

ARTICLES

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Service

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Professional

DUSTIN L. TAYLOR

DENVER:

303.749.7247

DUSTIN.TAYLOR@

HUSCHBLACKWELL.COM

## A Legal Primer on Artificial Intelligence and Intellectual Property

On November 30, 2022, OpenAI captured the world's attention when it introduced version 3.5 of its ChatGPT service. What began as cocktail hour conversations and funny experiments quickly made its way into boardrooms and budgets. Goldman Sachs reported AI investment was forecast to approach \$200 billion globally by 2025, and 47% of top technology officers (e.g. CIO, CTO) reported to CNBC that AI was their number one budget item in 2024. Most of this focus has been on what is known as "Generative AI" (Gen-AI), which can output seemingly new content such as emails to customers, sales pitches, and even artwork and company logos.

It did not take long for the lawsuits to start. Stories about lawsuits filed by well-known and respected companies and individuals like the New York Times and George Carlin soon began appearing next to articles that touted the benefits and cost-saving potential of Gen-AI. Other risks of Gen-AI soon began appearing as well. News sources reported stories where AI "hallucinations" caused mistakes that ranged from humorous to concerning.

Companies are left in a conundrum. Faced with customer, employee, and management demand to implement Gen-AI tools to keep up with competitors while simultaneously reading stories of companies being sued for intellectual property infringement, those charged with risk mitigation and management must answer several questions:

What is Artificial Intelligence (AI)?

How does Gen-AI differ from earlier versions of AI?

How does Gen-AI get its data/how does Gen-AI learn?

Is Gen-AI secure?

What intellectual property risks can my use of Gen-AI present?

How can I guard against risks that I will be sued for IP infringement or will destroy my company's IP by using Gen-AI?

Read the full article.