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California Department of Motor Vehicles
Case No. 21-02188
In the Matter of the Accusation Against: TESLA INC., dba TESLA MOTORS INC., a Vehicle Manufacturer

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BEFORE THE
DEPARTMENT OF MOTOR VEHICLES
STATE OF CALIFORNIA

In the Matter of the First Amended Accusation Against:

TESLA INC., dba TESLA MOTORS INC.,

Vehicle Manufacturer License No. 63277

Respondent.

Agency Case No. 21-02188

OAH No. 2023110194

CONSOLIDATED WITH:

In the Matter of the First Amended Accusation Against:

TESLA INC., dba TESLA MOTORS INC.,

Vehicle Dealer License No. 68106

Respondent.

Agency Case No. 21-02189

OAH No. 2023110196

AIMS No. 21V1L12011

PROPOSED DECISION

Administrative Law Judge Juliet E. Cox, State of California, Office of Administrative Hearings, heard this matter on July 21 through 25, 2025, in Oakland, California.

Supervising Deputy Attorney General Christopher Beatty and Deputy Attorney General Gregory Call represented complainant Kimberley Matthews, Chief of the Industry Services Branch, Occupational Licensing Operations, Operations Division, Department of Motor Vehicles.

Attorneys Matthew D. Benedetto, David C. Marcus, Ariel A. Neuman, Oliver Rocos, and Miri E. Gold represented respondent Tesla Inc., doing business as Tesla Motors Inc.

The record was held open to allow the parties to submit their closing arguments in writing. The parties filed and exchanged these documents timely, and the matter was submitted for decision on October 27, 2025.

FACTUAL FINDINGS

1. The California Department of Motor Vehicles (DMV) regulates both vehicle manufacturing and vehicle sales within California. In her official capacity as the Chief of the DMV's Industry Services Branch, Occupational Licensing Operations, Operations Division, Kimberly Matthews is the complainant in this matter.

2. The DMV has issued two licenses to respondent Tesla Inc., doing business as Tesla Motors Inc.: Vehicle Manufacturer License Number 63277, and

Vehicle Dealer License Number 68106. The evidence does not establish when the DMV first issued either license, or when either license expired or will expire. Both licenses were in effect during 2021, 2022, 2023, and 2024.

3. The prior Chief of the Industry Services Branch, Ailene Short, filed accusations against respondent in July 2022, and respondent returned timely notices of defense. Short filed first amended accusations in November 2023, which were the operative accusations at the hearing in this matter. Complainant Matthews became Chief of the Industry Services Branch in 2024.

4. Complainant alleges in both accusations that respondent has made untrue, misleading, or false statements about its vehicles' Advanced Driver Assistance System (ADAS) features. Specifically, complainant alleges that the feature set names "Autopilot" and "Full Self-Driving Capability" are inherently misleading, because they communicate untruthfully to a reasonable person that respondent's vehicles with these feature sets do not require human drivers. In addition to these two feature set names, complainant alleges that two statements that have appeared in respondent's Internet descriptions of these features reinforce the names' misleading nature. Complainant alleges that respondent used these names and made these statements on several specific dates in 2021 and 2022, and continued to use these two ADAS feature set names until October 2023 or later. Complainant seeks suspension of respondent's licenses, and an order requiring restitution to persons who have suffered financial damage because of these allegedly untruthful or misleading statements.

5. Respondent admits using the names Autopilot and Full Self-Driving Capability for certain ADAS feature sets beginning before 2021 and continuing through 2024. Respondent also admits making the descriptive statements complainant alleges. Respondent contends, however, that in their overall context, these names and

statements would not and do not mislead reasonable people into thinking that vehicles to which they apply are autonomous. Respondent seeks dismissal of both accusations.

ADAS Features and Vehicle Autonomy

6. This matter involves passenger vehicles that respondent intends for, and that the DMV has approved for, operation on public roads by licensed drivers. It does not involve operation of any such vehicles on closed courses or private streets, and it does not involve commercial freight-hauling vehicles, multi-passenger transit vehicles such as buses, or vehicles that can travel only on rails or similar fixed courses.

7. Many modern passenger vehicles have ADAS features. In general, such features supplement a human driver's senses, choices, and movements to keep the vehicle operating at a safe speed and on a safe path that takes the vehicle where the driver wants it to go.

8. To supplement a human driver's senses to detect conditions outside the vehicle, most vehicles with ADAS features use a combination of technologies that may include cameras, light-detection and ranging (LiDAR),[1] radar, and ultrasound. Since mid-2022, respondent's newly manufactured vehicles have used only cameras, which respondent calls Tesla Vision. Vehicles that respondent manufactured between 2016 and mid-2022 also included ultrasonic sensors and forward-facing radar.

[1] One witness described the rooftop LiDAR array on a driverless taxi that she had seen as a "giant headdress."

9. To supplement a human driver's choices and to control vehicle movements, all vehicles use software. As respondent's software engineers refine and improve respondent's vehicles' software, respondent adds, subtracts, and modifies software components by sending software directly to the vehicles, over their Internet connections.

10. SAE International (formerly the international Society of Automotive Engineers) has developed a classification system that standardizes descriptions for vehicles with ADAS features. The system includes six autonomy levels, reflecting hardware and software functions that enable vehicles to operate safely with or without a human driver's control. In the most recent version (Version 4, published in 2021), the levels are:

- **SAE Level 0:** Warnings and momentary assistance, such as automatic emergency braking, blind spot warnings, and lane departure warnings. A human driver must maintain constant attention to and control over the vehicle.

- **SAE Level 1:** Steering, braking, or acceleration, such as lane centering or adaptive cruise control (maintaining appropriate distance from a preceding vehicle). Although the vehicle may shift itself from side to side, or may accelerate or brake to maintain following distance, a human driver must maintain constant attention to and control over the vehicle.

- **SAE Level 2:** More complex steering, braking, or acceleration, such as simultaneous lane centering and adaptive cruise control. Although the vehicle may shift itself from side to side, or may accelerate or brake to

maintain following distance, a human driver must maintain constant attention to and control over the vehicle.

- **SAE Level 3:** Completely autonomous control, but under very limited conditions, such as a "traffic jam chauffeur" (a low-speed autonomous lane-keeping system for use on restricted-access roads). A human driver must maintain attention to the vehicle, and must be ready to take control in an emergency or if the conditions necessary for autonomous operation cease to exist.

- **SAE Level 4:** Completely autonomous control, under more conditions than Level 3, such as local driverless taxis that operate in limited, mapped areas. No human driver needs to maintain attention to or control over the vehicle, and a passenger in the vehicle may not even be able to take such control.

- **SAE Level 5:** Completely autonomous control, under all foreseeable conditions. No human driver needs to maintain attention to or control over the vehicle, and a passenger in the vehicle may not even be able to take such control.

