

Amidst AI Crackdown Hype, FTC Stakes Out Aggressive New Position On Unfairness

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Much has already been said and written about the FTC's recent enforcement initiative, dubbed "Operation AI Comply." The coordinated sweep announced last month involved five separate FTC enforcement actions against companies using or claiming to use AI tools to enhance consumer goods and services. For example, as part of the sweep, the FTC targeted a company called DoNotPay that claimed its "AI Lawyer" services could substitute for a human lawyer and "replace the \$200-billion-dollar legal industry with artificial intelligence" – claims that we, as KDW attorneys, were glad to see were found not to be substantiated. The sweep also involved enforcement actions against three business opportunity providers that claimed their AI tools could help customers generate passive income via online storefronts.

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