

# AI startup Perplexity wants to upend search business. News outlet Forbes says it's ripping them off

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People are reflected in a window of a hotel at the Davos Promenade in Davos, Switzerland, Jan. 15, 2024. The artificial intelligence startup Perplexity AI has raised tens of millions of dollars from the likes of Jeff Bezos and other prominent tech investors for its mission to rival Google in the business of searching for information. Credit: AP Photo/Markus Schreiber, File

The artificial intelligence startup Perplexity AI has raised tens of millions of dollars from the likes of Jeff Bezos and other prominent tech investors for its mission to rival Google in the business of searching for information.

But its AI-driven search chatbot is already facing challenges as some news media companies object to its business practices. It is also competing against tech giants Google, [and now Apple](#), which are increasingly fusing similar AI features into their core products.

Perplexity CEO Aravind Srinivas has spent much of the past week defending the company after it published a summarized news story with information and similar wording to a Forbes investigative story but without citing the media outlet or asking for its permission. [Forbes said](#) it later found similar "knock-off" stories lifted from other publications.

The Associated Press separately found another Perplexity product feature inventing fake quotes from real people, including a former elected town official from Martha's Vineyard falsely quoted to say he didn't want the Massachusetts island to become a destination for marijuana.

"I never said that," said Bill Rossi, a former member of the island town of Chilmark's select board.

Srinivas told The Associated Press that his company is trying to build positive relationships with news publishers that ensure their news content "reaches more people."

"We can definitely coexist and help each other," he said.

Asked about Forbes, he said his product "never ripped off content from anybody. Our engine is not training on anyone else's content," in part

because the company is simply aggregating what other companies' AI systems generate.

"We are actually more of an aggregator of information and providing it to the people with the right attribution," Srinivas said. But, he added, "It was accurately pointed out by Forbes that they preferred a more prominent highlighting of the source. We took that feedback immediately and updated changes that day itself. And now the sources are more prominently highlighted."

Perplexity also revealed this week that it has been seeking revenue-sharing partnerships that would pay news publishers a portion of Perplexity's advertising revenue each time an outlet's news content is referenced as a source.

Randall Lane, chief content officer of Forbes Media, called the dispute an "inflection point" in the conversation about AI.

"It's a case study in where we're heading," Lane told the AP. "If the people who are leading the charge don't have a fundamental respect for the hard work of doing proprietary reporting, and keeping people informed with value-added content, we've got a big problem."

A self-described "AI bull" who believes that the technology could help make many news organizations more efficient, Lane said the dispute between Perplexity and Forbes is important because it is a "metaphor for what can happen if the people controlling the AI don't respect the people doing the work."

Perplexity bills itself as a search engine while "acting like a media company and publishing a story" that only Forbes had reported, Lane said.

"The whole thing was very disingenuous. And what we didn't hear was, 'Oops, yeah we messed that one up and we need to do better,'" he said. "Instead, it was just putting out more content, little tweaks to the model and treating journalism like it's just a commodity to be manufactured."

Srinivas, a computer scientist and former AI researcher at OpenAI and Google, co-founded Perplexity in the summer of 2022, not long before the AI image-generator Stable Diffusion and OpenAI's ChatGPT began sparking the public's fascination with the possibilities of generative AI.

Inspired, in part, by his childhood love of Wikipedia, he described Perplexity to the AP as "like a marriage of Wikipedia and ChatGPT" that can instantly answer a person's questions without the "huge cluttered mess" of Google's conventional search results.

"You ask a question, you get an answer with clean sources, and there's like three or four suggested (follow-up) questions and that's it," he said of Perplexity. "That way people's minds can be free from distractions, and they can just focus on learning and digging deeper."

The company sells a subscription for premium features and is planning to start an advertising-based service as it grows its user base.

"We are not profitable as a company today, but we are also more sustainably run than foundation model companies because we do not train our own foundation models," which requires huge amounts of computing power, he said.

Perplexity relies on existing AI large language models such as those built by OpenAI, Anthropic and Meta Platforms, the parent company of Facebook; and then "post-trains" them.

"We shape them to be really good summarizers," he said.

It's not always clear where the summarized information is coming from. One Perplexity feature called Writing—which enables a user to "generate text or chat without searching the web"—produces lengthy and unsourced commentary, often in the style of a news article. Tests of the feature by an AP reporter asking it to write about the lack of marijuana on Martha's Vineyard led it to produce a 465-word document that resembled a news article and included fabricated quotations from the former town official and another real person.

The AP is not repeating the false quotes in order to avoid perpetuating misinformation. Srinivas said that the Writing feature of Perplexity is a "minor use case" that was intended for helping to compose essays or correcting grammar when primary source information isn't needed. He said it's "more prone to hallucinations"—a common problem with AI large language models—because it isn't tethered to the web search capabilities of Perplexity's core product.

"There is no doubt that generative AI is upending journalism, content creation, and search," said Sarah Kreps, director of Cornell University's Tech Policy Institute.

She pointed to Google's new, Perplexity-like approach that summarizes answers based on information pulled from crawling the web, as an example. That, too, led to false information and forced [Google to make adjustments](#) to the product after its public release.

"But their whole model of advertising is based on sending people to websites," she said in an email. "Why will people go to websites if they can have the one-stop-shop of the answer in the AI output?"

Srinivas claimed to the AP that "a lot of people get referrals from Perplexity, and I'm happy that they're getting referrals from a new player in the internet."

For now, much of that benefit may be aspirational. Perplexity's worldwide user base has grown rapidly this year to more than 85 million web visits in May, but that barely registers compared to the billions of users of ChatGPT and other popular platforms from Microsoft and Google, according to [data from Similarweb](#).

The debate demonstrates the "uncertain and challenging times" for online content creators in general and journalism in particular because aggregators only work if publications such as Forbes exist, said Stephen Lind, an associate professor at the University of Southern California's Marshall School of Business.

Using AI as a synthesizing tool works for widespread dissemination of information until "you [run out of originals](#)," he said.

"There are whole companies or whole applications that are also doing this, where they are rolling out new services without fully thinking through the implications or best practices or safeguards because they're rolling out applications for industries that maybe they're not native to," he said.

Lind said it's good that companies like Perplexity are "taking at least some steps to course correct when an industry or a user pushes back." But some of the changes should have been baked in from the beginning, he added.

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