Speakers



Colleen Brown
Partner
Sidley Austin
ctbrown@sidley.com
Washington, D.C.

Colleen Brown is a nationally recognized lawyer with an increasing focus on Al. She provides strategic advice on digital risk management for a diverse range of companies. Her clients turn to her for compliance advising, digital governance, investigations, litigation and regulatory enforcement defense, and crisis management related to AI, privacy, cybersecurity, and incident response. She is ranked by Chambers USA (Nationwide, 2022–2025) and Chambers Global (USA, 2023-2025) in the Privacy & Data Security: Privacy and Privacy & Data Security: Cybersecurity categories. In the 2025 edition of Chambers USA, clients praised Colleen as "superb counsel" and that she "bridges the gap between legal and IT."



John O'Keefe
Cybersecurity Counsel
Broadcom, Inc.
john.okeefe@broadcom.com
Reston, Virginia

John O'Keefe is an attorney for Broadcom Inc., a global leader in the development of technologies that accelerate AI innovation, from designing the integrated circuits needed to perform LLM computations to delivering the software required to run and secure enterprise-grade data workloads at scale. Based in Reston, Virginia, John counsels executives across the company's diversified business units on a range of technology-related legal and policy issues affecting both internal operations and end-users of Broadcom's products, from Agreements to Zero-Days. He joined Broadcom via its 2019 acquisition of the enterprise security software business of Symantec Corp., where he had been the company's first cybersecurity counsel. Before that, John spent six years as an Assistant General Counsel for the Federal Bureau of Investigation supporting operational and technical teams in countering cyber and terrorism threats. Prior to joining the FBI, John practiced law at a litigation boutique in Washington, D.C., specializing in representation of media companies. He served as a law clerk in the United States District Court for the District of Columbia after graduating from the University of Virginia School of Law.



Katie Norton
Senior Corporate Counsel
Microsoft Inc.
katienorton@microsoft.com
Washington, D.C.

Katie Norton is a Senior Corporate Counsel within Microsoft's Corporate, External, and Legal Affairs (CELA) team. Katie provides compliance and transactional support to Microsoft's National Security Group and advises on US Federal Government rules and regulations on behalf of the broader Microsoft organization. Kaite has 15+ years of experience in US government contracting (Fed/SLED), complex commercial technology transactions, strategic corporate transactions, and corporate ethics and compliance.

Table of Contents

Introduction On The Market And Barriers To Adoption

Developing a Flexible, Practical Al Compliance Program

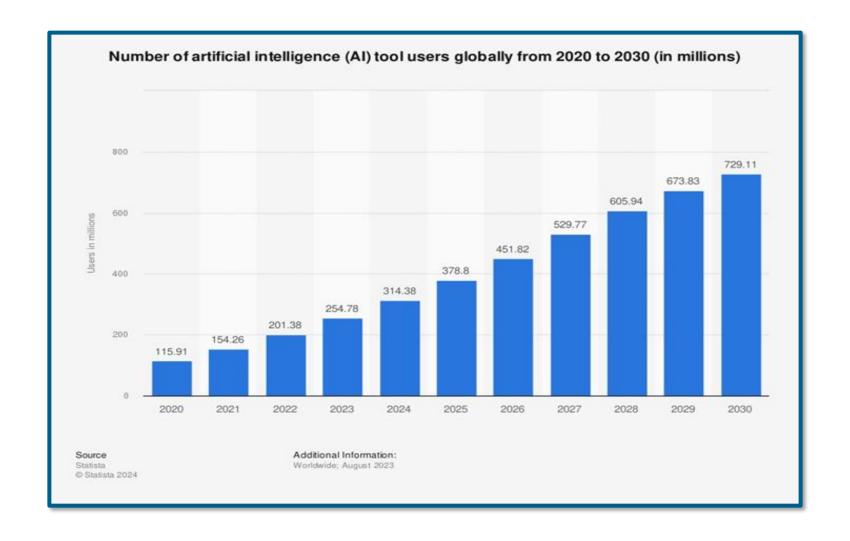
Legal Risks & The Development Of Al-Specific Regulation

