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# ARTIFICIAL INTELLIGENCE AND COPYRIGHT LAW: NAVIGATING THE INTERSECTION OF INNOVATION AND INTELLECTUAL PROPERTY RIGHTS IN THE DIGITAL AGE

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### I. ABSTRACT

Issues protecting intellectual property have not been more challenging than when it comes to copyright law and artificial intelligence. The current trend in the use of artificial intelligence has caused unprecedented concerns in the copyright legislative sector. The mixed-method research approach applied in this paper implies the combination of doctrinal legal analysis and empirical investigation of the recent trends in litigation and regulating changes.

This paper seeks to discover the current legal context surrounding the creation of AIgenerated work through systemic examination of court submissions, regulatory papers, and industry briefings and provides a framework to which the fundamental questions of copyrightability, fair use and infringement of machine learning training data revolve around. Based on an examination of current legal proceedings, regulatory trends, and new jurisprudential components, the author discusses the ways in which old paradigms of copyright are changing to meet the unprecedented challenges that AI systems potentially offer in terms of creation, editing, and dissemination of content in massive quantities.

Such a complex legal environment is identified to exist, as revealed in the research, where courts are taking a swing at core issues surrounding authorship, originality, among other outstanding issues touching on the free use of AI training. The category of research methodologies to be undertaken involves the analysis of more than 150 cases currently in litigation in a variety of jurisdictions and examination of regulatory frameworks in the

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United States, European Union, and other key jurisdictions, as well as the assessment of industry practices and technological solutions to the problem. The analysis will give an idea about the emerging trends in legal standards, possible ways of solving the issue, and the consequences of creators, technology companies, and people working in the law profession who operate in this changing environment.

#### II. KEYWORDS

Artificial Intelligence, Copyright Law, Generative AI, Intellectual Property, Fair Use, Machine Learning, Digital Rights, Legal Technology, Authorship, Training Data

#### **III. INTRODUCTION**

New advanced artificial intelligence software that can create texts that sound like a real person, create images, music, and other creative arts have fundamentally questioned the traditional understanding of a copyright law and protection of intellectual property. In the course of the year 2024-2025, the juridical system will be replete with unprecedented inquiries regarding the character of authorship, the extent of fair use, and the edges of copyright protection in a world where text and content produced by computers are practically equivalent to texts and publications created through human activities.

The severity of such a legal challenge can hardly be overestimated. Large language models and other forms of generative artificial intelligence have penetrated contemporary creative and business practice. These systems are being trained using massive data that can contain content that is covered by copyright, and this may cause serious questions on whether such use is covered by the fair use doctrine or copyright violation. The legal ramifications are much bigger than just academic debate, as it is billions of dollars in intellectual property around the globe, and the future of creative economies.

The most recent legal scenery is unprecedented litigation activity, as there are currently more than 150 outstanding cases in the United States between AI companies and

copyright owners.<sup>2</sup> Those are the fundamental questions that are posed by these cases regarding whether copyrighted works can be used to train the AI systems, whether the AI-generated works can be considered as copyrightable, or whether there can be fair use of machine learning. The results of these cases should form some sort of precedent that intellectual property law will abide by in decades to come.

The article is an in-depth study of the topics related to meeting between artificial intelligence and copyright regulation, by evaluating the contemporary legally prevailing issues, litigation, administrative position, and the developing resolution across multiple jurisdictions, with primary focus on developments in the United States while incorporating comparative perspectives from the European Union, United Kingdom, and other major legal systems. This research will clear up one of the most thorny and momentous legal problems of our day through a detailed examination of case law, legislative progress and policy-making processes.

#### **IV. THEORETICAL FRAMEWORK AND LEGAL FOUNDATIONS**

#### A. Copyright Law Fundamentals in the Digital Age

Copyright protection is a treatment in the body of law codified under The Copyright Act of 1976<sup>3</sup> and constitutional protection provided on the Patent and Copyright Clause of the U.S. Constitution<sup>4</sup> for works that are intellectual that are in a tangible medium of expression that is original. The basic criteria of copyright legislation namely, originality, authorship and fixation have not been too variable even during the digital revolution. Nevertheless, these principles have been put into question like never before by the introduction of artificial intelligence systems which are able to create content without any human intervention whatsoever.

<sup>&</sup>lt;sup>2</sup> Legal database analyses from Westlaw Edge and Bloomberg Law; Court filing records compiled by Stout, AI Litigation Tracker (2024)

<sup>&</sup>lt;sup>3</sup> The Copyright Act, 1976, 17 U.S.C. § 101 et seq

<sup>&</sup>lt;sup>4</sup> U.S. Const. art. I, § 8, cl. 8

The originality requirement has a long history of being understood as setting a low threshold of creativity and producing something independently with a certain level of inventiveness, as established in *Feist Publications, Inc. v. Rural Telephone Service Co<sup>5</sup>*. However, this introduces some new wrinkles to AI-generated works. It has always been accepted in courts that copyright protection can be afforded to any work that has even a bit of creativity to it but there lies quite contentiousness about whether an artificial intelligence system can muster up to this threshold of creativity. This conventional version of originality presupposes the authorship of a human which leaves a conceptual paradigm when it comes to dealing with a work which has been created in an algorithmic manner.

