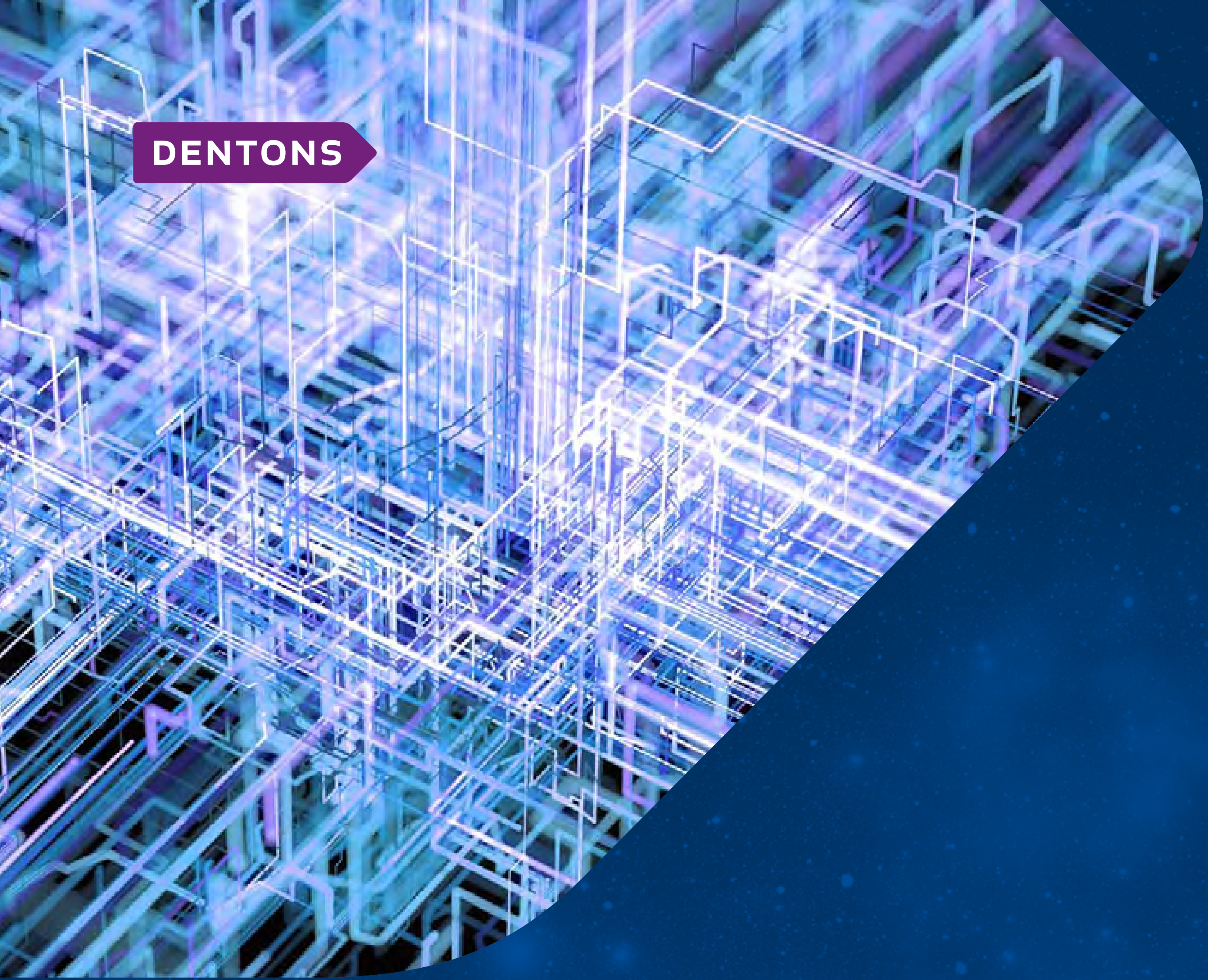



# Voices from the market: The AI report

Clients across North America provide cross-sector insights on AI adoption, regulation and risk

# Foreword

As organizations worldwide accelerate enterprise-scale AI deployment, they face a critical challenge: balancing innovation with legal, ethical and reputational risk. What was once exploratory adoption has quickly become a strategic priority, with leaders now focused on building responsible frameworks, accelerating implementation and capturing meaningful business value. In the absence of universal regulation, many companies across the world are designing their own AI governance frameworks. Yet gaps persist in critical areas such as third-party data use, liability assignment and intellectual property ownership.

To better understand how organizations are navigating this shift, Dentons surveyed legal, business and operations leaders following our inaugural North American Legal AI Summit, here is a look back at what the survey data revealed. Their responses offer a view into where legal teams stand today: what is driving adoption, where the pressure points are, and how they are preparing for the next wave of change. This report distills those findings into a clear, structured view of how legal teams are adopting AI—highlighting the big-picture observations, business implications and the strategic considerations leaders should prioritize next.

Leaders want AI to empower teams. However, there is the need for balance: enough structure to guide teams, without rules that hold them back. As one respondent put it: "We want to cover the basics, but we don't want to stymie innovation or scare people away with too many 'do nots.'"

# Executive summary – Key survey insights

**The impact of AI on M&A is here already—and clients are feeling it**

39% of respondents say AI is already moderately or fundamentally transforming deal flow, valuations, synergies and diligence, and 70% report at least some impact. This is driving immediate demand for AI-enabled M&A advisory, diligence automation, and enhanced valuation and antitrust support.