11. The evidence does not establish whether any federal, state, or local government agency in the United States ever has granted approval for any vehicles that use only cameras to detect conditions around the vehicles to operate at SAE Level 4 or above. At the same time, the evidence also does not establish that any federal, state, or local government agency in the United States has any law or regulation forbidding approval for vehicles that use only cameras to operate at SAE Level 4 or above. Similarly, the evidence does not establish that a vehicle that uses only cameras,

and not also radar or ultrasound, could not possibly function safely at SAE Level 4 or above.

12. At the time of the hearing, neither the DMV nor any other state or local government agency in California had approved any of respondent's vehicles to operate at SAE Level 4 or above, which is to say on public streets without a licensed driver controlling the vehicle from the driver's seat. The evidence does not establish that any federal, state, or local government agency in the United States ever has granted such approval to any of respondent's vehicles.[2]

Autopilot

13. Respondent has used the Autopilot name to identify its ADAS features to the public since October 2015 or earlier. Although the evidence does not establish that any other vehicle manufacturer or dealer uses this name for similar features, the evidence also does not establish whether or how respondent has trademarked or otherwise protected this name for its own use.

14. Initially, respondent offered Autopilot as a purchase option. Since 2020 or earlier, however, some Autopilot features have been standard components of all

[2] At the time of the hearing, respondent recently had begun offering an experimental "robo-taxi" service in one Texas city, using vehicles that do not differ materially from those respondent sells to ordinary consumers. Respondent's intention is to demonstrate that these vehicles can operate successfully and safely as SAE Level 4 vehicles. Because the service currently is experimental, however, human supervisors are present inside each vehicle to take control in emergencies.

respondent's models, along with blind spot and lane departure warnings and emergency braking.

15. Since May 2021, and continuing through May 2025 or later, respondent has used the Autopilot name to refer specifically to two ADAS features: "Traffic-Aware Cruise Control" (which respondent says "Matches the speed of your vehicle to that of the surrounding traffic"), and "Autosteer" (which "Assists in steering within a clearly marked lane, and uses traffic-aware cruise control").

16. In mid-2022, respondent renamed some ADAS features that it previously had included in the group it called "Full Self-Driving Capability" (described below in greater detail in Findings 24 through 26) to "Enhanced Autopilot," and began referring in some literature to the standard features described in Finding 15 as "Basic Autopilot." The features that respondent moved from Full Self-Driving Capability to Enhanced Autopilot were "Navigate on Autopilot" ("Active guidance from highway on-ramp to off-ramp"), "Auto Lane Change" ("Automatically change lanes while driving on the highway"), "Autopark" ("Parallel and perpendicular parking, with a single touch"), and "Summon" ("Automatically retrieve your car," which respondent further divided into "Summon" and "Smart Summon").

17. In early 2024, respondent eliminated references in its publicity and sales materials to Enhanced Autopilot. It resumed referring to the features described in Finding 15 as Autopilot, and to the features described in Finding 16 as components of Full Self-Driving Capability.

18. According to publicity literature from October 2015 announcing the Autopilot features' availability, these features could allow respondent's vehicles to "steer within a lane, change lanes with the simple tap of a turn signal, and manage

speed by using active, traffic aware cruise control." The Autopilot features also would "scan for a parking space, alert [the driver] when one is available, and parallel park on command." This literature noted that "truly driverless cars are still a few years away," but described Autopilot as "like the systems that airplane pilots use when conditions are clear."

19. At all relevant times between mid-2021 and mid-2025, respondent's promotional Internet webpages regarding its vehicles stated that Autopilot is the "Future of Driving." With only immaterial variations, they also stated that Autopilot "enables your car to steer, accelerate and brake automatically within its lane under your active supervision, assisting with the most burdensome parts of driving." During the time respondent offered Enhanced Autopilot between mid-2022 and early 2024, these webpages also stated that "Enhanced Autopilot and Full Self-Driving Capability introduce additional features and improve existing functionality to make your car more capable over time."

20. Respondent's publicity and sales materials for its luxury models (Model S and Model X) also tout these vehicles' standard entertainment offerings, which include a "Cinematic Display" or "Cinematic Experience." In 2021 and 2022, the available entertainment respondent highlighted for potential users of these models included the ability to play video games "from any seat."

21. Respondent publishes and regularly updates owners' manuals for its vehicles. These manuals describe how to use the Autopilot features. They include numerous instructions and warnings to the effect that a driver must maintain attention to the vehicle and its surroundings, and must be ready at any moment to resume control over steering, accelerating, or braking, when using any Autopilot or Enhanced Autopilot feature.

22. In publicity materials, sales materials, and owners' manuals, respondent has stated at all times material to the allegations in this matter that its vehicles' Autopilot features do not substitute for human attention. Rather, respondent consistently has stated that the Autopilot features "are intended for use with a fully attentive driver, who has their hands on the wheel and is prepared to take over at any moment. . . . [T]he currently enabled features do not make the vehicle autonomous." In multiple documents, including publicity materials, sales materials, owners' manuals, and pop-up warnings that appear on a vehicle's display when a driver activates an Autopilot feature, respondent advises drivers using Autopilot to "keep your hands on the steering wheel at all times and maintain control of your car."

23. At no time relevant to this matter did the Autopilot feature set, without any other ADAS feature, enable any vehicle with it to travel safely, accurately, and lawfully on public streets in California without having a human operator inside the vehicle paying close, active attention to the vehicle's speed and path.

Full Self-Driving Capability

24. Respondent has used the phrase Full Self-Driving, and the Full Self-Driving Capability label, in public-facing information since 2017 or earlier to describe additional ADAS features that it intended to develop for its vehicles. The evidence does not establish that any other vehicle manufacturer or dealer uses any version of Self-Driving, Full Self-Driving, or Full Self-Driving Capability to identify similar features. The evidence also does not establish whether or how respondent has trademarked or otherwise protected this name, or any variant of it, for its own use.

25. Respondent began offering Full Self-Driving Capability as a purchase option in October 2020. In various forms ever since (described below in Findings 26

through 29), Full Self-Driving Capability has been an additional option package that a customer could buy (or to which a customer could subscribe), over and above the purchase price for a vehicle without Full Self-Driving Capability but with Autopilot or Enhanced Autopilot. This contrast implies that Autopilot and Enhanced Autopilot are partial or incomplete feature sets, by comparison with Full Self-Driving Capability.

26. The evidence does not establish how respondent described Full Self-Driving Capability when respondent began offering it as an upgrade option in 2020. By mid-2021, sales webpages on respondent's website stated that Full Self-Driving Capability included six components: Navigate on Autopilot, Auto Lane Change, Autopark, Summon, Full Self-Driving Computer, and Traffic Light and Stop Sign Control. This literature also stated that a seventh component, Autosteer on [C]ity [S]treets, was "[c]oming later this year." Finally, the literature promised that respondent would continue to push "over-the-air software updates" to vehicles with Full Self-Driving Capability, "as these self-driving features evolve."

