Analysis of Proposed Consent Order to Aid Public Comment

In the Matter of DoNotPay, Inc., File No. 232-3042

The Federal Trade Commission ("Commission") has accepted, subject to final approval, an agreement containing a consent order from DoNotPay, Inc. ("DoNotPay").

The proposed consent order ("proposed order") has been placed on the public record for thirty days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement and take appropriate action or make final the agreement's proposed order.

This matter involves DoNotPay's reliance on the emergence of new technology like artificial intelligence (AI) to market its DoNotPay Service ("the Service") as a cutting-edge solution for producing legal documents. DoNotPay described its Service as "the world's first robot lawyer" and as an "AI lawyer" capable of performing legal services such as drafting "ironclad" demand letters, contracts, complaints for small claims court; challenging speeding tickets; and appealing parking tickets. The proposed complaint alleges that the Service was not designed to operate like a human lawyer, and that the company's claims were false, misleading, or unsubstantiated.

The proposed complaint also alleges that DoNotPay falsely claimed that the Service used artificial intelligence and other technology to analyze a consumer's small business website for federal and state law violations and could save a consumer hundreds of thousands of dollars in potential legal fees. Further, the proposed complaint alleges that DoNotPay falsely claimed that the General Membership subscription to the DoNotPay Service included some features that, in fact, were not available to General Membership subscribers.

The proposed order contains provisions designed to prevent DoNotPay from engaging in these and similar acts and practices in the future.

Provision I prohibits DoNotPay from representing that its Service or any other Internet-enabled product or service that it offers operates like a human lawyer or any other type of professional, unless that representation is not misleading and DoNotPay possesses competent and reliable evidence to substantiate the representation.

Provision II prohibits DoNotPay from misrepresenting that its Service or any other Internet-enabled product or service is capable of analyzing or evaluating a website or any other document for federal and state law violations or will save consumers legal fees. The provision also prohibits misrepresentations about the features, benefits, or attributes included with the purchase of, or subscription to, any such product or service.

Provisions III requires DoNotPay to pay the Commission $193,000 in monetary relief. Provision IV describes the procedures and legal rights related to that payment. Provision V requires DoNotPay to provide the Commission customer contact information upon request in order to administer consumer redress.

Provision VI requires DoNotPay to provide eligible customers with notice of the consent order and the settlement.

Provisions VII through XI are reporting and compliance provisions. Provision VII mandates that DoNotPay acknowledge receipt of the order, distribute the order to principals, officers, and certain employees and agents, and obtain signed acknowledgements from them. Provision VIII requires DoNotPay to submit compliance reports to the Commission one year after the order's issuance and submit notifications when certain events occur. Under Provision IX, DoNotPay must create certain records for 10 years and retain them for five years. Provision X requires DoNotPay to provide information or documents necessary for the Commission to monitor compliance with the order during the period of the order's effective dates. Finally, Provision XI provides the effective dates of the order, including that, with exceptions, the order will terminate in 20 years.

The purpose of this analysis is to facilitate public comment on the proposed order. It is not intended to constitute an official interpretation of the complaint or proposed order, or to modify in any way the proposed order's terms.