Q12025

WILSON SONSINI



ALL EYES ON AI: REGULATORY, LITIGATION, AND TRANSACTIONAL DEVELOPMENTS

In This Issue

Utah Enacts Mental Health Chatbot Law......Pages 1-2

Utah Amends Artificial Intelligence Policy Act (AIPA).....Page 2

Montana Passes "Right to Compute Act"<u>Page 3</u>

Virginia Governor Vetoes Landmark AI Accountability Bill, Leaving States Watching Closely.....<u>Page 3</u>

Meta AI Copyright Lawsuit Partially Survives Motion to Dismiss...... Page 4

Clearview AI Settlement Approved in Face-Scan Privacy Lawsuit...... Page 4

D.C. Circuit Affirms Human Authorship Requirement for Copyright<u>Page 5</u>

Canada Publishes Report on AI and CompetitionPage 6

Updates on Treatment of AI Partnerships in Europe Under Merger Rules <u>Page 6</u>

French Authorities Pledge Cooperation for AI Work......Page 7

First Provisions of the AI Act Start to Apply in the EU......Page 7

UK's Flexible Regulatory Approach Evolves to Attract AI Companies into the UK<u>Page 8</u>

Deal Highlights..... Pages 9-10

Wilson Sonsini AI Advisory Practice HighlightsPage 10 FTC Issues Proposed Order Against Company for Misleading Claims About Its Al Content Detection Product



On April 28, 2025, the Federal Trade Commission (FTC) issued a proposed order against Workado, LLC (Workado) for its alleged misrepresentations concerning its product, the "AI Content Detector." According to the complaint, Workado advertised its product as detecting with 98 percent accuracy whether online content was written by generative artificial intelligence (AI) technology or a human and claimed that its product was trained on a large volume of material that included blog posts and Wikipedia articles. In fact, the model was trained on abstracts of scholarly works and only had a 53 percent accuracy rate when used to evaluate nonacademic content.

Among other things, the proposed order prohibits Workado from making misleading representations about its product's ability to detect content created by generative AI technology. Workado may only make such representations about its product's effectiveness if it relies upon "competent and reliable evidence" to substantiate its claims, and the company must preserve all underlying data and documents relevant to the "competent and reliable evidence." The proposed order also requires Workado to send a notice to eligible customers informing them about the settlement.

Utah Enacts Mental Health Chatbot Law

On March 25, 2025, Utah Governor Spencer Cox signed <u>HB 452</u>, which establishes new rules for the use of AI mental health chatbots accessible to any "Utah user," defined as, "an individual located in the state at the time the individual accesses or uses a mental health chatbot."

HB 452 defines a "mental health chatbot" as AI technology that meets two criteria. First, the technology must use generative

Utah Enacts Mental Health Chatbot Law (Continued from page 1)

AI to engage in interactive conversation with users similar to the confidential communications an individual would have with a licensed mental health therapist. Second, the "supplier" of the chatbot must represent, or a reasonable person would have to believe, that the chatbot "can or will provide mental health therapy or help a user manage or treat mental health conditions."

With some exceptions, HB 452 prohibits mental health chatbot suppliers from "selling" or "sharing" of Utah users' identifiable health information and user input. The law also requires suppliers to disclose that the chatbot is AI (and not a human), both at the start of any interaction with a user (depending on when the user last accessed the chatbot) and anytime a user explicitly asks whether AI is being used. Suppliers of mental health chatbots are also prohibited from using mental health chatbots to engage in targeted advertising based on user input, or to advertise specific products or services to users *unless* the chatbot clearly identifies the communication as an advertisement and discloses any business affiliations or sponsorships the chatbot supplier may have with the advertiser.

Violations of HB 452 are enforced by the Utah Division of Consumer Protection and can result in fines of up to \$2,500 for each violation, disgorgement, and attorney's fees, among other remedies. HB 452 does provide suppliers of mental health chatbots an affirmative defense against certain allegations if the supplier maintains certain documentation, including a written policy that is filed with the Utah Division of Consumer Protection.