27. In mid-2022, as described above in Finding 16, respondent segregated some features it formerly had included within Full Self-Driving Capability into Enhanced Autopilot, and began offering these features together as a lower-priced alternative to the Full Self-Driving Capability option.

28. In mid-2022, respondent's sales webpages stated that Full Self-Driving Capability comprised all Autopilot features (both Basic and Enhanced) along with Traffic Light and Stop Sign Control, and with Autosteer on City Streets "Coming Soon." These webpages eliminated specific reference to a Full Self-Driving Computer in the feature list, although choosing a button labeled "Feature Details" would bring up a description of the Full Self-Driving Computer along with descriptions of Auto Lane

Change, Navigate on Autopilot, Autopark, Smart Summon, and Traffic Light and Stop Sign Control.

29. In approximately October 2023, respondent revised its sales webpages further to state that Full Self-Driving Capability included all Basic and Enhanced Autopilot features, Traffic Light and Stop Sign Control, and Autosteer on City Streets. The webpages stopped describing this last feature as one that would become available in the future, and it did become available to drivers in late 2023.

30. Respondent has continued since January 1, 2023, to describe Navigate on Autopilot, Auto Lane Change, Autopark, and Summon in the language quoted in Finding 16. Standing alone, these feature descriptions imply that vehicles with them would be SAE Level 3 vehicles.

31. In early 2024, respondent resumed offering all these features as a single Full Self-Driving Capability option; and in late 2024 or early 2025, respondent renamed the feature set it previously had called Full Self-Driving Capability to "Full Self-Driving (Supervised)."

32. Promotional webpages for each of respondent's models consistently have described Full Self-Driving Capability immediately below Autopilot, stating that Full Self-Driving Capability offers "additional features and improve[s] existing functionality to make your car[3] more capable over time."

[3] Between fall 2023 and summer 2024, respondent changed this word to "vehicle."

33. At all relevant times, respondent's sales webpages included this statement (or one that differs only inconsequentially) below the Full Self-Driving Capability description, in slightly smaller letters:

> The currently enabled features require active driver supervision and do not make the vehicle autonomous. The activation and use of these features are dependent on achieving reliability far in excess of human drivers as demonstrated by billions of miles of experience, as well as regulatory approval, which may take longer in some jurisdictions. As these self-driving features evolve, your car will be continuously upgraded through over-the-air software updates.

34. The October 2023 sales webpage revision described above in Finding 29 also added a summary of the Full Self-Driving Capability feature set, above the feature names, in letters the same size as the feature names. The summary states, "Your car will be able to drive itself almost anywhere with minimal driver intervention and will continuously improve."

35. At all relevant times, respondent's owners' manuals have described the Full Self-Driving Capability components in the section on Autopilot.

36. At no time relevant to this matter did the Full Self-Driving Capability feature set enable any vehicle with it to travel safely, accurately, and lawfully on public streets in California without having a human operator inside the vehicle paying close, active attention to the vehicle's speed and path.

"Future of Driving" Webpage

37. Beginning in or before 2020, and continuing through May 2024 or later, respondent's Internet website included a page at the address https://www.tesla.com/autopilot. At all times, this page was accessible to the public; access to it did not depend on being respondent's employee or potential employee, or on a referral from one of respondent's salespeople. A person could reach this page by typing its address into an Internet browser, or by searching the Internet for information about respondent's Autopilot features. The evidence does not establish, however, that after 2020 a person could navigate to this webpage by following links from respondent's website landing page at https://www.tesla.com.

38. At all times material to the allegations in the accusations, the first large heading on the webpage at https://www.tesla.com/autopilot said "Future of Driving." Until 2020, links for vehicle ordering appeared adjacent to, and just below, this heading. In late 2020, respondent replaced these ordering links with a link to "JOIN THE TEAM," which took a user to a further page describing employment opportunities. Links to advertising pages for each of respondent's vehicle models remained available at the top of the page with the "Future of Driving" heading.

39. Just below the "Future of Driving" heading and the ordering or employment links, this webpage hosted a video that was two minutes, eight seconds

long. The video remained substantially the same, if not identical, from August 2020 (or earlier) through May 2024 (or later).[4]

40. The video begins with a title screen that states "THE PERSON IN THE DRIVER'S SEAT IS ONLY THERE FOR LEGAL REASONS. HE IS NOT DOING ANYTHING. THE CAR IS DRIVING ITSELF." After about five seconds (which is ample time to read the title screen), the video transitions to scenes through the front windshield from the interior of a passenger car with respondent's logo on the steering wheel. Viewers can see the knees, hands, and feet of a person in the driver's seat. The person's feet are on the floor rather than on the pedals, and the person's hands stay on the person's knees without touching the steering wheel. The car travels through urban and suburban areas, stopping, turning, and navigating in traffic. Rather than depicting a continuous trip from beginning to end, scenes in the video cut from one to another. At the video's end, the vehicle stops; the person exits; other vehicles, and pedestrians, pass by; and the vehicle advances several car lengths to a curbside parking space, where it parallel parks. No accompanying music, narration, or sound effect is in evidence, although the evidence does not establish whether sound accompanied the video when viewers accessed it through the https://www.tesla.com/autopilot webpage.

41. The video does not state whether it depicts true events, or a simulation. Although the buildings, vehicles, and clothing are contemporary, and although an attentive viewer might recognize the location, the video does not state precisely when or where the events it depicts occurred (if true) or are set (if simulated). The video

[4] In 2017, the same or a substantially similar video was available on a descriptive webpage for respondent's Model S (https://www.tesla.com/models), below the heading "Full Self-Driving Hardware on your Model S."

does not state whether it depicts a vehicle that a viewer currently could buy or use, or a vehicle that respondent aspires to produce in the future.

42. The video depicts a vehicle operating as an SAE Level 4 or SAE Level 5 vehicle.

43. The "Future of Driving" webpage describes various aspects of respondent's vehicles' hardware and software relating to ADAS features.[5] It includes a text box with the heading "Autopilot," which states "Autopilot enables your vehicle to steer, accelerate and brake automatically within its lane. Current Autopilot features require active driver supervision and do not make the vehicle autonomous."

44. Below this text box, the webpage includes descriptions of Navigate on Autopilot ("Navigate on Autopilot suggests lane changes to optimize your route, and makes adjustments so you don't get stuck behind slow cars or trucks. When active, Navigate on Autopilot will also automatically steer your vehicle toward highway interchanges and exits based on your destination."); Autosteer+ ("Using advanced cameras, sensors and computing power, your Tesla will navigate tighter, more complex roads."); and Smart Summon ("With Smart Summon, your car will navigate more complex environments and parking spaces, maneuvering around objects as necessary to come find you in a parking lot.").

