

SESSION 01 | REGULATION ON AI

Presentation 01

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GEORGETOWN LAW

The Global Race to Regulate AI

Anupam Chander

Scott K. Ginsburg Professor of Law and Technology , Georgetown University

Seminar on AI in Budapest, October 2024



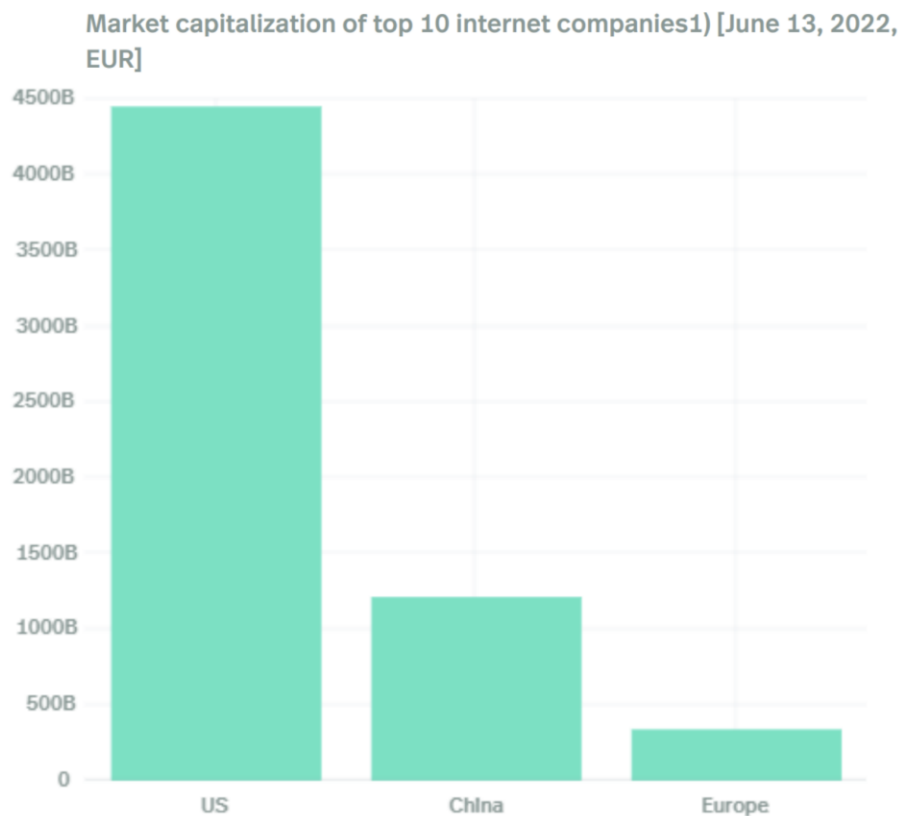


- November 30, 2022
- Public release of ChatGPT version 3.5

Starting Gun

Fired





Backdrop:
US internet
dominance in
2022

Source: Internet Economy Foundation, Internet Economy Report 2022



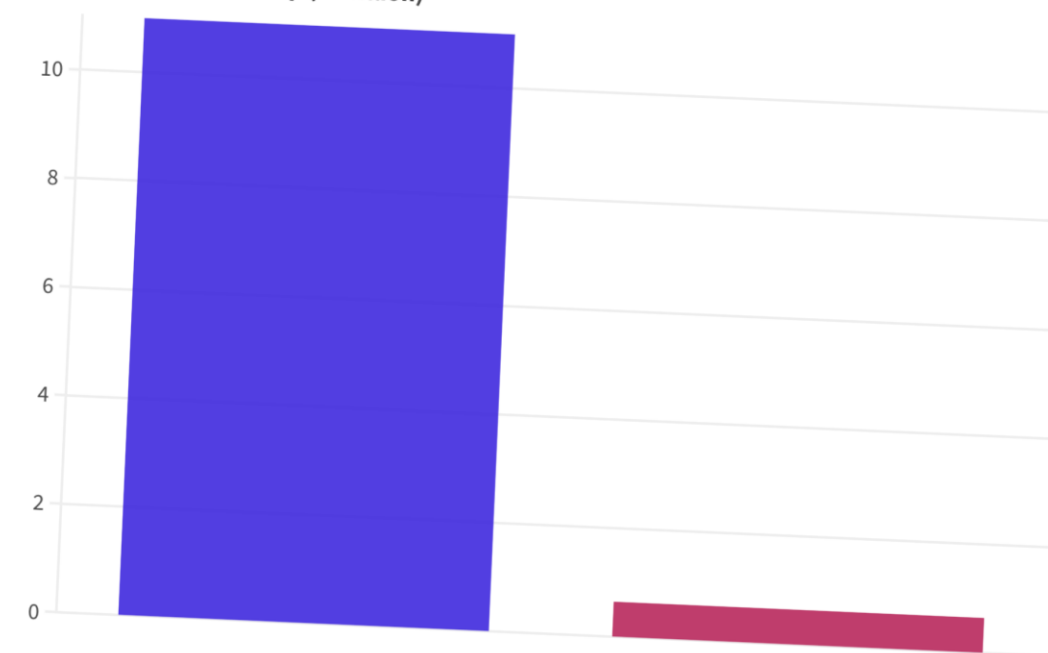
**At the end of
2023, US Tech
Giants Dwarf EU
Counterparts**

