

AI Briefing

November 2025



Welcome to the first edition of our **AI Briefing**. From now on, we will keep you updated on the most important legal developments in the field of artificial intelligence with concise, regular briefings. Regulatory momentum is high – new legislative initiatives, national measures and influential court decisions are emerging on an almost weekly basis. We highlight what truly matters and provide a clear, practical overview to support your decision-making.

If you would like to discuss what these developments mean for your company, please do not hesitate to get in touch. We look forward to continuing the conversation – and wish you an engaging read.

Yours sincerely,

Dr Andreas Lober

Rechtsanwalt

[vCard](#)



Susanne Klein, LL.M.

Rechtsanwältin

[vCard](#)



**+++ DRAFT BILL OF THE AI ACT IMPLEMENTATION LAW +++
ITALY: FIRST EU COUNTRY WITH NATIONAL AI LAW +++ MUNICH
REGIONAL COURT I: INADMISSIBLE USE OF SONG LYRICS FOR AI
TRAINING AND OUTPUT +++ HAMBURG REGIONAL COURT: AI
CHATBOT GROK MAY NOT SPREAD INACCURATE FACTUAL
ASSUMPTIONS +++ DSK: ORIENTATION GUIDANCE ASSESSES
RAG METHOD AS MITIGATING ACTION +++**

1. Changes in Legislation

+++ DRAFT BILL OF THE AI ACT IMPLEMENTATION LAW +++

The German Federal Government has published a draft bill for the implementation of the AI Act (EU 2024/1689). In particular, the draft proposes the establishment of a so-called "Act on Market Surveillance and Innovation Promotion of Artificial Intelligence (AI Market Surveillance and Innovation Promotion Act - KI-MIG)". Among other things, the Act is intended to establish the Federal Network Agency (BNetzA) as the central market surveillance authority. A Coordination and Competence Centre for AI (KoKIVO) is also to be set up within it to support all other competent authorities in their tasks resulting from the AI Regulation and to ensure a uniform interpretation of the Act. The BNetzA should also carry out measures to promote innovation, e.g. provide general information and instructions on the application of the AI Act for SMEs and start-ups. AI real-world laboratories are also to be created to enable tests of high-risk AI systems under real-life conditions within a legally secure framework.

[To the German Federal Government's draft of the AI Act Implementation Law \(dated 12 September 2025, in German\).](#)

+++ ITALY: FIRST EU COUNTRY WITH NATIONAL AI LAW +++

On 23 September 2025, Italy became the first EU member state to pass a comprehensive national AI law. Act No. 132/2025 came into force on 10 October 2025 and supplements the European AI Act with national regulations. In some respects, the Italian Law goes beyond the European regulation. In the healthcare sector, for example, it shall ensure that access to treatment is decided by a human and not AI. Patients should also have the right to be informed about the use of AI. Similarly, employees should have the right to be informed when AI is used at work. An observatory will be set up at the Ministry of Labour to develop a strategy for the use of AI in the workplace. In the judiciary, AI is not allowed to write judgments or determine penalties. The Act also amends the Italian Copyright Act and the Criminal Code. Works created with AI support should be eligible for copyright protection, provided they result from the author's intellectual output. The unlawful distribution of AI-generated or modified content, in particular deepfakes without labelling, can be punished with imprisonment.

[To the Text of the Act 132/2025 \(dated 23 September 2025, in Italian\).](#)

[To the report from The National Law Review \(dated 18 November 2025\).](#)

2. Case Law

+++ MUNICH REGIONAL COURT I: INADMISSIBLE USE OF SONG LYRICS FOR AI TRAINING AND OUTPUT +++

The Munich Regional Court I has largely upheld GEMA's claim against OpenAI for the use of numerous song lyrics for its AI models. The court ruled that the memorization and reproduction of copyrighted song lyrics in OpenAI's language models constituted unauthorised reproduction and communication to the public. Although the limitations on text and data mining (Section 44b UrhG) apply to the creation of the training records (this had already been indicated by Hamburg Regional Court in a similar case), the models reproduced the works themselves rather than merely extracting information from them. Therefore, this part of the training constituted an unauthorised reproduction and representation of the works by the chatbot ChatGPT. The court dismissed claims for infringement of personal rights. The judgment has not become final yet.

