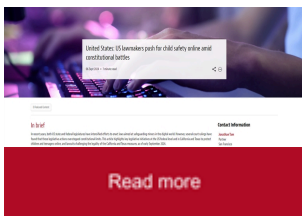




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United States: US lawmakers push for child safety online amid constitutional battles

The federal Kids Online Safety and Privacy Act (KOSPA), passed by the Senate in July 2024, aims to safeguard children and teens by imposing various obligations on online platforms. Meanwhile, California's Age-Appropriate Design Code Act (CAADCA) and Texas' Securing Children Online through Parental Empowerment (SCOPE) Act have encountered legal hurdles, with courts questioning their constitutionality. These developments highlight the ongoing struggle to balance child safety with constitutional rights in the digital age.

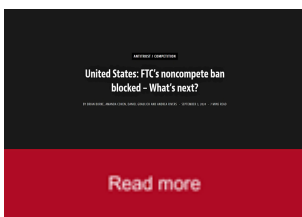
For more information, please contact **Jonathan Tam**



New Cybersecurity Law Regulates Far Beyond Critical Infrastructure

The new Network and Information Security Directive (NIS2) is intended to extend the scope of regulation to other critical sectors such as waste water, space, public administration, waste management, chemicals, postal and courier services, food processing and manufacturing industries, and IT services in general. NIS2 is also more prescriptive and detailed than NIS1 in order to reduce heterogeneity and thus fragmentation of Member States' implementation laws. As discussed in this article, NIS2 also applies to companies that merely provide IT services within their corporate group.

For more information, please contact **Dr. Lukas Feiler, Prof. Dr. Michael Schmidl** and **Silvia Grohman**



FTC's Noncompete Ban Blocked in the United States – What's Next?

A federal judge in Texas recently issued a nationwide injunction against the Federal Trade Commission's rule banning most employee noncompetes. The injunction relieves employers from having to comply with the rule, meaning that employers can maintain noncompete agreements they have in place with employees. The FTC issued a statement indicating that it is considering its appeal options to remove the injunction and noted that it remains able and willing to challenge the legality of noncompetes on a case-by-case basis, which was never in dispute.

For more information, please contact **Brian Burke, Amanda Cohen, Daniel Graulich** and **Andrea Rivers**

US Appellate Court Directs Lower Court to Consider (Some) Constitutional Challenges to Digital Asset Reporting

On the 10th, the US Appellate Court directed the lower court to consider (some) constitutional challenges to digital asset reporting. The court's decision is a significant development in the ongoing debate over the reporting requirements for digital assets.

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US Appellate Court Directs Lower Court to Consider (Some) Constitutional Challenges to Digital Asset Reporting

In 2021, the US government amended Section 6050I, of the US Internal Revenue Code (contained in Title 26) by adding digital assets to the list of assets that must be included when determining whether cash received in one or more related transactions has a value in excess of the \$10,000 reporting threshold for businesses reporting purposes. This led to a lawsuit challenging the law on constitutional grounds, including privacy and freedom of association. The District Court dismissed the case, but the Sixth Circuit allowed some claims to proceed, emphasizing the need for further scrutiny of the law's implications on digital asset transactions. The Sixth Circuit remanded the case to resolve whether Congress exceeded its power, and whether Section 6050I violates the Fourth and First Amendments. The IRS has temporarily suspended the requirement to include digital assets in the \$10,000 threshold calculation, easing immediate reporting obligations.

For more information, please contact [Caleb Sainsbury](#) and [Mathieu Wiener](#)



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United States: The growing importance of the NIST AI Risk Management Framework

As AI capabilities and applications continue to advance, the National Institute of Standards and Technology's (NIST's) **Artificial Intelligence Risk Management Framework** (AI RMF) has emerged as a vital tool for organizations to responsibly develop and use AI systems. We covered the AI RMF shortly after NIST published the framework in January 2023. Since then, the importance of the publication has only grown, with numerous US executive orders, bills and laws building on or incorporating the framework.

For more information, please contact [Jonathan Tam](#)

Over Fifty Countries Sign on to the Council of Europe's Framework Convention on Artificial Intelligence, the First Legally Binding International Treaty on AI



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Over Fifty Countries Sign on to the Council of Europe's Framework Convention on Artificial Intelligence, the First Legally Binding International Treaty on AI

The Council of Europe and eleven non-member states signed the Framework Convention on Artificial Intelligence on September 5, 2024. The Convention aims to ensure AI technologies align with core principles like human rights, democracy, and the rule of law, while promoting innovation in the field. While some of its aspects draw upon the recent EU AI Act, the Convention—being a creature of international law—differs from the AI Act in that it affords signatories considerable flexibility. The Convention does not prescribe specific measures but articulates broad goals, leaving countries to decide what laws or mechanisms to put into place to implement the Convention's objectives. Despite this lack of specific requirements, the Convention, as the first multilateral treaty addressing AI, represents an important landmark in global AI regulation.

For more information, please contact [Adam Aft](#), [Cynthia Cole](#) and [Avi Toltzis](#)

BIS Issues Interim Final Rule to Align Export Controls on Advanced Technologies with Certain Allies and to Support Development of Advanced Technologies, Including Quantum Computing, Semiconductor Manufacturing and Additive Manufacturing

The US Department of Commerce's Bureau of Industry and Security (BIS) issued an interim final rule (the "IFR") on September 6, 2024 that updates the "Entity List" and "Technology Control Lists" on certain advanced technologies, including certain quantum, semiconductor-related and additive manufacturing items, under new and amended ECRNs in the Export Administration Regulations (the "EAR").

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BIS Issues Interim Final Rule to Align Export Controls on Advanced Technologies with Certain Allies and to Support Development of Advanced Technologies, Including Quantum Computing, Semiconductor Manufacturing and Additive Manufacturing

The US Department of Commerce's Bureau of Industry and Security (BIS) issued an interim final rule on September 6, 2024, introducing new worldwide licensing controls on advanced technologies, including certain quantum and semiconductor-related items. The updates include license exceptions for allied countries implementing equivalent controls, new general licenses for certain technologies and certain deemed export/reexport exclusions. While the interim final rule is effective from September 6, 2024 some provisions are not effective until November 5, 2024. Public comments on the rule's impact are due by November 5, 2024.

For more information, please contact [Alison J. Stafford Powell](#), [Daniel Andreoff](#) and [Patrick de Lap rouse](#)

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And...cut! California moves to restrict AI actors

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And...cut! California moves to restrict AI actors

California Governor Newsom signed two new laws on September 17, 2024, aimed at protecting performers' rights against unauthorized AI-generated digital replicas. AB 2602 addresses contractual provisions related to digital replicas, while AB 1836 establishes a cause of action for the unauthorized use of a digital replica of a deceased personality's voice or likeness, with specific exemptions. Consistent with other post-mortem rights in California's right of publicity statute, AB 1836's digital replica right lasts for 70 years after the death of the personality.

For more information, please contact [Cynthia Cole](#), [Pamela Church](#) and [Adam Aft](#)

Conquering the Carve-Out Trilemma:

Strategies for Optimal Deal Outcomes

In a market defined by both economic and geopolitical uncertainty, carve-outs remain a resilient strategy for unlocking hidden value.

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Conquering the Carve-Out Trilemma: Strategies for Optimal Deal Outcomes

Our Wall Street Journal content partnership series continues with a new piece. The article outlines how carve-outs remain a resilient strategy for unlocking hidden value, even in markets defined by economic and geopolitical uncertainty.

For more information, please contact [Jannan Crozier](#) and [Richard Needham](#) and [Olivia Tyrrell](#)

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