45. Beginning on or before March 27, 2021, and continuing through or after April 28, 2025, the Future of Driving webpage described above in Findings 37 through

[5] These descriptions have changed subtly over time, chiefly due to changes in respondent's hardware as described above in Finding 8.

44 has had a text box highlighting Full Self-Driving Capability. Immediately under the heading Full Self-Driving Capability, the text states:

> All new Tesla cars have the hardware needed in the future for full self-driving in almost all circumstances. The system is designed to be able to conduct short and long distance trips with no action required by the person in the driver's seat.
>
> The future use of these features without supervision is dependent on achieving reliability far in excess of human drivers as demonstrated by billions of miles of experience, as well as regulatory approval, which may take longer in some jurisdictions. As these self-driving capabilities are introduced, your car will be continuously upgraded through over-the-air software updates.

46. Below this text, the webpage also states:

> From Home: All you will need to do is get in and tell your car where to go. If you don't say anything, your car will look at your calendar and take you there as the assumed destination. Your Tesla will figure out the optimal route, navigating urban streets, complex intersections and freeways.
>
> To your Destination: When you arrive at your destination, simply step out at the entrance and your car will enter park

seek mode, automatically search for a spot and park itself. A tap on your phone summons it back to you.

47. Respondent characterizes the "Future of Driving" webpage as a recruitment tool for potential employees. This characterization, though plausible, is incomplete. The page, when it existed at https://www.tesla.com/autopilot, was accessible to anyone who might have been curious about the Autopilot functions, for any reason. Moreover, the webpage itself presents primarily information about the current and future functions of respondent's vehicles, not about working for respondent.

48. At the time of the hearing, respondent had inactivated the Future of Driving webpage, as described in Findings 37 through 44. Rather, a new page at https://www.tesla.com/fsd describes Full Self-Driving (Supervised), without the text quoted above in Findings 45 and 46.

Reasonable Perceptions of the Names and Phrases at Issue

49. Complainant offered numerous hearsay examples of people who seem to have believed, when they leased or bought respondent's vehicles, that the vehicles could and would operate safely despite their human drivers' cognitive or physical impairment, or despite their human drivers' attention to matters other than driving. These examples included consumer complaints to the DMV and to the California Department of Justice, and civil complaints. Complainant offered no testimony from any such person. In addition, because complainant's examples are hearsay, they offer no way to evaluate these people's sincerity or reasonableness. Standing alone, this evidence is inadequate to show that any reasonable person actually misunderstood

respondent's vehicles' functions because of how respondent names and describes these functions.

EXPERT TESTIMONY FROM BRYANT WALKER SMITH

50. Bryant Walker Smith, J.D., L.L.M., testified for complainant about the development of standardized vocabulary and regulations for partially and wholly autonomous passenger vehicles.

51. Smith is a law professor. Since 2011, he has participated in developing national and international standards both for describing and for regulating partially and wholly autonomous vehicles. He was on the SAE committee that developed the classification system summarized in Finding 10, and has published numerous articles on autonomous vehicle development and regulation. He has expert knowledge regarding the vocabulary that automotive regulatory agencies use for these vehicles, and regarding their reasons for choosing particular words.

52. In 2013, the National Highway Traffic Safety Administration (NHTSA) published its first policy guidance regarding development and regulation of autonomous vehicles. In that policy guidance, NHTSA used the terms "automated," "autonomous," and "self-driving" interchangeably, to refer to vehicles that the current SAE system would classify as SAE Level 4 and SAE Level 5.

53. SAE promulgated the first version of the classification system summarized in Finding 10 in 2014, and the second version in 2016. After SAE introduced the second version, the United States Department of Transportation (US DOT) began to use SAE terminology. In particular, US DOT stopped referring in industry guidance to "self-driving" vehicles, and began referring to vehicles with varying levels of driving automation. The current version of the SAE classification

system distinguishes between SAE Levels 0, 1, and 2, which are vehicles with "driver support" features, and SAE Levels 3, 4, and 5, which are vehicles with "automated driving" features.

54. As to the name Autopilot, Smith testified that he believes this name to be potentially misleading, because it suggests that a human behind the wheel may have "zoned out mentally." This testimony is persuasive.

55. As to the name Full Self-Driving Capability, Smith testified that he believes this name to be "beyond misleading." In Smith's view, based on his historic overview of vocabulary and regulations pertaining to vehicle autonomy, engineering standard-setters such as SAE and governmental policy-makers consistently since 2013 have used the phrase "self-driving" to refer to fully autonomous vehicles that meet the current definitions for SAE Levels 3, 4, and 5. Adding the intensifier "full" confirms that the "self-driving capability" in question is complete, rather than partial; and the word "capability" is at best ambiguous as to whether it refers solely to potential future functions or also to currently operative functions. This testimony also is persuasive.

EXPERT TESTIMONY FROM SANDRA F. DISNER

56. Sandra F. Disner, Ph.D., testified for respondent regarding her linguistic analyses of the word "Autopilot"; the phrase "Full Self-Driving Capability"; the sentence, "The system is designed to be able to conduct short and long distance trips with no action required by the person in the driver's seat" (quoted in Finding 45); and the statements quoted in Finding 46.

57. Dr. Disner is a professor of linguistics and a scholar. Her expertise is in linguistic analysis, both historical and forensic, but not in consumer behavior or

marketing. She has provided expert testimony in numerous cases involving trademark disputes, and in cases where forensic voice identification was at issue.

58. The linguistic analyses that Dr. Disner performed involved several information sources. She considered words' and phrases' origins, history, and changes in meaning over time; modern dictionary definitions; and actual usage, as collected in a large database comprising academic, journalistic, entertainment, and casual texts (the Corpus of Contemporary American English, or COCA). She also considered the grammar and specific contexts in which respondent uses the words and phrases she analyzed.

Autopilot

59. According to Dr. Disner, the word "autopilot" came into English usage at the beginning of the 20th century, with reference to oceangoing ships. Soon after, it began to refer as well to aircraft. Dr. Disner believes, reasonably, that people who understand what an autopilot system does in an aircraft usually know that human pilots remain in the cockpit while the autopilot system is active.[6]

60. Dr. Disner testified that the first historic use of the word "autopilot" in relation to motor vehicles occurred in 1958, to refer to an early speed-regulating system. Her source for this information, however, was an unattributed YouTube video,

[6] No evidence establishes any commonly held assumptions or beliefs about precisely what aircraft pilots do, or how closely they must attend to speed, altitude, and direction, while using autopilot systems. Also, no evidence establishes whether reasonable people who do not have experience as aircraft pilots understand the air traffic conditions under which aircraft pilots safely may use autopilot systems.

which is not itself in evidence. This admission significantly undermines all her testimony's credibility and persuasiveness.

