



## 1. AI Governance & Copyright Battles

After months of debate, the Senate stripped a 10-year moratorium on state AI laws from budget legislation, leaving room for states to act. Meanwhile, courts are actively shaping the rules: one federal court found Anthropic's use of copyrighted works for training constitutes transformative "fair use," while another certified a massive copyright class action that could reshape the industry. New bills — including the Transparency and Responsibility for Artificial Intelligence Networks Act - the TRAIN Act (helping copyright holders see if their works were used in training) and the AI Accountability and Personal Data Protection Act (restricting data use and banning unpermitted copyright training) — signal

Congress's growing focus. The Trump Administration launched an AI Action Plan prioritizing U.S. leadership, infrastructure, and exports, and issued executive orders to expand data centers, support exports, and restrict "woke AI" in federal procurement.

### What This Means for Video Advertising:

AI is increasingly embedded in video creative, targeting, and measurement. Legal uncertainty around training data and transparency will influence the tools agencies and platforms can use. Buyers should seek clarity from vendors on how models are trained and how outputs are governed.

## 2. Privacy & Data Protection

The **FTC's Negative Option Rule** — which would have added stricter requirements for subscription renewals — was struck down by the Eighth Circuit for procedural errors. New proposals in Congress (the OPT-IN Act and Unsubscribe Act) aim to revive parts of it. Separately, a court ruled that Trump's removal of FTC Commissioner Rebecca Kelly Slaughter was unlawful, while a [Public Citizen report](#) shows dozens of tech enforcement cases have been dropped by the Administration. States continue to push forward: California's Privacy Protection Agency fined a data broker for failing to register under the Delete Act and filed its first court petition to enforce a subpoena. Texas and other states passed or proposed data broker laws, while Colorado is updating rules on minors' protections and consent.

### What This Means for Video Advertising:

Subscription models for streaming may face less near-term friction, but enforcement around data brokers and consent is intensifying. Advertisers and platforms relying on third-party data must ensure partners are registered, transparent, and compliant across states.

## 3. Platform & Market Oversight

**TikTok's** enforcement of a divest-or-ban order was delayed until September, while Senator Markey introduced a new bill requiring U.S.-based storage and transparency reports. Congress reintroduced the Open App Markets Act, which would require sideloading and third-party app stores. The FTC also imposed conditions on the Omnicom-IPG merger, prohibiting ad spend discrimination based on publisher viewpoints. Separately, public interest groups are urging the FTC to review Meta's acquisition of Scale AI due to concerns about vertical integration risks.

### What This Means for Video Advertising:

Ad inventory access and platform governance are under review. Marketers should anticipate shifts in TikTok's U.S. operations and possible new obligations for app-based ad delivery. Consolidation in ad holding companies is also drawing closer scrutiny, which could ripple into media buying practices.

### 4. State Momentum

California continues to dominate. The CPPA finalized rules on automated decision-making, cybersecurity audits, and risk assessments, and advanced multiple bills regulating high-risk AI systems, provenance disclosures, and pricing practices. The Consumer Technology Association is lobbying against five of these bills, citing risks to innovation. Elsewhere: Colorado launched a special session to address the high costs of implementing its new AI law; Texas passed updated data broker laws and mandated AI governance in state agencies; Connecticut and Vermont restricted ad targeting to minors; and AGs in Kentucky, Nebraska, and Utah filed lawsuits against Temu, GM/OnStar, and Snap for deceptive data practices, overcollection, and youth exploitation.

#### What This Means for Video Advertising:

With federal preemption stalled, the patchwork of state laws is accelerating. California's rules often set de facto national standards, but enforcement from AGs in multiple states means advertisers and publishers must prepare for uneven compliance landscapes.

### 5. Children's Privacy Expands

Lawmakers and regulators are tightening protections for minors. The Senate advanced COPPA 2.0, which would extend privacy protections to teens 13–17, broaden the definition of operators, and expand covered data. The bipartisan STOP CSAM Act requires platforms to remove sexually explicit non-consensual deepfakes. The FTC hosted a workshop on design features that exploit kids online, while the European Commission issued guidelines recommending stricter safeguards (e.g., private-by-default accounts, blocking screenshots of minors' content). At the state level, Connecticut, Vermont, and California passed or advanced new rules restricting targeted ads to minors and imposing stricter design standards.

#### What This Means for Video Advertising:

Campaigns targeting younger audiences will face increasing limits on personalization, optimization, and even creative design. Expect platforms to tighten their default policies and require advertisers to prove compliance. If you work with youth-focused content or creators, prepare for more friction in targeting and measurement.



### 6. Global Pressure

The EU AI Act moved into implementation with guidelines for general-purpose models and a voluntary Code of Practice. The EU also published child-protection guidelines under the Digital Services Act. The UK Data and Use Act modernized GDPR with new frameworks for data sharing and digital ID. Enforcement continues: Belgium reaffirmed its ruling against the IAB Europe TCF, Italy fined AI developer Replika, and Germany fined Vodafone. Meanwhile, the U.S. launched a trade probe into Brazil over laws that force takedowns and platform liability.

#### What This Means for Video Advertising:

Cross-border ad delivery and measurement will face new operational hurdles. EU enforcement against data and AI practices can affect U.S. campaigns, while trade disputes (Brazil) signal higher risk for platforms operating globally. Companies running international campaigns should pressure-test compliance frameworks now.



### Looking Ahead

Q3 showed a convergence of three forces: child protection, AI accountability, and state privacy enforcement. For video advertising, this means more limits on personalization, higher compliance costs across states, and mounting uncertainty in AI-driven tools. The balance between innovation and regulation is shifting rapidly. Advertisers, publishers, and platforms must stay aligned on compliance while pushing for scalable solutions that support growth in an increasingly fragmented regulatory environment.