

FTC Opens Inquiry Into Generative AI Investments and Partnerships

Article By:

Moorari Shah

A.J. S. Dhaliwal

Mehul N. Madia

On January 25, the FTC [announced](#) that it was issuing Section 6(b) orders against five Big Tech companies requiring them to provide information regarding recent investments and partnerships involving generative artificial intelligence (AI) companies and major cloud service providers.

The Section 6(b) Orders. Section 6(b) of the FTC Act authorizes the FTC to conduct studies to provide the agency a deeper understanding of market trends and business practices. Findings stemming from such orders can help inform future actions.

The FTC is seeking information specifically related to:

- Specific investments or partnerships, including the rationale of an investment/partnership;
- The practical implications of the partnerships or investment;
- Analysis of the competitive impact, including information related to market share, competition, potential for sales growth, or expansion into product or geographic markets; and
- Competition for AI resources, including the competitive dynamics regarding key products and services needed for generative AI.

Putting it into Practice: The FTC's actions are continuation of the Biden administration's [efforts](#) to establish new standards for AI safety and security. As discussed in previous blog posts [here](#), [here](#) and [here](#), the FTC continues to closely scrutinize AI practices for potential harms to consumers and distortions in the marketplace. Companies seeking to partner with, or invest in, AI-centric providers should be aware of the FTC's views, and conduct appropriate diligence on the products and providers to ensure compliance with applicable law.

[Listen to this post.](#)

Source URL: <https://natlawreview.com/article/ftc-opens-inquiry-generative-ai-investments-and-partnerships>