

# OpenAI fires back at Elon Musk in legal fight over breach of contract claims

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Author: Dan Milmo

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OpenAI has hit back at Elon Musk's lawsuit accusing it of betraying its altruistic roots, claiming the Tesla chief executive had in fact supported the artificial intelligence company's plans to create a for-profit unit. Executives at the ChatGPT maker released a blogpost containing what they claimed was historical email correspondence with Musk in which the entrepreneur suggested merging the San Francisco-based startup with Tesla. Musk appears to have said in one 2018 message that OpenAI should attach to the electric carmaker "as its cash cow", adding in a further email: "Tesla is the only path that could even hope to hold a candle to Google." The blog, authored by OpenAI executives including its chief executive, Sam Altman, claims that in 2017 "we and Elon decided the next step for the mission was to create a for-profit entity". Last week Musk filed a lawsuit accusing OpenAI, where he was a founding board member, of deviating from its foundational mission by forming a for-profit unit – and putting making money before its core aim of producing technology for the benefit of humanity. Musk left the board of OpenAI in February 2018 and a year later the ChatGPT developer created a for-profit arm, in which Microsoft is the largest investor – an arrangement that Musk focuses on in his lawsuit. "We're sad that it's come to this with someone whom we've deeply admired – someone who inspired us to aim higher, then told us we would fail, started a competitor, and then sued us when we started making meaningful progress towards OpenAI's mission without him," the executives wrote. The company said it intended to seek a court dismissal of Musk's claim of breach of contract, which has been lodged in a San Francisco court. Musk's lawsuit claims that OpenAI "has been transformed into a closed-source de facto subsidiary of the largest technology company in the world: Microsoft". The emails also show Musk appearing to endorse the company raising billions of dollars. "Even raising several hundred million won't be enough. This needs billions per year immediately or forget it," he writes in one 2018 email, sent after he had left the OpenAI board. OpenAI said the suggestion for a Tesla merger came after Musk and the company decided the next step was to create a for-profit entity to generate capital for building artificial general intelligence, or AGI. The term refers to a theoretical form of AI that can achieve a range of tasks at a level of competence at or above human levels of intelligence. Musk, who this week was overtaken as the world's richest man by Amazon's Jeff Bezos, then wanted a majority of the equity, initial board control and to be chief executive of OpenAI, the company said. But OpenAI and Musk could not agree to terms on a for-profit, the blog claimed, because the startup felt that it was against the mission for any individual to have absolute control over the firm. In his lawsuit, Musk said he and OpenAI's co-founders, Altman and Greg Brockman, had originally agreed to work on AGI in a way that would "benefit humanity" but that the company had walked back from that commitment by teaming up with Microsoft. Musk also said he had pushed OpenAI to announce an initial \$1bn funding commitment in 2015, after Altman and Brockman initially planned to raise \$100m.

OpenAI's riposte to Musk came as Microsoft filed a motion to dismiss a lawsuit brought by the New York Times last year against the tech company and the firm. The filing on Monday accused the NYT, which is suing Microsoft and OpenAI for copyright infringement by using its content to train its AI models, of pushing a narrative of "doomsday futurology" about the potential impact of AI on the news industry. The Microsoft filing opens with a comparison between news industry concerns about the impact of AI and Hollywood's fears about the impact of VCRs – video players – on film studios. "In this case, The New York Times uses its might and its megaphone to challenge the latest profound technological advance: the Large Language Model," said Microsoft, adding that "the entertainment industry flourished when the VCR opened new markets and revenue streams". Elon Musk and Tesla have been contacted for comment.