Utah Amends Artificial Intelligence Policy Act (AIPA)

In March 2025, Utah Governor Spencer Cox signed <u>SB 226</u> and <u>SB 332</u>, which both amend Utah's <u>Artificial Intelligence</u> <u>Policy Act (AIPA)</u>.

SB 226 limits the mandatory disclosure requirements of the AIPA by only requiring the generative artificial intelligence (genAI) disclosure in two circumstances: 1) when a supplier uses genAI to interact with an individual in connection with a consumer transaction and the individual clearly and unambiguously asks whether they are interacting with genAI, and 2) when an individual provides services in a "regulated occupation" as part of a "highrisk artificial intelligence interaction," which is defined as an interaction with genAI that involves the collection of sensitive personal information (e.g., health data) or the provision of personalized recommendations, advice, or information that could reasonably be relied upon to make significant personal decisions (e.g., the provision of legal advice or services). The AIPA previously required disclosures even where the



individual's question was not clear and unambiguous and required disclosure if genAI was used at all to interact with individuals as part of providing regulated services.

SB 226 also establishes liability for violations of consumer protection laws involving AI and provides a safe harbor to AI suppliers who provide clear and conspicuous disclosures to consumers by alerting them to engagement with AI at the outset and throughout any interaction related to consumer transactions or the provision of regulated services. Violations of SB 226 are enforced by the Utah Division of Consumer Protection and can result in fines of up to \$2,500 for each violation, disgorgement, and attorney's fees, among other remedies. SB 332 extends the AIPA's initial repeal date of May 7, 2025, to July 1, 2027.

Montana Passes "Right to Compute Act"

On April 16, 2025, Montana Governor Greg Gianforte signed the "Right to Compute Act" (SB 212) (the Act), which aims to protect individuals' use of AI by limiting government restrictions. The Act declares that government actions that restrict the ability to privately own or use computational resources infringe on fundamental rights to property and free expression and therefore must be limited to those that are demonstrably necessary and narrowly tailored to serve a compelling government interest. It also requires AI deployers to develop a risk management policy for any AI system that controls, in whole or in part, a critical infrastructure facility.

"Critical infrastructure facilities" include, among other things, petroleum refineries; electric generating facilities; dams regulated by state, federal, or tribal government; aboveground oil, gas, hazardous liquid, and chemical pipelines; and correctional facilities. To meet the requirements of the Act, the risk management policy must consider guidance from NIST, the ISO/IEC 4200 AI standard from the international organization for standardization, or another nationally or internationally recognized risk management framework for AI.

Virginia Governor Vetoes Landmark Al Accountability Bill, Leaving States Watching Closely

On March 25, 2025, Governor Youngkin vetoed the *High-Risk Artificial Intelligence Developer and Deployer Act* (HB 2094), which would have imposed monitoring, transparency, and risk mitigation obligations on companies that develop or deploy AI systems used in consequential decisions, including hiring, lending, and housing. The bill mirrored the Colorado AI Act and would have taken effect in July 2026.

In his <u>veto message</u>, Governor Youngkin cited concerns that the bill would hamper innovation, particularly among start-ups and small businesses. He emphasized that Virginia's existing laws already protect consumers from harms such as discrimination and data misuse, and that new AI-specific rules should not outpace technological realities.

Governor Youngkin's veto coincides with a broader shift in federal AI policy. Since taking office, President Trump has rolled back several Biden-era AI regulations and directed federal agencies to avoid actions that could "create barriers to American AI innovation." The administration's deregulatory stance has opened the door for states to fill the gap—setting the stage for a potentially fragmented national AI regulatory landscape.

Supporters of HB 2094 viewed it as a practical step toward accountability. Among other things, the bill would have required developers of high-risk AI systems to exercise reasonable care to prevent algorithmic discrimination and to equip deployers with information about an AI system's risks and limitations. Deployers, in turn, would have been required to implement risk management programs, conduct impact assessments, and offer consumers clear disclosures and opportunities for recourse when using high-risk AI systems to make consequential decisions.