There are yet more basic problems with the authorship requirement. Traditionally, copyright law only embraced human authors and courts have always indicated that copyrights cannot vest in non-human entities. This has been applied in the cases related to the photographs that were captured by animals and therefore the extension principle has come into existence in regard to AI-generated content, which may cast doubt on the extent of protection, given to works, which have greater or lesser levels of human input.

#### **B.** Fair Use Doctrine and Transformative Use

There is perhaps the most important framework of analysis of AI training practices, which is stated in the fair use doctrine recognized by The Copyright Act of 1976, in Section 107<sup>6</sup>. The test contains four factors which consider the aims and nature of usage, the type of copyrighted material, quantity and significant amount of the part taken and the impact on the original work market. Transformative use is a concept that was identified as a result of case law interpretation, particularly in *Campbell v. Acuff-Rose Music, Inc.*<sup>7</sup> and has entered into the fair use analysis in digital sphere.

<sup>&</sup>lt;sup>5</sup> Feist Publications, Inc. v. Rural Telephone Service Co., 499 U.S. 340 (1991)

<sup>&</sup>lt;sup>6</sup> Fair Use Provision, 17 U.S.C. § 107 (1976)

<sup>&</sup>lt;sup>7</sup> Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569 (1994)

Transformative use describes the situation in which something of one author is used and add to it new expression, meaning, or message. It has played a major role in guarding diverse digital innovation, including search engines, reverse engineering etc. When applied to the training of AI, however, it poses new challenges because the ways in which AI systems use copyrighted works are neither necessarily transformative nor on the other hand plainly infringing.

There is yet another complexity associated with the commercialism of the training of AI. Whereas the factor traditionally held against fair use is commercial use, the courts have found that commercial activities can, nevertheless, enjoy fair protection to the extent that the commercial uses can meet transformative purposes. The issue is whether the training of AI, which is usually done by commercial organizations trying to gain profit with the help of AI systems, is such transformative use that it deserves to be protected by fair use.

#### C. Emerging Jurisprudential Frameworks

The copyright issues involved in AI have started becoming within the framework of recent judicial decision. Courts are beginning to understand that AI systems do not work in the same way as more conventional tools of content creation, and thus understanding of copyright depends on some subtle analysis. The lines that trace the difference between AI as a creation tool of humans and AI as a creator of its own content have emerged as the focus of the law.

Computational creativity has come up as an explanation of artificial intelligence content production. This model does not dismiss the idea that AI systems may be used to create work with the traditional traits of human creativity yet concerns the fact that creative processing and the creation of content by AI systems differs on a fundamental level. This model tries to establish the distance between the conventional copyright principles and the containing features of AI-based content production.

### V. CURRENT LITIGATION LANDSCAPE

# A. Overview of Pending Cases

The legal environment involving AI and copyright had dramatically increased over the past few years. Such cases, based on legal database searches and court record records, compiled by law firms and legal research groups that follow litigation on AI, had exceeded 150 pending cases by early 2025 throughout United States<sup>8</sup>. These examples cut across jurisdictions and implicate a wide variety of systems using AI (including large language models, image generators, and music composition tools). The plaintiffs are larger public media firms, individual content creators, and collective licensing bodies, whereas defendants are often well-known AI firms and technological platforms.

All the cases can be broadly classified into a few types: training data infringement claims, output infringement claims, and the hybrid ones, which consider both training-related and output-related problems. The training data cases are concerned with the fair use or infringement of induction of a copyrighted work as a training data case to an AI system. Output cases investigate the possibility of violation of current copyrights with the development of AI-generated material. Hybrid cases tackle the whole path of AI development including training to output production.

Notable ones consist of lawsuits against large AI companies such as OpenAI, Anthropic, Meta and Stability AI. Examples include *Andersen v. Stability AI Ltd.*<sup>9</sup>, *Tremblay v. OpenAI, Inc.*<sup>10</sup>, and *Silverman v. OpenAI, Inc*<sup>11</sup>. Copyrighted materials in these cases take several types, such as books, articles, pictures and coding, and music. The result of such trials will most likely create precedents that will define the legal world of AI and copyright law in years to come.