[To the Court's press release \(dated 11 November 2025, in German\).](#)

[To the report from The Guardian \(dated 11 November 2025\).](#)

+++ HAMBURG REGIONAL COURT: AI CHATBOT GROK MAY NOT SPREAD INACCURATE FACTUAL ASSUMPTIONS +++

The Hamburg Regional Court issued an interim injunction ruling that the company xAI is liable for inaccurate factual assumptions made by its AI chatbot Grok. The campaign organisation Campact e.V. had defended itself against the false claim that it was financed by taxpayers' money. In fact, the association is financed exclusively by private donations and is currently not even recognised as a tax-privileged organisation. The Court ruled that xAI must refrain from making inaccurate factual assumptions in its chatbot. xAI cannot invoke freedom of expression or freedom of the press with regard to the chatbot. Should Grok repeat the false allegation, xAI faces a fine of up to EUR 250,000.

[To the press release of Campact e.V. \(dated 10 October 2025, in German\).](#)

[To the report on Heise Online \(dated 11 October 2025\).](#)

+++ BERLIN REGIONAL COURT II: AI-GENERATED VOICE VIOLATES PERSONAL RIGHTS AND DATA PROTECTION +++

The Berlin Regional Court II has ruled that the AI-generated imitation of a voice can constitute a violation of general personal rights and data protection. A German actor and voice actor had filed a lawsuit against a YouTuber who had used an AI-generated voice in two videos that strongly resembled the plaintiff's voice. The videos had satirical content and referred to the defendant's online store. The Court found that imitating the voice of a well-known person using AI can also infringe general personal rights if it is used for commercial purposes. Such use was not justified here, as the plaintiff had not given his consent, and the use served commercial interests. The videos created the false impression that

the plaintiff had provided the voice himself, which could damage his reputation. The Court also considered a breach to have occurred from a data protection perspective, as the plaintiff's voice constituted personal data, and the defendant had processed it without a legal basis. The defendant was ordered to pay damages of EUR 4,000.

[To the judgment of the Berlin Regional Court II \(dated 20 August 2025, 2 O 202/24, in German\).](#)

[To the report on Heise Online \(dated 27 August 2025\).](#)

+++ COLOGNE LOCAL COURT: LAWYER USES AI TO INVENT LEGAL RULINGS AND FINDINGS +++

In family court proceedings, the Cologne Local Court has clearly criticised the use of AI to generate written pleadings. The Court found that the findings presented by a lawyer were "obviously generated by artificial intelligence and fictitious". Specifically, the Court criticised the fact that the cited findings from commentaries and specialist journals were incorrect, authors were mixed up and marginal numbers were invented. The Court considered these statements to be a serious violation of professional law, as they made it more difficult to interpret legislation, misled uninformed readers and "seriously damaged" the reputation of the legal system and the legal profession. The lawyer was informed that knowingly presenting false information about the content of laws and judgments constitutes a violation of the requirement of objectivity pursuant to Section 43a (3) BRAO (German Federal Lawyers' Regulations). The Court ordered the lawyer to refrain from making such statements in the future.

[To the decision of the Cologne Local Court \(dated 2 July 2025, 312 F 130/25, in German\).](#)

+++ GREAT BRITAIN: BARRISTER USES AI AND CITES FICTITIOUS JUDGMENTS +++

A British barrister was reprimanded by a judge at the Upper Tribunal in London for using generative AI to prepare his legal research. In the grounds of appeal, the lawyer cited fictitious or completely irrelevant cases and failed to properly verify the veracity of the AI-generated results. The Upper Tribunal concluded that the most likely explanation for the "entirely fictitious citations" was the use of AI, which the lawyer tried to conceal during the proceedings. The Upper Tribunal explicitly noted that one of the misquoted judgments had also recently been misused by ChatGPT in similar arguments. The Upper Tribunal dismissed the appeal and accused the lawyer of having "wasted" the Upper Tribunal's time. It

announced that it would report the barrister to the relevant regulatory authority (Bar Standards Board) for breaching his professional duties.

[To the report of the Guardian \(dated 16 October 2025\).](#)

+++ GREAT BRITAIN: HIGH COURT LONDON DISMISSES GETTY IMAGES' CLAIM AGAINST STABILITY AI +++

In the case brought by Getty Images against Stability AI, the High Court in London ruled that training the image generation model "Stable Diffusion" with copyrighted photos does not automatically constitute copyright infringement. While Getty claimed Stability AI had used millions of licensed images without consent, the Court ruled that the model was not an "infringing copy" because the original images could not be extracted or reproduced from it. This means that there is no unauthorised reproduction. The Court also dismissed parts of the claim due to a lack of evidence that the training had taken place in the United Kingdom. No decision has yet been made on possible trademark infringements, such as visible watermarks in generated images.