Despite this veto, legal experts expect states to continue pushing forward with AI regulation efforts, especially as federal oversight recedes.

Still, the veto is a signal to other legislatures: ambitious AI bills may need to strike a more careful balance between consumer protection and business realities—or risk being sent back to the drawing board.



Meta AI Copyright Lawsuit Partially Survives Motion to Dismiss

On March 7, 2025, U.S. District Judge Vince Chhabria granted in part and denied in part Meta's motion to dismiss a lawsuit filed against the company by a coalition of authors alleging that Meta used the authors' copyrighted books without authorization to train its Llama AI models. The plaintiffs contend in their complaint that Meta's actions constituted direct copyright infringement and that the company removed copyright management information (CMI) in violation of the Digital Millennium Copyright Act to conceal the infringement. Meta, meanwhile, asserted that its training qualifies as fair use, and it argued the case should be dismissed because the authors lack standing to sue.

In his ruling, Judge Chhabria <u>stated</u> that the plaintiffs have alleged a sufficient injury for Article III standing. With respect to the CMI claims, he found "Meta's removal of copyright management information is an interference with a property right that is closely related to the kind of property-based harms traditionally actionable in copyright." Additionally, he found they sufficiently alleged direct copyright infringement and intentional removal of CMI to survive the motion to dismiss. The court did, however, dismiss the claims under the California Comprehensive Computer Data Access and Fraud Act, noting that the plaintiffs did not allege unauthorized access to their computers or servers, only to their data in the form of books.

Clearview AI Settlement Approved in Face-Scan Privacy Lawsuit

On March 20, 2025, U.S. District Judge Sharon Johnson Coleman granted final approval for a potentially landmark \$51.75 million settlement in the multidistrict litigation against Clearview AI. This settlement resolves allegations that the company unlawfully collected and shared biometric facial data from publicly accessible internet pages with law enforcement. The lawsuit involves up to 125,000 members and underscores the ongoing debates surrounding the use of biometric data in today's digital landscape.

State attorneys general raised concerns that this settlement fails to provide adequate protections against future harm. In response to these concerns, Judge Coleman noted that the availability of nationwide injunctive relief may be limited because of certain state laws' potential inability to apply extraterritorially.

Moreover, Judge Coleman pointed out that Clearview's separate 2022 agreement with the American Civil Liberties Union



already limited the injunctive relief available to these plaintiffs because, among other things, it effectively narrowed Clearview's client base to federal and state government agencies and their contractors and also imposed a five-year ban on the company's business operations in Illinois, further limiting its activities.

One of the most contentious aspects of the settlement is that it does not provide immediate monetary compensation to victims. Instead, class members are offered a 23 percent equity stake in Clearview, contingent upon a future public offering or sale, which could potentially amount to approximately \$52 million based on current valuations. This arrangement has faced significant criticism, as plaintiffs and their lawyers will receive a stake in the company's uncertain future value rather than a guaranteed lump-sum payment.

The absence of injunctive relief, combined with the unconventional financial structure of the settlement, leaves class members without any immediate and specific relief. This settlement resolves over five years of litigation over the objections of 22 state Attorneys General and the District of Columbia.

C4IP Urges White House to Back Patent Eligibility Reform to Advance U.S. AI Leadership

On the heels of the White House's call for input on sustaining American leadership in AI, the Council for Innovation Promotion (C4IP) is urging the administration to take a clear stance: restore clarity to the U.S. patent eligibility framework.

In a <u>comment</u> submitted in response to the Trump administration's <u>request for</u> <u>information</u> on the development of an "AI Action Plan," C4IP—a bipartisan coalition led by former U.S. Patent and Trademark Office (USPTO) Directors Andrei Iancu and David Kappos called on the White House to endorse the Patent Eligibility Restoration Act (PERA). The bill, first introduced in 2023, seeks to reverse a decade of uncertainty caused by U.S. Supreme Court decisions such as *Alice v. CLS Bank*, which held that computer software implementations of abstract ideas generally are not patenteligible. C4IP argues these decisions have created "overly subjective" standards, leaving courts, examiners, and innovators without a clear path forward for patenting AI-based inventions.

