

6/27/2025

The AI Top 10

1

FLORIDA JUDGE DEMANDS ACCOUNTING FOR AI-GENERATED FILINGS IN MULTI-COURT DISPUTE

LITIGATION – JUNE 18, 2025

A Florida federal judge has ordered attorney James M. Paul to submit detailed supplemental briefs after discovering that multiple filings across state and federal courts contained fake legal citations generated by AI. The filings stem from a \$5 million Canadian judgment enforcement case involving ByoPlanet International Inc. and Promark Electronics Inc. Judge David S. Leibowitz called the situation a “train wreck” and is considering sanctions, including fee repayments and court registry deposits. Paul admitted to using ChatGPT and a paralegal to draft filings without verifying the citations, but denied acting in bad faith. The AI-generated filings have triggered motions to dismiss and accusations of frivolous litigation in at least six related cases across Florida courts. The judge has given both sides until June 27 to disclose all AI-related filings, billing, and time expenditures.

2

FEDERAL AI MORATORIUM PROPOSAL SPARKS INSURANCE INDUSTRY BACKLASH

REGULATORY – JUNE 18, 2025

A proposed 10-year federal moratorium on state regulation of artificial intelligence has drawn sharp criticism from insurance regulators and legal experts, who warn it could disrupt long-standing oversight practices and create widespread uncertainty. Included in the House-passed budget reconciliation bill, the measure would preempt most state AI-related enforcement, potentially undermining frameworks like the NAIC’s 2023 model bulletin and state-specific rules in Colorado and New York. Critics argue the bill’s broad definition of AI—including “automated decision systems”—could unintentionally restrict routine regulatory reviews. The National Association of Insurance Commissioners has urged the Senate to reject or narrow the proposal, citing conflicts with the McCarran-Ferguson Act. A Senate version would instead tie broadband funding to states’ AI enforcement choices, a move some say still pressures states to abandon regulation. Experts warn the resulting ambiguity could lead to litigation and regulatory paralysis, leaving insurers unsure whether to follow state laws or rely on federal preemption.

3

MEDTECH AI, HARDWARE, AND CLINICAL APPLICATION PROGRAMS

TECH - JUNE 12, 2025

Medical technology companies are increasingly investing in AI hardware and clinical application programs to enhance the delivery of healthcare. These initiatives focus on developing specialized chips and devices that can efficiently process medical data and support advanced diagnostic tools. The adoption of such AI tools has led to a 20-30% increase in research productivity and operational efficiency. Industry leaders believe that continued innovation in AI hardware and software will be crucial for the future of medical technology, with the potential to capture a market share of between \$14 billion and \$55 billion annually.

4

ARTIST SUES HACHETTE OVER AI-GENERATED BOOK COVERS

LITIGATION – JUNE 19, 2025

Freelance artist Robert Santora has filed a copyright infringement suit against Hachette Book Group in Manhattan federal court, alleging the publisher used artificial intelligence to generate derivative book covers for Sandra Brown novels based on his original artwork. Santora, who previously designed covers for Brown's books, claims newer covers mimic the "look and feel" of his designs—particularly the bold, streamlined aesthetic introduced with the 1988 novel *Slow Heat in Heaven*. He asserts that Hachette continued to use AI-generated covers incorporating his copyrighted elements without compensation or permission, despite being notified of the alleged infringement. Santora seeks an injunction and destruction of infringing materials.