[To the judgment of the High Court \(dated 4 November 2025\).](#)

+++ CANADA: AI HALLUCINATIONS LEAD TO FINE FOR PARTY +++

The Cour supérieure du Québec, Canada, has fined a self-represented plaintiff CAD 5,000 (approximately EUR 3,000) after he submitted AI-generated "hallucinations" in a brief. In his brief, the plaintiff cited several non-existent citations, hallucinated decisions, incorrect references, and contradictory conclusions generated by an AI tool. The Court ruled that the attempt to mislead the other party and the Court by submitting fictitious extracts constituted a serious breach. The Court emphasised that briefs should not be filed lightly. The Court had previously warned the legal profession against the use of AI and emphasised the need for "rigorous human control" of the information generated.

[To the judgment of the Cour supérieure du Québec \(dated 1 October 2025, Jean Laprade c. Lortie, in French\).](#)

[To the report of the Guardian \(dated 15 October 2025\).](#)

3. Opinions

+++ DSK: ORIENTATION GUIDANCE ASSESSES RAG METHOD AS MITIGATING ACTION +++

The German Data Protection Conference (DSK) has published guidance on the data protection assessment of generative AI systems that use the Retrieval Augmented Generation (RAG) method. In simple terms, the RAG method describes the combination of a language model (LLM) with an additional database (reference documents) in order to enrich the user's input (prompt) with specific information before it is sent to the LLM. The major advantage is that the system can base its responses on contextual and verifiable content that was not part of the original LLM training data. It is noted that this method could reduce some of the weaknesses of standalone LLM systems, such as AI hallucinations and the output of inaccurate personal data, to some extent. Despite these potential advantages, the DSK emphasises that a RAG system does not eliminate the data protection challenges of the LLM used. In particular, the data protection assessment of LLM training would remain unaffected; an unlawfully trained model would remain unlawful in a RAG system. Ensuring transparency with regard to the origin of the AI model's outputs remains difficult. The transfer of personal data from the vector database to the LLM is also problematic as it can lead to this data being linked with information contained in the LLM. This could constitute a violation of the purpose limitation and is not recognisable in the output. The implementation of data subject rights (Art. 15 et seq. GDPR) in the entire RAG system is still largely unresolved. However, the DSK assumes that the use of the RAG method could be considered as one of various mitigating measures, as outlined in EDPB (European Data Protection Board) Opinion 28/2024, depending on the specific design. Nevertheless, the responsible body must always examine the challenges and facilitations in individual cases.

[To the DSK's orientation guidance \(of October 2025, in German\).](#)

+++ WHATSAPP CHANGES GENERAL TERMS AND CONDITIONS: BAN ON GENERAL-PURPOSE AI CHATBOTS AS OF 2026 +++

The Meta Group has changed the terms of use of its WhatsApp Business API to prevent the use of general-purpose AI chatbots on the platform. The regulation comes into force on 15 January 2026 and could affect companies offering popular AI assistants, such as OpenAI's ChatGPT or Perplexity, via WhatsApp. The new terms and conditions are intended to prohibit "providers and developers of artificial intelligence or machine learning technologies" from using the business solution directly or indirectly, provided the AI is the primary function (e.g. a general-purpose AI assistant). Meta justifies this step by stating that the API is designed for communication between companies and customers and is not intended to serve as a hub for general AI experiments. General-purpose chatbots have led to an unexpected increase in message volume and put a strain on systems for which the platform was not designed. Chatbots whose function is limited to specific tasks, such as bot-controlled support, will

continue to be exempt from the ban. Following this change, Meta AI, Meta's in-house AI assistant, is likely to be the only remaining general-purpose AI on the platform.

[To the report of TechCrunch \(dated 18. October 2025\).](#)

Beiten Burkhardt Rechtsanwaltsgesellschaft mbH is a member of ADVANT, an association of independent law firms. Each Member Firm is a separate and legally distinct entity, and is liable only for its own acts or omissions.

EDITOR IN CHARGE

Dr Andreas Lober | Rechtsanwalt

©Beiten Burkhardt

Rechtsanwaltsgesellschaft mbH www.advant-beiten.com

Your Contacts of the
Team



[Update Preferences](#) | [Forward](#)

Please note: If you no longer wish to receive information, you can [unsubscribe](#) at any time.

Imprint

Beiten Burkhardt Rechtsanwaltsgesellschaft mbH

Ganghoferstrasse 33, 80339 Munich, Germany

Registered under HR B 155350 at the Regional Court Munich / VAT Reg. No: DE11218811

Tel.: +49 89 35065-0, Fax: +49 89 35065-123 | E-Mail: munich@advant-beiten.com

Here you will find our complete imprint: www.advant-beiten.com/en/imprint and our privacy policy: www.advant-beiten.com/en/privacy-protection