



ARTIFICIAL INTELLIGENCE

LEGAL, REGULATORY, GUIDANCE, AND LITIGATION RISK TRENDS

Real Estate Market

CONFIDENTIAL

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I. OVERVIEW

Artificial Intelligence (“AI”) is rapidly transforming the real estate industry, moving beyond simple automation to enable data-driven decision-making, enhance efficiency, and create personalized customer experiences. Analysis of enacted and pending bills across select jurisdictions (i.e., Colorado, Arizona, California, New York, New Jersey, and New Mexico), reviewed in light of regulatory directives and guidance, highlights several emerging legal trends, priority policy themes, and common regulatory elements appearing in state AI-related laws.

Notably, Colorado, California, and New York (among other states) are leading efforts to define, regulate, and enforce responsible AI development and deployment across industries, particularly in real estate, healthcare, criminal/law enforcement, and cross-sector privacy & copyright. Common legal elements (with varying treatment) in current state AI legislation are:

- Disclosure/Notice Requirements;
- Monetary/Criminal Penalties;
- Safe Harbor/Affirmative Defenses;
- Duty of Care;
- Algorithmic Impact Assessments/Bias Audits;
- Private Right of Action;
- Employee Surveillance;
- Required Human Review;
- Rental Price Fixing Controls; and
- Incident Reporting Requirements.

These patterns reveal a clear focus on transparency, accountability, and risk mitigation, particularly in high-impact or sensitive use cases. Most notably, three trends currently define the U.S. legal environment with regard to the use of AI:

- (1) Duty-of-care statutes in AI legislation are creating enforceable elements of negligence;
- (2) Sector-specific prohibitions (i.e., AI in image manipulation, rent setting, medical decision-making, and deepfakes) are rapidly becoming sources of private causes of action; and
- (3) Recent caselaw is converting these statutory duties into real litigation patterns, particularly in the fair-housing, data-privacy, and digital-replica domains.

In real estate and housing markets, states are shifting liability from AI developers to AI-deploying professionals. For instance, in cases involving AI listing-description generators, the agents and MLSs that use AI to produce or distribute listings will likely be held strictly responsible for the output. Likewise, for cases involving AI images or virtual-staging tools, the MLS/broker/agent is considered the deploying professional who may choose to apply the tool to real properties and then represent those images to the public. This usage may subsequently trigger claims for misrepresentation, failure to use required “AI-altered image” disclaimers, and/or fair-housing issues. Similarly, in tenant-screening or risk-scoring system-type cases, while the AI developer creates the model, the deploying professional uses it to make fair-hiring-sensitive decisions, rendering the professional subject to claims (and liability) for improper use.

Key regulatory-compliance issues that brokers, agents, and MLSs should consider to safeguard organizations from AI-related litigation include data misuse, privacy violations, and false advertising or fair-housing issues. For instance, AI-related litigation risk can be reduced by adopting a clear AI governance program that combines strong data licensing terms, vendor oversight, and technical controls to prevent scraping or unauthorized model training, and that requires human review of all AI outputs, bias audits for marketing tools, and mandatory disclosure of AI-generated content. Integrating privacy-law compliance, tightening MLS access policies, and training staff on fair-housing and advertising rules together helps to create a documented “*reasonable care*” defense against future lawsuits.

II. AI-Related Laws and Regulations Tracking

State	Type	Industry	Status	Citation	Summary	AI Defined	Duty of Care	Disclosure /Notice Requirement	Private Right of Action	Safe Harbor /Affirmative Defenses	Monetary /Criminal Penalties	Algorithmic Impact Assessments /Bias Audits	Incident Report	Required Human Review	Rental Price Fixing
AZ	Law		Enacted/A dopted		Law updates Arizona’s child exploitation statutes to give AI-generated and digitally altered images of minors the same criminal penalties as those involving actual children, so long as the images are indistinguishable from real children.	N/A	N/A	Yes	N/A	N/A	Yes	N/A	N/A	N/A	N/A
AZ	Law		Enacted/A dopted		The “political deepfake” bill prohibits knowingly distributing “deceptive and fraudulent deepfakes” of a political candidate within 90 days of an election. The media must include a clear disclosure that it was generated by AI. The law allows affected candidates to seek injunctive relief from the creator of the deepfake.	N/A	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A