61. Four dictionaries that Dr. Disner reviewed defined "autopilot" primarily with reference to aircraft, as a device or system that maintains a preset course by adjusting altitude and direction. Some of these definitions referred also to oceangoing ships or spacecraft, but none referred to terrestrial wheeled motor vehicles.

62. Dr. Disner testified that, "You couldn't begin to understand the nuances of language if you just took the first meaning of any dictionary entry and limited yourself to that." On cross-examination, however, she admitted that she had disregarded in her analysis a secondary definition of "autopilot"—acting or moving without conscious decision or control—that appears in several dictionaries. Her explanation for this choice was that the second definition is "metaphorical," making it, in her view, "irrelevant" to a person who might be attempting to understand what Autopilot means with respect to respondent's vehicles. This explanation is not persuasive, and Dr. Disner's failure to consider this second vernacular meaning for "autopilot" also significantly undermines her testimony's credibility and persuasiveness.

63. In reviewing COCA records regarding "autopilot," Dr. Disner used the same filter that she used in reviewing dictionary definitions. She considered uses of "autopilot" that treated such systems as "assistive," and disregarded uses that equated "autopilot" with unconscious action. She also testified that she did not give any special attention to how other automotive manufacturers or dealers, or people writing about motor vehicles either as professional journalists or as amateur enthusiasts, use the words "pilot" or "autopilot."

64. According to Dr. Disner, and based on the information sources summarized in Findings 60 through 63, respondent's use of Autopilot to describe certain ADAS features "evokes the familiar system that's used in planes and ships, which involves a degree of supervision." She rejects, based on her linguistic analysis, the proposition that a reasonable person might construe Autopilot, as respondent uses this word, to describe a set of features that would enable a vehicle to move itself without any human's conscious, moment-to-moment control. In light of the omissions summarized in Findings 60, 62, and 63, Dr. Disner's opinion is not persuasive.

Full Self-Driving Capability

65. Dr. Disner acknowledged in testimony that a reasonable person might believe a "self-driving" car to be one that does not require a human to steer it or control its speed. She testified as well that she did not consult COCA for examples of how modern writers or speakers use "self-driving," to determine whether this meaning is more or less common than a meaning involving continuous human attention and control.

66. Dr. Disner also acknowledged in testimony that the word "capability" may mean either the actual, current power to do something, or the potential power to do something in the future.

67. Although respondent's feature set name joins the modifier "full" to the phrase "self-driving capability," Dr. Disner refused to acknowledge that the phrase "full self-driving capability" describes a vehicle that requires less human supervision or control than a vehicle that has "self-driving capability," without a modifier. She also refused to acknowledge that the modifier "full" might lead a reasonable person to infer that the "capability" at issue is current, rather than potential. Instead, she testified

that a person could draw a reasonable conclusion about what respondent means by "full self-driving capability" only by consulting the feature lists, caveats, and future-looking promises in respondent's sales and marketing literature.

68. The words Full Self-Driving Capability, individually and together, are not technical or unusual, and convey meaning to anyone fluent in English, whether or not that person has considered buying one of respondent's cars. Moreover, respondent's marketing literature would not need to state repeatedly that Full Self-Driving Capability does not relieve a human driver of the need to maintain attention to and control over a vehicle if the phrase itself did not imply otherwise. Dr. Disner's opinion that the phrase Full Self-Driving Capability has no meaning to anyone who has not read respondent's marketing and sales literature is not at all persuasive.

Future of Driving Webpage

69. Dr. Disner reviewed a static version of the Future of Driving webpage. She has never seen the video described above in Findings 39 through 42 and did not consider whether a person who viewed the video before reading the text that appears below it might have relied on the video to interpret the text.

70. To interpret the sentence "The system is designed to be able to conduct short and long distance trips with no action required by the person in the driver's seat" and the "From Home" and "To your Destination" statements, Dr. Disner emphasized that the overall context and surrounding language are future-focused, rather than present-focused. She stated that she did not believe that a reasonable consumer could read these statements as referring to a near future when the reader became an owner of one of respondent's vehicles, rather than to a farther future that might arrive only

months or years after the reader had become an owner. This testimony is unsupported[7] and unpersuasive.

71. Dr. Disner also acknowledged that a reasonable person might read the statements on the Future of Driving Webpage to describe functions that respondent's vehicles currently have, use of which is limited only by a driver's appetite for risk or by governmental red tape:

> The words seem to me to mean that [the features] are available. You could—you could drive this car—I mean, sorry—this car could be self-driving, but permission has not been granted yet, and until it has, driver supervision is insisted upon.

72. In summary, Dr. Disner's testimony regarding the Future of Driving webpage did not establish that a reasonable consumer could not construe its statements as implying that respondent's vehicles currently can operate as SAE Level 4 or SAE Level 5 vehicles.

EXPERT TESTIMONY FROM STEPHEN NOWLIS

73. Stephen Nowlis, Ph.D., testified regarding a consumer survey he conducted to gather information about how real readers perceive the names "Autopilot" and "Full Self-Driving Capability."

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[7] One of respondent's employees testified that some of the "will" statements on this webpage do describe features that a purchaser could use immediately upon vehicle delivery, rather than at some later date after an over-the-air software upgrade.

74. Dr. Nowlis is a marketing professor at a business school. He teaches and conducts research primarily regarding consumer behavior and consumer communication. He also has testified in numerous disputes over allegedly false or misleading advertising.

Survey Method

75. The survey evaluated participants' understanding of three webpages: A 2021 version of respondent's marketing page for the Model Y, a 2024 version of respondent's marketing page for the Model Y, and a version of the Future of Driving webpage from 2021 or 2022.

76. For each webpage, Dr. Nowlis created a second, alternative version. These alternative versions replaced the word "Autopilot" with the phrase "Driving Suite," and replaced the phrase "Full Self-Driving Capability" (or "Full Self-Driving [Supervised]" for the 2024 webpage) with the phrase "Complete Driving Suite." Otherwise, these alternative versions had identical text, photographs, embedded video, layout, and internal links as on respondent's real webpages.

77. Dr. Nowlis showed each of the six possibilities (three original webpages and three alternative versions) to 200 survey participants. Each participant saw only one original webpage or alternative version. All 1,200 respondents were 18 years old or older, stated that they lived in California, and stated that they were likely to consider buying or leasing one of respondent's cars within the next two years. Dr. Nowlis conducted the survey in May 2025.

78. After viewing the pages, participants answered questions to gauge their understanding regarding the level of active driver supervision necessary to operate respondent's vehicles safely. For each of the three webpages, Dr. Nowlis then

compared answers from the 200 participants who had viewed the unmodified version with answers from the 200 participants who had viewed the modified version, to determine whether the substitutions identified in Finding 76 had any statistically significant impact on participants' understanding.

Survey Results

79. For each of the three webpages, the number of survey participants whose answers suggested that they believe respondent's vehicles to be currently able to operate without active driver supervision was similar between the groups who viewed the original pages and the groups who viewed the pages with substitutions identified in Finding 76.

