Trade Journal Entry #2

TechCrunch, AI, Sept. 12th to Sept. 19th

In TechCrunch AI section, over 80 articles are published during last week including following (only shows ten about different topics):

* Here is what’s illegal under California’s 8 (and counting) new AI laws
* Amazon releases a video generator — but only for ads
* AI governance can’t be left to the vested interests
* Fal.ai, which hosts media-generating AI models, raises $23M from a16z and others
* YouTube Shorts to integrate Veo, Google’s AI video model
* Governor Newsom on California AI bill SB 1047: ‘I can’t solve for everything’
* BlackRock and Microsoft are reportedly planning a $30B AI-focused megafund
* Mistral launches a free tier for developers to test its AI models
* Snap’s new AI feature lets you create Snapchat Lenses by simply describing them
* Intel moves to spin out foundry business, inks AI chip deal with AWS

Articles in this week are focusing generally on the same set of topics as last few weeks, with California continuous to lead in AI legislation and regulation, companies like Fal.ai, BlackRock and Microsoft are increasing their investments in AI to boost the development of this thriving industry, more AI tools are landing and get applied, and Intel’s AI chip gradually becomes one impactful part of Intel’s strategic decision. Amazon also made headlines with its new AI video and chatbot tools, while Mistral's open-source AI models further democratize access to powerful machine learning capabilities. Meanwhile, platforms like LinkedIn face ongoing scrutiny over their data usage for AI training.

One article that interests me is the one titled “OpenAI unveils o1, a model that can fact-check itself” (https://techcrunch.com/2024/09/12/openai-unveils-a-model-that-can-fact-check-itself/) The article talked about a new family of models developed by OpenAI team, codenamed "Strawberry" and officially called OpenAI o1. Currently o1-preview and o1-mini are available for ChatGPT Plus and API users, with broader access planned. While o1 has promising features, such as the ability to "think" before answering and better reasoning abilities compared to previous models, it lacks web browsing and file analysis functions, and its image analysis feature is disabled pending further testing, which makes it a more biased model to “logical text generation”. The model also comes with high costs, making it 3-4 times more expensive than its predecessor GPT-4o. The unique strength of o1 with all the compromises lies in its reasoning abilities, leveraging reinforcement learning to tackle complex tasks. It can handle multifaceted problems and excels in coding, scientific analysis, and multilingual tasks. OpenAI’s “o1-system-card” (https://cdn.openai.com/o1-system-card.pdf) suggest o1 outperforms previous models in fields like law and programming, but it still faces limitations like slower response times (up to 10s or 20s), hallucinations, and occasional errors. With the intensifying competition from rivals like Google DeepMind, OpenAI’s challenge will be to improve o1 and make it more widely accessible at lower costs.

The article introduces the new model family "Strawberry" from OpenAI, with the impressive preview model "o1-preview" now available via the OpenAI API. In a public talk, Sam Altman mentioned that we are at the "GPT-2 stage of these new types of reasoning models" (<https://www.youtube.com/watch?v=r-xmUM5y0LQ&t=3970s>), highlighting the team's high expectations for this new model family. What excites me the most is the potential new capabilities in generative AI that could be unlocked by o1. As Altman suggested, this breakthrough could lead to wider applications in fields where previous models struggled due to unclear logical reasoning. O1’s 40% improvement in PhD-level Physics and Chemistry benchmarks suggests that it could be used in more failure-sensitive scenarios, which are critical in industries like customer credit evaluation and quality issue diagnosis. Overall, I’m eager to see the "GPT-4 stage" of o1 and the expanded applications this model might bring.