Source: Euronews, Dec.
21, 2023

US Top 7 Tech Giants Are 20 Times Bigger Than EU's 7 Largest Counterparts

■ 7 Largest US Tech Firms ■ 7 Largest EU Tech Firms

Cumulative Market Cap (€ Trillion)



Source: Koyfin

euronews.



March 1, 1995



How Law Made Silicon Valley

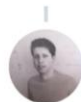
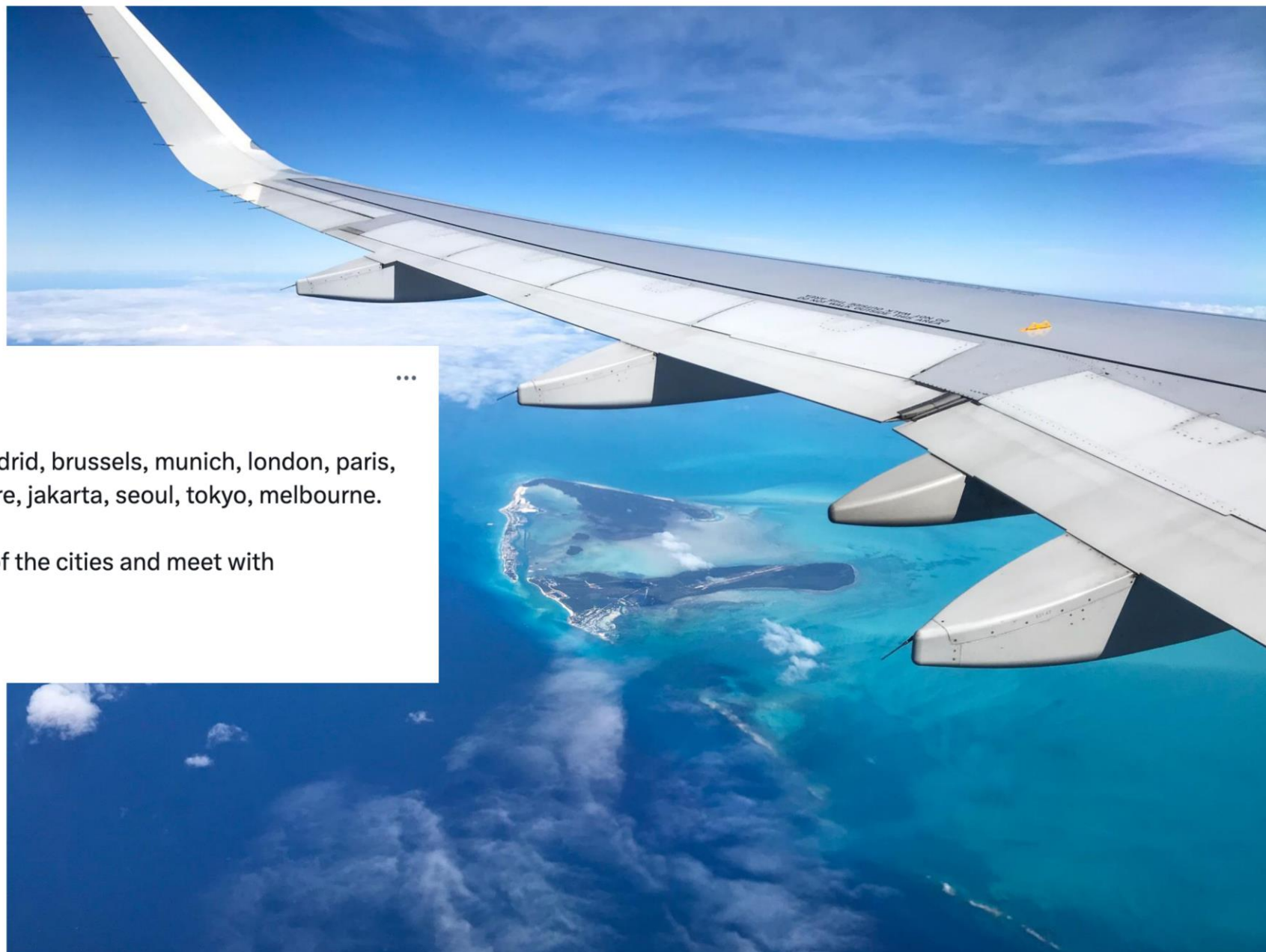