C4IP emphasized that the strength of the U.S. intellectual property system will play a defining role in the future of AI innovation and cautioned against overregulation through patent law. The group contends that restoring clarity in patent eligibility would not only encourage investment in AI, but also help the U.S. keep pace with global competitors like China, where patent rules for AI are perceived as more straightforward. The organization also raised concerns with recent USPTO guidance issued during the Biden administration. According to C4IP, these updates restrict patent eligibility for AI-assisted inventions and impose additional disclosure requirements when AI is used in the invention process—conditions not applied to other tools. The group warned that these standards could chill AI innovation and deter the use of AI in research and development.

C4IP urged the administration to support PERA and avoid premature or excessive regulation that could unintentionally hinder progress. As the U.S. crafts its broader AI strategy, patent policy may prove to be a key lever in securing longterm technological leadership.

D.C. Circuit Affirms Human Authorship Requirement for Copyright

On March 18, 2025, the U.S. Court of Appeals for the D.C. Circuit (the court) affirmed the human authorship requirement in the context of genAI when it upheld a previous ruling by the U.S. District Court for the District of Columbia (DDC) granting summary judgment in favor of the U.S. Copyright Office (the USCO) which had denied registration of an AI-generated work filed by the plaintiff, Stephen Thaler. While Thaler may still request rehearing or petition for review by the U.S. Supreme Court, the court's decision for now confirms that genAI systems cannot, by themselves, be "authors" of copyrightable works.

Thaler sought to register with the USCO a copyright for an artwork which, according to him, was generated solely by his genAI system, the "<u>Creativity</u>

Machine." In the copyright registration for the work, Thaler listed the Creativity Machine as the author and himself as the copyright claimant. The USCO denied Thaler's application, citing a lack of human authorship. Thaler appealed the USCO decision, ultimately bringing a claim in the DDC against the USCO and its Register of Copyrights. The DDC granted summary judgment in favor of the USCO, ruling that copyright protection requires human authorship and that works generated purely by machines do not meet the human authorship requirement.

The court upheld the DDC's grant of summary judgment, affirming the human authorship requirement cited by the DDC and the USCO. However, the court specifically noted that "the



human authorship requirement does not prohibit copyrighting work that was made by or with the assistance of artificial intelligence," thus leaving open the question of how much human involvement or creative activity is required for an AI-generated work to meet the human authorship requirement.

Canada Publishes Report on AI and Competition

On January 27, 2025, Canada's Competition Bureau (the Bureau) <u>published</u> a report on AI and competition, following a public consultation on its <u>AI</u> <u>discussion paper</u>. The report noted that AI advancements are introducing new market dynamics that may either hinder or promote competition. Further, massive investment is occurring across the AI sector, creating a need to monitor whether large incumbent firms could use this to leverage their market power to impede competition and innovation. Finally, the Bureau noted that AI may be used to facilitate certain anticompetitive conduct and it is unclear whether existing laws are sufficient to address such practices. The Bureau stated that it is continuously monitoring partnerships in the AI sector, including Nvidia's partnership with Salesforce and Meta's collaboration with Reuters, and the partnership between telecoms major TELUS and the Quebec AI institute MILA. The Bureau noted that the report will shape its future work in this space.

