



FALL 2025 E-NEWSLETTER

At Digital Mountain, we assist our clients with their electronic discovery, digital forensics, cybersecurity, and data analytics needs. For this E-Newsletter, we discuss the changing dynamics of the Gen AI market, the technical aspects of Gen AI prompt preservation, and innovative case law addressing prompt discovery.

Is the Clock Running Out on GenAI's Power Play?

The hottest commodity of all time would easily be an accurate crystal ball with clear insight into which technology innovations will be the winner, and which will fumble when it comes to their promised potential. Investors would gladly pay exorbitant sums for such a valuable asset, especially now, when what we're seeing for the GenAI market seems to be a bit hazy with regard to where things might be headed. In this article, which is less investment advice and more thoughtful analysis of what is and what



could be, we'll take a look at what analytical sources are saying about GenAI's continued domination, as well as what GenAI's fast developing sibling, Agentic AI, may be up to.

Irrespective of any other headlines, the numbers for venture capital investment in GenAI for the first half of 2025 are strong. Consulting powerhouse EY-Parthenon reports that for the first half of 2025, global investment in GenAI exceeded all of 2024's investment by five billion dollars ([EY-Parthenon Report](#)), promising a strong year for GenAI investment. For comparison, for the first half of 2025 investments in GenAI totaled \$49.2 billion, versus \$44.2 billion for all of 2024. The same report, however, notes a contraction in the number of deals, with a large share of investment going to OpenAI, xAI, Databricks, Anthropic, Mistral AI, and Harvey. With nearly all of the above having achieved all-star status, this concentration in funding would seem to be an indication that the A-Team players are solidifying their positions as the best bets.

The flipside to which we alluded above includes a recent report from S&P Global Market Intelligence which states:

The percentage of companies abandoning the majority of their AI initiatives before they reach production has surged from 17% to 42% year over year, with organizations on average reporting that 46% of projects are scrapped between proof of concept and broad adoption ([S&P Global report](#)).

S&P Global credits several issues for this reversal of GenAI's early rush to adoption, including "concern for reputational damage," and push back from both customers and employees. Employee resistance to AI adoption may be a more influential factor than previously considered when the benefits of AI in the workplace were initially touted. Forbes magazine sited a new phenomenon of "AI Fatigue" among employees in its article on "[Why 'AI Fatigue' Is Wearing You Down And How To Beat It.](#)" The article defines AI Fatigue as, "a form of workplace exhaustion that occurs when employees feel overwhelmed by the constant pressure to learn and utilize new AI tools." If this sounds familiar, you're not wrong. Quantum Workplace notes that in their study, 45% of those who frequently use AI in the workplace reported symptoms of burnout. Between rising project abandonment rates, AI Fatigue and employee burnout, are we looking at the early indicators of an AI slump to come?

The answer right now is a qualified maybe. Year over Year Investment in Agentic AI is up, surpassing 2024, which could indicate an Agentic future. The expected growth in Agentic AI spending by 2029 could reach \$1.3 trillion (see IDC article link below). What does that mean for Gen AI? As Agentic AI options to come online, there may indeed be a shift from traditional GenAI (if it's not too much of an oxymoron to pair those two) toward AI systems that are able to "complete complex tasks autonomously by calling external tools" ([IBM Definition](#)). Tech market analyst IDC recently noted:

"The [research](#) reveals an unprecedented surge in Agentic AI spending and signals a transformation within enterprise IT budgets—especially when it comes to software—to investment strategies led by products and services based on an agentic AI foundation. This conversion is further supported by anticipated growth in platform solutions that enable companies to build, manage, and operate their agents more securely and efficiently" ([IDC article](#)).

All investment and market considerations aside, what do these potential shifts in the AI playbook mean for eDiscovery, digital forensics, and cybersecurity? First, for digital forensics and eDiscovery, we may be looking at a need to level up our preservation game as Agentic AI systems execute on a wider variety of tasks. Now, users don't just get an ideal itinerary for their trip to Paris, Buenos Aires, or Tokyo. Users can task the AI Agent to make reservations, apply for visas, secure tickets, and reserve transportation – all which provides new variants of data and metadata to collect and analyze. From a cybersecurity perspective, Agentic AI systems holding credit card information, passport numbers, travel plans, and other valuable information will need to be locked down securely to prevent the unauthorized exfiltration of data by hackers or even the mistaken deployment by inexperienced users. For now, Digital Mountain is getting our game face on to handle all this newly generated data to make sure that our clients come out as winners.

Please direct questions and inquiries about electronic discovery, digital forensics, cybersecurity, and data analytics to info@digitalmountain.com.

UPCOMING INDUSTRY EVENTS

THE SEDONA CONFERENCE WG 1 ANNUAL MEETING 2025
Charlotte, NC: October 23-24, 2025

MASTERS CONFERENCE
Seattle, WA: October 23, 2025

TECHNO SECURITY & DIGITAL FORENSICS CONFERENCE WEST
San Diego, CA: October 27-29, 2025

THE SEDONA CONFERENCE WG 11 MIDYEAR MEETING 2025
Ft. Lauderdale, FL: November 6-7, 2025

MASTERS CONFERENCE
Atlanta, GA: November 13, 2025

[Click here to see more upcoming events and links.](#)



Digital Mountain, Inc. Founder and CEO, Julie Lewis, will be presenting at various upcoming industry events. Please send requests for speaker or panel participation for her to marketing@digitalmountain.com.

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