The Al Action Plan: The Trump Administration's Whole-of-Government Approach to Al





Generative Al Market Overview: Al Tool Users



Generative AI Market Overview and Inflection Points

Messaging from CEOs/CFOs*

- More than two-thirds
 (70%) of CEOs
 acknowledge that GenAl
 will challenge them to
 disrupt their own
 business model to
 maintain competitive
 advantage.
- 75% of senior executives globally agreed that the capabilities and productivity of their employees would be enhanced by GenAI.
- Source: EY CEO Outlook Pulse Survey, October 2023

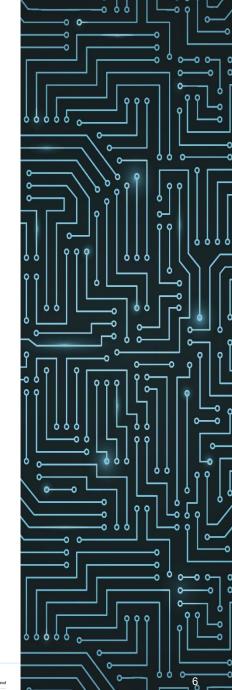
Business functions using GenAl*

- Marketing/sales
- Customer operations
- Product R&D
- Software engineering
- Supply chain/operations
- Risk/legal
- Strategy/finance
- Corporate IT
- Talent/organization

The Focus Shift to Inference Processing (2025)*

- Shift from Foundation models to Agentic Al
- Training to Inference Processing
- E.g., DeepSeek
 demonstrated
 dramatic inference
 cost reductions,
 enabling high perform AI to run
 locally on consumer
 hardware.

^{*}Source: Bain, DeepSeek: A Game Changer in Al Efficiency, Feb. 2025



^{*}Source: McKinsey, What's the future of generative AI? An early view in 15 charts, Aug. 2023

Barriers to Adoption at Scale

- Algorithms / Al Tool Development
- Data Quantity, Quality, and Permissions
- Compute and Other Infrastructure
- Risk Management
 - The Need for Flexible, Practical Al Compliance Programs





Policy and Governance Structures

- Compliance and Governance Policy
- Al Governance Committee/Charter
- Acceptable Use Policy
- Al Risk Assessments
- Al-Specific Contractual Provisions
- Al Tool Diligence/Third Party Oversight
- Al Tool Inventory
- Al Use Case Inventory
- Data Mapping
- IT/Cybersecurity Policies
 - Secure Software Lifecycle Development Procedures
 - Red Teaming/Audit Standards
 - Incident Response Plan Considerations
 - Business Continuity and Disaster Response
 - Data Retention and Destruction

In-House Product Counseling

- Potential New Contract Needs
- Procurement / Customer Requests for Information
- Potential New Risk Apportionment
- Incorporation with Other Product Counseling Legal Regimes
 - e.g., Privacy, Security, Products Liability, Consumer Protection, Antitrust
- Race to the Market
- Bridging the Gap Between Technology and Law
- Market Changes
- Potential Heightened Public and Media Scrutiny
- Policy and Regulatory Evolution
- New Data Rights Paradigms

ACC Association of Corporate Counsel 10

In-House Use Cases

- ComplianceTech
- Security and Risk Management vs. Convenience, Efficiency, and Competitiveness
- ROI: Promise vs. Reality
- Protection of Confidential Information
 - Company-owned Information
 - Licensed Information
 - Third Party-owned Information
 - Regulated Data (e.g., HIPAA PHI, GLBA NPI, CUI, Export-Control, Employment law)
- Other contract risks (e.g., False Claims Act risk from existing contract reps/RFIs)
- Complexity of source of legal risks and compliance obligations (laws, regs, policies, bulletins, contracts, RFI requirements)
- Selecting Al Vendors, Diligence, and Finding the Right Partner
- Enterprise Licenses
- Incorporation into Existing Risk Management Processes and Compliance Programs
- Training and Al Literacy
- Shadow-tech and Acceptable Use Policies

