

AI, IP & YOUR BUSINESS: THE LEGAL RISK OF CALLING AI-CREATED WORK “CUSTOM”

Posted on January 27, 2026 by Danielle M. Durban



Tags: [advertising claims](#), [advertising law](#), [AI and advertising](#), [AI disclosure](#), [AI in marketing](#), [AI legal risks](#), [business advertising](#), [consumer deception](#), [consumer expectations](#), [consumer protection](#), [custom vs AI-generated](#), [digital marketing law](#), [legal risk management](#), [marketing compliance](#), [Marketing Law](#), [misleading advertising](#), [regulatory compliance](#), [truth in advertising](#)



If copyright law protects content.
And trademark law protect brands.
Then advertising law protects *consumers*.

And unlike copyright and trademark law—which many business owners can avoid thinking about until something goes wrong—advertising law applies every single time you market your business.

Before we layer in AI, it's important to understand the baseline rules that already govern what businesses can and cannot say about their products and services.

Advertising Law: Accuracy Matters More Than Intent

The choice of a lawyer is an important decision and should not be based solely upon advertisements.

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At its core, advertising law is about truthfulness and transparency. Federal and state consumer-protection laws prohibit businesses from making statements that are false, misleading, or likely to deceive a reasonable consumer. Importantly, liability does not require bad intent. In other words, you **do not have to intend to mislead anyone to get into trouble**.

A claim can be problematic if:

- It is objectively false,
- It is technically true but presented in a way that creates a misleading impression, or
- It omits material information a consumer would reasonably expect to know

This applies to all facets of a business' advertising:

- Website copy
- Social media captions
- Product descriptions
- Service descriptions
- Sales pages
- Emails
- Ads
- Influencer content you control or approve

So, yes. Words matter. And certain words matter even more than others. For example, terms like "custom," "handcrafted," "bespoke," "original," or "designed just for you" aren't just marketing fluff. They communicate specific expectations to consumers about how something was made.

If a reasonable consumer would interpret your claim to mean:

- A human personally created the work, or
- The work was uniquely designed for the individual customer, or
- No automation played a meaningful role

...and that isn't true, you may have a problem—even if your work is high quality and your customers are happy.

Enter AI: Where Things Get Complicated

This is where AI enters the picture. AI hasn't changed advertising law. It has simply made it easier to blur lines as many businesses now use AI to:

- Generate designs
- Draft copy
- Create artwork
- Develop templates

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- Produce “custom” deliverables at scale

And there's nothing inherently wrong with that. The issue arises when advertising language doesn't match reality. In other words, if AI did most of the creative work and human involvement was minimal, those claims of being “custom,” “handcrafted,” “bespoke,” “original,” or “designed just for you” may raise consumer protection concerns—particularly as AI disclosure requirements continue to evolve at the state level.

For example, **ChatGPT's own usage guidelines require disclosure in certain contexts.**

Do people actually do that today? Not that I've seen. But as AI use becomes more prevalent—and more scrutinized—it may behoove business owners to develop **internal guidelines** around how AI is used in marketing, advertising, and content creation. Thoughtful policies can help ensure accuracy, consistency, and, ***most importantly***, compliance with existing laws and existing terms and conditions on various AI platforms.

The Takeaway: Same Rules, New Tools

AI hasn't rewritten copyright, trademark, or advertising law. It has simply made it easier to move faster—and to make mistakes faster.

Used wisely, AI is a powerful tool for brainstorming, efficiency, and creativity. Used blindly, it can create gaps in ownership, brand vulnerability, and legal risk.

The bottom line remains the same: **AI is an accelerator, not a legal shield.** At the end of the day, ***the law still expects a human to be responsible*** (and even *requires* it in the copyright and trademark context if you expect to legally own anything it generates).

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