


Chapter 9


Deepfakes: Ethical and Legal Implications Across Business, Politics, and Society

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ABSTRACT

This chapter explores deepfake technology's ethical and legal implications across business, politics, and society. Deepfakes, utilizing advanced AI techniques, pose significant threats, including the erosion of trust, manipulation of public opinion, privacy violations, and legal challenges such as defamation and intellectual property infringement. This work examines the technology's potential for misuse in creating deceptive content, impacting areas from financial fraud to political disinformation. It analyzes existing legal frameworks, including those in China, the EU, and the USA. It proposes mitigation strategies, such as AI-driven detection tools, blockchain verification, and educational initiatives to foster media literacy. The analysis underscores the need for collaborative efforts between businesses, regulators, and technology developers to navigate the complexities of deepfakes and safeguard the authenticity of digital information, emphasizing the balance between technological innovation and ethical responsibility.

DOI: 10.4018/979-8-3373-2960-4.ch009

INTRODUCTION

Machine learning models have recently been able to generate photorealistic fake images, clone voices, alter lip movements, and, by using text prompts, create synthetic videos (Groh et al., 2024). In this age of artificial intelligence (AI), the occurrence of technology like deepfakes has marked a major stage. Deepfakes leverage deep learning techniques to create hyper-realistic digital content, particularly video and audio, that can convincingly imitate real individuals (Chesney & Citron, 2019; Mustak et al., 2023). They are vivid, persuasive, and credible, and are more likely to be shared, making it very difficult for a person to differentiate them from authentic media (Hwang et al., 2021; Gosse & Burkell, 2020; Li & Wan, 2023). The rise of deepfakes has led to “Impostor Bias,” where people increasingly doubt whether digital content is real, making it harder to trust online interactions. An example of deepfakes is the face of celebrities being swapped with the faces in pornographic videos. For instance, in 2019, deepfake technology was used to create a fake pornographic video featuring Taylor Swift's face superimposed onto the body of an adult film actress. This video circulated widely on the internet, causing distress and damaging her reputation. The majority of explicit deepfake videos circulating online predominantly involve women (Adjer et al., 2019). Deepfakes represent a significant form of harassment toward women due to their explicit and often non-consensual nature. These digitally manipulated videos and images can falsely depict women in compromising situations, leading to severe emotional distress and reputational damage. The impact is multifaceted, including emotional and psychological trauma, strain on personal relationships, and professional repercussions such as job loss or damaged career prospects. Additionally, deepfakes violate women's privacy and dignity, creating legal and social challenges in seeking justice. Deepfakes can highly impact the justice system as they are able to create fake evidence, which might lead to confusion in deciding what is real and what is fake. Due to this, people can even doubt evidence that is real; this phenomenon is known as “Liar’s Dividend,” where individuals evade accountability by dismissing genuine evidence as deepfakes (Lundberg & Mozelius, 2025).

Even though deepfakes have huge applications and benefits for businesses in terms of creating content and maintaining engagement (Etienne, 2021), their misuse has raised substantial ethical and legal concerns. Some of the most concerning issues where AI is being used are fake audio and fake video content; they can further lead to crime or terrorism as deepfakes can create very realistic and convincing audios or videos that can be used to manipulate public opinion, spread disinformation, blackmail individuals, or incite violence, thereby posing significant risks to security and societal stability (Caldwell et al., 2020). Groups that do not belong to any government, like terrorists or insurgents, can create deepfakes to make it look like

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