80. The number of survey participants who viewed either version of the Future of Driving webpage and gave answers suggesting that they believe respondent's vehicles to be currently able to operate without active driver supervision was about double the number of survey participants who viewed either version of the 2021 and 2024 Model Y webpages and gave such answers.

Survey Analysis

81. According to Dr. Nowlis, the matters stated in Finding 79 establish that the vocabulary substitutions described in Finding 76 do not affect how readers of any of the three webpages understand respondent's vehicles' ADAS features. He concludes further from these results that the terms Autopilot and Full Self-Driving Capability, in these webpages' context, do not increase the likelihood that readers will believe respondent's vehicles to be autonomous, as compared to the terms Driving Suite and Complete Driving Suite. His testimony regarding the statistical significance of the survey results, and his interpretation, was unrebutted and persuasive.

82. Dr. Nowlis readily acknowledged his survey's limits.

- It assessed how people who read, or could have read, the complete webpages interpreted the terms Autopilot and Full Self-Driving Capability in those webpages' context. It did not assess how any reasonable person might interpret either name in a different context, such as without having seen any of the three webpages.

- Dr. Nowlis's survey assessed these terms' effects on comprehension among consumers in May 2025, not between 2021 and 2023 (the time periods during which complainant alleges the terms Autopilot and Full Self-Driving Capability to have been misleading).

- The survey compared the potential for confusion between "Autopilot" and "Driving Suite," and between "Full Self-Driving Capability" and "Complete Driving Suite," but did not compare respondent's feature names against any real names that other automakers use for similar functions.

- Survey questions asked participants to characterize whether respondent's vehicles require "active driver supervision," and to state whether a human driver of such a vehicle must be "ready to take over driving functions." It did not ask participants to identify specific behaviors that they believed would constitute "active driver supervision" or driver readiness, or behaviors that they believed would be incompatible with "active driver supervision" or with being "ready to take over driving functions."

- The survey assessed comprehension only among people who stated their interest in buying one of respondent's vehicles, but not among people who denied any such interest.

83. Dr. Nowlis did not design his survey to evaluate whether any of the three webpages was more (or less) confusing or misleading to readers than another. To the extent that the matters stated in Finding 80 suggest that the Future of Driving webpage may be more likely than the 2021 or 2024 Model Y webpages to lead readers to believe that respondent's vehicles currently can operate at SAE Level 4 or SAE Level 5, Dr. Nowlis's survey offers no way to discern what component(s) of the webpage's text, photos, and video are most responsible.

Other Matters

84. Respondent asserts in its closing argument that it employs "tens of thousands of Californians" who receive "billions in annual wages," and that it pays "hundreds of millions of dollars in state and local taxes every year." Although these statements are plausible, no evidence from the hearing supports them. Moreover, no evidence from the hearing addresses the economic impact on respondent, on its employees, or on California state and local governments that might result from the license suspensions or communication revisions complainant seeks.

85. No evidence from the hearing addresses whether the feature names and marketing statements at issue in this matter, if false or misleading, have caused actual confusion or financial harm to any person.

LEGAL CONCLUSIONS

1. The DMV may take administrative disciplinary action against respondent for violating laws and regulations relating to licensed activity. (Veh. Code, § 11705, subd. (a)(10).) The DMV may take such action only if a preponderance of the evidence in the hearing record proves that respondent has violated a statute or regulation

governing its acts as a DMV licensee. The factual findings above rest on a preponderance of the evidence in the hearing record.

False or Misleading Vehicle Advertising

2. The California Civil Code generally prohibits falsity in advertising, which includes stating that an item has "approval," "characteristics," or "uses" that it does not have. (Civ. Code, § 1770, subd. (a)(5).)

3. For motor vehicles specifically, the Vehicle Code prohibits licensed vehicle dealers and manufacturers from making, by any "manner or means whatsoever," advertising statements that are "untrue or misleading." (Veh. Code, § 11713, subd. (a).) Vehicle advertising, which includes "any statement, representation, act or announcement intentionally communicated to any member of the public" (not just to a potential buyer), must be factual. (Cal. Code Regs., tit. 13, §§ 255.00, 260.00.)

4. From and after January 1, 2023, vehicle dealers or manufacturers may not "name any partial driving automation feature, or describe any partial driving automation feature in marketing materials, using language that implies or would otherwise lead a reasonable person to believe, that the feature allows the vehicle to function as an autonomous vehicle, as defined in [Vehicle Code section] 38750, or otherwise has functionality not actually included in the feature." (Veh. Code, § 24011.5, subd. (b).) Doing so violates Vehicle Code section 11713, subdivision (a). (*Id.*)

5. A "partial driving automation feature" is one that causes the vehicle to function at SAE Level 2. (Veh. Code, § 24011.5, subd. (c).) An "autonomous vehicle," in contrast, is one that operates at SAE Level 3, 4, or 5. (*Id.*, § 38750, subd. (a)(2)(A).) Vehicles that have only "collision avoidance systems," such as "electronic blind spot assistance, automated emergency braking systems, park assist, adaptive cruise control,

lane keep assist, lane departure warning, traffic jam and queuing assist, or other similar systems that enhance safety or provide driver assistance," but that do not have hardware and software that can cause them to travel safely "without the active control or monitoring of a human operator" are SAE Level 2 vehicles (as summarized in Finding 10), not "autonomous vehicles." (*Id.*, subd. (a)(2)(B).)

6. Several other California statutes also prohibit false advertising. Under all such statutes, marketing statements are unlawful if "a reasonable consumer would likely be deceived into incorrectly believing" information about the product. (*Salazar v. Target Corp.* (2022) 83 Cal.App.5th 571, 578.) Deception, to the reasonable consumer, may result from statements that are literally false, or from statements that are not outright falsehoods but nevertheless convey materially incorrect information.

7. The DMV's authority to regulate vehicle advertising does not depend on evidence that any particular advertising actually has deceived or harmed any person. Rather, the DMV may act affirmatively to prevent deceptive advertising without evidence that it already has misled or harmed anyone.

AUTOPILOT

8. The matters stated in Findings 13, 15, 59, 61, and 62 establish, together, that Autopilot has no clear and widely understood meaning, with general reference to terrestrial passenger vehicles, independent of its specific meaning with reference to respondent's products. For this reason, the Autopilot name, as respondent has used and still uses it to describe respondent's vehicles' standard ADAS feature set, is not actually, unambiguously false or counterfactual.

9. Complainant contends that a reasonable person could, and in the absence of other information likely would, believe incorrectly that a vehicle with

features collectively called Autopilot could travel safely, accurately, and lawfully without an active and attentive human driver. Respondent contends that the overall context in which respondent's Autopilot feature set name occurs means that no reasonable person could hold this incorrect belief. Respondent also contends that Dr. Nowlis's comparative study, as well as the absence of any evidence identifying any person who experienced actual confusion, confirms that the Autopilot name does not mislead reasonable people into believing incorrectly that vehicles with this feature set can travel safely, accurately, and lawfully without active and attentive human drivers.