EU Member States Push to Include AI in DMA Regulation, European Commission (EC) Expresses Skepticism

On February 11, 2025, speaking at an AI conference in Paris representatives of Germany and the Netherlands pushed to modify the Digital Markets Act to cover certain AI-specific services or obligations, as noted in public reporting. According to a draft paper prepared by France, Germany, and the Netherlands <u>summarized</u> by public reporting, the scope of the DMA should be expanded to include AI, as the DMA currently

only covers AI-powered functionalities that are integrated or embedded into core platform services that the DMA already applies to. The draft paper further asks the EC to start a market investigation into designating certain cloud service providers under the qualitative thresholds of the DMA due to the importance of compute for large AI models. Olivier Guersent, the EC's top official, reacted with skepticism as <u>reported</u> on March 14, 2025. According to Guersent, the EC is focusing on upstream inputs and downstream markets for the application of AI models, and it is too early to say whether any markets may be arriving at a tipping point where a designation of a gatekeeper and its AI services under the DMA would have a meaningful effect.

Updates on Treatment of Al Partnerships in Europe Under Merger Rules

As described in the <u>Q3/Q4 2024 All Eyes</u> <u>on AI</u> newsletter, European antitrust authorities continue to show great interest in AI partnerships and have reviewed several under merger rules or have at least attempted to do so.

On March 5, 2025, the UK's Competition and Markets Authority (CMA) <u>published</u> its decision on the partnership between Microsoft and OpenAI, deciding not to conduct an in-depth merger investigation due to the lack of a relevant merger situation. The CMA found that while Microsoft had acquired material influence over OpenAI in 2019, it had not increased its control over OpenAI to de facto control. Instead, the CMA recognized that the terms of the partnership were dynamic over time. Lacking a "bright line" to distinguish between material influence and de facto control, the CMA considered three potential sources of control over OpenAI: i) Microsoft's investments and involvement in the corporate governance of OpenAI; ii) Microsoft's supply of compute; and iii) Microsoft's IP and commercialization rights.

The CMA acknowledged that the partnership between Microsoft and OpenAI included large investments by Microsoft and resulting formal governance rights, which were however generally limited to typical financial investor protections. And while Microsoft used to be the exclusive supplier of compute infrastructure to OpenAI, this was renegotiated in January 2025 to give Microsoft a right of first refusal, with Microsoft granting other waivers in the past.



French Authorities Pledge Cooperation for AI Work

On March 20, 2025, the French Competition Authority (FCA) <u>announced</u> that it had recently held a joint seminar with the French Data Protection Authority (CNIL) to discuss the intersection of competition law and data protection law in the field of AI. The authorities discussed the FCA's 2024 competitive analysis of the generative AI sector, the CNIL's 2025 recommendations on the development of responsible AI, how to ensure that AI model training is lawful with regard to privacy law, and economic challenges of AI business models and the AI value chain. The seminar underlines the objective of the FCA and CNIL to cooperate closely on AI issues, as expressed in their <u>2023 joint</u> <u>declaration</u> and the FCA's <u>2024 opinion</u> on the CNIL's draft recommendations for mobile apps.

First Provisions of the AI Act Start to Apply in the EU

On February 2, 2025, the first provisions of the AI Act became applicable. Certain applications of AI that are perceived to pose an unacceptable risk (e.g., social scoring) are now prohibited in the EU. In addition, all companies subject to the AI Act must implement AI literacy requirements (e.g., staff training). To assist companies implementing the new rules, the European Commission (EC) has published extensive draft guidance on prohibited AI practices and on the definition of an AI system. For more information about the AI Act and its requirements, see our FAQ on "10 Things You Should Know About the EU AI Act" here.

Many of the AI Act provisions will be enforced at the national level. EU countries have until August 2, 2025, to <u>establish</u> which regulators will be competent to enforce the AI Act. Some countries have started announcing their enforcement frameworks. For example, on March 4, 2025, the Irish government <u>approved</u> a decentralized model formed of eight competent regulators. We expect more countries to finalize their enforcement frameworks in Q2 2025.

On August 2, 2025, the next phase of AI Act requirements will start to apply to new general purpose AI models (GPAI). The EC continues to draft the code of practice that will detail the new rules for GPAI. A third draft of



the Code was <u>published</u> in March 2025 and covers topics such as transparency requirements, provisions on copyright and safety and security. Discussions are ongoing and the Code is scheduled to be finalized by May 2025.

