

Apple Reaches \$250M Deal Over AI Claims

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When Apple announced the iPhone 16 in 2024, it advertised that it would be “the first iPhone built for Apple Intelligence.” Apple touted several AI features and advertised that Apple Intelligence is “Available Now.” In reality, some features weren’t available at the time of launch. A disclosure at the bottom of the Apple Intelligence page explained: “Some features will become available in software updates in the coming months.”

As we [posted](#) last year, NAD challenged Apple’s availability claims and determined that consumers would reasonably believe that all Apple Intelligence features would be available at the time of launch, notwithstanding a disclosure in a footnote. The NAD decision was the least of Apple’s worries, however, as the company faced eight class action lawsuits on the same issue (which were later consolidated into one).

This week, plaintiffs asked a California federal judge Tuesday to approve a \$250 million settlement resolving the claims.

We’re seeing an increased focus on substantiation for AI claims. (Click [here](#), for example.) Companies should ensure they can support any claims they make about what their AI can do. As this case shows, companies also need to be careful if they advertise features that aren’t currently available. Ads should clearly distinguish what is available at the time of purchase from what may be available in the future. As the NAD decision suggests, making that distinction in a footnote may not be enough to escape scrutiny.