

Could The Musk V. Altman Trial Change The AI Race?

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OAKLAND, CALIFORNIA - APRIL 27: Demonstrators protest outside the courthouse at the Ronald V. Dellums Federal Building as jury selection begins in the lawsuit between Elon Musk and OpenAI on April 27, 2026 in Oakland, California. Elon Musk invested in OpenAI early on believing it would be a non-profit, but is now suing OpenAI and its CEO Sam Altman for allegedly deceiving him by developing OpenAI into a for-profit company. (Photo by Benjamin Fanjoy/Getty Images)

Getty Images

Jury selection began Monday for the Musk v. Altman lawsuit at a federal courthouse in Oakland, California. The \$134 billion lawsuit alleges that OpenAI cofounder and CEO Sam Altman and President Greg Brockman manipulated Elon Musk into cofounding "their spurious non-profit venture."

Musk issued new comments on the case, saying, "Scam Altman and Greg

Stockman stole a charity. Full stop," in a Monday [post](#) on X. "The fundamental question is simply this: Do you want to set legal precedent in the United States that it is ok to loot a charity? If so, you undermine all charitable giving in the United States forever."

OpenAI countered in its own X post that same morning that the suit "has always been a baseless and jealous bid to derail a competitor."

The trial comes just after SpaceX [unveiled](#) plans to acquire AI coding giant Cursor for \$60 billion ahead of plans to launch an IPO. It also comes as OpenAI is on the path toward its own IPO.

With two of the biggest names in tech going head to head, Musk v. Altman has the ingredients to be the trial of the decade, but the potential impact on the AI race is uncertain.

What We Know About Musk v. Altman So Far

The central claim in Musk's lawsuit is that Altman and Brockman abandoned OpenAI's charitable mission and deceived him into investing in the company under the false pretense that the AI startup would remain a nonprofit. Musk intends to return all money received to the OpenAI charity, while stripping Altman and Brockman of their positions.

I reached out to OpenAI via email for comment on the lawsuit, and a spokesperson responded with links to its Monday X post and a [page](#) dedicated to rebuking Musk's claims. It claims the lawsuit is motivated by jealousy, arguing that Musk demanded full control of OpenAI and attempted to merge the company with Tesla. The page also reaffirms OpenAI's position as a nonprofit that has committed \$25 billion to accelerating health breakthroughs with AI and says Musk is using his lawsuit to attack the foundation.

Judge Yvonne Gonzalez Rogers, appointed in 2011 by President Barack

Obama to the U.S. District Court for the Northern District of California, is presiding over the case. The trial itself is shaping up to be a spectacle, with big names including Microsoft CEO Satya Nadella and OpenAI cofounders Mira Murati and Ilya Sutskever expected to make appearances. Yet the trial's impact on the broader AI race is doubtful.

"It just seems to me, you know, Elon's pissed and he's not gonna let it go by, but in terms of is it gonna make any major difference or have a major impact on AI in general? No," Tre Lovell, one of the top litigation attorneys in the United States, who has worked as a representative on multiple cases involving Wells Fargo Advisors, Justin Bieber and Oprah Winfrey, told me in a video interview.

Lovell argued this is primarily an "ego spat," that isn't going to have any major effect on OpenAI or ChatGPT, even if Musk does prove he was defrauded. If Musk can prove he was misled, the court could disgorge the money that OpenAI made, but the idea of Altman or Brockman being forced out of the company would be unrealistic, Lovell noted.

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The court isn't likely to take the extra step to start "replacing presidents and affecting the trajectory of an upcoming billion-dollar IPO," he added.

Highlights From The Trial

On Tuesday, Elon Musk took the stand to give his opening statement. According to [CNN](#), Musk said he believed he was funding an organization that would be a "benefit for all of humanity" and argued that losing would "give license to looting every charity in America."

He also said he was inspired to found OpenAI after he found Google co-founder Larry Page wasn't "sufficiently caring about AI safety," stating that

"Larry Page called me a 'speciesist' for caring about humans more than AI". Musk said he thought there needed to be "some sort of counterpoint" to Google.

William Savitt, OpenAI's attorney, countered, claiming that Musk had pushed for a for-profit structure but had left the startup when he wasn't allowed to have complete control over the organization. He also mentioned that the lawsuit was brought after Musk founded xAI, the company that created Grok, a direct competitor to ChatGPT.

Stavros Gadinis, professor of law at UC Berkeley and faculty director at Berkeley Center of Law and Business, argues the case demonstrates the limits of philanthropic support in the AI race.

"OpenAI's transition out of the pure nonprofit form was not the moment a charitable mission was abandoned. It was the moment its leaders confronted the fact that frontier AI had outgrown the financial capacity of charitable institutions. Whether the response they engineered preserved the mission or compromised it is the question the trial is meant to answer. But the response itself was the predictable consequence of a form that could no longer pay its own bills," Gadinis told me via written comment.

What Is The Risk To OpenAI?

Daniel Burrus, an American technology futurist and strategic advisor who's worked as an advisor for clients including Microsoft, FedEx and the U.S. Department of Defense, suggests that this case is significant but won't necessarily shape the future of AI as a whole.

"Instead of looking at the past and then looking at the lawsuit, which is looking at the past and what Musk wanted to do, it's more about who gets to shape the future of AI. And by the way, if Musk wins, does he get to shape the future of AI? No. We have [Anthropic](#). We've got [DeepSeek](#). We've got a lot going on internationally with AI and within the United States. It's not the

only game in town," Burrus said.

"The question isn't how do we win the AI race, whether it's Musk or Altman," Burrus added. "It should be how do we build AI organizations that are profitable, scalable, trusted, auditable and aligned with human benefit?"

He also raised some doubts over the potential negative impact on OpenAI. "Nonprofit doesn't mean no income, no monetization. So if it was forced to stay nonprofit, it doesn't put it out of business. It doesn't mean it won't continue to grow," Burrus said. "It isn't just going to go away."

The Impact of the Trial

Regardless of the outcome, the lawsuit raises questions about OpenAI and its integrity under Altman. While a negative outcome is unlikely to bring about the end of OpenAI, the optics of such a high-profile lawsuit just after [The New Yorker](#) published a detailed investigation alleging Altman misled the board doesn't look good for the company.

A decision in Musk's favor could shake the public's faith in OpenAI and Altman, but its unlikely to derail the company's trajectory. With a valuation of \$852 billion, OpenAI has the financial backing to endure significant disruption. If Altman wins, then it's business as usual for OpenAI, and Musk is left to lick his wounds.

This trial is first and foremost a showdown between of the biggest names in tech. It might make for an entertaining spectacle, but it seems unlikely to alter the trajectory of the market.

Updated April 29th, 2026 with information from day one of the trial and new commentary.

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