In parallel, the EC's agenda is focused on promoting development and deployment of AI in the EU, including facilitating the implementation of the AI Act. In February 2025, the EC <u>announced</u> that it plans to withdraw draft rules on liability in relation to AI in the EU. In July 2025, the AI Office (part of the EC) will <u>launch</u> an AI Act Service Desk for businesses and other stakeholders to ask questions about implementing the AI Act. On April 9, 2025, the EC called for stakeholders to provide feedback on the current state of AI in the EU, including challenges they face with implementing the AI Act. The public consultation is open for feedback until June 4, 2025, via this <u>link</u>. The EC will assess the feedback to determine whether any amendments to the AI Act are necessary.

Data Protection Authorities in the EU Focus on AI Models and Continue to Develop Guidance

Companies offering AI, in particular genAI models, in the EU continue to face regulatory scrutiny in relation to compliance with the General Data Protection Regulation (GDPR). In January and February 2025, several EU data protection authorities (DPAs) took steps towards investigating the AI chatbot, DeepSeek, and its Chinese providers. Most notably, the Italian DPA <u>urgently ordered</u> DeepSeek's providers to stop processing data of Italian users and started an investigation <u>focusing</u> on the lawfulness and transparency of processing personal data by the AI chatbot. The order came after DeepSeek's providers argued that the GDPR does not apply to them. Several German DPAs also announced <u>coordinated investigations</u> into whether DeepSeek's providers have appointed representatives in the EU. In addition, on March 20, 2025, privacy activist group NOYB <u>filed</u> a complaint with the Norwegian DPA about alleged hallucinations made by another genAI application. On April 11, 2025, the Irish



DPA <u>announced</u> that it has started an inquiry into XIUC's processing of EU personal data contained in public posts on X to train its AI model, Grok Large Language Models. The inquiry focuses on topics such as lawfulness and transparency of processing.

Meanwhile, EU DPAs continue to develop their positions on AI and the GDPR. On March 27, 2025, the French DPA announced that it plans to publish new factsheets on AI and the GDPR in 2025. The factsheets will focus on the use of legitimate interest for developing AI models, the application of the GDPR to AI models as well as the conditions for deploying AI systems in education, workplaces, and local authorities. The European Data Protection Board (EDPB) has published a report, "AI Privacy Risks & Mitigations for Large Language Models (LLMs)," which includes a comprehensive risk management methodology for LLM systems and a number of practical privacy risk mitigation measures. During its April plenary meeting, the EDPB agreed to closely cooperate with the AI Office to draft guidelines on the interplay between the AI Act and the GDPR.

UK's Flexible Regulatory Approach Evolves to Attract AI Companies into the UK

To date, the UK government has refrained from legislating to regulate AI, preferring a more flexible, "proinnovation" approach. In July 2024, the UK government <u>indicated</u> that it will introduce AI legislation to regulate the most powerful AI models. However, a bill has not yet been introduced and it has been <u>reported</u> that no draft will be published before this summer as legislators seek to align with the deregulatory agenda of the Trump administration. Meanwhile, on March 4, 2025, the Artificial Intelligence (Regulation) Bill was <u>re-introduced</u> to the upper chamber of the UK Parliament after it failed to become law before the general election in July 2024. This bill is not formally backed by the UK government. In response to the UK government's focus on economic growth, the Information Commissioner's Officer (ICO) <u>announced</u> that it will simplify guidance on how businesses developing and deploying AI can comply with UK data protection law. The ICO supports embedding this guidance into a statutory code of practice.

Deal Highlights

Wilson Sonsini Advises Assort Health on \$22 Million Series A Fundraise

On April 16, 2025, Assort Health, a leading AI platform for managing specialty-specific patient phone calls, announced a new round of institutional financing co-led by First Round Capital and Chemistry, with participation from existing investor Quiet Capital. This brings Assort Health's total capital raised to \$26 million. Wilson Sonsini Goodrich & Rosati advised Assort Health on the fundraise.