**AI governance is taking shape, but adoption of standards is inconsistent**

Respondents reported drawing on government guidance (10%), ISO/IEC 42001 (13%) and various industry-specific frameworks (25%) to shape internal AI practices. What organizations need, however, is practical, implementable governance—not just policy. This creates a clear opportunity for structured governance programs, certification readiness support and board-level education.

**Contractual challenges relating to risk allocation and responsibility**

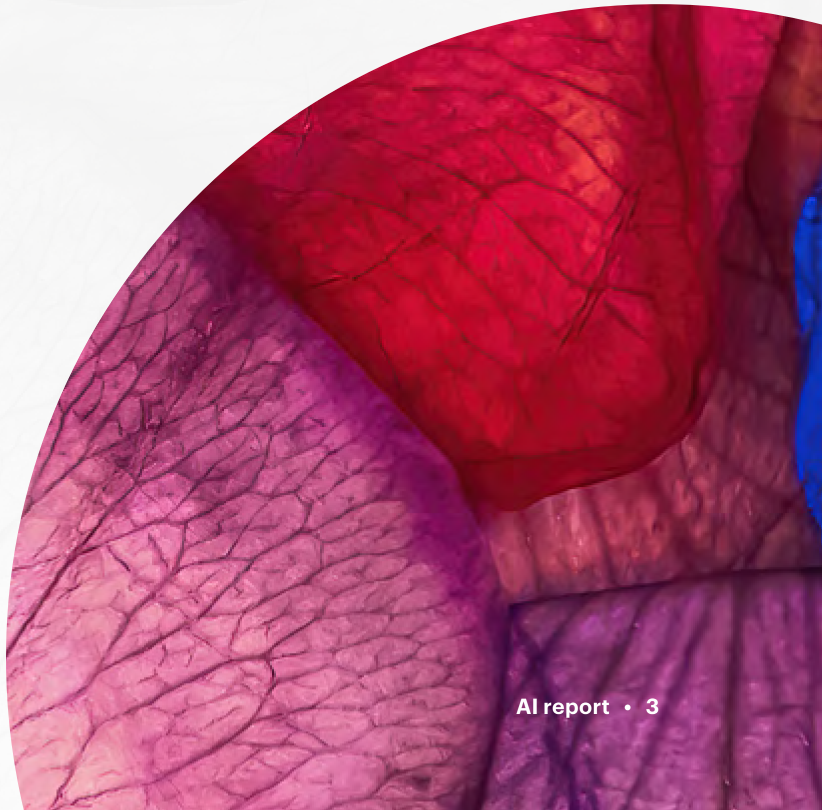
More than half of respondents believe that the roles, responsibilities and risk allocation associated with algorithmic harm or errors in AI results are only loosely defined. This indicates that businesses are deploying AI faster than they are defining who is responsible when things go wrong, exposing them to unclear liability, disputes with vendors and inconsistent internal decision-making.

**Leaders are watching the privacy gap in AI adoption**

A third of participants expressed concern about vendor use of data, chiefly about whether vendors are using shared data for their own purposes and for training AI, creating real exposure around data protection, confidentiality, and the unauthorized use of proprietary information for model training.

**IP ownership of AI outputs is fragmented**

With respondents divided across joint ownership (21%), user ownership (35%), developer ownership (21%) and public domain (16%) ownership models, our survey results underscore how unsettled AI intellectual property ownership remains and signal demand for AI IP strategy, contracting templates and risk allocation models.



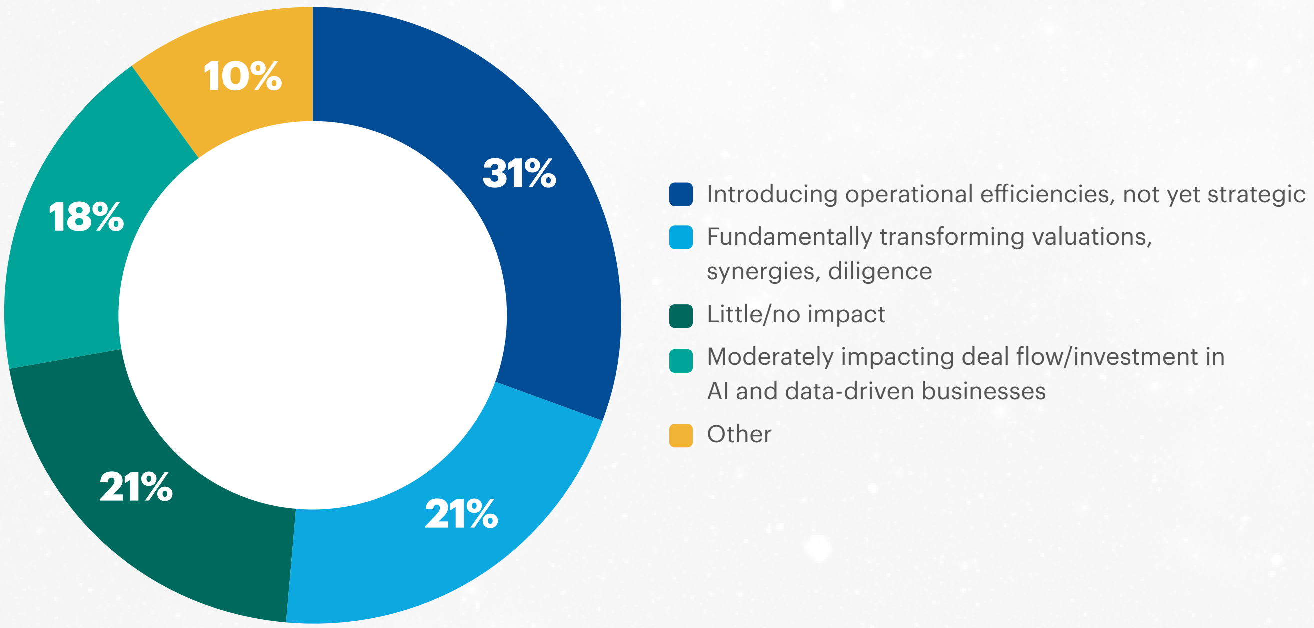
**Survey results** Findings and insights