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AZ	Law		Enacted/A dopted		Bill prohibits the use of AI to automatically deny medical claims or prior authorizations related to medical necessity. Instead, a licensed healthcare provider must review such decisions.	N/A	Yes	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
CA	Law	Real Estate	Enacted/A dopted	Assembly Bill No. 723	The bill requires real estate professionals who use digitally altered images in property ads to include a conspicuous modification disclosure and provide or link to the original unaltered image.	N/A	N/A	Yes	N/A	N/A	Yes	N/A	N/A	N/A	N/A
CO	Law		Enacted/A dopted		Bill aims to increase transparency and accountability for artificial intelligence (AI) systems in Colorado by establishing new requirements for developers and deployers of high-risk AI systems.	N/A	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes

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CO	Law		Enacted/A dopted		Colorado’s AI Act, SB 24-205, is a law that creates consumer protections for high-risk artificial intelligence systems by requiring both developers and deployers to use “reasonable care” to protect consumers from algorithmic discrimination.	Artificial Intelligence System means any machine-based system that, for any explicit or implicit objective, infers from the inputs the system receives how to generate outputs, including content, decisions, predictions, or recommendations, that can influence physical or virtual environments.	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes
CO	Law		Enacted/A dopted		Bill establishes that the use of AI systems or required disclosure of AI systems must comply with the “Colorado Consumer Protection Act”.	Defers to 15 U.S.C. SEC. 9401 (3) for the definition of “Artificial Intelligence System”	N/A	Yes	N/A	Yes	Yes	N/A	N/A	N/A	Yes
CO	Law		Enacted/A dopted		Bill establishes comprehensive legal protections against the unauthorized disclosure of intimate digital depictions, which are highly realistic visual	Generative AI means a subset of Artificial Intelligence that involves using algorithms and models to generate or create new and	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A

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					representations created through digital means like artificial intelligence or image editing software.	original content.									
NJ	Law		Enacted/A dopted	Deepfake Law A3540/S2 544	Establishes criminal penalties for product or dissemination of deceptive audio or visual media, commonly known as “deepfakes.”	Not specified.	N/A	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A
	Law		Enacted/A dopted	HB 182 N.M. Stat. Ann. § 1-19-26.4	Requires that any materially deceptive advertisement generated by AI in New Mexico must carry a clear disclaimer identifying it as manipulated or AI-generated.	Artificial intelligence means a machine-based system that can emulate the structure and characteristics of input data to generate synthetic content, including images, video or audio.	N/A	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A
	Law		Enacted/A dopted	House Memorial 2	Directed the New Mexico Legislative Education Study Committee (LESC) to form an Educational Data Governance and Artificial Intelligence Working Group during the 2025 legislative interim.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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					The working group was tasked with studying and making recommendations on the use of AI in New Mexico's education system by October 31, 2025.										
NM	Law		Enacted/A dopted		The statute expands the powers/duties of the Board of Nursing and explicitly authorizes the regulatory board to regulate how AI may be integrated into nursing practice.	Artificial intelligence means a broad category of existing, emerging and future digital technologies that involves using algorithms to drive the behavior of agents such as software programs, machines and robotics.									
NM	Law		Enacted/A dopted	RAISE Act (Responsible AI Safety and Education Act) Assembly Bill A6453A	Mandates developers of powerful AI models publish and follow safety protocols, conduct risk evaluations, and report safety incidents, such as when a dangerous model is stolen or misbehaves.	Artificial Intelligence means a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing	Yes	Yes	N/A	N/A	Yes	Yes	Yes	N/A	N/A

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						real or virtual environments, and that use machine- and human-based input to perceive real and virtual environments, abstract such perceptions into models through analysis in an automated manner, and use model inference to formulate options for information or action.									
NY	Law		Enacted/Adopted	NYC Local Law 144	City law mandates employers who use Automated Employment Decision Tools (AEDT) to have an independent bias audit conducted within one year of using the tool and provide a notice to candidates and employees within 10 business days before using an AEDT.	N/A	N/A	Yes	N/A	N/A	Yes	Yes	N/A	N/A	N/A