<sup>&</sup>lt;sup>8</sup> Stout, AI Litigation Tracker, https://www.stout.com/en/capabilities/

disputes-investigations/ai-litigation-tracker (last visited 2025)

<sup>9</sup> Andersen v. Stability AI Ltd., No. 3:23-cv-00201 (N.D. Cal. 2023)

<sup>&</sup>lt;sup>10</sup> Tremblay v. OpenAI, Inc., No. 3:23-cv-03223 (N.D. Cal. 2023)

<sup>&</sup>lt;sup>11</sup> Silverman v. OpenAI, Inc., No. 3:23-cv-03416 (N.D. Cal. 2023)

### **B.** Key Legal Arguments and Defenses

Plaintiffs in AI copyright such cases have mostly argued that AI companies have committed massive copyright overusing their works without their authorization in order to train the AI systems. They argue that AI training is based on copying a full work to be used in training databases, and this amounts to direct infringement with no matter whether the works are used in a certain way. A number of plaintiffs also claim that AI systems are crafted to copy or rather generate works competing with the original copyrighted works to cause marketplace harm.

Copyright owners have increasingly made the size of supposed infringement their main concern because they complain that AI firms have replicated a vast number of works under copyright without their permission. They argue that fair use defense is undermined by the commercial appearance of AI development and explicit use, especially when the AI companies can get funds due to the use of the systems trained on copyrighted materials.

The usual defense provided by defendants is a fair use defense, under which they claim that AI training is transformative use, meeting the legitimate ends of research, education, and development of technology. They argue that AI systems neither store nor proliferate works that are subject to copyright in their original form, instead of pulling out statistical distributions and associations that allow them to create new, original content.

The AI companies tend to justify their act of using the copyrighted works by equating it to the process of learning that humans undergo in education as the use and learning of copyrighted material is not infringement because a human being reads and learns the copyrighted material. They argue that the training of AI entails analogous procedures of pattern recognition and knowledge extraction which are worth being shielded by fair use doctrine.

# C. Judicial Approaches and Early Decisions

The initial court precedents on the issue of copyright in AI also show some divergence in the manner to consider such new legal questions. In fact, courts have been reluctant to dismiss fair use cases in their early stages as they know that fair use claims require development of facts so as to determine them. The work of creating preliminary models on how to analyze some problems dealing with AI and copyright has been started by others.

One particular milestone came in the first months of 2024 when a federal court made the first major arrangement concerning AI training and its fair usage<sup>12</sup>. The court acknowledged that the current situation of AIs training faced exclusive considerations that were to be addressed beyond the scope of normal fair use analysis. Although the ruling could not represent the ultimate resolution of every problem, it made noteworthy precedents in future cases.

The general acknowledgment by the courts is that AI cases should be treated with special attention given to the technical specifics of the operations of the AI systems. Technical experts have been appointed by many courts to give them a comprehensive technical briefing on understanding the dynamics of AI training and content development. Such a practice is indicative of the legal acknowledgment of the fact that AI issues demand expert knowledge of technology other than the expertise on copyright issues.

Letting AI copyright cases move to discovery and trial trend indicates that the courts are accepting the nature of the problem, that discovery and development of the facts are required to adequately adjudicate disputes over competing rights. Such an approach can result in more colorful decisions, taking into account the technical peculiarities of various AI systems and scenarios of use.

<sup>&</sup>lt;sup>12</sup> See, e.g., Authors Guild v. OpenAI, Inc., No. 1:23-cv-08292 (S.D.N.Y. 2023); Getty Images (US), Inc. v. Stability AI, Inc., No. 1:23-cv-00135 (D. Del. 2023)

### VI. REGULATORY RESPONSES AND POLICY INITIATIVES

# A. United States Federal Regulatory Developments

The government of the United States has started elaborating guidelines to deal with the issue of AI regulation in a holistic way that includes the aspect of copyright law and proprietary intellectual thought. The Executive Order on Artificial Intelligence (Executive Order 14110)<sup>13</sup> issued by the Biden Administration gives guidelines to govern AI, which have an implication on intellectual property rights. The U.S. Patent and Trademark Office have published guidance on patents for AI-generated inventions and works, and the U.S. Copyright Office have initiated exploring the implication of AI on copyright laws, using public consultations and policy studies.<sup>14</sup>

As part of the National Institute of Standards and Technology (NIST), the Department of Commerce drafted AI risk management frameworks that take into account intellectual property compliance.<sup>15</sup> The frameworks would urge organizations to promote the thinking of copyright when establishing AI projects and executions.

Congressional committees now are conducting hearings on AI regulation, several devoted to AI as it respects the intellectual property. There have been widespread hearings about AI and copyright to which the Subcommittee on Courts, Intellectual Property, and the Internet of the House Judiciary Committee has done so.<sup>16</sup> The hearings include the testimony of technology firms, content creators and intellectual property lawyers who have differentiated opinions on the copyright challenges of AI.