# M&A and AI : The big picture

AI's influence on North American M&A is becoming increasingly visible. According to 70% of our respondents, AI has at least some impact on how transactions are analyzed and negotiated. Specifically, buy-side dealmakers emphasize proprietary data, usage growth, scalability and brand as AI valuation drivers. Survey results also show that diligence is expanding to examine to rights to data, modelling risk and maturity of AI governance.

### Question: How significantly is AI influencing mergers and acquisitions today?

**Results:**



## Implications for your business

AI promises to transform both the business drivers of M&A programs, as well as how M&A transactions are carried out. An AI-driven M&A process may include:

- Instant population and review of data rooms;
- AI-assisted risk detection and issue spotting;
- Changing standards of materiality driven by AI's ability to review an entire universe of documents and data points;
- Representations and warranties and other insurance products where risk is priced and calibrated partially based on AI review processes; and
- AI-facilitated negotiation designed to achieve faster consensus and remove the friction and delay associated with the drafting process.

Companies involved in M&A should leverage AI technologies to streamline processes, reduce costs and mitigate risks throughout the transaction lifecycle. Dentons' deal teams, including AI leaders, can help you ensure M&A, investments and joint ventures involving AI assets deliver their intended value.

## What now? Strategic considerations

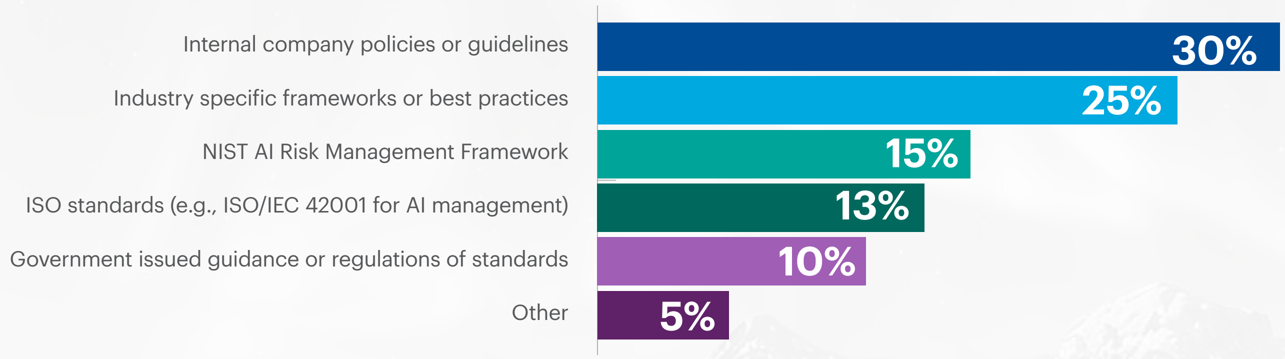
- As a buyer, is the target's AI maturity influencing your valuation strategy?
- Do you understand how to test a target's AI capabilities in product development and operationally throughout their organization?
- Do your due diligence processes cover AI use, IP rights and data governance?
- Are you considering financing options to support capital-intensive AI growth strategies (whether organic or by acquisition)?
- Are you familiar with potential regulatory barriers to acquiring AI-driven companies (CFIUS, *Investment Canada Act*)?
- Are you ready for AI-powered deal processes such as AI-driven due diligence and document creation?

# AI governance standards adoption: The big picture

The AI regulatory environment is not yet catching up to the rapid pace of AI development. Our survey shows that while many organizations are selectively applying AI governance guidance, few have implemented an integrated, auditable AI management system. Across North America, businesses are left navigating a patchwork of guidelines and voluntary codes which offer guiding principles such as accountability, safety and fairness, but are vague and incomplete. At the same time, board-level oversight and assurance needs are rising, driven by emerging EU and US state requirements and pressure from Québec's *Act respecting the protection of personal information* (ARPPIPS).

**Question: Does your organization use any of the following as reference points when adopting or implementing AI?**

**Results:**



## Implications for your business

For Canadian businesses operating internationally, the lack of cohesive AI regulations globally underscores the need for robust internal AI governance frameworks to ensure compliance across jurisdictions. The absence of dedicated AI legislation leaves organizations navigating risk without a clear, standardized framework. As a result, AI solutions routinely intersect with existing legal regimes, including privacy, intellectual property, employment, and liability, creating complex compliance demands and uncertainty around governance obligations.

To ensure legal compliance in the absence of a clear legislative framework, organizations must develop their own AI legal compliance program. ISO and NIST standards provide a roadmap for organizations seeking to adopt AI responsibly and at scale. The first step is strategic: evaluating AI use cases through the lens of the organization's business model, risk appetite and stakeholder landscape. With this foundation in place, organizations can develop a comprehensive governance framework that embeds policies, processes and accountability across the enterprise. Implementation should be supported by risk assessments, resource planning and capability building, together with controls and regular evaluations that keep pace with evolving legal and regulatory expectations.