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NY	Law		Enacted/ Adopted	NYS Assembly Bill 2025-A222A	This bill requires developers and operators of chatbots interacting with New York users to clearly disclose that the user is communicating with artificial intelligence rather than a human, especially when the interaction may influence decisions or emotional well-being.	Artificial Intelligence means a machine-based system or combination of systems, that for explicit and implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments.	Yes	Yes	N/A	Yes	N/A	N/A	N/A	N/A	N/A
NY	Law	Real Estate	Proposed /Pending	Assembly Bill A9028	Requires real estate brokers and online housing platforms using virtual agents and AI tools to conduct a disparate impact analysis to assess the actual impact of any such virtual agent; requires such individuals to submit a summary of the most recent disparate impact analysis to the attorney general's office; requires	"Artificial intelligence tools" or "AI tools" means an autonomous computational system that uses artificial intelligence or similar algorithmic systems to provide functions for an online housing platform, other than acting as	Yes	Yes	N/A	N/A	N/A	Yes	N/A	Yes	N/A

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					online housing platforms using virtual agents to provide an option to communicate with a human representative; makes certain provisions requiring anti-discriminatory measures for virtual agents and AI tools.	a virtual agent, including but not limited to, captioning services and displaying housing-related advertisements to users of such online housing platform.									
NC	Law	Real Estate	Proposed /Pending	North Carolina H.B. 970	Bans “algorithmic rent-fixing” by prohibiting landlords (and service providers) from using or paying for tools that coordinate rental prices via AI or competitor data, making violations actionable under the state UDTPA (with private suits and AG enforcement).	“Pricing Algorithm” - Any process using calculations that analyzes data for the purpose of recommending or setting prices or commercial terms, including processes that utilize machine learning or other artificial intelligence techniques.	N/A	N/A	Yes	N/A	Yes	N/A	N/A	N/A	Yes
PA	Law		Enacted /Adopted	Digital Forgery Law SB 649	Establishes criminal penalties for anyone who uses AI to produce non-consensual “forged digital likenesses” (i.e., deepfakes or voice clones) to defraud	N/A	N/A	Yes	N/A	Yes	Yes	N/A	N/A	N/A	N/A

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					or harm state citizens.										
PA	Law	Criminal	Enacted /Adopted	Pennsylvania SB 1213	The bill amends the statute on unlawful dissemination of intimate image (Title 18, § 3131) to add “artificially generated sexual depiction” to the definition - expanding the law to criminalize deceptive sexual images created via AI or editing tools.	A machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations or decisions influencing real or virtual environments, including the ability to: (i) perceive real and virtual environments; (ii) abstract perceptions made under paragraph (1) into models through analysis in an automated manner; and (iii) use model inference to formulate options for information or action based on outcomes under	N/A	Yes	N/A	N/A	Yes	N/A	Yes	N/A	N/A

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						subparagraphs (i) and (ii). (2) The term includes generative artificial intelligence.									
WI	Law	Real Estate	Proposed /Pending	Wisconsin Assembly Bill 456; Wisconsin Senate Bill 478	This bill makes various changes to the law governing the practice of real estate, specifically with respect to transactions involving residential property with one to four dwelling units (residential property). Requires licensees, when developing advertising for property, to disclose if the advertising has been altered or modified using	N/A	N/A	Yes	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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					technology, including artificial intelligence, to add, remove, or change elements of the property that create a false or misleading impression of the property.										
US	Law	Real Estate	Proposed /Pending	US H.R. 3086	Restores HUD's fair-housing mission and AFFH rulemaking, and it directs HUD to review five years of Fair Housing Act complaints involving digital platforms or AI. The bill requires HUD to report trends/risks to Congress and requires HUD to develop and update on a quarterly basis, a database that is publicly available on the HUD website.	"Artificial intelligence" has the meaning given the term in section 238(g) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law 115-232).	N/A	Yes	N/A	N/A	N/A	N/A	N/A	N/A	N/A

