneys must critically evaluate AI-generated content to ensure fairness and objectivity.
- **Supervision & Accountability (ABA Model Rule 5.1 & 5.3)**
 - Lawyers are responsible for supervising AI-assisted work, just as they oversee human staff.
 - AI-generated legal documents should be reviewed and verified before submission or client use.
- **Transparency & Disclosure**
 - Should attorneys disclose AI-assisted work to clients or courts?
 - Some jurisdictions may require disclosure when AI is used in legal drafting or analysis.

Privacy and Trade Secret Leakage Issues

- **Never upload confidential information into ChatGPT!**
 - Anything you share with ChatGPT is retained and used to further train the model.
- Samsung's semiconductor division, employees pasted confidential source code into the chat to check for errors, requested code optimization, and shared a recording of a meeting to convert into notes for a presentation.
 - Limit ChatGPT upload capacity to 1024 bytes per person
 - Internal AI chatbot
- On March 24, 2023, OpenAI announced that they had taken ChatGPT offline for a short period on March 20 due to a bug that caused some users to see the last four digits of another user's credit card number, the card's expiration date, and other personal information. There was a bug that displayed other users' chat histories in the chat logs at the same time as this bug.
- Other examples of risky situations: sharing confidential legal documents or medical information for the purpose of summarizing or analyzing lengthy text.
- ChatGPT's data policy and usage guide – potential data privacy.



Suggested Practices for Using AI Tools

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Suggested Practices

1. Understand the Tool's Capabilities and Limitations

- Be aware of what the AI tool can and cannot do, including its accuracy, reliability, and scope.
- Know that AI tools are not substitutes for legal judgment or client-specific advice.

2. Confidentiality and Data Security

- Ensure compliance with law firm and client confidentiality requirements.
- Use secure platforms that comply with data privacy laws (e.g., GDPR, CCPA).
- Avoid uploading sensitive client data unless the platform guarantees end-to-end encryption and secure data handling.

3. Accuracy and Verification

- Always verify the output of AI tools against authoritative sources and your legal expertise.
- Cross-check citations and legal references for accuracy.
- Never solely rely on AI-generated legal advice, arguments, or documents without thorough review.

4. Transparency and Disclosure

- Inform clients if AI tools are being used in their matter, especially if it impacts billing or the nature of legal services.
- Be transparent about the role of AI in research, drafting, or document review.

5. Ethical Considerations

- Comply with the professional rules of conduct regarding competence, diligence, and communication.
- Ensure that the use of AI tools enhances rather than compromises the quality of legal services.

Suggested Practices (cont.)

6. Continuous Learning and Training

- Stay updated on emerging AI technologies relevant to legal practice.
- Undergo regular training to understand AI functionalities and risks.
- Educate staff and colleagues on the ethical and practical use of AI tools.

7. Quality Control and Supervision

- Implement a review process for AI-generated outputs.
- Maintain human oversight to ensure legal accuracy and strategic soundness.

8. Compliance with Legal Standards

- Ensure that AI-generated documents comply with jurisdiction-specific legal standards and formatting requirements.
- Verify that AI tools are updated to reflect current laws and regulations.

9. Cost Management and Efficiency

- Assess cost-effectiveness by comparing AI tool expenses with time saved.
- Clearly communicate any cost implications to clients.

10. Bias and Fairness Checks

- Evaluate AI tools for potential biases, especially in predictive analytics and decision-making support systems.
- Use tools with transparent algorithms and those audited for fairness and impartiality.