Dentons helps organizations build ISO- and NIST-aligned AI governance frameworks that work across jurisdictions. Our cross-border, cross-disciplinary teams translate evolving regulations into practical policies, risk controls and contracting strategies so clients can deploy AI responsibly while strengthening compliance, accountability and operational resilience.

## What now? Strategic considerations

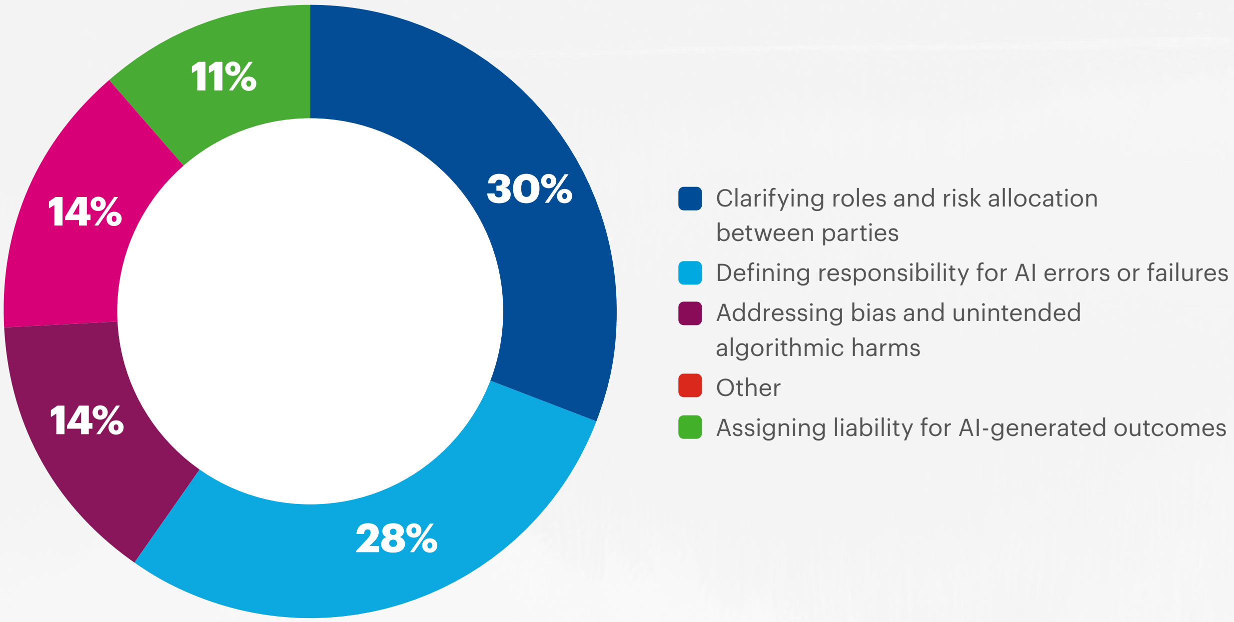
- Have you mapped out how your AI systems align with global standards such as ISO and NIST?
- Are you prepared for cross-border regulatory differences and harmonization efforts?
- Do you have policies in place that reflect core AI principles like fairness and transparency?

# Contractual issues related to AI: The big picture

Our survey of North American business and legal leaders points to a widening gap between AI deployment and the contractual structures needed to govern it, as clients are adopting AI faster than they are maturing risk management. Close to 60% of respondents expressed that role clarity and risk allocation, and responsibility for AI errors or failures, are the most significant hurdles for their teams, illustrating the broader uncertainty surrounding accountability and liability within AI use. These challenges faced by organizations reveal broader gaps in how they consider technical failures, biases, data ownership and confidentiality.

### Question: Which contractual issue do you find most challenging when addressing AI-related risks?

**Results:**



## Implications for your business

As organizations deploy AI—whether through external vendors or internally developed solutions—contractual risk allocation is becoming a defining business issue. Clear frameworks for managing responsibility, liability and data use are no longer optional; they are essential to safeguarding operational resilience, regulatory compliance and commercial outcomes.