III. AI Regulatory Guidance & Directives

State	Department/Agency	Title	Date Published or Effective	Source	Summary
NE	Nebraska Real Estate Commission	Winter Edition Bulletin: Guidelines For Use Of Artificial Intelligence (AI) In Real Estate	October 2025	https://nrec.nebraska.gov/pdf/newsletters/2025winterrec.pdf	The October 2025 bulletin includes a section outlining Guidelines for the Use of AI in Real Estate. Key considerations include that 1) Licensees are responsible for their conduct, 2) Licensees should avoid misleading or inaccurate information, 3) Licensees should ensure they protect consumer privacy and confidential information, 4) Licensees should ensure compliance with fair housing and anti-discrimination law, and 5) transparency and disclosure are paramount.
NY	New York Department of State	Significant Rise in A.I. Images Being Used to Sell Homes Can Lead to Deceptive Advertising	November 13, 2025	https://dos.ny.gov/news/new-york-department-state-issues-new-trend-alert-warning-homebuyers-ai-generated-home-listings	The New York Department of State (which oversees the Division of Licensing Services and the Real Estate Commission) has issued an official warning regarding AI-generated imagery for home listings. The posting is geared towards potential homebuyers, but offers insights into the regulation of the use of AI by licensees and the risks associated with such use.
NC	North Carolina Real Estate Commission	Artificial Intelligence Legal and Ethical Considerations	June 2025	https://bulletins.ncrec.gov/artificial-intelligence-legal-and-ethical-considerations/	The North Carolina Real Estate Commission has published guidance warning licensees to consider the legal and ethical responsibilities that come with using AI, including fair housing compliance, privacy requirements, ensuring transparency in its use, and the risks associated with overuse.

State	Department/Agency	Title	Date Published or Effective	Source	Summary
OH	Department of Administrative Services	IT-17 Use of Artificial Intelligence in State of Ohio Solutions	January 5, 2026	https://das.ohio.gov/technology-and-strategy/policies/it-17	Policy IT-17 (updated January 2026) establishes a "Human-in-the-Loop" requirement that extends to all Boards and Commissions. The policy sets forth required processes to be developed for any agency integrating AI technologies into state solutions.
OR	Department of Justice	What you should know about how Oregon's laws may affect your company's use of Artificial Intelligence	December 24, 2024	https://www.doj.state.or.us/wp-content/uploads/2024/12/AI-Guidance-12-24-24.pdf	The DOJ issued guidance on the use of AI that extends to misrepresentation in real estate, specifically calling out that the use of AI may violate Oregon's Unlawful Trade Practices Act when AI is used to misrepresent real estate, goods, or services, or is used to employ any unconscionable tactic in connection with selling, renting or disposing of real estate, goods, or services.
SC	South Carolina Department of Labor, Licensing, and Regulation	Use of Artificial Intelligence in Real Estate Practice	June 12, 2025	https://llr.sc.gov/re/News/AI%20Use.pdf	The commission has published alerts regarding the use of AI and the applicable statutes governing its use, emphasizing key concerns such as maintaining the privacy and security of client information, retention of private or proprietary information by AI programs, and ensuring compliance with South Carolina law.