Association of Corporate Counsel 11

Al Regulation: NIST Al Risk Management Framework

Voluntary Framework first issued in January 2023

- Seeks to incorporate trustworthiness considerations into the design, development, use, and evaluation of Al products, services, and systems.
- Pre-dates explosion of Generative Al

Characteristics of a Trustworthy AI System

The AI RMF describes AI system trustworthiness as valid and reliable, safe, secure and resilient, privacy-enhancing, explainable and interpretable, accountable and transparent, and fair - with their harmful bias managed.



Al Risk Management Framework



GOVERN, MAP, MEASURE, MANAGE



Al's Place in Existing Privacy, Consumer Protection, and IP Law

- While certain AI technologies are new, longstanding existing legal regimes still apply.
 - Unfair and Deceptive Acts and Practices (FTC and State AGs)
 - State and Federal Privacy Laws
 - Consumer Protection and Products Liability Laws
 - Copyright Law and Other Intellectual Property Protections
 - Advertising Law
 - Anti-Discrimination Law
 - Employment Law
 - Sector-Specific Legal Regimes (FDA, SEC, etc.)
 - Creative plaintiffs' counsel adopting old claims to new circumstances.
 - E.g., Misappropriation/Right of Publicity Torts
 - Data Breach Claims
 - Unjust Enrichment
 - Existing standards for compliance programs, SOXs controls, etc.,

Association of Corporate Counsel 14

Al Enforcement is Underway in the United States



Deputy Attorney General Lisa O. Monaco Delivers Remarks at the University of Oxford on the Promise and Peril of AI

Wednesday, February 14, 2024

Like a firearm, AI can also enhance the danger of a crime.

Going forward, where Department of Justice prosecutors can seek stiffer sentences for offenses made significantly more dangerous by the misuse of AI — they will. And if we determine that existing sentencing enhancements don't adequately address the harms caused by misuse of AI, we will seek reforms to those enhancements to close that gap.

This approach will deepen accountability and exert deterrence. And it reflects the principle that our laws can and must remain responsive to the moment.



JOINT STATEMENT ON ENFORCEMENT EFFORTS AGAINST DISCRIMINATION AND BIAS IN AUTOMATED SYSTEMS

Rohit Chopra, Director of the Consumer Financial Protection Bureau, Kristen Clarke, Assistant Attorney General for the Justice Department's Civil Rights Division, Steri Jairre, Assistant Attorney General for the Sustice Department's Civil rounts Division Charlotte A. Burrows, Chair of the Equal Employment Opportunity Commission, and Lina M. Khan, Chair of the Federal Trade Commission issued the following joint statement about enforcement efforts to protect the public from bias in automated systems and artificial intelligence:

America's commitment to the core principles of fairness, equality, and justice is deeply embedded in the federal laws that our agencies enforce to protect civil rights, fair competition, consumer protection, and equal opportunity. These established laws have long served to protect individuals even as our society has navigated emerging technologies. Responsible innovation is not incompatible with these laws. Indeed innovation and adherence to the law can complement each other



AI (and other) Companies: Quietly Changing Your Terms of Service Could Be Unfair or Deceptive

By: Staff in the Office of Technology and The Division of Privacy and Identity Protection

February 13, 2024 | 😝 🕥 🛅





Explosion of New Al Specific Laws

- There has been a recent explosion in laws aimed at regulating or prohibiting specific Al use cases.
 - Al in Advertising/Marketing
 - Al in Critical Infrastructure
 - Al in Education
 - Al in Employment
 - Al in Government
 - Al in Healthcare (especially Mental Health)
 - Al in Insurance
 - Al in Political Advertising
 - Al in Real Estate
 - Al for CSAM
 - Al for Deepfakes

