



Generative AI in Sports: Using AI Tools Without Jeopardizing Confidentiality or Privilege

Articles

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Generative artificial intelligence tools offer compelling efficiencies across the sports industry, from player evaluation and recruiting insights to sponsorship analytics, ticketing optimization, and game-day operations. However, their use raises legal risks related to confidentiality, attorney–client privilege and work product, preservation and discovery, and contractual rights. Professional sports organizations, leagues, teams, venues, event operators, sports marketing and sponsorship groups, and college athletics departments and NIL collectives should adopt thoughtful guardrails before deploying these tools in workflows that touch sensitive data or legal strategy.

Confidentiality Risks

Generative AI platforms often rely on large-language or multimodal models that may transmit prompts and outputs to third-party servers, log interactions for service improvement, or store content outside a company’s systems. When personnel input nonpublic information (for example, athlete medical and injury data, PII, biometric or performance-tracking metrics, ticketing and CRM records, internal scouting reports, trade secrets, playbooks, and draft board notes), that information may be disclosed, retained, or used in ways inconsistent with confidentiality obligations.

Sports organizations also face heightened confidentiality exposures involving sponsorship proposals, media and broadcast rights negotiations, venue security plans, game operations and integrity protocols, compliance reviews, internal investigations, and recruiting or NIL strategy. College athletics departments and NIL collectives should take particular care with education records and financial details related to NIL deals, as well as communications with student-athletes and family representatives. Absent appropriate controls, sharing such data with a generative AI tool can contravene confidentiality provisions in league bylaws, collective bargaining agreements, venue and vendor contracts, and privacy commitments made to athletes, fans, and sponsors.

Privilege and Work Product Considerations

Attorney–client privilege and work product protections can be jeopardized if legal analyses, investigative findings, or litigation strategies are provided to a third party without adequate safeguards. Entering legal questions, draft arguments, or investigative notes into a public or vendor-hosted AI tool may constitute disclosure to a third party and risk waiver. This risk is acute in contexts such as:

- Internal investigations into rules compliance, integrity matters, or workplace issues within teams, leagues, venues, or event operators.
- Pre-litigation assessments involving player discipline, safety, or venue liability.
- Contract negotiations over sponsorships, media rights, or talent agreements where counsel is shaping terms or memorializing strategy.
- Recruiting and NIL compliance reviews, where counsel is evaluating risk under institutional, conference, or association rules.

If in-house or external counsel, or staff acting at their direction, use generative AI to draft or refine privileged content, organizations should ensure that any tool employed is configured and contracted to preserve confidentiality, restrict data use, and maintain privilege.

Discoverability and Preservation

Generative AI use can expand the universe of potentially discoverable materials. Prompts, outputs, system settings, model versions, and usage logs may all be relevant in disputes, investigations, or regulatory inquiries. For example:

- A venue-operations matter involving incident response may implicate prompts used to generate policies, training materials, or post-incident analyses.
- Player evaluation, scouting, and recruiting matters may involve AI-augmented reports, rankings, or communications related to athlete performance and medical or biometric information.
- College athletics compliance reviews or NIL investigations may seek AI-generated guidance, correspondence, or deal-comparison analyses.

Organizations should evaluate how and where AI interactions are stored, whether logs can be disabled or minimized, and how retention schedules apply. Litigation holds should expressly address AI-related data sources to avoid spoliation claims. If AI tools influenced a decision at issue, such as sponsor tiering, ticket pricing, roster decisions, or discipline, parties may seek discovery into the inputs, outputs, and governance of those tools.

Contractual and IP Implications

Use of generative AI can also create contractual and intellectual property risks in sports-specific agreements, including sponsorships, licensing, merchandising, broadcast and streaming rights, and technology vendor contracts. For example:



- **Content Rights and Ownership:** AI-generated content in marketing campaigns, in-venue activations, or broadcasts may raise questions about authorship, ownership, and rights clearances under existing agreements. Parties should review whether deliverables created with AI satisfy “originality” and whether usage violates content restrictions or league/association policies.
- **Data Use Restrictions:** Ticketing, CRM, and fan-engagement data are often subject to contractually limited purposes. Using such data as prompts for an external AI system may exceed authorized uses or trigger additional consents.
- **Confidentiality and Non-Disclosure:** Scouting reports, playbooks, proprietary training methods, or media-rights term sheets should not be ingested into tools that reserve rights to use inputs for model training, absent negotiated exceptions.
- **Vendor Risk:** Contracts with AI vendors should define data ownership, permitted uses, training restrictions, security standards, model update/change management, audit rights, indemnities, and incident response obligations, with sensitivity to league and venue requirements.

Regulatory and Compliance Considerations

Sports entities operate amid overlapping legal regimes and private rule sets, including privacy and biometric laws, consumer protection rules, labor and employment obligations, education records constraints for college athletics, gambling and integrity regulations, health and safety requirements, and venue security standards. Deploying generative AI in areas like injury reporting, player wellness, anti-doping compliance, fan identity verification, dynamic pricing, and targeted marketing can trigger notice, consent, transparency, and fairness obligations, as well as heightened expectations from leagues, conferences, and governing bodies. Organizations should align AI use with existing compliance programs and oversight committees, document risk assessments, and maintain training appropriate for staff and service providers.

Practical Recommendations

Sports organizations can mitigate risk and preserve AI’s benefits by implementing targeted controls tailored to professional and collegiate environments:

- **Governance and Training:** Designate an AI governance group (legal, compliance, privacy, security, HR, ticketing/CRM, partnerships, media, game operations, athletics compliance/NIL) to classify permissible/restricted/prohibited uses, publish an acceptable-use policy, and train personnel on confidentiality, privilege, data rights, and approvals.
- **Protect Privilege:** Route privileged/work product through counsel and enterprise AI configured to prevent model training, limit retention, and enforce access controls; mark and segregate privileged content and maintain logs under legal hold when appropriate.
- **Contract for Protections:** Update AI vendor agreements to address data ownership, permitted uses/training restrictions, confidentiality, security, IP warranties/indemnities, audit rights, and model-



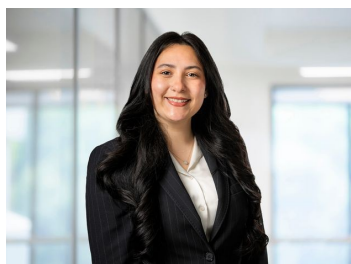
change notices; align sponsorship/media/licensing agreements on AI content ownership and approvals.

- **Control Data, Outputs, and Security:** Ban sensitive inputs (athlete medical/PII, biometric/performance data, scouting/recruiting evaluations, NIL terms, nonpublic sponsorship/media-rights details, venue security plans, investigation materials) in consumer tools; where needed, require de-identification/minimization and approved enterprise tools; treat outputs as drafts for human review; restrict access (MFA/DLP) and integrate AI into incident response and required notifications.

Key Takeaways for Sports Stakeholders

Generative AI can enhance performance analysis, fan engagement, sponsorship activation, and operations, but uncontrolled use may expose sensitive data, undermine privilege, expand discovery burdens, and create contractual and regulatory risk. With targeted governance, vendor contracting, and disciplined workflows, sports organizations can capture AI's benefits while maintaining compliance with legal, league, and institutional requirements.

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