IV. AI Litigation Risk Tracking

State	Citation	Ruling Date	Parties	Cited Precedent	Pertinent Issues/Facts of Case	Penalties/ Awards	Industry
Alabama	Matter of Weber, 85 Misc. 3d 727, 220 N.Y.S.3d 620 (Sur Ct 2024)	October 10, 2024	Executrix/trustee; Trust beneficiary	People v Wakefield, 175 AD3d 158, 107 N.Y.S.3d 487 (3d Dept 2019) leave den'd 38 NY3d 367, 174 N.Y.S.3d 312, 195 N.E.3d 19 (2022).	Accounting for a trust, and dispute over the trustee's retention and use of trust property. The court found the accountant's expert testimony to be unreliable, but also discussed generally the use of AI to generate reports as evidence.	Petition for accounting granted.	Accounting; Litigation
New York	Matter of Weber, 85 Misc. 3d 727, 220 N.Y.S.3d 620 (Sur Ct 2024)	October 10, 2024	Executrix/trustee; Trust beneficiary	People v Wakefield, 175 AD3d 158, 107 N.Y.S.3d 487 (3d Dept 2019) leave den'd 38 NY3d 367, 174 N.Y.S.3d 312, 195 N.E.3d 19 (2022).	Accounting for a trust, and dispute over the trustee's retention and use of trust property. The court found the accountant's expert testimony to be unreliable, but also discussed generally the use of AI to generate reports as evidence.	Petition for accounting granted.	Accounting; Litigation
New York	People v. H.K., 69 Misc. 3d 774, 130 N.Y.S.3d 890 (N.Y.C. Crim. Ct. 2020)	May 15, 2020	State of New York; Criminal Defendant	People v Wakefield, 175 AD3d 158, 107 N.Y.S.3d 487 (3d Dept 2019) leave den'd 38 NY3d 367, 174 N.Y.S.3d 312, 195 N.E.3d 19 (2022).	Criminal Prosecution An analysis of DNA evidence by the STRmix software program implicated the defendant. The analyst testified that she would be able to perform the analysis without using the STRmix software. The court held that STRmix was used as a tool to assist the analyst in her interpretation of the data, and it was not working independently. In essence, the software acted as a highly sophisticated calculator. It was not an "expert system" that relies on artificial intelligence.	Conviction affirmed.	Litigation
New York	N.Y. Times Co. v. Microsoft Corp., 757 F. Supp. 3d 594 (S.D.N.Y. 2024)	November 22, 2024	NY Times; Microsoft; OpenAI, Inc.; Various authors	Various cases related to fair use of copyrighted material.	Defendant did not meet its burden of proving that the information sought was relevant. The broad scope of document production sought here is simply not relevant to Defendant's purported fair use defense.	Motion to compel denied.	Copyright; Litigation
New York	People v. Wakefield, 38 N.Y.3d 367, 174	April 26, 2022	State of New York; Criminal Defendant	Frye v. United States, 293 F.	The Court of Appeals rejected defendant's "novel argument" that the TrueAllele source code was the declarant. Even if the TrueAllele system is	Conviction affirmed.	Litigation

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	N.Y.S.3d 312, 195 N.E.3d 19 (2022)			1013 (D.C. Cir. 1923)	programmed to have some measure of “artificial intelligence,” the source code is not an entity that can be cross-examined. The instrument performs its quantitative analysis on electronic data only after the analyst sets the parameters following a human review of the data. Both the analyst who performed the electrophoresis on the DNA samples and the witness who fully understood the parameters and methodology of the TrueAllele software in its DNA interpretation processes testified at trial and were subject to cross-examination.		
New York	The Intercept Media, Inc. v. OpenAI, Inc., 767 F. Supp. 3d 18, 2025 U.S.P.Q.2d 324 (S.D.N.Y. 2025)	February 20, 2025	Intercept Media; OpenAI; Microsoft	Precedent related to Article III standing.	Defendants moved to dismiss based on an allegation that The Intercept had not alleged a concrete injury and so had no standing to sue. The Court disagreed, and held that “[t]o state the conclusion clearly, even though the specific right created by the DMCA may be comparatively new, the injury experienced by The Intercept because of the violation of that right sounds in the same kind of harm long recognized in copyright suits.”	Motion to dismiss denied.	Copyright
New York	White v. County of Suffolk, No. 20-CV-1501 (RER)(JMW), 2024 BL 472090, 2024 Us Dist Lexis 232901 (E.D.N.Y. Dec. 26, 2024)	December 26, 2024	County Officials; Resident	Journal articles.	Plaintiff moved for attorney’s fees. The court remarked, in a footnote, that “[a]lthough the Court did not consider on this application whether use of artificial intelligence tools could have been employed to reduce dramatically the costs for some of the tasks billed, query whether in light of the increasing availability of AI in the legal market, whether this consideration should be taken into account. See Danielle Braff, The Fate of Billable Hours is in the Hands of Artificial Intelligence, ABA J. (March 12, 2024) (https://www.abajournal.com/web/article/the-fate-of-billable-hours-is-in-the-hands-of-artificial-intelligence .) (“If AI is capable of doing tasks in second that once took hours or days, then law firms are faced with a dilemma: continue depending on that timer, which will be cut significantly; or find alternative billing methods that account for the tasks done, rather than the time it takes to do them”); see also Report and Recommendations of the New York	Fees awarded.	Litigation

