



² See Dissenting Statement of Commissioner William E. Kovacic, *In re Negotiated Data Solutions, LLC*, File No. 051-0094, at 3 (Jan. 23, 2008) (“The prospect of a settlement can lead one to relax the analytical standards that ordinarily would discipline the decision to prosecute if the litigation of asserted claims was certain or likely.”),

unlimited output from all of them.⁶ As alleged in the complaint, the “Testimonial & Review” feature, which Rytr has stopped offering,⁷ generated draft consumer reviews based on a user’s inputs. Subscribers would provide descriptive keywords, phrases, or titles, as well as choose the output’s “ as

As a threshold matter, I am skeptical there is a

Rytr offered unlimited outputs *across a suite of over 40 products*. Given generative AI’s manifold applications, there may be significant benefit to consumers and competition when a company bundles its offerings and their features so that users do not bump up against word restrictions or character counts.²³ The complaint today does not account for or attempt to weigh such benefits. Instead, it baldly alleges there are “no legitimate benefits” from Rytr’s service.²⁴ That is mistaken based on the facts pled, and a misapplication of our unfairness authority.

Such observations about countervailing benefits lead to my concern with the scope of today’s order. Even if the Commission adequately pled a law violation here, the Commission’s order goes too far in its ban on Rytr’s providing *any* review or testimonial service. The complaint alleges that Rytr’s service was potentially misused by users to create misleading reviews—not that the neutral service itself is a source of harm. Banning products that have useful features but have the potential to be misused is not consistent with the Commission’s unfairness authority. Nor is it consistent with a legal environment that promotes innovation. AI is a developing industry. It has vast potential. We should take care not to squelch it by suggesting that merely providing *draft* content that *could* be used unlawfully is wrong.

Finally, I also share Commissioner Ferguson’s views regarding the complaint’s “means and instrumentalities” claim.²⁵ I write separately to emphasize my concerns for imposing primary liability under a means and instrumentalities claim, where there is no allegation that *Rytr itself* made misrepresentations. The “critical element” for primary liability “is the existence of a representation, either by statement or omission, *made by the defendant . . .*”²⁶ The complaint does not allege facts showing that the draft outputs were misrepresentations, much less that such draft outputs were *Rytr’s* misrepresentations.²⁷ Indeed, as the complaint alleges, a review can also be

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tool as inherently unfair or deceptive will have deleterious consequences for AI products generally.