How Law Made Silicon Valley

- “Silicon Valley’s success in the Internet era has been due to key substantive reforms to American copyright and tort law that dramatically reduced the risks faced by Silicon Valley’s new breed of global traders.”
 - “U.S. served as a kind of export processing zone for digital enterprises”
1. Communications Decency Act Section 230 (1996)
 2. Digital Millennium Copyright Act Title II (1998)
 3. Privacy Law—Flexibility of enforceable privacy promises

Anupam Chander, How Law Made Silicon Valley, Emory L.J. (2014)





Sam Altman ✓

@sama

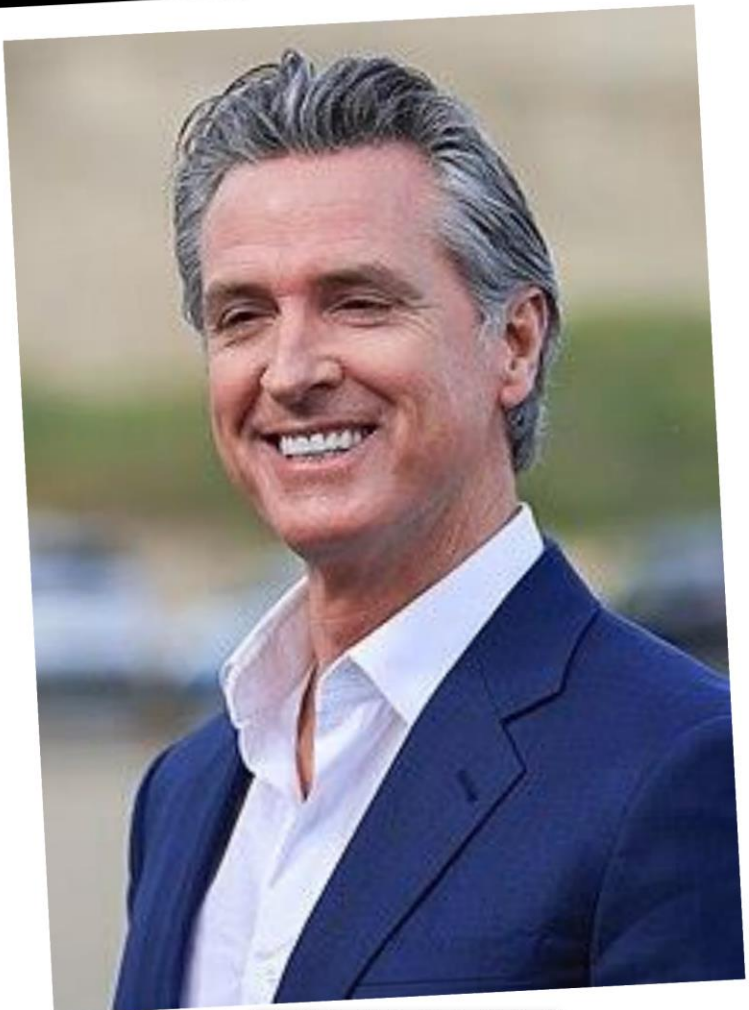


visiting toronto, DC, rio, lagos, madrid, brussels, munich, london, paris, tel aviv, dubai, new delhi, singapore, jakarta, seoul, tokyo, melbourne.

also hoping to give talks in some of the cities and meet with policymakers.