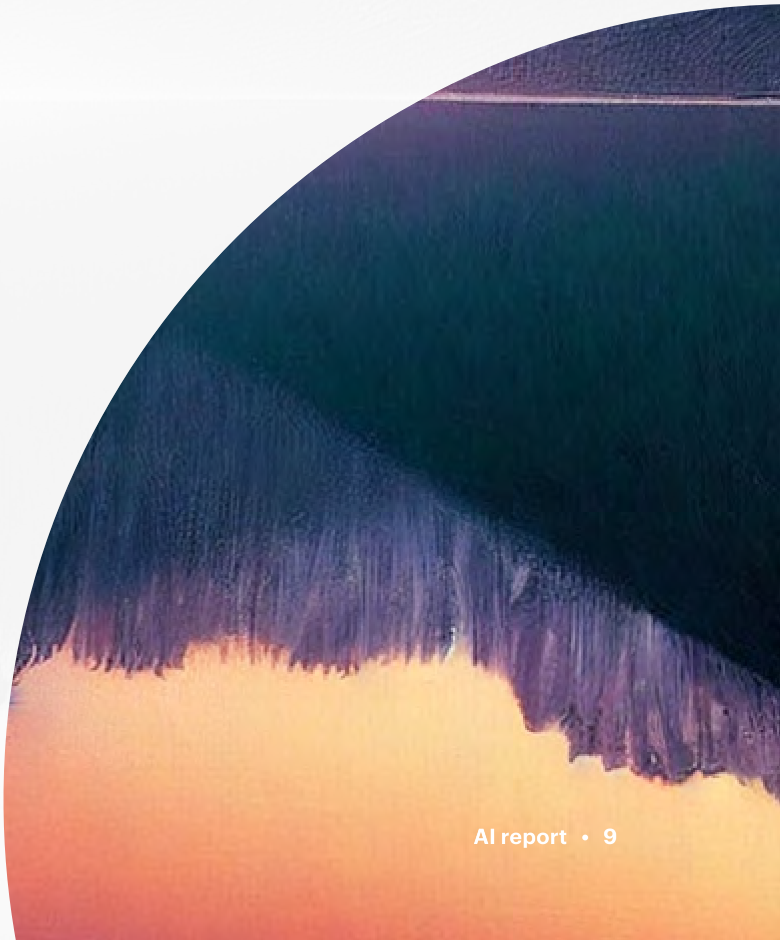
Businesses should assess AI-related risks upfront as part of their broader AI governance and risk-management framework. This includes determining how risks will be minimized or mitigated during system design and development, and ensuring those same requirements are embedded in vendor and partner agreements, and in internal policies. Viewing AI risks alongside other contractual risks, evaluated in the context of the agreement and the intended use of the technology, enables more informed decision-making. Establishing baseline positions early, such as whether a provider may train models on your data or rely on third-party datasets, is critical to avoiding downstream disputes and misaligned expectations.

Organizations should be prepared before entering negotiations to surface issues as soon as possible and, where necessary, restructure the technical deployment to offset risk—such as using dedicated instances or segregated environments.

Where risks cannot be fully addressed contractually, organizations can leverage operational mitigation strategies: internal policies, user disclosures, specialized training and technical controls that monitor AI use and generate alerts—all of which Dentons can support you with.

## What now? Strategic considerations

- Do your contracts clearly address liability for AI-generated decisions?
- Have you defined who owns the outputs of your AI tools?
- Are you protected if an AI tool fails or causes harm?

