IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

MARK L. BUNCE,	:	
Plaintiff,	:	
	:	
v.	:	**CIVIL ACTION**
	:	**NO. 23-1740**
VISUAL TECHNOLOGY INNOVATIONS, INC., and MATHU RAJAN,	:	
Defendants.	:	

MEMORANDUM

"My dear Miss Glory, the Robots are not people. Mechanically they are more perfect than we are; they have an enormously developed intelligence, but they have no soul."[1] To be a lawyer is to be human, a tacit prerequisite to comply with Federal Rule of Civil Procedure Rule 11(b)(2). In this case, Defendants' attorney Raja Rajan ("Mr. Rajan") substituted technology for his own professional judgment, lawyerly responsibility, and legal commission to ensure that his court filings stayed within the guardrails of Rule 11. Mr. Rajan outsourced his job to an algorithm, but as the saying goes, the buck stops with him—and Rule 11 makes that clear. Specifically, Mr. Rajan used a generative artificial intelligence ("AI") tool called ChatGPT to cite artificial cases in two separate motions to this Court. In addition to the fake cases, or "hallucinations," that Mr. Rajan submitted to the Court, ChatGPT also cited overruled and inapposite cases that did not stand for the stated propositions. Mr. Rajan claimed he never in his "wildest dreams" predicted that AI would provide artificial cases. ECF No. 151 at 7 [hereinafter "Hearing Transcript"]. But unlike the cases Mr. Rajan cited, Rule 11 is not artificial; it imposes a real duty on lawyers—not on algorithms—to "'Stop, Think, Investigate and Research' before filing papers either to initiate a suit or to conduct the litigation." *Gaiardo v. Ethyl Corp.*, 835

[1] ČAPEK, KAREL, R.U.R. (ROSSUM'S UNIVERSAL ROBOTS): A FANTASTIC MELODRAMA IN THREE ACTS AND AN EPILOGUE 17 (Paul Selver and Nigel Playfair trans., Samuel French, Inc. 1923).

F.2d 479, 482 (3d Cir. 1987); *see also* FED. R. CIV. P. 11 advisory committee's note to 1993 amendment ("The rule continues to require litigants to 'stop-and-think' before initially making legal or factual contentions."). Given the severity of Mr. Rajan's conduct, sanctions will be imposed.

I. BACKGROUND

On January 7, 2025, Plaintiff counsel and Mr. Rajan appeared before this Court to argue whether Mr. Rajan had violated a discovery order. ECF No. 134. This Court found that Mr. Rajan had partially violated the discovery order. ECF No. 130. As a result, Mr. Rajan wished to withdraw as counsel and immediately appeal this Court's finding. He did so through two motions: (i) Motion to Withdraw as Attorney from All Defendants ("Withdrawal Motion") and (ii) Motion for Leave to Appeal of Sanctions of Defense Counsel ("Appeal Motion"). ECF Nos. 131 and 132. In reviewing these motions, the Court was perplexed to see that two of Mr. Rajan's cited cases could not be located on any legal research tool, nor was there a reasonably detectable typographical error in the case citations that may have led the Court to find the applicable case citation. In his Withdrawal Motion, he cited "*McNally v. Eyeglass World, LLC*, 897 F. Supp. 2d 1067 (D. Nev. 2012)"; in his Appeal Motion, he cited "*Behm v. Lockheed Martin Corp.*, 460 F.3d 860 (7th Cir. 2006)." Withdrawal Motion at 9; Appeal Motion at 3. Both cases were non-existent and appeared to be AI "hallucinations."

Mr. Rajan also cited "*Degen v. United States*, 517 U.S. 820 (1996)" in his Appeal Motion, but this case did not support his proposition. Appeal Motion at 3. In fact, *Degen* relates to the rule of disentitlement, a completely different point of law than Mr. Rajan cited it for.