4:52 PM · Mar 29, 2023 · **504.1K** Views





California Governor Vetoes AI Bill

Vetoed AI bill, SB 1047.

“Given the stakes - protecting against actual threats without unnecessarily thwarting the promise of this technology to advance the public good - we must get this right.”

He noted: “California is home to 32 of the world's 50 leading AI companies, pioneers in one of the most significant technological advances in modern history.”



California Governor Signs 18 Other AI Bills

In September 2024, he signed 18 AI laws:

Digital replicas of actors

Deepfakes

Elections

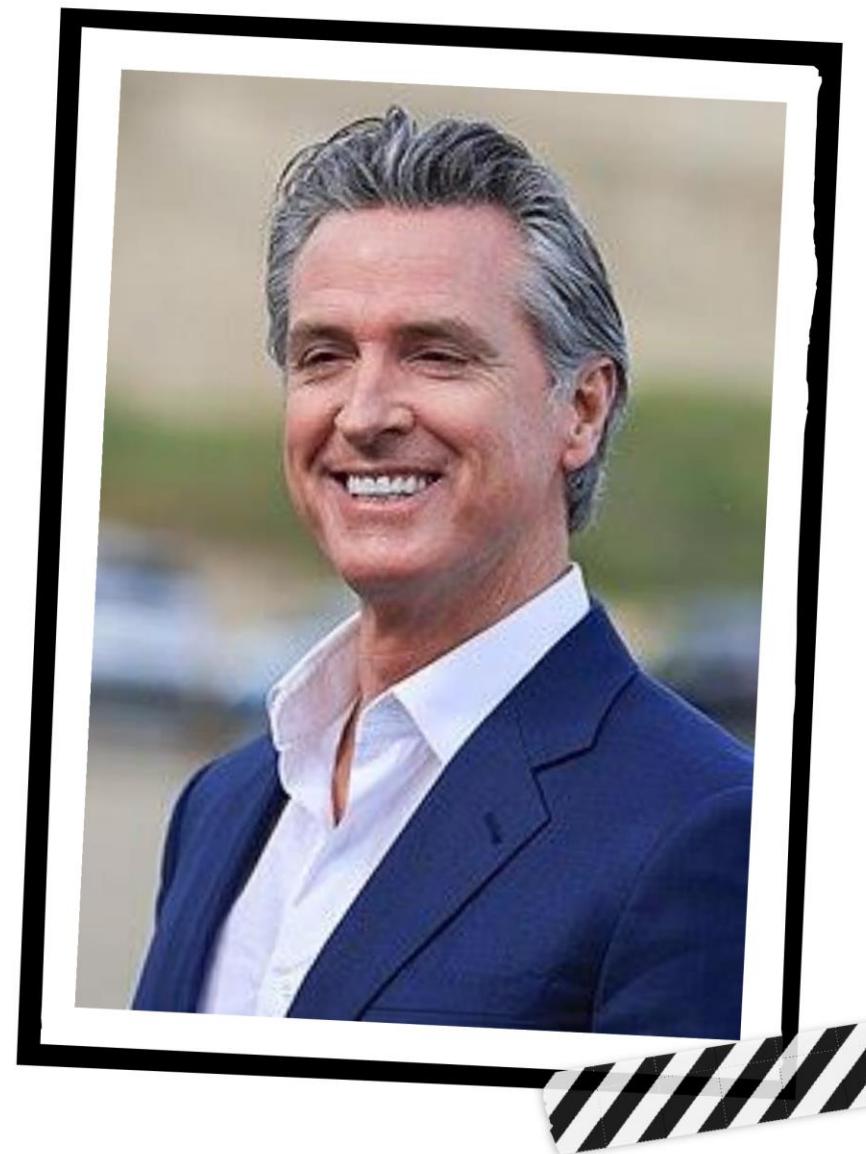
Consumer privacy

Healthcare

AI Literacy

Transparency for AI-generated content

Disclosures about training data



***Will Privacy
Law Disable
Generative AI?***

OpenAI v. Italian Garante

- March 30, 2023: Italian Garante orders OpenAI to stop processing Italian personal information
- April 28: OpenAI resumes service, with privacy opt out for users and an age-gate



Dear ChatGPT customer,

We regret to inform you that we have disabled ChatGPT for users in Italy at the request of the Italian Garante.