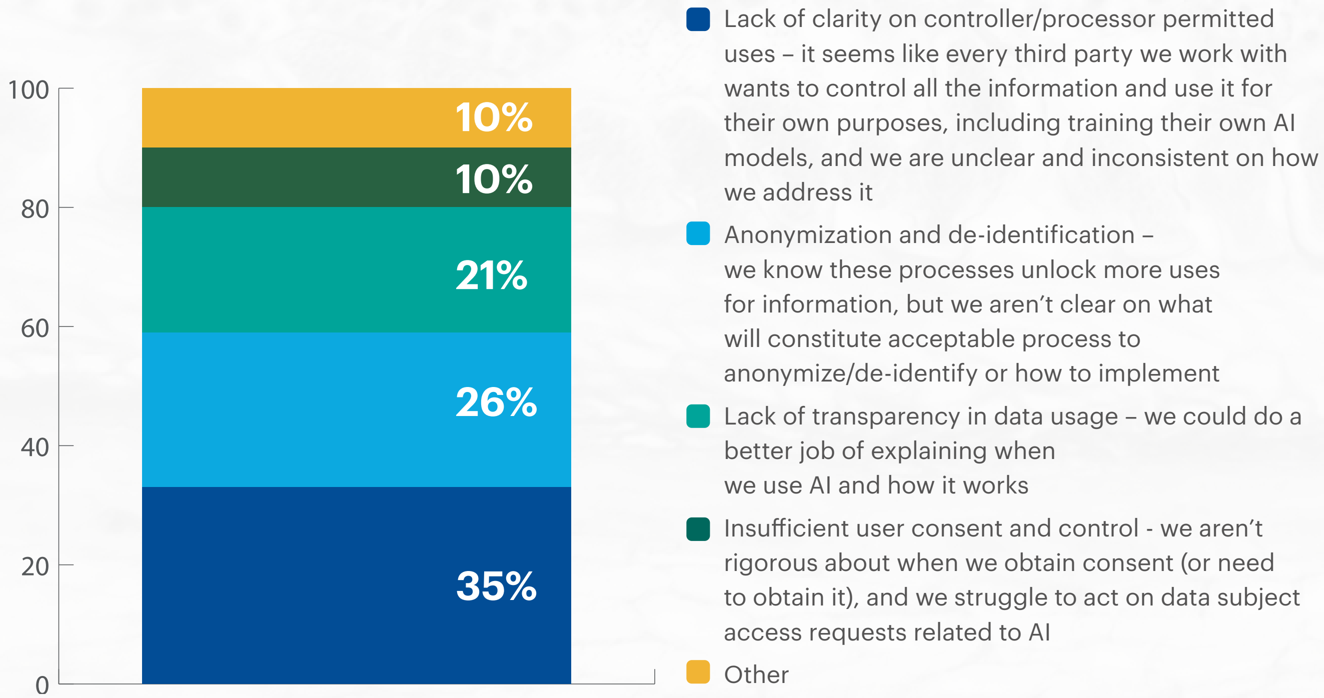


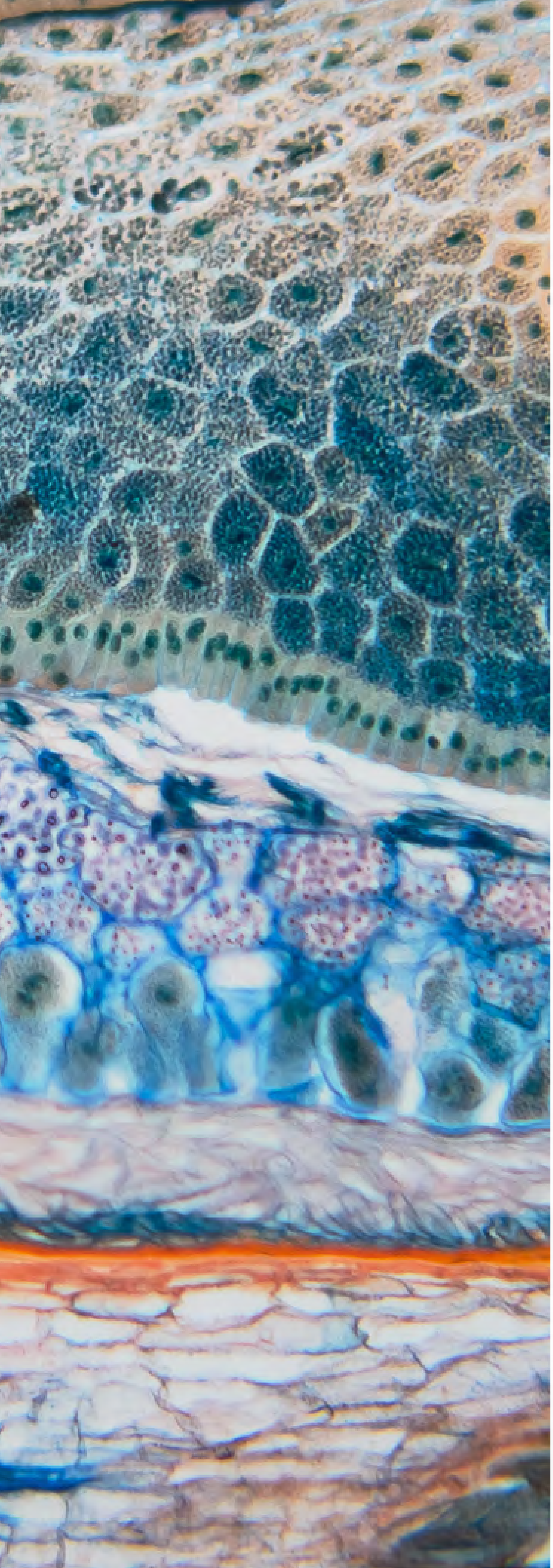
# Privacy risks and AI: The big picture

Privacy remains one of the most immediate and material risks in corporate AI use. A third of leaders who participated in our survey reported both uncertainty and inconsistency in their understanding of how vendors use their data, and many expressed concern that information may be repurposed or used to train models without sufficient transparency. These gaps, and the related lack of visibility, underscore the need for more rigorous data governance practices for organizations, in addition to clear and enforceable vendor obligations.

**Question: What is the one privacy control you think your organization needs to improve to more effectively reduce privacy risk related to your current or anticipated deployment of AI?**

**Results:**





## Implications for your business

Businesses should invest the time to develop a consistent understanding and approach to the treatment of information they share with vendors and service providers —this includes undertaking a data mapping project with clear data classification and risk rating. This exercise should be led by the privacy officer and counsel, with support from the business' IT. Organizations should also develop a playbook of acceptable contractual clauses to speed negotiation and reduce risk.

Privacy officers should have a clear understanding of these technologies and should be introduced early into any AI project or acquisition that will use personal information. Organizations should develop AI-specific privacy impacts assessments: while not yet mandatory in most of Canada, they remain an effective tool for identifying and reducing risk.

Dentons helps clients build consistent data-governance practices across borders—mapping data, setting clear contractual terms and bringing privacy officers in early, and supporting AI-specific privacy impact assessments and stronger vendor oversight so organizations can move quickly while keeping risk in check. No privacy officer? No problem. Reach out to us for information on our Virtual Privacy Officer (vPO), a customizable and scalable solution provides expedient access to our privacy expertise to suit your business needs.

## What now? Strategic considerations

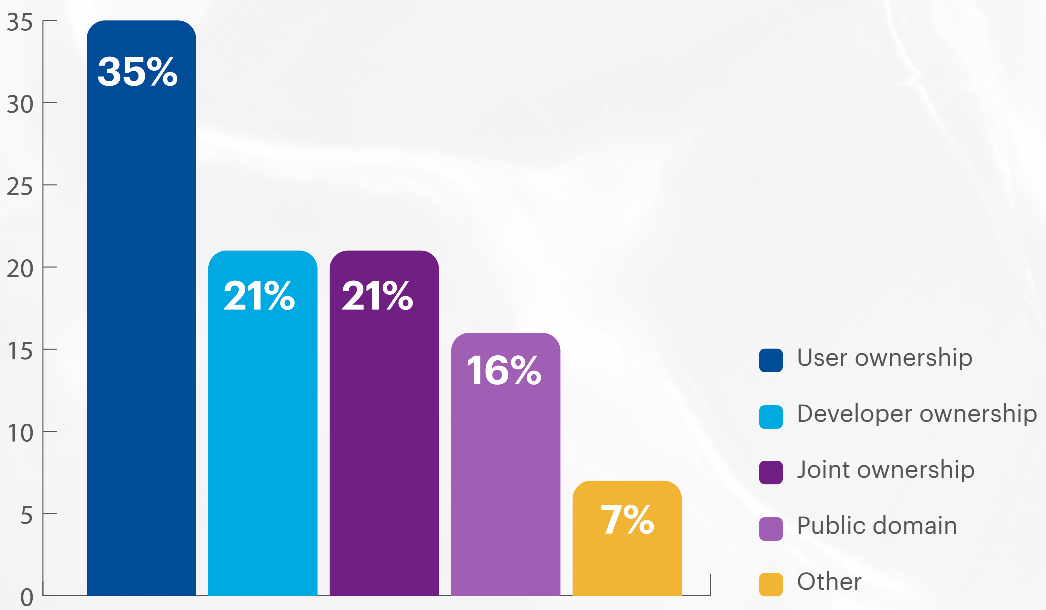
- Is your consent model legally valid in all jurisdictions where you operate?
- Are you truly anonymizing data, or just de-identifying it?
- Have you conducted PIAs for your AI tools?