5

SENATORS, STATE AGS PUSH BACK ON FEDERAL AI MORATORIUM PROPOSAL

REGULATORY – JUNE 18, 2025

A bipartisan group of U.S. senators and state attorneys general voiced strong opposition to a proposed 10-year federal moratorium on state AI regulation, warning it would leave consumers vulnerable in the absence of federal safeguards. At a press conference, Senators Maria Cantwell (D-WA) and Marsha Blackburn (R-TN), joined by AGs Nick Brown (WA) and Jonathan Skrmetti (TN), criticized the moratorium—tucked into a House-passed budget bill—as overly broad and harmful to state-level protections. They cited risks to laws addressing AI-generated deepfakes, rental pricing tools, and voice cloning, including Tennessee's new "Elvis Act." The group argued that preempting state authority without a federal framework would create a regulatory vacuum, and questioned the provision's inclusion in a budget reconciliation bill. Cantwell has asked the Senate parliamentarian to rule on whether the measure violates the Byrd rule.

6

SOFTBANK'S SON PITCHES \$1 TRILLION ARIZONA AI HUB, BLOOMBERG NEWS REPORTS

TECH – JUNE 25, 2025

SoftBank CEO Masayoshi Son has proposed the creation of a \$1 trillion artificial intelligence hub in the United States to build robots and artificial intelligence, according to a report by Bloomberg News. The ambitious project would involve collaboration with major chipmaker TSMC and has reportedly been discussed with the US Secretary of Commerce. The initiative aims to position the U.S. as a global leader in AI technology and infrastructure. Details about the project's funding and timeline have not yet been disclosed.

7

FEDERAL COURT RULING CLARIFIES FAIR USE AND PIRACY ISSUES IN AI TRAINING WITH COPYRIGHTED WORKS

LITIGATION – JUNE 24, 2025

A recent federal court decision addressed the legality of using copyrighted books to train artificial intelligence models, finding that such use can qualify as fair use when it is transformative. However, the Court further ruled that the case will go to trial regarding the alleged pirated books and any resulting damages. This ruling is expected to influence future licensing negotiations and ongoing litigation in the rapidly evolving intersection of AI development and copyright law.

8

ZORA LABS SUES DELOITTE OVER AI TRADEMARK DISPUTE

LITIGATION – JUNE 12, 2025

Zora Labs Inc., a blockchain and AI platform, has filed a trademark infringement suit against Deloitte Consulting in New York federal court, alleging unauthorized use of the “Zora” mark in Deloitte’s generative AI product, “Zora AI.” The complaint claims Deloitte’s use of the zora.ai domain and branding misleads consumers into believing the services are affiliated with Zora Labs, which has operated under the “Zora” name since 2020 and launched its own AI tools in March 2024. Zora, a Deloitte Tax client, said it attempted to resolve the issue amicably before seeking a restraining order and damages.

DISNEY, UNIVERSAL SUE MIDJOURNEY OVER AI-GENERATED COPYRIGHT INFRINGEMENT

LITIGATION – JUNE 11, 2025

Disney and Universal have filed a joint copyright infringement suit against AI art company Midjourney Inc., accusing it of unlawfully training its image-generation platform on iconic characters from franchises like *Star Wars*, *Shrek*, *Iron Man*, and *The Simpsons*. Filed in California federal court, the complaint alleges that Midjourney ignored cease-and-desist letters and continues to profit from unauthorized reproductions of protected works, even promoting a forthcoming AI video service. The plaintiffs argue that Midjourney's platform acts as a "virtual vending machine" for infringing content and seeks statutory damages, profits, and a permanent injunction.

BUILDER.AI PARENT FILES FOR CHAPTER 7 AMID TECH CLAIMS AND LEGAL WOES

LITIGATION – JUNE 5, 2025

Engineer.ai, the parent of AI-supported app development platform Builder.ai, has filed for Chapter 7 liquidation in Delaware, listing over \$50 million in liabilities and up to \$10 million in assets. The filing follows years of legal scrutiny, including a 2019 lawsuit by a former executive who alleged the company misled investors about its AI capabilities. Though that case settled, Engineer.ai later sued the executive's attorney for defamation over related media coverage—claims that were dismissed in 2022. Despite raising over \$450 million in funding, including a \$250 million round led by Qatar's sovereign wealth fund, the company cited "historic challenges" and financial strain as reasons for its collapse.