U.S. State AU Law – Select Examples

The Utah Artificial Intelligence Policy Act (UAIPA)

- Effective May 1, 2024
- Businesses subject to Utah Dept of Commerce jurisdiction must configure public facing AI to disclose that it is AI when a user asks.
- Companies that provide services of a "regulated occupation" (where someone must obtain a license or state
 certification to practice the occupation) shall prominently disclose when a person is interacting with a
 generative artificial intelligence in the provision of the services, if the interaction is "high-risk".

The Colorado Artificial Intelligence Act

- Effective June 30, 2026 (though rulemaking may follow)
- Establishes legal framework for governance of high-risk AI systems in the private sector.
- High risk is "any artificial intelligence system, that, when deployed, makes, or is a substantial factor in making, a consequential decision."
- Prohibits decisions that has a material legal or similar significant effect on the provision or denial to any consumer of or the cost or terms of insurance, and requires developers to use "reasonable care to avoid algorithmic discrimination."
- No private right of action; AG enforcement of up to US\$20,000 per violation.

U.S. State Al Law – Select Examples

- California Consumer Privacy Act Automated Decisionmaking (ADMT) Regulations
 - Effective January 1, 2026 2029 (pending OAL approval)
 - Require certain business to conduct independent cybersecurity audits, including executive reporting and sworn certification requirements.
 - Require businesses to perform detailed risk assessments for activities such as the sale and sharing of personal
 information under the CCPA, processing of sensitive data, profiling in for-profit educational and employment
 contexts, and the training of ADMT used to make "significant decisions" including those related to finance,
 lending, housing, for-profit educational enrollment, employment and healthcare.
 - Establishes new notice, access, and opt-out rights for consumers, related to use of ADMT for "significant decisions".
- Texas Responsible Artificial Intelligence Governance Act (TRAIGA)
 - Effective January 1, 2026
 - Prohibits certain AI use cases such as developing or deploying AI to manipulate human behavior (e.g., encourage self-harm/harm to others), infringe on an individual's Constitutional rights, and intend to unlawfully discriminate against a protected class.
 - Establishes a regulatory sandbox program designed to support AI innovation under relaxed regulatory constraints, including through granting certain legal protections.
 - During the duration of the testing period, program participants are shielded from liability for any violation that takes place.
 - To participate in the program, participants must submit a detailed description of the AI system to be tested, its intended use, an impact assessment, and mitigation plan for any potential adverse consequences.

EU Al Act – World's First Al Law

1. Who Does It Apply To?	 Providers and manufacturers of Al systems. Deployers (or 'users') of Al systems. Other actors in commercial value chain: importers, distributors, manufacturers,
	affected persons, and authorized representatives of AI systems.
	 ! Actors based inside and outside the EU where the AI system or its output is used or provided in the EU i.e., can have extraterritorial effect e.g. apply to U.S. companies.
2. What Does It Apply to?	 Definition of 'Al system' – largely aligned with OECD definition and mechanisms for future proofing.
	 Specific (more onerous) obligations for general-purpose Al models (GPAI) in particular those with "systemic risk."
3. Which Industries Are Impacted?	 Al Act is industry-agnostic – applies to ALL sectors and industries inc. aviation.
	Some industries / use cases considered higher risk (cf. Annex II and III).
4. What Are the Requirements?	 Risk-based approach to regulation on the basis of presumed risk involved with Al system.
5. What Is the Risk?	 Fines can go up to €35 m or 7% of worldwide annual turnover Enforcement by authorities in Member States with Al Office to supervise GPAI.
	 Civil liability (cf. proposed Al Liability Directive and revised Product Liability Directive)
	Individual complaints.
	Other laws may also apply e.g. GDPR.