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AI Use Policies for Attorneys

General Use Considerations

- Review terms and conditions applicable to the AI tool used (e.g., attribution/acknowledgment requirements and positions on commercial use/ownership of output)
- Consider use of enterprise AI tools vs. publicly available AI tools
- Obtain/confirm firm IT approval for uses of AI tools.
- Obtain client approval for uses of AI tools.
- Adopt an AI use policy and provide attorney/staff training on safe and permitted uses of AI tools
- Avoid hiring, promotion, and other types of employment-related bias that may occur from AI use
- Be on the lookout for deepfakes and misinformation proliferation

Input/Output Considerations

- Consider confidentiality generally and protection of PII in inputs/prompts/coding
- Beware of possibility that output may infringe. Available filters may reduce that risk
- Check for accuracy of outputs – Human in the Loop
- Make outputs your own with significant, noticeable modifications
- Consider protectability of the outputs – human authorship still required
- Consider image/likeness rights in output

Copyright Issues

The background image is a photograph of a modern architectural structure. It features a large, sloping facade made of a grid of glass panels and dark metal frames. The perspective is from a low angle, looking up the slope towards a tall, slender, white tower that tapers to a point against a clear blue sky. The tower has a small red light at its apex. The overall scene is brightly lit, suggesting daytime.

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US Copyright Office and AI

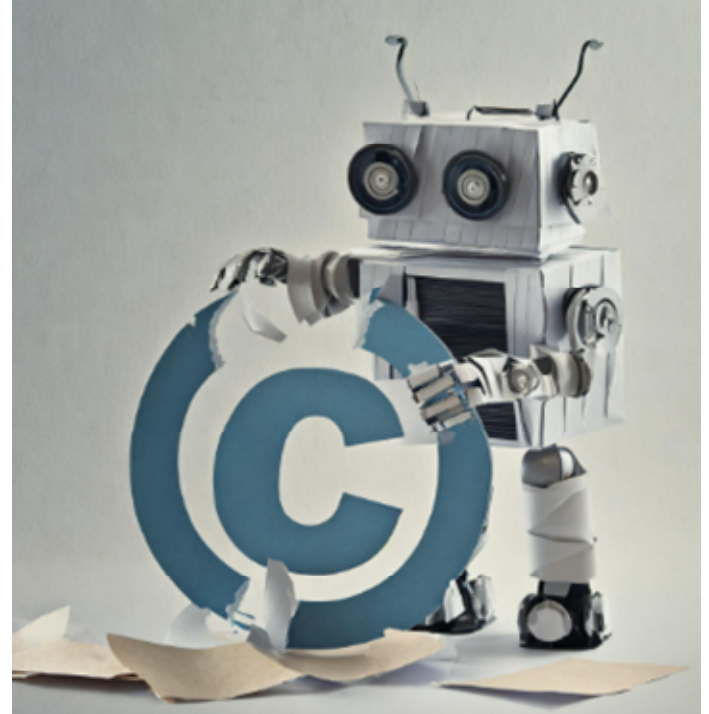
- Previously, the Copyright Office issued a comprehensive request for public comments on AI issues, including:
 - transparency, licensing, and fair use considerations for use of copyrighted works to train AI models;
 - copyrightability of AI-generated outputs;
 - whether AI models and output may infringe copyright and/or protections for copyright management information (CMI); and
 - whether a federal right of publicity law or other protections should be put in place to prohibit unauthorized creation of AI-generated outputs that imitate the **style of a human creator**.
- Should copyright owners have to opt in or opt out for use of their works in AI training sets?
- What effect would a licensing requirement have on AI systems?
- Reply comments closed December 6, 2023.
- On February 23, 2024, the Copyright Office sent a letter to Congress providing an update on its AI activities and stating its plans to report on these issues (and more).



Copyright

- An original work of authorship fixed in a tangible medium of expression
- Copyrights last a long time
- Key exclusive rights: Reproduction, Derivative Works, Distribution, Performance, and Display
- In the United States, a copyright registration is generally a prerequisite to bringing an infringement action
- Registration requires a human author
- **AI: images, text/language, software.**

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AI Litigation – Copyright Claims

Generally, there are three types of copyright infringement allegations in these litigations:

Direct Infringement (unauthorized copying or creation of derivative works)

- unauthorized storage/reproduction for training; output generated being substantially similar; the system itself if every output relied upon training from unauthorized copies

Contributory Infringement (aiding or facilitating a third-party infringement)

- providing the means to create infringing works; building AI models on web-scraped materials; by removing/modifying CMI (copyright management information)

Vicarious Infringement (financially benefiting from—and the ability to monitor or control—the infringement of others)

- by allowing users to create works “in the style of” specific named artists and act as “imposters” of artists (selling infringing works); “[E]very output from the [AI model] constitutes an act of vicarious copyright infringement.”

