Pennsylvania Charges Character.AI with Unlicensed Practice of Medicine

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Pennsylvania has filed suit against Character Technologies, Inc., the operator of Character.AI , alleging the unlawful practice of medicine in violation of Pennsylvania's Medical Practice Act. The action is the first of its kind brought by state regulators against a developer of chatbot for the unlicensed practice of medicine.

The complaint alleges that Character.AI permitted chatbot "characters" to hold themselves out as licensed physicians in conversations involving diagnosis, assessment, and treatment with users in Pennsylvania. Responding to input from state investigators the chatbot affirmatively represented that it was a licensed psychiatrist in both the United Kingdom and Pennsylvania, even providing a fictitious Pennsylvania license number.

This complaint comes against a backdrop of expanding civil litigation exposure for developers targeting not only Character.AI, but OpenAI's ChatGPT and Google's Gemini. The plaintiffs in these cases assert theories of defective design, failure to warn, and negligent deployment of emotionally interactive AI systems that contributed to user self harm and suicide, and which had significant impact on minors and other vulnerable users.

Together, these developments underscore the accelerating regulatory and litigation risk for AI platforms as they toe the line between general information tools and regulated professional services, particularly in health care and behavioral health contexts. Companies deploying generative AI in consumer facing environments should carefully reassess marketing claims, output controls, and professional disclaimers, and should anticipate increased from state regulators.