Adding more to the mess, the Appeal Motion cited "*Dow Chemical Canada Inc. v. HRD Corp.*, 259 F.R.D. 81, 86 (D. Del. 2009)" and "*Eavenson, Auchmuty Greenwald v. Holtzman*,

775 F.2d 535, 537 (3d Cir. 1985)," both of which are not good law. A quick reference to *Dow Chemical's* history in Westlaw or Lexis reveals that this decision was later reversed and vacated. *Dow Chem. Canada Inc. v. HRD Corp.*, No. CA 05-023-RGA, 2012 WL 3150379 (D. Del. Aug. 2, 2012) ("The Court thus reverses its prior decision and vacates the Sanctions Order."). With respect to *Eavenson*, Mr. Rajan cited it to support his proposition that "an order assessing attorney's fees against a party's former counsel was effectively unreviewable on appeal from final judgment and the requirements [to the collateral order doctrine] were satisfied, so such a ruling could be immediately appealed as a collateral order." Appeal Motion at 7. Yet, a quick review of Westlaw or Lexis's case treatment tools reveals that *Eavenson* was impliedly overruled for the very proposition that Mr. Rajan cited it for. *See Comuso v. Nat'l R.R. Passenger Corp.*, 267 F.3d 331, 339 (3d Cir. 2001) ("Therefore, our decisions in *Eavenson* and *In re Tutu Wells* are no longer good law to the extent that they conflict with *Cunningham*."); *Cunningham v. Hamilton Cnty., Ohio*, 527 U.S. 198, 209 (1999) ("we do not think that the appealability of a Rule 37 sanction imposed on an attorney should turn on the attorney's continued participation . . .").

The Court ordered that Mr. Rajan show cause for the aforementioned deficiencies. ECF No. 136. Mr. Rajan stated he used AI to draft the motions, admitting to the case hallucinations and the improper citations of the real cases. ECF No. 143 at 3 [hereinafter "Resp. to Show Cause Order"]. The Court held a hearing on February 20, 2025, where Mr. Rajan gave further context on his misuse of AI.

II. LEGAL STANDARD

Rule 11(b)(2) states that an attorney presenting a written motion, among other things, to a court "certifies that to the best of the person's knowledge, information, and belief, formed after

an inquiry reasonable under the circumstances . . . (2) the claims, defenses, and other legal contentions are warranted by existing law or by a nonfrivolous argument for extending, modifying, or reversing existing law or for establishing new law." FED. R. CIV. P. 11(b)(2); *see also Napier v. Thirty or More Unidentified Fed. Agents, Emps. or Officers*, 855 F.2d 1080, 1091 (3d Cir. 1988) ("To satisfy the affirmative duty imposed by Rule 11, an attorney must inquire into both the facts and the law before filing papers with the court.").

When assessing whether an attorney violated Rule 11, a court uses a "reasonableness under the circumstances" standard. *Ford Motor Co. v. Summit Motor Products, Inc.*, 930 F.2d 277, 289 (3d Cir. 1991). Mr. Rajan must demonstrate an "objective knowledge or belief at the time of the filing of a challenged paper that the claim was well-grounded in law and fact." *Id.* Finding cause for sanctions under "Rule 11 requires only negligence, no bad faith." *Wharton v. Superintendent Graterford SCI*, 95 F.4th 140, 147 (3d Cir. 2024).

A court may, *sua sponte*, order an attorney to "show cause why conduct specifically described in the order has not violated Rule 11(b)," and a court must pen a show cause order before imposing monetary sanctions. FED. R. CIV. P. 11(c)(3), 11(c)(5)(B). The purpose of sanctions is to deter conduct, not penalize an attorney. FED. R. CIV. P. 11(c)(4). A sanction may include "nonmonetary directives" or "an order to pay a penalty into court," among other things. *Id.* The Rule's 1993 amendments provides more specific examples of a court's sanctioning powers, "such as striking the offending paper; issuing an admonition, reprimand, or censure; requiring participation in seminars or other educational programs; ordering a fine payable to the court; referring the matter to disciplinary authorities (or, in the case of government attorneys, to the Attorney General, Inspector General, or agency head), etc." FED. R. CIV. P. 11 advisory committee's note to 1993 amendment.

III. DISCUSSION

Mr. Rajan violated Federal Rule of Civil Procedure 11(b)(2) by submitting briefs to the Court that (i) cited non-existent cases, (ii) cited case law that does not support his stated proposition, and (iii) cited cases that are vacated or overruled.

By filing his Withdrawal Motion and Appeal Motion, Mr. Rajan certified, to the "best of [his] knowledge, information, and belief, formed after an inquiry reasonable under the circumstances" that the cases cited within his briefs are "warranted by *existing law* . . .". As demonstrated in his responses to the show cause order and this Court's questioning at the February 20, 2025 hearing, Mr. Rajan made no inquiry into the legitimacy, credibility, or applicability of the case citations. Resp. to Show Cause Order at 2; Hearing Transcript at 8-9, 14, 21.

