

Research Article

Suit Against Artificial Intelligence: Consequences – A Critical Analysis

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Abstract

As Artificial Intelligence (AI) systems continue to grow in complexity and capability, they are being increasingly deployed in areas that directly affect human rights, safety, and personal data. These systems are not only used in commercial and consumer applications but are also making critical decisions in fields like healthcare, transportation, finance, and law. As such, questions arise about liability, accountability, and ethics when these systems malfunction or cause harm. This paper critically examines the consequences of initiating lawsuits against AI. It delves into the conceptual dilemma of treating AI as a legal entity, the limitations of current legal frameworks in India and abroad, and suggests pragmatic solutions for the future. The discussion aims to inform legal scholars, practitioners, and policymakers about the implications of AI autonomy on civil liability and procedural justice.

1. Introduction:

Artificial Intelligence is transforming the legal, social, and economic fabric of society. AI systems now possess the ability to learn, adapt, and even make decisions independently through machine learning and neural networks. While this promises unprecedented efficiencies, it also creates new challenges in assigning responsibility when these systems fail or cause harm. Traditional legal frameworks are anthropocentric—they assume human actors with intention and foresight. AI, however, functions based on probabilistic outcomes and coded behavior, raising complex legal questions. Can AI be sued? Who bears the liability for its actions—the programmer, the deployer, or the machine itself? This paper seeks to explore these issues in detail, setting the stage for a critical examination of legal and societal consequences of holding AI accountable through litigation.

2. Understanding AI and Legal Personality:

Legal personality refers to the capacity to have rights and duties under law. AI, as of now, does not possess this capacity. It cannot be held liable in the same way as a natural person or a legal entity such as a corporation. In legal parlance, AI is regarded as a 'thing'—a tool, albeit a highly sophisticated one. Any injury or damage caused by AI must therefore be traced back to a human or corporate actor who can bear legal responsibility. Several proposals have emerged advocating for 'electronic personhood' for AI, especially in the European Union. However, this notion has met with resistance due to ethical concerns, including the risk of absolving humans of accountability and the philosophical issue of assigning rights and duties to non-conscious entities. Legal systems worldwide remain cautious, and most still rely on

established doctrines such as vicarious liability, strict liability, or product liability to address AI-related harms.

3. Existing Legal Framework: India and Beyond:

In India, there is no dedicated legislation addressing the civil or criminal liability of AI systems. The Information Technology Act, 2000 governs digital crimes and cyber activities, but it is silent on autonomous decision-making. The Consumer Protection Act, 2019 may allow for compensation in case an AI-operated product or service causes harm to consumers, but the law does not define AI liability.

Common law principles such as negligence, strict liability, and the law of torts are currently the primary recourse. Courts may hold the developer, manufacturer, or operator responsible depending on the facts. However, this approach becomes problematic when dealing with AI that operates beyond its intended parameters or learns new behavior.

Internationally, the European Union has introduced the Artificial Intelligence Act (2024), which imposes strict guidelines on high-risk AI systems. The Act classifies AI systems by risk level and mandates transparency, human oversight, and liability mechanisms. The United States relies on sectoral regulation and case law, with liability generally falling on companies under existing product liability or agency doctrines.

These global approaches highlight the need for a structured and anticipatory legal framework in India that balances innovation with public safety.

4. Consequences of Filing Suit Against AI:

Filing a suit against AI raises numerous legal, ethical, and practical challenges. Firstly, AI cannot be named as a defendant since it lacks legal personhood. As a result, courts redirect liability to developers, operators, or organizations responsible for deploying the system.

This indirect approach creates difficulties in proving causation and fault, especially in systems that evolve over time. The 'black box' nature of many AI models, particularly deep learning systems, makes it hard to trace decision-making pathways. This complicates litigation and may lead to unjust outcomes.

Ethically, holding AI accountable questions our understanding of intentionality and free will. If AI acts autonomously but without consciousness, should it be morally or legally accountable? Additionally, public perception of AI could be harmed if legal systems appear ineffective at regulating AI harms, leading to social distrust.

From a policy standpoint, frivolous or misdirected lawsuits against AI could create a chilling effect on innovation. Developers and startups may refrain from launching AI solutions due to fear of legal uncertainty and potential liabilities. Therefore, the legal system must develop nuanced standards to address AI-related suits without stifling technological progress.

5. Critical Issues in Suing AI:

The critical challenge lies in assigning fault. Should it rest with the programmer who wrote the initial code, or the organization that deployed the AI system? If an AI behaves in unforeseen ways, is it fair to impose liability on a person or entity with limited control over the AI's evolution?

There is also the issue of foreseeability. Traditional tort law requires that harm be foreseeable and preventable. But AI systems can learn and behave in novel ways, making it difficult to assess foreseeability. Moreover, proving negligence requires evidence, which is often buried in complex algorithms and inaccessible proprietary systems.

Judiciaries in most countries are not equipped to handle technical disputes of this magnitude. Judges and lawyers may lack the technical literacy required to scrutinize AI behavior, creating a risk of inconsistency and unfair rulings.

Finally, without global consensus, multinational AI companies may engage in forum shopping, deploying AI in jurisdictions with the least regulatory burden. This threatens to create legal loopholes and undermine international consumer protection efforts.

6. Suggestions for Legal Reform

To address the above challenges, a robust and comprehensive legal framework is needed. India must enact AI-specific legislation that defines the rights, duties, and liabilities of AI stakeholders. A clear categorization of AI systems by risk level, similar to the EU model, should be adopted.

Strict liability rules should apply to high-risk AI systems. This ensures that victims receive compensation regardless of fault. Developers and deployers should be mandated to maintain AI insurance coverage, much like third-party insurance in automobiles.

Transparency and explainability must be legal requirements. Developers must disclose algorithmic logic where necessary to assess culpability. Government oversight bodies should audit AI systems used in critical sectors such as healthcare, transport, and law enforcement.

A National AI Regulatory Authority should be established to oversee compliance, resolve disputes, and issue guidelines. Finally, the judiciary must be equipped with expert panels and training to effectively adjudicate AI-related cases.

7. Conclusion

Suing AI systems raises profound legal, moral, and technical questions. While AI cannot currently bear legal responsibility, the consequences of initiating lawsuits in this area reverberate throughout the legal system. Current frameworks fall short in addressing the complexity of AI behavior.

It is crucial for India to develop a legal model that ensures accountability, compensates victims, and supports innovation. This includes enacting new laws, improving judicial understanding, and encouraging responsible AI development. As technology continues to advance, our legal thinking must evolve to keep pace with the digital age.

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