10. As summarized above in Findings 75 through 83, Dr. Nowlis's study does not disprove complainant's allegation regarding the potentially misleading nature of the Autopilot name. Rather, Dr. Nowlis's study shows only that in the contexts he tested with survey recipients, use of this name rather than the name Driving Suite does not affect the likelihood that readers will misunderstand the degree to which respondent's vehicles can travel safely without human attention. Dr. Nowlis's study did not examine all contexts in which the Autopilot name occurs, and did not examine people's general understanding of its meaning with respect to respondent's vehicles.

11. As summarized above in Findings 60 through 64, Dr. Disner's testimony regarding the narrow meaning of Autopilot, as this term applies to respondent's vehicles, is not persuasive. Rather, the more persuasive evidence—from Smith's testimony, summarized in Finding 54, as corroborated by the matters summarized in Finding 49—is that a reasonable person would likely believe that a vehicle with Autopilot does not require its human operator's constant, undivided attention while Autopilot is in use. This belief is wrong (as stated in Finding 23), which makes the name Autopilot misleading in violation of Civil Code section 1770, subdivision (a)(5), and of Vehicle Code section 11713, subdivision (a).

12. The Autopilot name communicates SAE Level 4 or SAE Level 5 functionality that the Autopilot feature set does not actually include. This false communication violates Vehicle Code section 11713, subdivision (a), and California Code of Regulations, title 13, section 260.00. In addition, since January 1, 2023, this false communication has violated Vehicle Code sections 11713, subdivision (a), and 24011.5, subdivision (b).

13. Respondent insists that the confusion or incorrect beliefs summarized in Legal Conclusions 11 and 12 cannot be reasonable, because respondent's literature states repeatedly (as summarized in Findings 21 and 22) that Autopilot does not substitute for human attention. With this argument, as well as with the conflicting statements summarized in Findings 18 through 20, respondent follows a long but unlawful tradition of "intentionally [using] ambiguity to mislead consumers while maintaining some level of deniability about the intended meaning." (*Bell v. Publix Super Markets, Inc.* (7th Cir. 2020) 982 F.3d 468, 477.) Moreover, complainant's allegation regarding Autopilot is not only that this name misleads in context; it is that the name itself, which respondent chose, is inherently misleading. (See *Brady v. Bayer Corp.* (2018) 26 Cal.App.5th 1156, 1171-1172.)

14. On all dates alleged in the First Amended Accusations, and specifically between May 28, 2021, and October 28, 2023, respondent's use of the Autopilot name to describe its vehicles' standard ADAS feature set violated Vehicle Code section 11713, subdivision (a). Beginning on January 1, 2023, respondent's use of the Autopilot name also violated Vehicle Code section 24011.5, subdivision (b). These violations are cause for license discipline under Vehicle Code section 11705, subdivision (a)(10).

FULL SELF-DRIVING CAPABILITY

15. The matters stated in Findings 52 and 53 establish, together, that the compound word "self-driving," with reference to passenger vehicles generally, means "autonomous," as the Vehicle Code defines "autonomous." As summarized in Findings 12, 17, 18, 32, 34, and 36, although respondent aspires to produce autonomous vehicles and has achieved some functions approaching autonomy, none of the vehicles respondent sold with Full Self-Driving Capability between 2021 and 2024 was fully autonomous at the time of sale. Moreover, and despite respondent's contention that "capability" causes this name to imply potential rather than actual autonomy, the matters stated in Findings 12 and 36 confirm that none of the vehicles respondent sold with Full Self-Driving Capability between 2021 and 2024 ever has become fully autonomous through subsequent software updates. In light of the matters stated in Findings 11, 12, 26, and 28, respondent's argument that such vehicles may yet become fully autonomous (and the argument's implication that autonomous operation will become possible before these vehicles' hardware becomes nonfunctional or obsolete) is optimistic, but not evidence-based. The feature set name Full Self-Driving Capability is actually, unambiguously false and counterfactual.

16. Complainant contends that a reasonable person could, and in the absence of other information likely would, believe incorrectly that a vehicle with features collectively called Full Self-Driving Capability could travel safely, accurately, and lawfully without an active and attentive human driver. Respondent contends that the overall context in which respondent's Full Self-Driving Capability feature set name occurs means that no reasonable person could hold this incorrect belief. Respondent also contends that Dr. Nowlis's comparative study confirms that the Full Self-Driving Capability name does not mislead reasonable people into believing incorrectly that

vehicles with this feature set can travel safely, accurately, and lawfully without active and attentive human drivers.

17. For the reasons stated in Findings 75 through 83 and in Legal Conclusion 10, Dr. Nowlis's study does not disprove complainant's allegation regarding the potentially misleading nature of the Full Self-Driving Capability name.

18. The matters summarized above in Findings 49, 55, 65, and 66 establish that a reasonable consumer likely would believe that a vehicle with Full Self-Driving Capability can travel safely without a human driver's constant, undivided attention. This belief is wrong—both as a technological matter and as a legal matter—which makes the name Full Self-Driving Capability misleading in violation of Civil Code section 1770, subdivision (a)(5), and of Vehicle Code section 11713, subdivision (a).

19. More specifically, the matters summarized above in Findings 16, 30, 49, 55, 65, and 66 establish that a reasonable consumer likely would conclude from the Full Self-Driving Capability name that a vehicle with Full Self-Driving Capability currently can function as an SAE Level 4 or SAE Level 5 vehicle. Further, these matters show that this conclusion would be reasonable even for a person who also understood that regulatory approval for operation at SAE Level 4 or SAE Level 5 had not yet occurred. For these reasons, since January 1, 2023, the Full Self-Driving Capability name has violated Vehicle Code sections 24011.5, subdivision (b), and 11713, subdivision (a).

20. As for Autopilot, respondent insists that the confusion or incorrect beliefs summarized in Legal Conclusions 18 and 19 cannot be reasonable. Respondent bases this argument both on the fact that its literature states repeatedly (as summarized in Finding 33) that Full Self-Driving Capability currently requires human supervision, and

on the fact that this literature characterizes complete vehicular autonomy as a work in progress. As summarized in Findings 32 and 34, however, respondent's future-oriented communications are ambiguous, not clear, and do not foreclose the possibility that a reasonable consumer would believe that respondent's technology already supports vehicle autonomy. Moreover, and as summarized in Legal Conclusion 13, disclaimers and qualifications cannot make an inherently deceptive name non-deceptive.

