

Groundbreaking Defamation Lawsuit Puts AI's Legal Liability to the Test



In a groundbreaking legal battle, a defamation lawsuit has been filed against OpenAI LLC, thrusting ChatGPT, a popular AI program, into the spotlight of largely untested legal waters. The lawsuit, filed by Mark Walters, a Georgia radio host, alleges that ChatGPT produced a fabricated legal complaint accusing him of embezzling money from a gun rights group despite Walters never having been involved with the organization. This incident is not the first of its kind, as previous instances have highlighted ChatGPT's propensity for generating falsehoods. In April, an Australian mayor threatened to sue OpenAI after ChatGPT falsely claimed he had been convicted and imprisoned for bribery. In another case, a lawyer in New York faced potential sanctions for submitting legal briefs that referenced fake legal precedents, which were researched using ChatGPT.

Walters' lawsuit could be the first in a series of cases that examine the issue of legal liability when AI chatbots produce false information. However, legal experts have expressed reservations about its chances of success in court. While acknowledging the limitation of "hallucinations" in ChatGPT's outputs, OpenAI has included a disclaimer stating that its outputs may not always be reliable.

Walters' lawyer, John Monroe, emphasized the responsibility of AI developers, stating that although research and development in AI is commendable, it is irresponsible to unleash a system that knowingly disseminates false information about individuals.

The incident leading to the lawsuit involved Fred Riehl, the editor-in-chief of AmmoLand magazine, who requested ChatGPT to summarize the real-life federal court case *Second Amendment Foundation v. Ferguson*. ChatGPT generated a summary that falsely accused Walters, a pro-gun radio show host, of embezzling money from the foundation. Riehl did not publish the summary and confronted Alan Gottlieb, the foundation's founder, who confirmed the allegations were false.

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According to Eugene Volokh, a First Amendment law professor at UCLA, Walters' lawsuit may not meet the relevant defamation law standards. Walters did not inform OpenAI that ChatGPT was generating false allegations, and the fact that Riehl did not publish the falsehood may limit the economic damages Walters can prove.

Defamation laws differ across states, and some require plaintiffs to request a retraction before pursuing legal action. Megan Meier, a defamation attorney, pointed out that under Georgia law, plaintiffs are limited to actual economic losses if no retraction is requested at least seven days before the lawsuit. However, Walters' lawyer stated he was unaware of a retraction request or the legal requirement for one.

The question of whether generative AI programs like ChatGPT are protected by Section 230 of the Communications Decency Act, which shields internet platforms from liability for user-generated content, remains unanswered. While many emerging internet firms have benefited from this legal shield, the applicability of Section 230 to AI programs has not yet been tested in courts. Jess Miers, legal counsel at the Chamber of Progress, argued that Section 230 would likely cover generative AI, as users provide inputs and the outputs are based on predictive algorithms. However, Volokh disagreed, asserting that ChatGPT's content generation from fictional sources makes it distinct from passing along user-provided information.

As the defamation lawsuit against OpenAI progresses, it has the potential to establish important precedents in determining the legal responsibility of AI developers for the actions and outputs of their chatbots. This case marks a significant step towards clarifying the liability of AI in generating and disseminating false information, shedding light on the complex legal challenges posed by AI technology in the modern era.