AI Litigation – Alternative Theories

Digital Millennium Copyright Act (DMCA)

- Lawsuits challenge Copyright Management Information removal as a cause of action separate from copyright infringement

Breach of Contract

- Failure to abide by license terms

Other Potential Claims

- Privacy violations
- Data security violations
- Various torts, such as
 - Unfair competition
 - Trespass
 - Rights of publicity

• **Fair Use?**

AI Litigation – Text/Language

- Class action lawsuits, including those led by:
 - Author Paul Tremblay
 - Author and comedian Sarah Silverman
 - Author and screenwriter Michael Chabon
 - The Authors Guild
 - Author Richard Kadrey
 - NYT journalist Julian Sancton
 - Journalist Nicholas Gage and author Nicholas Basbanes
- *NY Times v. OpenAI* (“The Biggest IP Case Ever”)
- *Thomson Reuters v. Ross*
- A defendant’s response: “[N]umerous courts have applied the fair use doctrine to strike that balance, recognizing that the use of copyrighted materials by innovators in transformative ways does not violate copyright. . . . Under the resulting judicial precedent, it is not an infringement to create ‘wholesale cop[ies] of [a work] as a preliminary step’ to develop a new, non-infringing product, even if the new product competes with the original.”

Regulatory Developments

The background image is a photograph of a modern architectural structure. It features a large, curved, glass-enclosed walkway or bridge that extends into the distance. The structure is illuminated with a cool blue light, and its reflection is visible on the surface below. The sky is a deep twilight blue, and dark silhouettes of trees are visible in the background.

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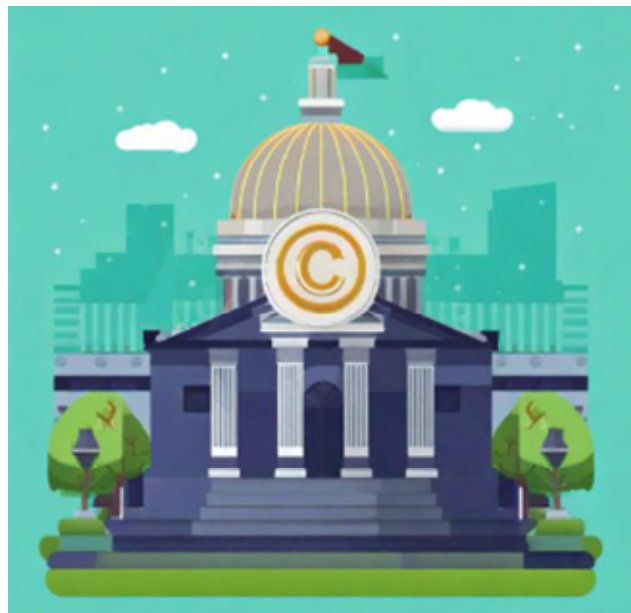
U.S. Federal and State Legislation

- **Federal**

- No AI Fraud Act; NO FAKES Act; Preventing Abuse of Digital Replicas Act (PADRA)
- Protect Elections from Deceptive AI Act; Preventing Deep Fake Scams Act; etc.
- Generative AI Copyright Disclosure Act of 2024

- **State**

- TN: ELVIS Act
- CA: 30+ AI-related bills
 - **California AI Transparency Law (AB 2013)**
- Many other states enacted or considering bills