Assort Health is an AI platform for managing patient phone calls that integrates directly with electronic health record systems to update patient data and insurance information and schedule appointments in real-time. The platform is designed to be adaptable to the specific needs of different specialty practices. With this funding, Assort Health plans to expand its engineering team and accelerate its mission to improve access to care by eliminating the lengthy hold times and scheduling inefficiencies that plague healthcare organizations.

Wilson Sonsini Advises Quanta on Launch and \$4.7 Million Fundraise

On February 27, 2025, Quanta, a lightning-fast, precision accounting solution, announced its launch and \$4.7 million seed round. The round was led by Accel with participation from Designer Fund, Elad Gil, Basecase, Comma Capital, Operator Collective, Founders You Should Know, Homebrew, and others. Wilson Sonsini Goodrich & Rosati advised Quanta on the launch and fundraise.

Quanta is an AI-powered accounting platform for software companies that takes data from a company's existing fintech tools and automatically produces



books and real-time reports. With this fundraise, Quanta plans to move beyond its current niche of early-stage software companies to larger businesses, including ones with multiple corporate entities.

Wilson Sonsini Advises Alianza on Acquisition of Metaswitch

On March 4, 2025, Alianza, Inc., the world's first cloud-orchestrated, AIpowered communications platform dedicated to service providers, announced the completion of its acquisition of Metaswitch from Microsoft. Financing of the transaction was provided by existing Alianza investors, and a syndicate of commercial banks led by Wells Fargo. Wilson Sonsini Goodrich & Rosati advised Alianza on the transaction.

The combined offerings of Metaswitch and Alianza will enable service providers to close a massive gap in their ability to grow services revenue and improve operational efficiency. With the close of this transaction, Alianza will serve a combined customer base of more than 1,000 communication service providers, including 19 of the top 20 global operators.

Wilson Sonsini Advises Enter (formerly Talisman) on Financing Round with Sequoia Capital

On March 10, 2025, Enter (formerly Talisman), a start-up that is using AI to help large companies with their legal defenses, announced it has closed a round with Sequoia Capital. The value of the round is undisclosed, but since its founding, the company has raised a total of US\$5.5 million. The round marks the first investment from Sequoia Capital in Brazil since its investment in Nubank 12 years ago. Wilson Sonsini Goodrich & Rosati advised Enter on the transaction.

Enter offers AI solutions for companies, with a focus on automated legal defenses. The technology allows the company's AI agents to quickly analyze large volumes of documents, including audio, video, case law and other relevant data, to generate personalized legal petitions. The tool can interpret complex procedural data, identify patterns and, most importantly, combat predatory litigation, a phenomenon that occupies a significant part of the Brazilian judicial system.

Deal Highlights ... (Continued from page 9)

Wilson Sonsini Advises 9fin on Acquisition of Bond Radar

Wilson Sonsini's London-based M&A team advised 9fin, a leading AI-powered analytics platform for debt capital markets, on the acquisition of UK-based Bond Radar. The strategic acquisition of Bond Radar, a premier intelligence and data provider for the international bond and loan markets, will enhance 9fin's offering with Bond Radar's deep historical data and broad market reach, particularly within investment-grade debt and emerging markets.

Wilson Sonsini Advises LinkedIn on Transaction with Tumult Labs

On March 31, 2025, LinkedIn and Tumult Labs announced a transaction that brings to LinkedIn the Tumult Labs team, which has deep expertise in differential privacy and algorithmic fairness that can be harnessed in building responsible AI solutions. Wilson Sonsini Goodrich & Rosati advised LinkedIn on the transaction.

The addition aims to enhance LinkedIn's development of responsible AI solutions focused on human-centered design. The team's experience will help accelerate LinkedIn's efforts in AI capabilities and improve the support provided to members and customers in achieving their goals.

Wilson Sonsini Advises Skilljar on Acquisition by Gainsight

On April 2, 2025, Gainsight, a world-

leading Customer Success platform that helps businesses drive growth by unifying the post-sales customer journey, acquired Skilljar, a leading Learning Management Software (LMS) provider for external training. Wilson Sonsini Goodrich & Rosati advised Skilljar on the transaction.

