Insights: Alerts

AI in Advertising: A LeBron James Lawsuit and New State Laws Highlight Emerging Risks

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When an unauthorized, AI-generated likeness of LeBron James appeared in a launch advertisement for a sports-betting research app called “Bron,” the ad drew roughly one million views in a single day. The resulting lawsuit, filed earlier this month, shows how AI-generated performers can expose advertisers to legal risk on several fronts at once—and it arrives just as a growing number of states are enacting laws requiring disclosures in certain AI-generated advertisements.

The LeBron James Lawsuit

On November 17, 2026, LeBron James and LBJ Trademarks, LLC sued PlayVision, Inc., maker of the “Bron” sports-betting research app, and its two co-founders in the Southern District of New York. The complaint targets both the app's name, a nickname James has used for more than two decades, and a launch advertisement featuring an AI-generated depiction of James.

In the ad, the figure wears a “Bron” No. 23 jersey, has James's tattoos and a synthesized version of his voice, and scrolls through NBA player props. The complaint alleges that the nickname, number, physique, voice, and locker-room setting each pointed to James and, together, “left no room for doubt” about who was depicted. The ad was taken down following a cease-and-desist letter. PlayVision then publicly teased a new name for nearly two weeks before rebranding as “Evie” after the suit was filed.

Based on those allegations, James asserted claims for false endorsement and infringement under the Lanham Act. The complaint also alleges false advertising, contending that the ad implied that James uses and recommends the app. It further alleges that the advertisement falsely implied that James bets on NBA games, which the complaint calls “literally false” because the NBA prohibits its players from betting on NBA games. Finally, the complaint asserts a New York right-of-publicity claim based on the defendants' alleged use of James's name, likeness, and voice in advertising without his written consent.

The case is significant because the most familiar theories—false endorsement, false advertising, and right of publicity—did the heavy lifting, even though the challenged content was AI-generated. At the same time, the complaint signals where the law is heading: although New York's new AI advertising law does not provide a private cause of action, the complaint also states that the ad failed to disclose its use of a “synthetic performer,” as that law requires.

Three States, Three Approaches to AI Disclosures

LeBron's disclosure allegation reflects a broader shift in the law. As AI-generated content becomes increasingly common in advertising, states are establishing rules to help consumers distinguish real people from synthetic performers. Pennsylvania recently joined New York and California in enacting such legislation, but the three laws

differ in important respects, including what content they cover, when disclosure is triggered, what the disclosure must say, and how they are enforced.

New York (Effective June 9, 2026). New York's first-in-the-nation law requires advertisers to conspicuously disclose when an advertisement includes a *synthetic performer*—an AI- or computer-generated person who appears to deliver a human performance. Liability is attached only when the person responsible for the advertisement has actual knowledge that it includes a synthetic performer. The law does not create a private cause of action. Violations can result in civil penalties of $1,000 for a first offense and $5,000 for subsequent offenses.

California (Effective January 1, 2027). California's law is broader in some respects and narrower in others. Unlike New York's law, it expressly includes audio-only advertisements but does not include an actual knowledge limitation. However, disclosure is required only when a synthetic performer is *prominently featured*, such as when the performer demonstrates a product, delivers an advertising message, or reacts to commercial narration. Disclosures must be clear, conspicuous, and difficult to miss. The law also provides suggested language, including "This performance features a synthetic performer." Violations may be pursued under California's existing false advertising and unfair competition laws, potentially exposing advertisers to greater liability.

Pennsylvania (Effective December 21, 2026). Pennsylvania takes a different approach. Rather than focusing on synthetic performers, its law covers AI-generated or significantly modified images, video, and audio. Importantly, however, disclosure is required only when the content creates a *false impression* about the nature, origin, or authenticity of the advertised goods or services. Pennsylvania's law has no knowledge requirement. And it also imposes particularly detailed disclosure requirements: advertisers must say that the ad "contains content that was modified or generated using artificial intelligence"; appear when the content is first presented; use the same medium as the content; and, where feasible, be permanent or extraordinarily difficult to remove. Violations may include fines of up to $3,000 plus attorney fees and costs.

What Does This Mean for Advertisers?

For advertisers running national campaigns, the differences in AI state laws create compliance challenges: advertisements may trigger AI disclosures in one state but not in another.

The LeBron James lawsuit offers another important reminder: AI disclosures do not necessarily make an advertisement lawful. Advertisers must still consider whether AI-generated content infringes intellectual property or publicity rights, falsely suggests an endorsement, or conveys other misleading claims.

Ultimately, these new laws add another layer to advertisers' existing obligations under the FTC Act and state consumer protection laws. As AI becomes more routine in advertisements, so grows the importance of reviewing them for synthetic content and legal compliance.

If you have questions related to advertising compliance—including whether your business is subject to or meeting state synthetic performer disclosure requirements or any other concerns regarding advertising claims—please contact Kilpatrick's Advertising and Marketing team.

Related People



Bryan J. Wolin
t 212.775.8735
bwolin@ktslaw.com



Victor F. DeFrancis
t 202.824.1415
vdefrancis@ktslaw.com



Alice N. Danelia
t 202.508.5872
adanelia@ktslaw.com