
K-Notes: Terms of Service

from OpenAI

Concerns and Terms Evolving

The concerns around AI Generated Content, as well as the contracts drafted alongside them, continue to evolve. Biggest questions center around IP rights, sharing generated content on social media, and enforcing the Terms of Service. This is one topic to stay informed on as new changes are around the corner.



"They are speaking to untrodden territory in intellectual property law."

Justin MacFayden
CEO, Co-Founder
ProSe Claims

"If you are able to take any contract and make it into a digestible format, it's going to increase your sales cycle."

KEY TAKEAWAYS

- **Define what the risks are**

When drafting, simply saying "to mitigate possible risks" leaves a hole in the contract when what those risks are don't have a clear definition.

- **Look at Enforceability**

It's nice to ask users to follow guidelines. But you need to ask, what happens if users don't follow the Terms of Service? Are the terms enforceable? Consider the practicality of what the Terms outline.

- **New Territory in IP Law**

The idea of ownership of AI-generated content is an unsettled area, thus requiring caution and an abundance of clarity in contracts revolving around this topic. Be as clear as you possibly can.

- **If the Goal is Sharing, Make Terms Popular**

OpenAI's goal is to get the public to play with and share AI-generated content, but to do so in a way that prevents toxicity and preserves IP law. If your client's goal is to avoid all risk whatsoever, it would look like a very different contract. Take your client's goal into account when drafting Terms of Service.