2025 White House Al Action Plan ("Winning the Al Race: America's Al Action Plan")

- On July 23, 2025, the Trump Administration released its Al Action Plan, outlining 90 federal policy
 positions across three pillars underpinned by three priorities: (i) protecting and promoting
 American workers, (ii) ensuring trustworthy and ideologically neutral Al systems, and (iii)
 safeguarding Al from misuse or theft by malicious actors.
 - (1) Accelerating Innovation: ensure that the U.S. remains at the forefront of AI innovation through increased federal investment in research and development, fostering public-private partnerships, and removing certain regulatory barriers to the rapid introduction of AI solutions to the market.
 - (2) Building American Al Infrastructure: establish the physical, digital, and human capital foundations necessary for robust Al development and deployment through modernizing and expanding data center capacity, expanding the power grid, ensuring access to highperformance computing resources and high-quality data.
 - (3) Leading in International Diplomacy and Security: ensure that the U.S. shapes international Al standards amidst a rapidly evolving global regulatory landscape.

Other AI Executive Orders Issued by President Trump

- EO 14179 ("Removing Barriers to American Leadership in Artificial Intelligence") issued January 23, 2025, seeks to establish U.S. leadership in AI, and rescinds certain actions taken pursuant to President Biden's AI EO 14110 ("Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence").
- EO 14277 ("Advancing Artificial Intelligence Education for American Youth") issued April 23, 2025, seeks to cultivate an AI-ready workforce by integrating AI literacy and proficiency into education, and establishes a White House Task Force on AI Education.
- EO 14318 ("Accelerating Federal Permitting of Data Center Infrastructure") issued July 23, 2025, seeks to accelerate the development of AI data centers and related infrastructure in the U.S. by reducing certain regulatory barriers.
- EO 14319 ("Preventing Woke AI in the Federal Government") issued July 23, 2025, directs all federal agencies to only procure large language models developed in accordance with Unbiased AI Principles ("Truth-seeking" and "Ideological Neutrality").
- EO 14320 ("Promoting the Export of the American AI Technology Stack") issued July 23, 2025, seeks to establish a coordinated effort to promote the export of full-stack U.S technology packages (e.g., including but not limited to AI models and systems, and hardware).

Disclaimer

This presentation has been prepared by Sidley Austin LLP and Affiliated Partnerships (the Firm) for informational purposes and is not legal advice. This information is not intended to create, and receipt of it does not constitute, a lawyer-client relationship. All views and opinions expressed in this presentation are our own and you should not act upon this information without seeking advice from a lawyer licensed in your own jurisdiction. The Firm is not responsible for any errors or omissions in the content of this presentation or for damages arising from the use or performance of this presentation under any circumstances.

Do not convey to us confidential information until you speak with one of our lawyers and receive our authorization to send that information to us. Providing information to the Firm will not create an attorney-client relationship in the absence of an express agreement by the Firm to create such a relationship, and will not prevent the Firm from representing someone else in connection with the matter in question or a related matter. The Firm makes no warranties, representations or claims of any kind concerning the information presented on or through this presentation. This presentation is dated **September 30, 2025**, and changes in laws, rules and regulations (or their interpretation) thereafter could materially affect the content of this presentation.

Attorney Advertising - Sidley Austin LLP, One South Dearborn, Chicago, IL 60603, +1 312 853 7000. Prior results do not guarantee a similar outcome. Photos may include Sidley alumni or other individuals who are not Sidley lawyers. Photos may be stock photographs.

Al Monitor



AI is requiring executives, directors, in-house counsel, investors, and regulators worldwide to confront a rapidly evolving list of questions across different areas of law, and they are hungry for the latest information to help guide them in their most important decisions. That is why Sidley has launched the AI Monitor, a centralized resource of content related to AI including Sidley thought leadership, the latest laws and regulations, and access to our AI lawyers.









Latest AI Developments

Sidley Thought Leadership

Sidley Events