21. On all dates alleged in the First Amended Accusations, and specifically between May 28, 2021, and October 28, 2023, respondent's use of the Full Self-Driving Capability name to describe its vehicles' optional additional and future ADAS feature set violated Vehicle Code section 11713, subdivision (a). Beginning on January 1, 2023, respondent's use of the Full Self-Driving Capability name also violated Vehicle Code section 24011.5, subdivision (b). These violations are cause for license discipline under Vehicle Code section 11705, subdivision (a)(10).

"THE SYSTEM IS DESIGNED . . ." AND "FROM HOME . . . TO YOUR DESTINATION . . ."

22. The matters stated in Finding 37 and 47 establish that respondent's Future of Driving webpage is advertising governed by Vehicle Code section 11713.

23. The matters stated in Findings 37 through 46 establish that a reasonable consumer using the Future of Driving webpage to learn about respondent's vehicles and business could have read the text on the page. Such a person also could have watched a realistic embedded video purporting to show one of respondent's vehicles operating safely at SAE Level 4 or SAE Level 5.

24. In this context, respondent's statement that its vehicles' "system is designed to be able to conduct short and long distance trips with no action required

by the person in the driver's seat" is misleading. The video contradicts respondent's argument that a reasonable reader could interpret this sentence only as describing how the "system" will operate in the future. In addition, the statement says that the vehicle "is" designed for autonomy, not that it "will be." Finally, the initial disclaimer on the video and the other language on the Future of Driving webpage (summarized in Findings 40, 43, and 45) state that the primary impediment to current autonomy is not the hardware or software in respondent's vehicles, but "legal reasons" that are extrinsic to those vehicles. Dr. Disner—who did not even view the video—confirmed, as summarized in Finding 71, that these statements imply to a reasonable reader that respondent's vehicles currently can operate autonomously.

25. Similarly, respondent's statements describing what its vehicles will do "From Home" and "To [the User's] Destination" are misleading. These statements are "will" statements, but the literature is ambiguous, as summarized in Finding 70, as to whether these functions are already in new vehicles that the reader does not yet have, or are forthcoming only at some even later date. The video, as summarized in Finding 40, specifically appears to show a vehicle parking itself after the driver has stepped out at the destination.

26. Between March 27, 2021, and April 28, 2025, the Future of Driving webpage mingled clearly aspirational statements about respondent's products with statements that were ambiguous as to their time horizon and with realistic video. The webpage overall, and the statements quoted in Findings 45 and 46 specifically, would have led a reasonable consumer to conclude that respondent's vehicles were currently capable of autonomous function, but they were and are not. This misleading advertising violated Vehicle Code section 11713, subdivision (a); on and after January 1, 2023, this advertising also violated Vehicle Code section 24011.5, subdivision (b).

Laches

27. Respondent contends that complainant's unreasonable delay in seeking disciplinary action regarding respondent's misleading feature names and descriptions now bars such action.

28. The matters summarized in Finding 49 do not establish that complainant's delay is unreasonable however, in light of the ongoing notice respondent has had that numerous individuals consider these names and descriptions potentially misleading.

29. Furthermore, the matters stated in Findings 13 and 24 do not establish prejudice to respondent, because they say nothing either about the investments respondent has made in these names and descriptions or the difficulty respondent might have in revising them. In fact, and as stated in Finding 31, respondent already has substituted the name Full Self-Driving (Supervised)[8] for Full Self-Driving Capability. Likewise, as stated in Finding 48, respondent has removed its Future of Driving webpage, with the misleading statements discussed in Findings 45 and 46 and in Legal Conclusions 24 through 26, from the Internet.

[8] The First Amended Accusations predate the change from Full Self-Driving Capability to Full Self-Driving (Supervised). For this reason, they make no allegations regarding whether the latter name conforms to or violates Vehicle Code sections 11713 and 24011.5. Similarly, the First Amended Accusations make no allegations about the accuracy or inaccuracy of the webpage described in Finding 48.

30. Even if laches were available as a matter of law as a defense in this matter, respondent has failed to establish it as a matter of fact.

Remedies

31. The First Amended Accusations propose two specific remedies in this matter: (1) license suspension or revocation, and (2) restitution.

LICENSE SUSPENSION OR REVOCATION

32. The DMV may suspend or revoke a vehicle dealer's or vehicle manufacturer's license if the licensee has violated Vehicle Code section 11713, or "any rule or regulation adopted pursuant thereto." (Veh. Code, § 11705, subd. (a)(10).)

33. Respondent argues (although without evidence, as stated in Finding 84) that suspension of its license would be punitive and "draconian," rather than remedial. Without the incentive of suspension, however, respondent offers no reason for the DMV to expect that respondent will alter the Autopilot name, or will act to avoid continuing its misrepresentations to the public regarding its vehicles' ADAS functions. Suspension of respondent's licenses for 30 days is a reasonable remedy.

RESTITUTION

34. In this case, Government Code section 11519.1, subdivision (a), authorizes the DMV to order "restitution for any financial loss or damage found to have been suffered by a person in the case."

35. The matters summarized above in Finding 85 do not establish that any person has suffered financial loss or damage because of respondent's misleading names and descriptions. As well, even if complainant had moved to bifurcate hearing

on this matter to reserve any issues regarding restitution for a future hearing, determination of individual financial harms in this administrative hearing process would be impractical if not impossible. No order directing restitution to anyone is appropriate on this record.

ORDER

1. Continuing use by respondent Tesla Inc., doing business as Tesla Motors Inc., of the Autopilot name to describe ADAS features that do not cause respondent's vehicles to operate at SAE Level 3, SAE Level 4, or SAE Level 5 violates Civil Code section 1770, Vehicle Code sections 11713 and 24011.5, and California Code of Regulations, title 13, section 260.00.

2. Vehicle Dealer License Number 68106, held by respondent Tesla Inc., doing business as Tesla Motors Inc., is hereby suspended for 30 days, beginning on the effective date of this Order.

3. Vehicle Manufacturer License Number 63277, held by respondent Tesla Inc., doing business as Tesla Motors Inc., is hereby suspended for 30 days, beginning on the effective date of this Order.

4. During the 30-day suspension period, respondent shall not exercise any of the privileges granted under either Vehicle Dealer License Number 68106 or Vehicle Manufacturer License Number 63277.

5. If, in connection with any advertising, representation, or dissemination made to the public or any member thereof during the period of actual suspension, such advertising, representation, or dissemination states or reasonably implies that

respondent's dealer's license has been or is suspended for any reason other than by order of the DMV, such advertising, representation, or dissemination shall be deemed to be untrue or misleading advertising within the meaning of Vehicle Code section 11713, subdivision (a).

6. During the 30-day suspension period, DMV employees shall post notices of suspension, in accordance with the provisions of California Code of Regulations, title 13, section 316.00. Respondent may not remove these notices before the end of the 30-day suspension period.

DATE: 11/20/2025

Juliet E. Cox

JULIET E. COX
Administrative Law Judge
Office of Administrative Hearings