

FTC Warns Marketers on AI Claims in Advertising

The Bottom Line

- The FTC is paying close attention to artificial intelligence, its work product and any false or unsubstantiated claims stemming from it.
- Marketers must have adequate support for any claims they make about their AI products or they could face FTC scrutiny.

As anticipated in our earlier [alert](#), artificial intelligence (AI) is proving to be a hot term for marketers in 2023. As AI's popularity expands in marketing, questions remain as to what that really means, and what AI is truly capable of doing.

In a recent [blog post](#), the FTC warned marketers against making false and unsubstantiated claims about their AI products, as such claims could result in FTC enforcement. As part of its guidance, the FTC advised marketers to consider the following:

1. Is your advertisement overstating the capability of your AI product?

Marketers should not exaggerate what their AI product has done in a certain instance or what it can do. As with any other type of claim, marketers must have adequate substantiation for any claims they make about their AI products.

2. Are you promising that your AI product does something better than a non-AI product?

Marketers are no strangers to comparative claims, but if you are promising that your AI product does something better than a non-AI product, there must be sufficient support to make that claim.

3. Are you aware of the risks?

As with any new technological frontier, there are foreseeable commercial and legal risks. In the case of AI, computers are not yet at the point of making trustworthy

predictions of human behavior, so marketers cannot simply shift blame to a third-party developer in the event an issue arises. Marketers are responsible for making sure they fully understand the technology they are using.

4. Does the product actually use AI?

Using an AI tool in a product's development process is not the same as the product actually having AI built into it. Therefore, marketers should be cautious about how they market the extent to which AI was incorporated into their products.

This is not the first time the FTC warned businesses about AI. The FTC [previously commented](#) on its aim for "truth, fairness, and equity" in the use of AI and will undoubtedly be keeping a close eye on this arena.

For More Information

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