State	Citation	Ruling Date	Parties	Cited Precedent	Pertinent Issues/Facts of Case	Penalties/ Awards	Industry
					State Bar Association Task Force on Artificial Intelligence (April 2024) (“If the [AI] Tools would make your work on behalf of a client substantially more efficient, then your use of (or failure to use) such Tools may be considered as a factor in determining whether the fees you charged for a given task or matter were reasonable”); ABA Formal Op. 512 (2024) (noting how billing is affected by use of AI in law practice).”		
New York	Lehrman v. Lovo, Inc., No. 24-CV-3770 (JPO), 2025 BL 240784 (S.D.N.Y. July 10, 2025)	July 10, 2025	Voice-over actors; Seller of systems to generate narrations.	NY civil rights law.	Plaintiffs did not state cognizable claims under federal trademark and copyright law. However, claims for misappropriation of a voice, like the ones here, may be properly asserted under Sections 50 and 51 of the New York Civil Rights Law. Plaintiffs also adequately state claims under state consumer protection law and for ordinary breach of contract.	Penalties/awards – Motion to dismiss granted in part, denied in part.	Copyright; Trademark; Privacy
New York	Nat’l Retail Fed’n v. James, No. 25-cv-5500 (JSR), 2025 BL 362701 (S.D.N.Y. Oct. 08, 2025)	October 8, 2025	Trade association; NY Attorney General	Volokh v. James, 148 F.4th 71, 84 (2d Cir. 2025)	<p>The New York Algorithmic Pricing Disclosure Act (“the Act”) provides that any entity domiciled or doing business in New York that sets the price of a specific good or service using personalized algorithmic pricing, and that directly or indirectly, advertises, promotes, labels or publishes a statement, display, image, offer or announcement of personalized algorithmic pricing to a consumer in New York, using personal data specific to such consumer, shall include with such statement, display, image, offer or announcement, a clear and conspicuous disclosure that states: “THIS PRICE WAS SET BY AN ALGORITHM USING YOUR PERSONAL DATA.”</p> <p>The law was not an unconstitutional restriction on the Plaintiff’s speech. Plaintiff’s members are free to utilize algorithmic pricing or not and are free to communicate their own views about the use of such technologies. Plaintiff’s members are not required by the disclosure to “[take] sides” in any controversy, no less a “heated political” one. The disclosure “does not require any statement regarding the merits [of algorithmic pricing]” and plaintiff’s members “remain free to share with their [customers]” their own views on that matter, including their professed view that algorithmic pricing is “socially beneficial.”</p>	Attorney General’s motion to dismiss granted.	Consumer Protection

State	Citation	Ruling Date	Parties	Cited Precedent	Pertinent Issues/Facts of Case	Penalties/ Awards	Industry
					The law does not require any statement “at war” with that belief.		
New York	Ferlito v. Harbor Freight Tools USA, Inc., No. 20-5615 (GRB) (SIL), 2025 BL 137435 (E.D.N.Y. Apr. 23, 2025)	April 23, 2025	Injured Party; Retailer	N/A	Plaintiff was injured when the head of a maul that he bought from the Defendant detached from the handle and injured him in the nose and eye. His expert witness testified as to safe ways of attaching the head to the handle, and Defendant moved to exclude his testimony as unreliable. The Court held that his use of ChatGPT to confirm his opinion did not make his testimony unreliable. There was little risk that the witness’s use of ChatGPT impaired his judgment regarding proper methods for securing the maul’s head to its handle. The record from the hearing reflects that the witness used ChatGPT after he had written his report to confirm his findings, which were based on his decades of experience joining dissimilar materials. During the hearing, the witness professed to being “quite amazed” that the “ChatGPT search confirmed what [he] had already opined.” On re-direct, the witness reiterated that he did not rely on ChatGPT.	Motion to exclude denied.	Products Liability; Litigation
New York	N.Y. Times Co. v. Microsoft Corp., 777 F. Supp. 3d 283, 2025 U.S.P.Q.2d 585 (S.D.N.Y. 2025)	April 24, 2025	Media Outlets; AI Companies	N/A	According to the complaints, defendants’ LLMs implicate plaintiffs’ works at two stages: (1) the training stage, where defendants use a corpus of text—including plaintiffs’ works—to train their LLMs, and (2) the “output” stage, where defendants’ LLMs generate outputs in response to user prompts that, according to the complaints, “regurgitate” plaintiffs’ works. (See Times, FAC ¶¶ 77-79, 98.) Plaintiffs challenge at the output stage the outputs generated by (1) OpenAI’s GPT products and (2) Microsoft’s products powered by OpenAI’s products. 777 F. Supp. 3d at 300.	Motion to dismiss on statute of limitations grounds denied. Motion to dismiss claims for contributory infringement denied. NY Times’s claims for DMCA violation were dismissed, but DMCA claims for the NY Daily News and the Center for Investigative Reporting may proceed.	Copyright; Trademark
New York	In re OpenAI, Inc. Copyright Infringement Litig., No. 25-md-3143 (SHS) (OTW), 2025	June 18, 2025	Media Companies; OpenAI	Federal Rules of Civil Procedure.	Plaintiffs, two news organizations, filed a complaint asserting a single cause of action against defendants OpenAI, Inc., OpenAI GP, LLC, OpenAI, LLC, OpenAI OpCo LLC, OpenAI Global LLC, OAI Corporation, LLC, and OpenAI Holdings, LLC (the	The Plaintiffs did not show extraordinary circumstances that would justify	Copyright