We are issuing refunds to all users in Italy who purchased a ChatGPT Plus subscription in March. We are also temporarily pausing subscription renewals in Italy so that users won't be charged while ChatGPT is suspended.



GDPR and AI

European Data Protection Supervisor (2024):

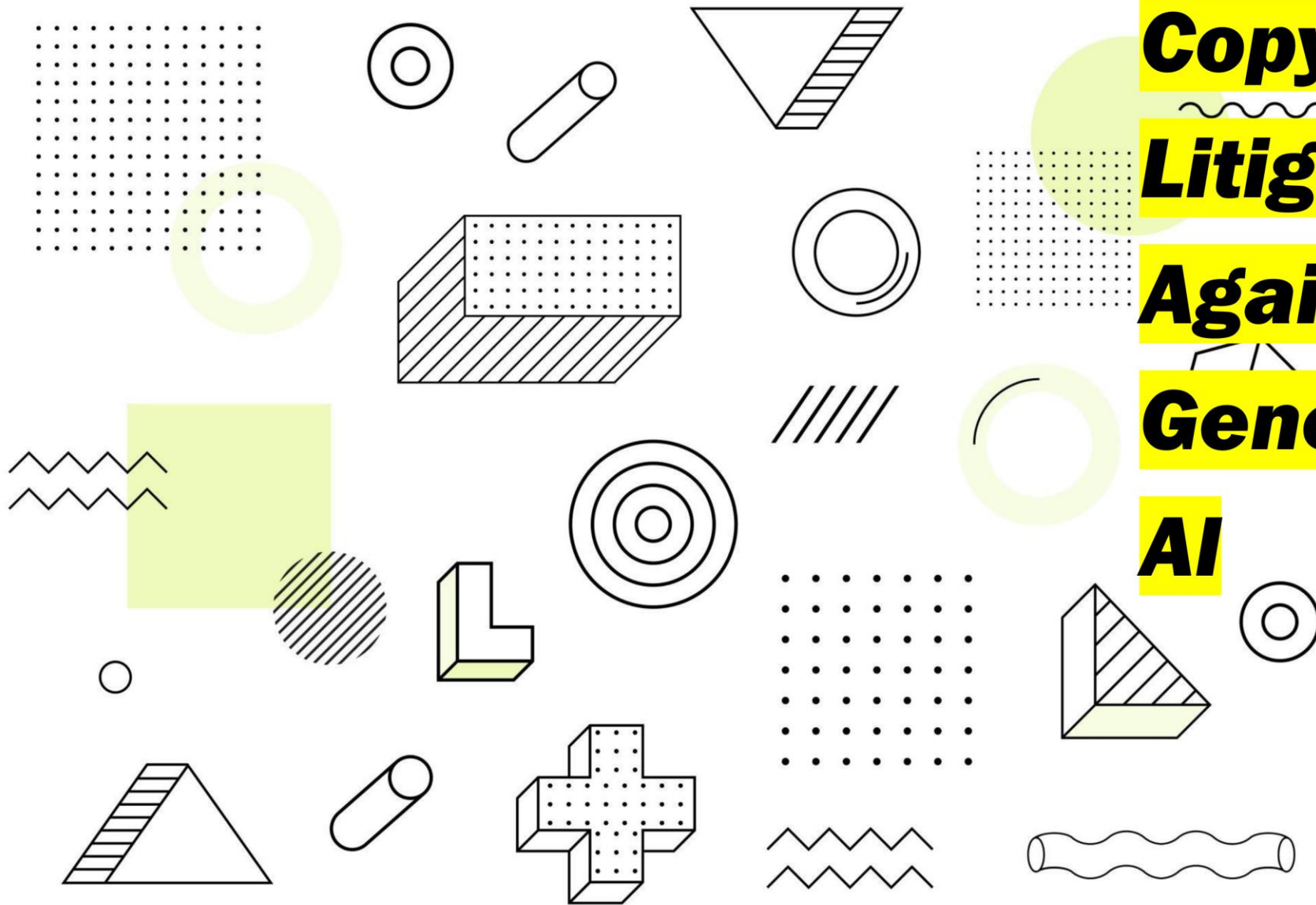
- “generative AI systems must be **transparent, explainable, consistent, auditable and accessible**, as a way to ensure fair processing of personal data”
- “the use of **web scraping** techniques to collect data from websites and their use for training purposes **might not comply with relevant data protection** principles, including data minimisation and the principle of accuracy, insofar as there is no assessment on the reliability of the sources”
- “essential that the datasets used to create and train models ensure an **adequate and fair representation of the real world - without bias**”



