Continued FTC Crackdown on False Product Reviews

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Consumer protection wins again! The Federal Trade Commission (FTC) announced a final order settling its complaint against Rytr LLC, an artificial intelligence (AI) writing assistant tool that was capable of producing detailed and specific false product reviews using AI technology.

The FTC further alleged that Rytr subscribers used the service to generate product reviews potentially containing false information, deceiving potential consumers who sought to use the reviews to make purchasing decisions. The final order settling the complaint, which was published on December 18, 2024, bars Rytr from engaging in similar illegal conduct in the future and prohibits the company from advertising, marketing, promoting, offering for sale, or selling any services "dedicated to or promoted as generating consumer reviews or testimonials."

The decision highlights increased scrutiny against AI tools that can be used to generate false and deceptive content, which may mislead consumers. AI developers should prioritize transparency in how AI-generated content is created and used and ensure that AI services comply with advertising and consumer protection laws. The decision also reflects the need for AI developers to balance innovation with ensuring their innovations do not harm consumers.

ArentFox Schiff is here to help you navigate FTC compliance and will continue to keep you informed of FTC updates on Al-related and consumer protection regulations.

Contacts





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