# IP ownership for AI-generated outputs: The big picture

IP ownership questions sit at the core of AI deployment, yet our survey shows that organizations are far from alignment. The lack of consensus on the question of who should own IP rights for content generated by artificial intelligence leaves meaningful gaps in how companies commercialize AI-generated assets, enforce rights and manage indemnities. The split between user, developer and joint ownership—and a notable minority favouring public domain—shows that businesses are divided not only on who should own AI-generated IP, but on whether such outputs should be owned at all. With different industries confronting distinct risks, from media and content creation to software and life sciences, there is a growing need for tailored IP strategies and explicit contracting on model training and output rights.

### Question: Who should own intellectual property rights for content generated by AI?

**Results:**



## Implications for your business

AI-driven outputs are compressing development cycles, creating situations where delays in assessing patentability can result in lost rights. In parallel, the requirement in US and Canadian patent systems to document the human contribution in AI-assisted inventions is emerging as a critical compliance factor, with gaps in documentation carrying the risk of invalidation.

Accelerated timelines also mean that public disclosure—whether through marketing, investor materials or academic publications—can more easily undermine patentability as the window for protection narrows. Trade secret exposure is increasing as well, as generative AI tools introduce new risks of inadvertently revealing proprietary algorithms or datasets through employee prompts. Cross-border complexity is adding further pressure: differences in ownership and inventorship rules across jurisdictions mean that approaches centered on one country can leave rights in others unprotected unless strategies are aligned globally.

The decisions made today will shape your competitive advantage tomorrow. You can count on Dentons to guide you through the shifting IP landscape for AI—including patents, trade secrets, copyrights and the legal uncertainties surrounding AI-generated content.

## What now? Strategic considerations

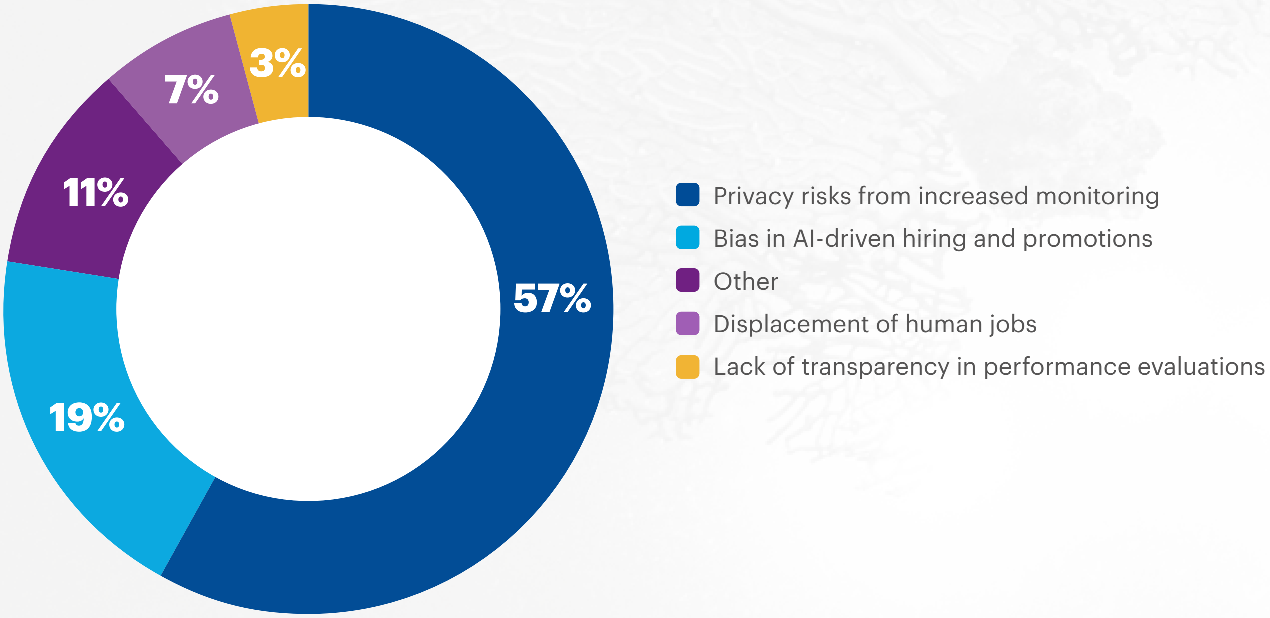
- Have you evaluated your AI inventions for patenting versus keeping those as trade secrets?
- Do you have an internal policy to minimize public disclosure of how your AI technologies operate?
- Have you vetted the terms of use of any generative AI platforms / services that your employees are using to create content?
- Have you reviewed the terms of any contracts with third parties who make use of your AI-generated content to ensure that your use of generative AI is compliant?