State	Citation	Ruling Date	Parties	Cited Precedent	Pertinent Issues/Facts of Case	Penalties/ Awards	Industry
	BL 211488 (S.D.N.Y. June 18, 2025)				“OpenAI defendants”) under the Digital Millennium Copyright Act (“DMCA”). The complaint alleged that defendants created copies of plaintiffs’ works of journalism that did not include author information, title information, or copyright information (together, “Copyright Management Information”) in violation of the DMCA and used those copies of plaintiffs’ works to train their ChatGPT products. The OpenAI defendants moved to dismiss the complaint in part on the ground that plaintiffs had not shown Article III injury on their DMCA claim because the complaint did not allege that defendants disseminated copies of plaintiffs’ works without Copyright Management Information. Defendants’ motion to dismiss the complaint was granted, and plaintiffs’ motion for leave to amend their complaint was denied.	reconsideration of the dismissal.	
New York	In re OpenAI, Inc. Copyright Infringement Litig., No. 25-md-3143 (SHS) (OTW), 2025 BL 211488 (S.D.N.Y. June 18, 2025)	June 18, 2025	Media Companies; OpenAI	Federal Rules of Civil Procedure.	Plaintiffs, two news organizations, filed a complaint asserting a single cause of action against defendants OpenAI, Inc., OpenAI GP, LLC, OpenAI, LLC, OpenAI OpCo LLC, OpenAI Global LLC, OAI Corporation, LLC, and OpenAI Holdings, LLC (the “OpenAI defendants”) under the Digital Millennium Copyright Act (“DMCA”). The complaint alleged that defendants created copies of plaintiffs’ works of journalism that did not include author information, title information, or copyright information (together, “Copyright Management Information”) in violation of the DMCA and used those copies of plaintiffs’ works to train their ChatGPT products. The OpenAI defendants moved to dismiss the complaint in part on the ground that plaintiffs had not shown Article III injury on their DMCA claim because the complaint did not allege that defendants disseminated copies of plaintiffs’ works without Copyright Management Information. Defendants’ motion to dismiss the complaint was granted, and plaintiffs’ motion for leave to amend their complaint was denied.	The Plaintiffs did not show extraordinary circumstances that would justify reconsideration of the dismissal.	Copyright
New York	Gutierrez v. Lemonade, Inc., No. 21-cv-7070 (JGK), 2022 BL 276384, 2022 WL 3214852	August 8, 2022	Policyholders; Insurance Company	NY breach of contract law.	Lemonade stated that “To be able to review claims, we ask users to provide various documents in the form of videos . . . and so on.” Lemonade also represented that that “[b]iometric information (such as voice and handwriting recognition)” was not required to provide the services, is not collected, and	Plaintiffs stated a claim for breach of contract; motion to dismiss denied.	Insurance; Data Privacy

