

# Artificial Intelligence Industry Developments – March 2026

## BUSINESS DEVELOPMENTS

- Anthropic reached a nearly \$20 billion revenue run rate in early March, up from \$9 billion in late December, due to increased usage of Claude and Claude Code. [Link](#)
- OpenAI announced it would raise \$110 billion at a valuation of \$840 billion. [Link](#)
- After stating months earlier that OpenAI intended to spend \$1.4 trillion by 2030 to rapidly scale up AI infrastructure, OpenAI CEO Sam Altman revised projected spending on AI infrastructure to \$600 billion by 2030. [Link](#)
- OpenAI discontinued its AI video platform, Sora, an action widely understood to be part of a strategic shift to focus on improving business, coding, and productivity capabilities. [Link](#)
- Nvidia CEO Jensen Huang said Nvidia projects at least \$1 trillion in revenue from its latest AI chips through 2027, revising upward from a previous projection. [Link](#)
- Yann LeCun, Meta's former chief AI scientist, raised over \$1 billion and launched Advanced Machine Intelligence Labs, a Paris-based AI startup that instead of prioritizing large language models is focused on building "world models," a type of model that simulates 3D environments, physics, and causality and has been promoted as a potential pathway for developing AI-powered robots. [Link](#)
- In an early commercial deployment of AI for robotics, AI robotics startup Skild AI announced it would power robots for Foxconn's Houston assembly lines that produce Nvidia's GPU server racks. [Link](#)
- Block CEO Jack Dorsey laid off 4,000 of the company's roughly 10,000 employees, citing increased productivity from

AI tools, adding to over 61,000 global AI-linked job cut announcements since November. [Link](#)

- SpaceX, valued by the company at \$1.25 trillion following its February merger with xAI, is reportedly considering filing in upcoming months for an initial public offering to sell roughly \$50 billion in shares at a valuation that could be above \$1.75 trillion. [Link](#)
- Elon Musk announced that SpaceX and Tesla planned to build advanced chip factories in Texas that would eventually produce one terawatt of computing capacity, compared to the half-terawatt of current total average electricity demand across the United States, for use in Tesla's vehicles and robots and SpaceX's proposed space-based, solar-powered satellite data centers. [Link](#)

## REGULATORY AND SAFETY

- In the aftermath of the standoff between Anthropic and the Department of War (the "DoW") described in Cravath's [February AI Industry Developments Newsletter](#), OpenAI signed a deal to sell access to its AI models to the DoW and other government agencies through Amazon's cloud for classified and unclassified work. [Link](#)
- OpenAI's agreement with the Pentagon drew significant backlash, leading to protests, resignations, and mass uninstallations. [Link](#)
- xAI also reached an agreement with the DoW that allowed the DoW to use Grok in classified systems for "all lawful purposes." [Link](#)
- Following from President Trump's December 2025 Executive Order titled "Ensuring A National Policy Framework For Artificial Intelligence," the Trump administration released a "National Policy Framework for Artificial Intelligence" that

calls on Congress to pass a variety of federal AI laws on issues ranging from chatbot parental controls to fraud prevention. The framework advocates for federal pre-emption to "prevent a fragmented patchwork of state regulations that would hinder [U.S.] national competitiveness." [Link](#)

- Meanwhile, state lawmakers in Oregon and Washington passed AI "chatbot safety" bills that require AI chatbots to implement safeguards for minors and protocols regarding self-harm. [Link](#)
- The Trump administration withdrew a planned rule on AI chip exports that considered requiring security guarantees or investments by foreign countries in U.S. data centers as a condition for granting exports of 200,000 chips or more. [Link](#)
- Supermicro's co-founder and other associates were accused of contravening United States export restrictions to smuggle \$2.5 billion of Nvidia's advanced AI chips to China. [Link](#)
- Citing the Supermicro charges, the United States House Foreign Affairs Committee passed the Chip Security Act, which requires location verification of advanced AI chips and enforces reporting requirements for chipmakers about potential diversions of sensitive technology. [Link](#)
- President Trump and several major AI companies announced the Ratepayer Protection Pledge, a voluntary public pledge by the AI companies to "guarantee that data centers' energy needs will not increase household electricity costs for American citizens," including non-binding commitments to pay separate electricity rates from consumers. [Link](#)
- Two high-profile progressive United States lawmakers, Bernie Sanders and Alexandria Ocasio-Cortez, proposed a "federal moratorium" to prevent the building of AI data centers until new national environmental and consumer protections are established. [Link](#)

## LITIGATION

- In a first-of-its-kind decision, the U.S. District Court for the Southern District of New York ruled in *United States v. Heppner* that a defendant's interactions with Anthropic's Claude chatbot were discoverable and not privileged in part because they were not created by or at the direction of a lawyer. [Link](#)
- In contrast, the week before, in *Warner v. Gilbarco*, the U.S. District Court for the Eastern District of Michigan found that a self-represented plaintiff's interactions with an AI tool to prepare for litigation were protected as work product. [Link](#)
- Relatedly, relying heavily on evidence from a CEO's conversations with ChatGPT, the Delaware Court of Chancery found that a gaming company breached an earn-out provision worth up to \$250 million. [Link](#)
- The Supreme Court declined to hear an appeal in a dispute over the copyright of an AI artwork, leaving in place a prior decision that creative works must have human authors to be eligible to receive copyright protection. [Link](#)
- A federal judge temporarily enjoined Perplexity from using its AI agents to find and purchase items for its users on Amazon as Amazon continues to invest in its own AI shopping assistant, Rufus. [Link](#)

## M & A

- IBM closed its \$11 billion acquisition of Confluent, which IBM said will stream, govern, and integrate real-time data for businesses' AI agents. [Link](#)
- OpenAI and Anthropic are reportedly engaged in talks with major private equity firms to form multi-billion-dollar joint ventures that would sell AI model access to companies owned or funded by the private equity firms. [Link](#)