# AI in the workplace: The big picture

Workplace AI adoption is advancing, but questions around employee privacy are rising even faster. Nearly 60% respondents pointed to AI-driven monitoring as their biggest concern, underscoring the tension between efficiency gains and the heightened visibility these tools provide into employee activity and communication. Secondary worries—ranging from bias in HR decisions to job displacement and opaque evaluation systems—highlight that organizations must navigate a complex set of human-centric risks as they integrate AI into the workforce.

### Question: Who should own intellectual property rights for content generated by AI?

**Results:**



## Implications for your business

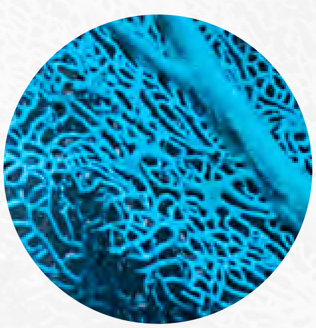
Before adopting AI in the workplace, organizations need to plan carefully and understand the implications of its deployment. Engagement with AI providers is becoming increasingly important, as businesses must understand how models are trained and what safeguards are in place to reduce legal exposure, including the risk of unintentionally discriminatory outcomes. At the same time, introducing AI tools requires assessing how these systems will affect the business, workforce and day-to-day operations—and how the organization may need to adapt over time.

When AI is used by employees, early involvement of internal stakeholders is proving to be critical. Cross-functional input helps organizations develop a clear picture of how AI tools will be integrated into daily work and where risks or opportunities may arise.

Employers must also consider key questions related to privacy, fairness and workplace rights. These are areas where Dentons can support you in ensuring your organization is adequately protected. Employers should focus on developing internal policies, selecting transparent and appropriate vendors, and incorporating human oversight to manage and mitigate risk.

## What now? Strategic considerations

- Have you audited your hiring and performance-management AI tools to ensure contractual protections against outputs that could lead to discriminatory outcomes?
- Are you evaluating AI tools to confirm that their training data is sufficiently diverse and that the model provider has strong governance practices to detect and mitigate unlawful or biased outcomes?
- Do you have robust human-in-the-loop processes to prevent over-reliance on AI in employment decisions?
- Have you implemented clear privacy disclosures that explain how AI tools are used, the risks they present, and how your organization pplies their outputs?



# Conclusion

As AI reshapes commercial activity across North America, our findings[1] point to a consistent theme: adoption is accelerating faster than the governance structures needed to support it. Organizations are experiencing real impact—from M&A to HR to contracting—yet face persistent uncertainty around privacy, vendor practices, IP ownership, liability and risk allocation.

The next phase of AI maturity will require clearer frameworks, more transparent data practices, stronger contractual positions and deeper organizational literacy at every level. Businesses that move early to build integrated, auditable AI governance systems and align them with their strategic priorities will be better positioned to adopt AI responsibly, reduce risk and secure competitive advantage as regulatory expectations evolve.

Dentons stands ready to support leaders navigating this shift with integrated, cross-disciplinary guidance that balances innovation with accountability and positions organizations to adopt AI responsibly and at scale. Our full-service global AI team provides solutions to help you successfully implement AI technologies to support your organization's strategy, while navigating the complexity of existing and future regulations.

[1] About the survey: The survey was held from May to July 2025, and garnered responses from participants across Canada and the US, representing a full range of industries, company sizes, functional specialties, and tenures.

## Additional related resources

### AI: Global Solutions Hub

AI is a critical issue for all organizations across every sector and geography, presenting both challenges and opportunities. We created this hub to help our clients understand where responsibility sits for good governance, regulation and compliance—as well as to establish best practices to derive the full benefits of AI. Dentons' AI group provides cross-practice solutions to grow, protect, operate and finance AI solutions for your business.

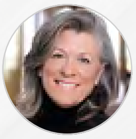
### North American Legal AI Summit – From ambition to adoption: Navigating the realities of AI

The 2025 North American Legal AI Summit was a cross-border forum that brings together senior legal, business, and technology leaders from across Canada and the United States to discuss how AI is reshaping legal risk, governance, and enterprise strategy. The Summit examined real-world adoption challenges, emerging regulatory expectations, and the practical implications of deploying AI at scale across diverse sectors.

### Developing and investing in data centers

Dentons helps tech giants, developers and investors with their data center projects on a global basis. Those active in this space recognize the deep knowledge Dentons' global team of data center lawyers delivers. Data center projects require a fusion of specialist expertise, including power project, regulatory, real estate and financing knowledge as well as a deep understanding of FIDIC/OFCI type contracts, data privacy and the intricacies of colocation agreements. This is why leading global PE and real estate funds and three out of the five largest global data center giants have chosen Dentons to help realize their projects – in locations all over the world including Canada, the US, UK, Europe, Singapore, South Korea, New Zealand. Dentons has the world covered and the insight necessary to successfully deliver for those operating internationally.

# Key contacts



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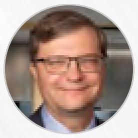

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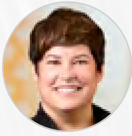

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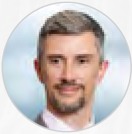

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