"the EU risks missing out on the AI era"
--Meta, Spotify, Ericsson, SAP (Sept. 19, 2024)



**Copyright
Litigation
Against
Generative
AI**





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Meta



Litigation against GenAI Companies in the U.S.

Copyright



Andersen et al. v. Stability AI Ltd. (Complaint)



Original



AI-generated (without
CMI in form of URL)



Original



AI-generated
(without CMI in
form of URL)



EXAMPLE 25: BOLTING TO CANCUN CRUZ FINDS MORE HEAT THAN HE EXPECTED

<https://www.nytimes.com/2021/02/18/us/politics/ted-cruz-storm-cancun.html>

Copyright number: TX 8-962-600 Effective Date: 2021-04-06

Prompt (taken from article):

Like millions of his constituents across Texas, Senator Ted Cruz had a frigid home without electricity this week amid the state's power crisis. But unlike most, Mr. Cruz got out, fleeing Houston and hopping a Wednesday afternoon flight to Cancun

Output from GPT-4:

with his family for a respite at a luxury resort. Photos of Mr. Cruz and his wife, Heidi, boarding the flight ricocheted quickly across social media and left both his political allies and rivals aghast at a tropical trip as a disaster unfolded at home. The blowback only intensified after Mr. Cruz, a Republican, released a statement saying he had flown to Mexico "to be a good dad" and accompany his daughters and their friends; he noted he was flying back Thursday afternoon, though he did not disclose how long he had originally intended to stay. Text messages sent from Ms. Cruz to friends and Houston neighbors on Wednesday revealed a hastily planned trip. Their house was "FREEZING," as Ms. Cruz put it — and she proposed a getaway until Sunday. Ms. Cruz invited others to join them at the Ritz-Carlton in Cancun, where they had stayed "many times," noting the room price this week (\$309 per night) and its good security. The text messages were provided to The New York Times and confirmed by a second person on the thread, who declined to be identified because of the private nature of the texts. For more than 12 hours after the airport photos first surfaced, Mr. Cruz's office declined to comment on his whereabouts. The Houston police confirmed that the senator's office had sought their assistance for his airport trip on Wednesday, and

Actual text from NYTimes:

with his family for a respite at a luxury resort. Photos of Mr. Cruz and his wife, Heidi, boarding the flight ricocheted quickly across social media and left both his political allies and rivals aghast at a tropical trip as a disaster unfolded at home. The blowback only intensified after Mr. Cruz, a Republican, released a statement saying he had flown to Mexico "to be a good dad" and accompany his daughters and their friends; he noted he was flying back Thursday afternoon, though he did not disclose how long he had originally intended to stay. Text messages sent from Ms. Cruz to friends and Houston neighbors on Wednesday revealed a hastily planned trip. Their house was "FREEZING," as Ms. Cruz put it — and she proposed a getaway until Sunday. Ms. Cruz invited others to join them at the Ritz-Carlton in Cancun, where they had stayed "many times," noting the room price this week (\$309 per night) and its good security. The text messages were provided to The New York Times and confirmed by a second person on the thread, who declined to be identified because of the private nature of the texts. For more than 12 hours after the airport departure photos first emerged, Mr. Cruz's office declined to comment on his whereabouts. The Houston police confirmed that the senator's office had sought their assistance for his airport trip on Wednesday, and



N.Y. Times v. OpenAI

- The New York Times seeks “billions of dollars in statutory and actual damages.”
- Statutory damages can be \$150,000 per work for willful infringement
- How much is the New York Times worth?
- Market cap is \$9 billion
- OpenAI’s possible use of the *Times* is worth almost as much, if not more than the *Times* itself.



Main Takeaways

History of internet law shows that law can enable or impede innovation.

In particular, intellectual property law, privacy law, and rules of liability are critical.

Need to design a law that deals with the most serious concerns.

All regulation is AI regulation

- There is no AI exclusion in the law