Regulatory Development – Federal Laws and Orders

- As of now, the United States does not have a comprehensive federal law specifically regulating AI, unlike the EU AI Act (discussed below).
- Executive orders: Executive Order on Safe, Secure, and Trustworthy AI (October 2023) and Executive Order on AI and Federal Agencies (December 2020)
- National Institute of Standards and Technology (NIST) AI Risk Management Framework
- Sector-Specific AI regulations by FDA, SEC and Federal Reserve, Equal Employment Opportunity Commission (EEOC).
- Proposed federal legislation: Algorithmic Accountability Act, AI in Government Act, American Data Privacy and Protection Act (ADPPA)
- AI safety and innovation initiatives, e.g., AI Bill of Rights (2022), congressional AI working groups

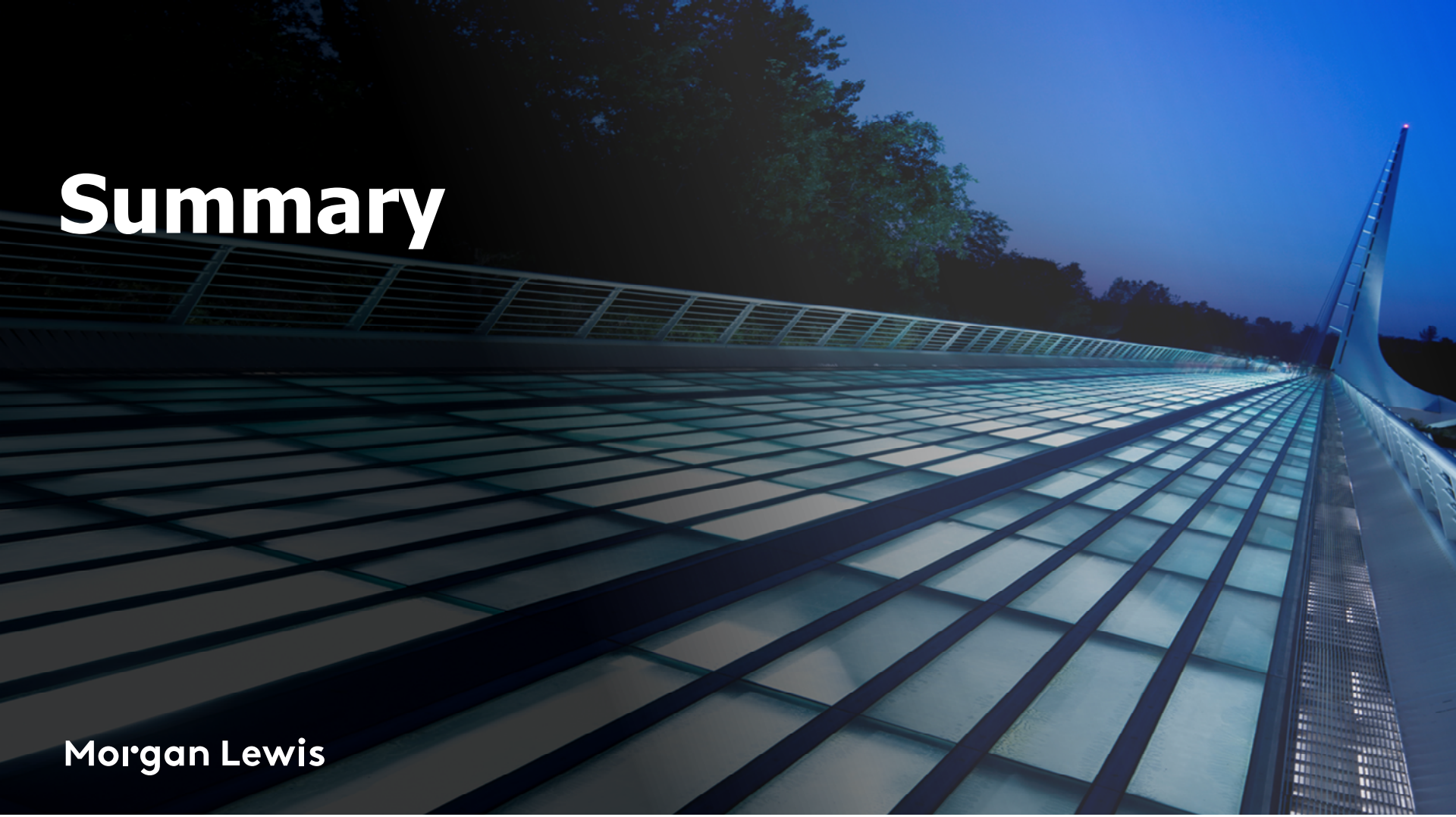
Regulatory Development – Other Jurisdictions

