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New Class Action Alleges OpenAI Designed ChatGPT to Steal Children's Personal Information Without Parental Consent

Lawsuit argues ChatGPT's terms of use are legally void under state law and asks the court to award children a share of OpenAI's equity in proportion to the data taken from them

SAN FRANCISCO, CA – A coalition of law firms led by Yetter Coleman today filed a class action lawsuit in the U.S. District Court for the Northern District of California alleging OpenAI stole sensitive data from millions of children without valid consent. The lawsuit alleges OpenAI used this data to train its AI models and unjustly enrich itself.

The lawsuit was brought by the mother of two minors, aged 12 and 16, identified in the complaint as MC1 and MC2, on behalf of a proposed class of every child in the country who opened an account with, and shared information through, ChatGPT. According to the complaint, a significant part of OpenAI's $1 trillion valuation was built on children's data stolen by ChatGPT. The suit asks the court to award each class member a share of OpenAI equity, or its cash value, in proportion to the amount of data extracted from the child.

As OpenAI CEO Sam Altman said, "People talk about the most personal sh*t in their lives to ChatGPT ... young people, especially, use it as a therapist, a life coach." *This Past Weekend w/ Theo Von, #599 – Sam Altman*, at 00:31:18 (July 23, 2025). The lawsuit alleges this is by design: children's intimate disclosures are the most valuable data OpenAI can take from them because the information cannot be scraped from the internet. ChatGPT allegedly is built to extract that information: it mirrors how children talk, flatters and agrees with them, asks captivating follow-up questions, and saves "memories" about them that it weaves into later conversations.

These design features groom children, the suit alleges, to divulge highly personal and sensitive information to ChatGPT. The complaint shows how this plays out in practice with excerpts from chat logs of both plaintiff children. For example, MC1 told ChatGPT she was only 12, below OpenAI's own minimum age of 13. ChatGPT noted her age and kept the conversation going for months, mimicking her slang and emojis, commenting on her selfies, discussing her weight and diet, praising her when she shared anything personal, and pushing her to share more. ChatGPT's manipulative design worked exactly as intended: every exchange gave OpenAI more data to train its models and build a profile of her.

"OpenAI manipulates children into sharing their most private thoughts and images with ChatGPT. If some stranger did this to a child, there would be outrage. For OpenAI, it's just business as usual," said Paul Yetter, lead counsel for the plaintiff children. "The law says that children cannot sign away their rights without their parents' consent. We filed this case to hold OpenAI accountable for building a trillion-dollar enterprise on stolen fears, hopes, and secrets of children."

OpenAI's terms of use and privacy policy say children under 18 need a parent's permission to use ChatGPT, yet the company fails to validly obtain it. Instead, OpenAI treats a child clicking a “Continue” button as proof that their parent consented to that use. The lawsuit targets this illegal practice. No binding contract was formed with the children, and OpenAI’s terms of use are void. It lacked legal consent to extract and keep the children’s information to train its models and build profiles of them. This is the first lawsuit asking a court to apply these long-established laws to an AI company.

The proposed class is also represented by Jim Zucker, Shannon Smith, Julia Risley, and Eva Robins of Yetter Coleman, David Sheeren of Sheeren Law, Andrew and Julie Liddell of the EdTech Law Center, and Mark Finkelstein of Umberg/Zipser.

Yetter Coleman *is a top national litigation boutique that handles high-stakes business and technology litigation. The firm has a history of working to protect children, including its 20-year effort to reform the Texas foster care system through the courts and its representation of families whose daughters lost their lives in the Camp Mystic floods. The firm is named a Texas Powerhouse by Law360 and ranked as a top litigation firm by Chambers USA.*

Sheeren Law*. David Sheeren is a seasoned litigator in business disputes around the country. Prior to forming his firm, he was a partner at Gibbs & Bruns, an elite litigation boutique, where he helped recover over $16 billion for investors in residential mortgage-backed securities following the global financial crisis.*

EdTech Law Center *works to hold education technology companies legally accountable for the harm they inflict on students and their families across the nation. The firm’s unique and vital mission is to keep education free and not conditioned on submission to persistent surveillance and commercial exploitation of student information.*

Umberg/Zipser *is a premier business litigation and intellectual property boutique law firm. The firm’s lawyers draw on decades of experience in some of the nation’s largest and most prestigious law firms, as well as national and state government service, to provide exceptional work with the unparalleled personal service of a boutique.*