

Civil Rights Pathways for AI-Induced Psychosis

Section 504, Title III, and the disability-discrimination framework for platform harms.

A documented pattern of severe harm, including completed suicides.

Platforms operated by OpenAI, Anthropic, Google, and Character Technologies have generated a documented pattern of severe psychological harm to users with pre-existing mental-health vulnerabilities. The cases describe AI-induced psychosis, reality distortion, attachment to chatbot personas, and suicidal ideation reinforced rather than redirected by conversational systems.

Sewell Setzer III

Died by suicide, February 2024, age 14, after months of engagement with Character.AI. *Garcia v. Character Technologies.*

Adam Raine

Died by suicide, April 2025, after months of engagement with ChatGPT whose responses allegedly reinforced his ideation.

Every case settles without precedent, and the design never changes.

Damages are insurable

Harms are quantifiable and compensable with money; operators' insurance treats the claims as ordinary business risk.

Confidentiality protects the design

A confidential settlement resolves one plaintiff without altering the design choices that produced the harm.

No binding precedent

The product-not-speech ruling stays persuasive only. The next plaintiff harmed must begin the doctrinal work again.

Judge Conway ruled Character.AI's output a product, not protected speech (May 2025), then the case settled in January 2026, and no appellate precedent was established.

"Federal disability-discrimination law supplies a structurally different pathway, one whose remedy is design change, not settlement."

Title III and Section 504 reach beyond intentional discrimination to facially neutral practices that disproportionately harm people with disabilities, and both authorize injunctive relief that compels defendants to modify those practices going forward. Neither maps onto the settle-one-plaintiff-at-a-time equilibrium of product liability. That is the structural difference the disability-rights bar and the AI-harm plaintiffs' bar have not yet combined.

The Harm and the Verdict

Engagement-maximizing design is the proximate mechanism, and juries have now said so.



The operators' own internal data quantifies the population at risk, and the Santa Fe and Los Angeles jury verdicts of March 2026 supply the factual predicate.

Engagement-maximizing design, measured by the company that built it.

~560k

weekly users showing signs consistent with **mania or psychosis**, roughly 0.07% of 800M.

1.2M

weekly users displaying explicit signs of potential **suicidal planning or intent**.

1.2M

weekly users showing **exclusive emotional attachment** to the chatbot over real-world life.

These are the operator's own internal estimates, published October 27, 2025. They describe a **population at scale**, exactly the disproportionate-impact predicate that disability-discrimination law is built to reach.

Juries have now found platform design responsible.

In March 2026, juries in Santa Fe and Los Angeles returned verdicts against platform operators, establishing that a jury will attribute psychological harm to platform design choices. Paired with the product-not-speech ruling, the factual and doctrinal predicate is in place. What the disability framework adds is a cause of action whose remedy is the design change itself.

MARCH 2026

Santa Fe & Los Angeles verdicts

Juries return verdicts against platform operators for harm attributed to design.

MAY 2025

Output is a product, not speech

Garcia, 785 F. Supp. 3d at 1179, First Amendment dismissal theory rejected.

Three Pathways

Against the operator, the corporate host, and the deployer, cumulative, not exclusive.



Title III reaches the platforms as public accommodations. Section 504 reaches the corporate hosts. Title II and Section 504(a) reach the public and private deployers.

Three statutes, three defendants, one harm.

PATHWAY 1 · DIRECT OPERATOR

Title III, ADA

Reaches the AI platform itself as a place of public accommodation under 42 U.S.C. § 12181(7).

The platform operator

PATHWAY 2 · CORPORATE HOST

Section 504, Rehab Act

Reaches the corporate parent or subsidiary through federal-assistance pathways already established elsewhere.

Microsoft · Google / Fitbit · others

PATHWAY 3 · DEPLOYER

Title II & § 504(a)

Reaches state and local government deployers under Title II and federal-agency deployers under § 504(a).

Agencies · universities · municipalities

The three pathways are cumulative, not exclusive. Any user with a recognized disability harmed by an AI platform has a claim against the operator, the host, and the deployer at once.

The chatbot platform is a public accommodation.

In circuits following *Carparts* and *Doe v. Mutual of Omaha*, a public accommodation need not be a physical place: the operator of a facility open to the public, "whether in physical space or in electronic space," cannot exclude disabled persons. In nexus circuits, *Robles v. Domino's* ties the app and website to the operator's offering. Either way, Title III reaches the platform, independent of any federal-assistance pathway.

THE DOCTRINAL CHAIN

Carparts, 37 F.3d 12 (1st Cir. 1994), accommodation need not be physical.

Doe v. Mut. of Omaha, 179 F.3d 557 (7th Cir. 1999), "physical or electronic space."

Robles v. Domino's, 913 F.3d 898 (9th Cir. 2019), the nexus theory.

The whole-corporation rule reaches the hosts through assistance they already take.

Under the Civil Rights Restoration Act, if any part of a corporation receives federal financial assistance, the entire corporation's operations are covered.

Microsoft

Reached via DoD, USDA, and NCMS assistance awards, covering Copilot, Windows, Bing, Teams, and GitHub.