- **European Union Artificial Intelligence Act** is the world's first comprehensive legal framework for AI regulation. It categorizes AI systems based on risk levels:
 1. Unacceptable Risk – AI applications that pose threats to fundamental rights (e.g., social scoring, real-time biometric surveillance) are banned.
 2. High Risk – AI used in critical areas like healthcare, law enforcement, and employment must meet strict transparency, accountability, and data quality requirements.
 3. Limited Risk – AI systems such as chatbots must provide users with clear disclosures.
 4. Minimal Risk – AI applications like spam filters or video game AI face no additional regulation.

Examples of State and Local Laws on AI (California)

- 1. Assembly Bill 2013 (AB 2013) – Generative AI Transparency:** Signed into law in September 2024, AB 2013 requires companies developing generative AI models to disclose detailed information about the data used for training. This transparency aims to mitigate risks associated with AI-generated content. [bakerdonelson.com](https://www.bakerdonelson.com)
- 2. Senate Bill 896 (SB 896) – California AI Accountability Act:** Also signed in September 2024, SB 896 mandates that state agencies disclose their use of generative AI to users. Businesses providing AI solutions to these agencies must comply with disclosure and risk evaluation requirements. [diligent.com](https://www.diligent.com)
- 3. Assembly Bill 2905 (AB 2905) – AI-Generated Robocalls:** To combat deceptive AI-generated robocalls, AB 2905 requires such calls to disclose when AI-generated voices are used, aiming to prevent confusion and misinformation. [foley.com](https://www.foley.com)
- 4. Assembly Bill 2602 (AB 2602) – Protection Against Unauthorized AI Replicas:** Signed in September 2024, AB 2602 protects performers from unauthorized use of their likenesses through AI-generated digital replicas. It requires performers to be fully informed and have legal or union representation when companies use their digital avatars. [theverge.com](https://www.theverge.com)
- 5. Assembly Bill 1836 (AB 1836) – Consent for AI Replicas of Deceased Performers:** This bill mandates that companies obtain consent from the estate of deceased performers before producing digital replicas, closing potential loopholes in existing law. [theverge.com](https://www.theverge.com)
- 6. Safe and Secure Innovation for Frontier Artificial Intelligence Models Act (SB 1047):** Introduced in February 2024, SB 1047 aimed to mitigate risks from advanced AI models by requiring developers to submit certifications of risk mitigation before training. It also proposed creating a public cloud computing cluster to support startups and researchers. However, Governor Gavin Newsom vetoed the bill in September 2024, citing concerns over its regulatory framework. en.wikipedia.org
- 7. Attorney General's Legal Advisories on AI:** In January 2025, Attorney General Rob Bonta issued advisories outlining how existing California laws apply to AI technologies. These advisories emphasize that entities developing, selling, or using AI must comply with state, federal, and local laws, including those related to civil rights, data privacy, and false advertising. oag.ca.gov

Summary



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Key Takeaways

- AI may not replace lawyers, but lawyers who utilize AI tools may replace lawyers who do not utilize AI tools.
- It is undeniable that GenAI tools have the potential to streamline legal practice, improve efficiency, and enhance the quality of legal services.
- Client confidentiality and data privacy are top priorities when using AI tools.
- The United States, European Union, and other countries (and bar organizations) are enacting laws and regulations to address the use of AI, including in legal applications. Given the nuances among different countries' approaches, attorneys need to stay on top of AI-related regulatory developments.
- It is important to have an AI use policy, revisit it frequently, and train attorneys and staff on it.
- There is a large range of GenAI tools and solutions, so be prepared to spend a good deal of time investigating which one will meet your particular requirements.