Building on Skilljar's AI progress, Gainsight is reinforcing its commitment to embarking on an Agentic journey to deliver personalized learning at scale, further underscoring its commitment to driving revenue growth and exceptional customer outcomes. The acquisition also bolsters Gainsight's established and thriving customer education community by uniting it with Skilljar, creating a leading collective of industry experts to drive this transformative vision.

Wilson Sonsini Al Advisory Practice Highlights

Wilson Sonsini attorneys provided AIrelated guidance at the following events:

- On March 11, Julia Minitti discussed IP considerations for the use of AI in drug discovery as part of a twoday Pharmaceutical and Bioscience Society webcast titled, "Artificial Intelligence and Machine Learning to Drive Therapeutic Drug Discovery & Development."
- On March 27, Anne Seymour advised on best practices in mitigating problems surrounding compliance with new AI rules and regulations as part of the American Conference Institute's 15th Forum on "Global Encryption, AI, Cloud & Cyber Export Controls."
- On <u>April 2</u>, Gary Greenstein participated in a panel exploring

the legal and policy challenges of applying copyright law to AI-generated music alongside moderator Hon. Denny Chin (U.S. Court of Appeals) and panelists Jonathan King, Esq. (Partner, Cowan, Liebowitz & Latman, P.C.), and Carla Miller, Esq. (Senior Vice President, Business & Legal Affairs, Universal Music Group).

- On <u>April 9</u>, Eric Tuttle and Manja Sachet participated in a panel and roundtable discussions on copyright, IP protection, and AI at the CenterForce AI Governance and Strategy Summit.
- On <u>April 22</u>, Taylor Owings participated in a panel exploring the growing concerns over AI-driven anticompetitive practices, potential mergers involving AI assets, and

the evolving landscape of antitrust enforcement under President Trump's second term.

- On <u>April 29</u>, Jess Krannich, Maneesha Mithal, and Michelle Yost Hale discussed AI, regulatory, and compliance updates at a seminar on competition law, along with FTC Commissioner Melissa Holyoak.
- On <u>April 30</u>, Yann Padova and Raj Mahapatra joined Annick O'Brien (General Counsel for CybSafe) and Nicholas Butts (Director of Global Cybersecurity and AI Policy for Microsoft) in an online webinar to discuss the challenges of creating effective AI regulations and assessing which jurisdictions are leading the way.

Newsletter Contributors

- Kristen Abram
- Laura Ahmed
- Hin Au
- Deirdre Carroll
- <u>Cooper Cuene</u>
- Laura De Boel
- Julius Giesen

- Angela Guo
- Jordan Jaffe
- Jindrich Kloub
- Angelica Lee
- Maneesha Mithal
- Ava Munson
- Chris Murray

- Manja Sachet
- Taylor Stenberg Erb
- Andrii Onysko
- Hattie Watson
- Dawson Wong
- <u>Malcolm Yeary</u>

The following attorneys have editorial oversight of Wilson Sonsini's All Eyes on AI: Regulatory, Litigation, and Transactional Developments.





Maneesha Mithal mmithal@wsgr.com



Jordan R. Jaffe

jjaffe@wsgr.com

Scott McKinney



msachet@wsgr.cor

WILSON SONSINI

650 Page Mill Road, Palo Alto, California 94304-1050 | Phone 650-493-9300 | Fax 650-493-6811 | www.wsgr.com

Wilson Sonsini has 17 offices in technology and business hubs worldwide. For more information, visit wsgr.com/offices.

This communication is provided as a service to our clients and friends for general informational purposes. It should not be construed or relied on as legal advice or a legal opinion, and does not create an attorney-client relationship. This communication may be considered attorney advertising in some jurisdictions. Prior results do not guarantee a similar outcome.

 \odot 2025 Wilson Sonsini Goodrich & Rosati, Professional Corporation. All rights reserved.