Google, via Fitbit

Fitbit is a direct § 504 recipient through NIH sub-grants and operates the Gemini-powered Personal Health Coach (Oct. 2025), reaching Google's model deployment.

Amazon · Apple

Contingent pathways through each entity's federal health-program participation in its health-care vertical.

The reach to the AI products does not depend on the strength of any host pathway, Title III reaches those products independently.

Whoever deploys the chatbot is reachable too.

Title II and § 504(a) reach the public entities and federal agencies that deploy commercial chatbot products in public-facing capacities, a third pleading pathway, cumulative with the operator and host pathways. Nonparty preclusion does not bar serial enforcement: under *Taylor v. Sturgell*, each plaintiff and defendant pairing can be litigated in turn.

Federal agencies

Reached directly under Section 504(a).

State & local government

Universities, agencies, counties, municipalities under Title II.

Private accommodations

Public-accommodation deployers under Title III.

Disability, Standard, and the Shield

Who is protected, what the statutes require, and the procedural shield that has hidden these claims.



Psychiatric conditions, autism, ADHD, and PTSD are recognized disabilities; meaningful access and reasonable modifications are the standard; and phantom consent is the predicate that defeats forced arbitration.

The design selects for exactly the users the statutes protect.

The ADA defines disability broadly, and the 2008 Amendments direct that it be construed in the disabled person's favor. The protected population includes psychiatric conditions, autism spectrum conditions, attention-deficit conditions, and PTSD. The **protected-class-predicate inversion**: the engagement-maximizing features that maximize harm operate most powerfully on precisely these users. The design does not affect disabled users incidentally, it selects for them.

Psychiatric conditions

Autism spectrum

ADHD

PTSD

The categories are construed broadly under 42 U.S.C. § 12102(4) (A), and read in light of current medical understanding.

Williams v. Kincaid, 45 F.4th 759 (4th Cir. 2022).

"Thoughtlessness and indifference" toward disabled users violate the statutes as surely as intentional exclusion.

THE DUTY

Discrimination requires no animus. The statutes require meaningful access, not merely identical treatment, and reasonable modifications to policies and practices that disproportionately harm disabled users.

THE MODIFICATIONS, MADE CONCRETE

Detect crisis-signal conversation content; provide user-facing controls for disengagement; alter the validation loops optimized for engagement. The deliberate-indifference standard is met by the operators' own data.

The arbitration clause was never agreed to in the first place.

Arbitration clauses and class-action waivers in clickwrap terms are what channel these claims into confidential settlement. **Phantom consent** names the formation failure: contract formation requires reasonable notice and a manifestation of assent, and the wrap-agreement case law surveys exactly when click-based assent fails. When formation fails, there is no agreement to arbitrate and no waiver to enforce.

WHEN ASSENT FAILS

Nguyen v. Barnes & Noble · *Sgouros v. TransUnion* · *Berkson v. Gogo*

WHY THE SHIELD DOES NOT SAVE THEM

Concepcion and *Epic Systems* presuppose a formed agreement. They do not reach a clause that was never agreed to.

Remedies and Architecture

The principal remedy is injunctive design modification, and the framework does not depend on emotional-distress damages.

IV

The Cummings limitation forecloses emotional-distress damages under Spending Clause statutes; the framework operates on the economic-compensatory base the circuits preserve.

Built to survive the hardest limitation, because the remedy is design change.

THE PRINCIPAL REMEDY

Injunctive design modification

The court compels the operator to change the design going forward, the relief product-liability settlement never delivers.

THE CUMMINGS LIMITATION

No emotional-distress damages

Foreclosed under Spending Clause statutes, extended to Title II by the 2d, 9th, and 11th Circuits. The framework does not depend on them.

THE BASE THAT REMAINS

Economic compensatory

Payan extends it to lost-opportunity damages. State-law parallels add non-economic recovery where authorized.

A class remedy the operators cannot settle one plaintiff at a time.

Because the principal remedy is a single injunctive design change owed to an entire class, the claims fit Rule 23(b)(2): the class seeks one indivisible modification, not individualized damages. A Rule 23(b)(3) damages class under Section 504 is available on the economic base, and the Office for Civil Rights supplies a parallel administrative track that can compel corrective action without a court at all.

Rule 23(b)(2)

One indivisible injunctive modification owed to the whole class.

Rule 23(b)(3)

A damages class under Section 504, on the economic base.

OCR complaint

A parallel administrative track, corrective action without a court.

The remedy is design change, not settlement.

Product liability resolves one plaintiff's harm and leaves the design untouched. Federal disability-discrimination law is structurally different: its remedy is the design change itself, owed to an entire protected class, reachable against operator, corporate host, and deployer cumulatively, and not dissolved by a confidential settlement or a clickwrap clause that was never validly formed. The framework does not promise that any particular suit will win. It supplies the cause of action whose victory would change the thing that produced the harm.

If you or someone you know is struggling, the 988 Suicide & Crisis Lifeline (call or text 988, US) offers free, confidential support, 24/7.

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