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TECH TALK

A GNLU Centre for Law and Technology Initiative

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1. INDIA PLANS SWEEPING OVERHAUL OF DIGITAL LAW AS MARKET SWELLS

India intends to revamp its internet regulations, potentially impacting the operations of major Silicon Valley companies in the country. A preliminary version of the new law will be released in June and will likely cover various aspects aimed at holding Big Tech accountable to the government, safeguarding users, and allowing for a more competitive environment. The changes will affect how companies like Google, Meta Platforms (formerly Facebook), and Amazon conduct business in India, which is projected to have 1.3 billion internet users by 2025. The government plans to implement the legislation by the end of 2023. The key areas of focus include defining fair treatment for users, addressing market concentration and platform power, eliminating safe harbor provisions to increase user traceability, establishing revenue-sharing frameworks for content generators and platforms, and regulating various types of platforms such as e-commerce, social media, and digital news. Additional digital laws on personal data protection, national data governance policy, digital competition, and penal code amendments are also in progress, signifying a comprehensive overhaul of India's digital laws.

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2. 'NOT A MATTER OF CHOICE': SUPREME COURT ASKS INDIAN JUDICIARY, TRIBUNALS TO WELCOME MODERN TECHNOLOGY, E-FILING

A recent order from a bench of the Supreme Court of India has emphasized the need for the Indian judiciary to adopt modern technology and shift towards electronic filing. The ruling stated that the judiciary must embrace technology and tribunals can no longer be exempt from this requirement. The bench, consisting of Chief Justice of India (CJI) DY Chandrachud and Justice JB Pardiwala, expressed that the process of transitioning to e-filing has already begun and is irreversible due to technological advancements. The Supreme Court was hearing a case concerning the National Company Law Appellate Tribunal (NCLAT), which had insisted on physical document filing instead of e-filing. The court considered this approach a "disincentive" and called for a smooth transition to electronic working. As a result, the bench directed the government to review the rules and promote e-filing across all tribunals. Additionally, a working group will be formed to thoroughly assess the current situation in tribunals and propose regulatory changes. The bench emphasized that the Insolvency and Bankruptcy Code (IBC) played a significant role in economic reforms and highlighted the importance of aligning its administration with technological advancements. The case in question involved an appeal filed by Sanket Agarwal, who had initiated corporate insolvency proceedings against a company before the National Company Law Tribunal (NCLT). Although the appeal was dismissed in August 2022, Agarwal filed a subsequent appeal with the NCLAT in October 2022, initially e-filing on October 10th and later submitting physical documents on October 31st. However, the NCLAT dismissed the appeal in January, citing that it was filed beyond the prescribed 45-day period for appeals. The court drew attention to the inconsistent rules of the NCLAT regarding the triggering of the limitation period, whether it is initiated at the time of e-filing or physical submission of documents. Consequently, the bench reinstated the appeal to the NCLAT.

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3. LAWYER'S AI BLUNDER SHOWS PERILS OF CHATGPT IN 'EARLY DAYS'

The reliance on an artificial intelligence chatbot like ChatGPT without appropriate safeguards is demonstrated by a lawyer's use of fabricated court decisions in a court brief.

Attorneys Steven Schwartz and Peter LoDuca from New York are facing potential sanctions after submitting a court brief that cited six nonexistent cases. In an affidavit filed on May 25, Schwartz admitted that ChatGPT generated the fabricated cases, despite initially believing that the tool had provided authentic citations. Schwartz utilized ChatGPT while representing Roberto Mata, who alleged that an Avianca Airlines employee injured him by banging his knee with a serving cart during a flight to New York.

District Judge Kevin Castel raised concerns in the case on May 4, pointing out that Mata's opposition to Avianca's motion to dismiss included references to "nonexistent cases" and "bogus quotes."

Schwartz confirmed that these cases and quotes were sourced from ChatGPT. He stated that he conducted the research for the brief without the involvement of LoDuca.

In the affidavit, Schwartz admitted that he had never used ChatGPT for legal research before and was unaware that its content could be false. LoDuca, in a separate court submission, stated that he had no reason to doubt Schwartz's research.

Federal courts possess the authority to impose sanctions for attorney misconduct. Additionally, a May 26 order indicated that Schwartz could be referred to state disciplinary authorities.