Biography



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Doug brings the perspective of a software designer and intellectual property (IP) director for a leading computer hardware company to his patent law practice, which includes patent preparation, licensing, and prelitigation opinions, as well as IP transactions, due diligence, and counseling. He routinely works with standards-setting bodies and consortia on IP issues, and provides advice on strategic IP management and open source legal issues ranging from software development to code review and licensing.

Biography



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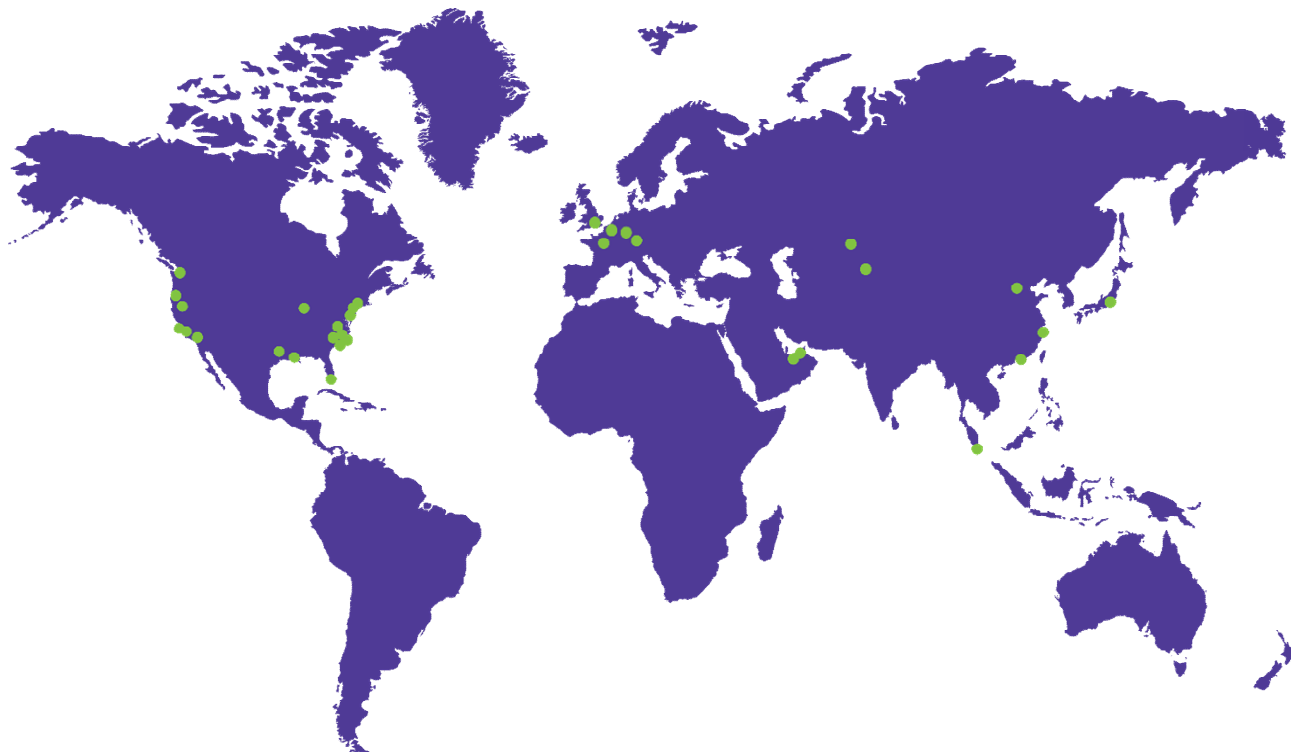
Jenn has technology development and patent law experience in many hardware and software fields. Jenn has prosecuted patents covering the areas of microelectronic fabrication, digital and analog circuit design, microcontrollers, signal processing, sensors and actuators, memory systems, computer architecture, image processing, data visualization, software applications, and artificial intelligence. Jenn has also worked on a number of IP due diligence projects involving complex technology. She is fluent in Chinese and English.

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