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	(S.D.N.Y. Aug. 08, 2022)				is not sent to any service providers. Beyond these two examples, the phrase “biometric information” is not further defined. The plaintiffs alleged that biometric information includes “unique physical characteristics, such as voiceprints, or face geometry scans; and information based on or derived from” those characteristics.		
New York	People v. Zuhdi A., 86 Misc. 3d 1227(A), 234 N.Y.S.3d 924 (N.Y.C. Crim. Ct. 2025)	June 17, 2025	Criminal Defendant; State of New York	NY criminal procedure law.	The People delayed complying with discovery orders regarding turning over information to the Defendant.	Motion to dismiss granted.	Litigation
Pennsylvania	Mansfield v. Norfolk S. Ry., No. 2:22cv1159, 2025 Us BL 343324, 2025 Us Dist Lexis 188541 (W.D. Pa. Sept. 25, 2025)	September 25, 2025	Injured Worker; Railroad	Precedent related to Article III standing.	Defendants moved for summary judgement on the basis that Plaintiff’s expert witness lacked the requisite expertise to offer opinions about Defendant’s undertakings and practices as they relate to the safety conditions of the track. However, the expert demonstrated that he had gained specialized expertise in railroad safety from his education and extensive years of experience working in, with and overseeing safety regulations involving railroads. In addition, he had the experience to offer testimony and conclusions about defendant’s use of the prototype artificial intelligence system employed as well as the safety regulations and concerns surrounding that undertaking.	Motion for summary judgment denied.	Transportation; Litigation
Pennsylvania	Perrong v. QuoteWizard.com, LLC, No. 20-CV-2506, 2020 BL 324966, 2020 WL 5039445 (E.D. Pa. Aug. 26, 2020)	August 26, 2020	Consumers; Telephone Advertiser Company	NY breach of contract law.	Plaintiff stated a cause of action under the Telephone Consumer Protection Act.	Motion to dismiss denied.	Communications
Federal	No. CV-22-01717-PHX-MTL, 2023 BL 34286, 2023 Us Dist Lexis 17812, 2023 WL 1472849 (D. Ariz. Feb. 01, 2023)	October 21, 2025	Opendoor Technologies Inc., its officers and directors, underwriters, and a major shareholder; investors	None	Opendoor operates a digital marketplace for the buying and selling of residential real estate in the United States. Its digital platform features a technology known as “iBuying,” an algorithm-based process that enables Opendoor to make accurate market-based offers to sellers for their homes, and then later flip those homes to subsequent buyers. Plaintiffs allege that Defendants made materially false and/or misleading statements and/or failed to	Motion for preliminary approval of settlement granted.,	Real estate; securities

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					disclose material facts adverse to the Company’s business activities and operations; namely, that Defendants misrepresented and/or failed to disclose that: (1) the algorithm used to make offers for homes could not accurately adjust to changing house prices across different market conditions and economic cycles; (2) as a result, the Company was at an increased risk of sustaining significant and repeated losses due to residential real estate pricing fluctuations; (3) accordingly, Defendants overstated the purported benefits and competitive advantages of the algorithm; and (4) as a result Defendants’ public statements were materially false and/or misleading at all relevant times.		
Federal	Case No. 1:24-cv-00710-LCB-JLW (U.S. Dist. Ct. N.D. N. Carolina)	January 7, 2025	US Department of Justice; Landlords	None	<p>The US Department of Justice alleged that six landlords actively participated in a scheme to set their rents using each other’s competitively sensitive information through common pricing algorithms. Along with using RealPage’s anticompetitive pricing algorithms, these landlords coordinated through a variety of means, including:</p> <p>Directly communicating with competitors’ senior managers about rents, occupancy, and other competitively sensitive topics;.</p> <p>Regularly conducting “call arounds,” in which property managers called or emailed competitors to share, and sometimes discuss, competitively sensitive information about rents, occupancy, pricing strategies and discounts;</p> <p>Participating in “user groups” hosted by RealPage;</p> <p>Sharing information with competitors about parameters in RealPage’s software. As an example, at the request of Willow Bridge’s director of revenue management, Greystar’s director of revenue management supplied its standard auto-accept parameters for RealPage’s software, including the</p>	<p>The parties reached a settlement whereby Cortland, a landlord that manages over 80,000 rental units in 13 states agreed to cooperate in the Justice Department’s investigation and litigation and be barred from, among other things:</p> <p>Using competitors’ competitively sensitive data to train or run any pricing model;</p> <p>Using third-party software or algorithms to price apartments without the supervision of a court-appointed</p>	Real estate; antitrust

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					daily and weekly limits and the days of the week for which Greystar used “auto-accept.”	monitor; and Soliciting, disclosing or using any competitively sensitive information with any other property manager as part of setting rental prices or generating rental pricing recommendations.	