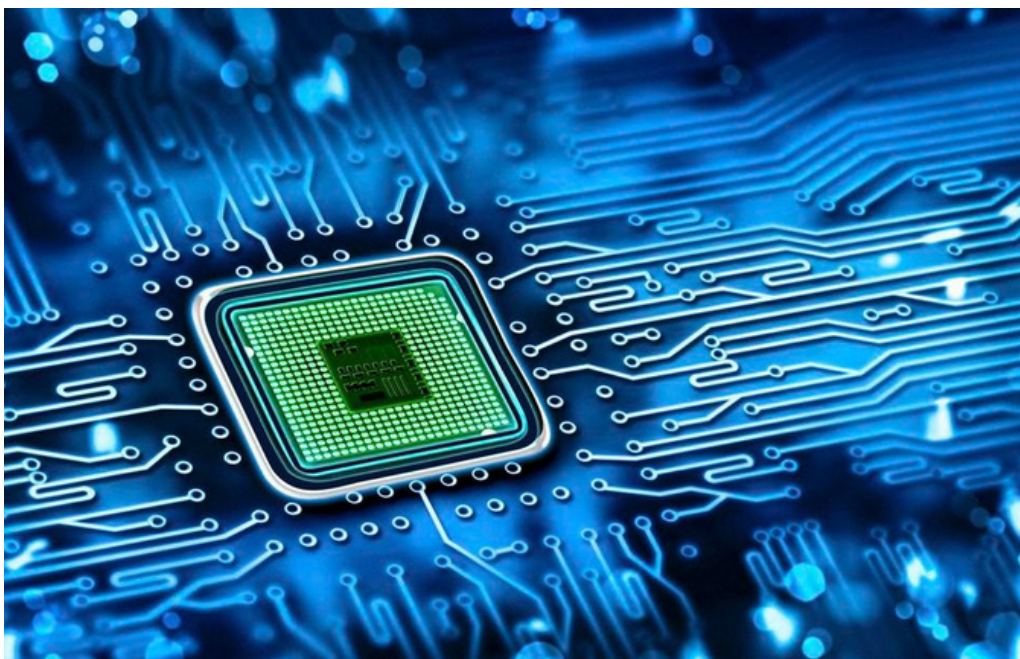
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4. U.S. FTC TO ENFORCE LAW TO CURB RISKS OF ARTIFICIAL INTELLIGENCE

The Federal Trade Commission (FTC) is dedicated to utilizing existing laws to address the risks associated with artificial intelligence, including the potential for dominant firms to gain more power and the heightened risk of fraud, according to FTC Chair Lina Khan. In an opinion piece published in the New York Times, Khan stated that despite the novelty of AI tools, they are not exempt from current regulations, and the FTC will vigorously enforce the laws within its jurisdiction, even in this emerging market. The rise in popularity of OpenAI's ChatGPT, supported by Microsoft, has sparked global calls for regulation due to concerns about its potential misuse, even as companies aim to leverage it for increased efficiency. Khan affirmed that the FTC is well-prepared to handle the task at hand. One of the risks highlighted by Khan is that dominant companies providing cloud services and computing could further enhance their power while assisting startups and other firms in deploying their own AI. Additionally, AI tools could be exploited to facilitate collusion among firms, leading to price increases. Khan expressed apprehension regarding generative AI, which can write in conversational English, as it could be utilized to help scammers create more targeted and convincing phishing emails. She emphasized that when enforcing laws against deceptive practices, the FTC will scrutinize not only the fly-by-night scammers employing these tools but also the upstream firms enabling them.

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5. GOVT TO INVEST ALMOST \$2 BILLION IN SEMICONDUCTOR LABORATORY MOHALI: MOS IT RAJEEV CHANDRASEKHAR

Minister of State for Electronics and IT, Rajeev Chandrasekhar, announced that the Indian government is investing nearly \$2 billion to upgrade the Semiconductor Laboratory (SCL) in Mohali, focusing on research and prototyping. Speaking at the 3rd SemiconIndia Future Design Roadshow held at IIT Delhi, Chandrasekhar highlighted the government's efforts to bolster the semiconductor sector. These measures include the establishment of the Indian Semiconductor Research Center (ISRC), which will collaborate with renowned institutions like the IITs to conduct cutting-edge semiconductor research. Additionally, the modernization of the Semiconductor Laboratory (SCL) and the implementation of a VLSI/semiconductor curriculum aim to cultivate a talent pool of 85,000 professionals capable of creating innovative designs and solutions.

Chandrasekhar emphasized that the primary objective of these initiatives is to attract global investments and foster a vibrant semiconductor design and manufacturing ecosystem. Prime Minister Modi has allocated an outlay of Rs 76,000 crores (approximately \$10 billion) for the semiconductor sector to support the vision of a self-reliant India (AtmaNirbhar Bharat). With the government's policy support, the number of semiconductor startups is expected to rise from the current 27-28 to around 100.

Regarding the Semiconductor Laboratory (SCL), Chandrasekhar stated that the government's fab facility will be upgraded with an investment of approximately \$2 billion, enhancing its research and prototyping capabilities. Previously, it was reported that the government would spend about \$1.2 billion to modernize the 30-year-old SCL facility in Mohali, which currently produces 8-inch CMOS microchip wafers.

The Minister highlighted the transformation of India's digital economy, expanding from IT/ITES to encompass various technology domains such as Deep Tech, AI, Space, and Semiconductors. The government is collaborating with industry, startups, and academia to shift India from being a consumer of technology to becoming a technology producer. These efforts align with the goal of achieving a \$1 trillion digital economy.

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