Mr. Rajan stated that he typically uses another algorithm, Case Text, to help him review his and opposing counsel's briefs. Hearing Transcript at 5-6, 14. Unlike Case Text, ChatGPT was a brand-new program to Mr. Rajan that he had never used before. *Id.* at 5, 14. Mr. Rajan explained that ChatGPT was suggested by a friend and "fairly new" to him, but he nonetheless solely relied on it to completely write his motions and provide citations. *Id.* at 6, 14-15. He did not even review the cases because he "never in [his] wildest dreams" thought that ChatGPT could manufacture artificial cases to very conveniently support the exact outcomes he desired. *Id.* at 7. Far from reasonably inquiring into the legal contentions contained in his briefs, Mr. Rajan blindly trusted an algorithm he had never used before. He conducted no research into ChatGPT's efficacy as a legal tool, no research into its reliability as compared to the Case Text program, and worst of all, no independent research into the legal cases that were cited. *Id.* at 5-6, 14-16.

If Mr. Rajan had taken the elementary step to verify the cases, he would have learned that *McNally v. Eyeglass World, LLC* and *Behm v. Lockheed Martin Corp.* are as artificial as the intelligence behind them. In addition, he would have learned that *Degen v. United States* is related to the rule of disentitlement and contains no discussion that reasonably supported Mr. Rajan's proposition. Furthermore, he would have learned that *Dow Chemical Canada Inc. v. HRD Corp.* and *Eavenson, Auchmuty Greenwald v. Holtzman* were reversed or overruled, and could not be cited as good law.[2] Not only would Mr. Rajan have learned of all these deficiencies had he made a reasonable inquiry, but he objectively *should have* learned of these deficiencies under Rule 11's mandate. Mr. Rajan himself said "[t]he process of verification is clearly the attorney's responsibly," not the algorithm's responsibility. *Id.* at 9.

This Court recognizes that technology is always evolving, and legal research tools are no exception. But if approached without prudential scrutiny, use of artificial intelligence can turn into outright negligence. Where the danger in violating Rule 11 lies not in AI's utility but in the overconfidence of attorneys who revere it as infallible. There is nothing in Rule 11 that specifically prohibits reliance on AI for research assistance, but Rule 11 does make clear that the signing attorney is the final auditor for all legal and factual claims contained in their motions. Far from complying with this duty, Mr. Rajan was "entirely reliant upon some computer, some machinery to do the job that [he was] supposed to be doing." Hearing Transcript at 8.

As a result of Mr. Rajan's violations, this Court imposes two sanctions: (i) Mr. Rajan must pay a $2,500.00 penalty, and (ii) Mr. Rajan must complete a one-hour CLE-credited seminar or educational program related to both AI and legal ethics. *See e.g.*, *Mata v. Avianca,*

[2] The only citation Mr. Rajan seemed to defend is *Eavenson*, stating the decision was a "proper citation but that decision was overturned partially . . . ." Resp. to Show Cause Order at 3. However, he failed to provide a legally sound basis of how his use of *Eavenson* did not explicitly conflict with Third Circuit and U.S. Supreme Court precedents. *Id.*

Inc., 678 F. Supp. 3d 443, 466 (S.D.N.Y. 2023) (ordering a $5,000 penalty, among other sanctions, under Rule 11 for attorney's submission of fictional cases created by ChatGPT); *see also Gauthier v. Goodyear Tire & Rubber Co.*, 2024 WL 4882651 at *3 (E.D. Tex. Nov. 25, 2024) (ordering a $2,000 penalty and continuing legal education course on AI under Rule 11 for submitting fictitious cases created by generative AI).

Mr. Rajan claimed there would be no deterrent value in sanctioning him because he is not going to partake in the case moving forward. Hearing Transcript at 23-24. His argument narrowly and unpersuasively considered specific deterrence only within the immediate case. This Court, however, is also concerned with specifically deterring Mr. Rajan from engaging in similar conduct in future legal proceedings and generally deterring other attorneys from credulously assuming AI can stand in place of an attorney's obligations under Rule 11. Therefore, this Court finds legitimate deterrence value in sanctioning Mr. Rajan under Rule 11.

IV. CONCLUSION

For the forgoing reasons, the Court finds that Mr. Rajan violated Rule 11(b)(2) and is sanctioned under Rule 11(c).

BY THE COURT:

HON. KAI N. SCOTT
United States District Court Judge