

# Meta is latest AI rival to take legal action to block OpenAI's for-profit pivot

Article

**The news:** Meta sent a letter to California's attorney general last week asking that [OpenAI's transition to a for-profit](#) company be stopped.

Meta is following in **Elon Musk's** footsteps in taking legal action to stall OpenAI's impending shift from an AI nonprofit to a Big Tech company. **He claimed that the startup violated its founding principles by focusing on profits over safety.**

**Meta questions OpenAI's motivations:** Meta is saying that OpenAI raising billions of dollars in investments as a nonprofit and then switching to a for-profit business could lead to “a proliferation of similar startup ventures that are notionally charitable until they are potentially profitable,” per [Engadget](#).

- In the company's letter to Attorney General **Rob Bonta**, Meta said letting OpenAI abandon its nonprofit roots would have “seismic implications for Silicon Valley.”
- “If OpenAI's new business model is valid, **nonprofit investors would get the same for-profit upside ... while also benefiting from tax write-offs** bestowed by the government,” Meta stated.

**OpenAI on the defensive:** The ChatGPT-maker fired back on Friday by releasing a [blog post](#) titled “Elon Musk wanted an OpenAI for-profit.”

- OpenAI's response to Musk, who was one of the company's co-founders, and other companies challenging its for-profit pivot is “you can't sue your way to AGI (artificial general intelligence).”
- The company's sentiment is that **rivals should be competing in the marketplace rather than in the courtroom.**

**Momentum is currently on OpenAI's side:** The company just released its latest models, including the [Sora](#) video generator and Advanced Voice mode with Vision updates.

ChatGPT-integration is also available on selected iPhones with [Apple Intelligence](#), which could help accelerate mobile generative AI (genAI) use and adoption.

**Our take:** Legal pushback from AI rivals might raise anticompetitive scrutiny around OpenAI's long-term plans and expansion, especially as it increases user-engagement and paid subscriptions.

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