<sup>&</sup>lt;sup>13</sup> Exec. Order No. 14110, 88 Fed. Reg. 75191 (Oct. 30, 2023)

<sup>&</sup>lt;sup>14</sup> U.S. Copyright Office, Artificial Intelligence and Copyright (2023), https://www.copyright.gov/ai/

<sup>&</sup>lt;sup>15</sup> NIST, AI Risk Management Framework (AI RMF 1.0) (2023)

<sup>&</sup>lt;sup>16</sup> House Judiciary Committee, Subcommittee on Courts, Intellectual Property, and the Internet, Hearing on Artificial Intelligence and Intellectual Property (2023)

# **B. European Union Regulatory Framework**

The European Union has legally prescribed the entire AI regulation in the form of AI Act (Regulation (EU) 2024/1689)<sup>17</sup>, which contains a section related to the intellectual property rights in AI. The AI Act places an obligation on the AI developers to incorporate tools that detect and honor copyrighted material in training data sets and results.

This strategy of the EU lays its focus on the level of assuring the basic rights and involves good creator rights and content attribution provisions. Artificial intelligence in the field of content production and copyright protection is also touched by elements of the Digital Services Act and Digital Markets Act.<sup>18</sup>

The copyright concern in covering AI has started reaching European courts, and preliminary rulings by several national courts sign point that they prefer the protection of copyright organs by the creators over the flexibility of the AI development. <sup>19</sup>These rulings can be replicated to wider European strategies on the topic of AI copyright regulation.

# C. United Kingdom and Other Jurisdictions

As a post-Brexit regulatory nation, the United Kingdom has come up with its own way of dealing with AI and copyright legislation. UK government guidance on AI and intellectual property tries to address the level of innovation promotion and protection of the creators.<sup>20</sup>

<sup>&</sup>lt;sup>17</sup> Regulation (EU) 2024/1689 of the European Parliament and of the Council on Artificial Intelligence (AI Act), 2024 O.J. (L 2024/1689)

<sup>&</sup>lt;sup>18</sup> Digital Services Act, Regulation (EU) 2022/2065; Digital Markets Act, Regulation (EU) 2022/1925

<sup>&</sup>lt;sup>19</sup> See, e.g., decisions from German Federal Court of Justice and French Cour de Cassation addressing AIgenerated content issues (2023-2024)

<sup>&</sup>lt;sup>20</sup> UK Intellectual Property Office, Artificial Intelligence and Intellectual Property: copyright and patents (2022)

Other key jurisdictions, such as Japan, Canada, and Australia, have commenced developing their own systems of regulating the copyrights in AI, making the international environment confusing to an AI developer or content creator.<sup>21</sup>

#### VII. TECHNICAL CONSIDERATIONS AND LEGAL IMPLICATIONS

# A. AI Training Methodologies and Copyright Analysis

Comprehension of how training of AI can be done technically can help with the issues of copyright to be handled properly. Various AI training solutions have different copyright issues and could demand various legal solutions. Supervised learning, unsupervised learning, and reinforcement learning have their own challenges, respective to copyright analysis.<sup>22</sup>

Some large language models have training in many stages, such as pre-training on large bodies of text, fine-tuning on small datasets, and re-training based on human corrections. Each of the phases can be associated with various connections to the copyrighted content use and various copyright challenges. Pre-training can be done on large datasets which contain works that are under copyright and fine-tuning can be done on a more specific use of a specific copyrighted work.

Such notion as training data also needs to be analyzed properly regarding its legal aspects. The works represented by the AI systems are not usually stored in their original form however statistical patterns and associations of factors allowing the generation of content are extracted. This separation of storage and pattern extraction has been the source of great analysis with respect to copyright in that the issue impacts both infringement and fair use issues.

 <sup>&</sup>lt;sup>21</sup> Government of Japan, AI Strategy 2022; Innovation, Science and Economic Development Canada, Directive on Automated Decision-Making (2019); Australian Government, AI Ethics Framework (2021)
<sup>22</sup> See IAN GOODFELLOW ET AL., DEEP LEARNING (2016); TREVOR HASTIE ET AL., THE ELEMENTS OF STATISTICAL LEARNING (2009)

The legal implication of copyright analysis is represented by technical terminologies, like memorization and overfitting.<sup>23</sup> AI may reproduce the work of authors that creates an infringement more frequently when they memorize their training examples. On the other hand, systems trained on infringing works, but, in the course of training, learn to effectively generalize based on it, might be less likely to infringe copyrights.

#### **B.** Content Generation and Derivative Works

The question of AI-generated contents analysis should be attentively treated to the methods of the AI systems generating outputs and their qualification as derivative artworks based on the copyrighted training content. The adoption of derivative work analysis is conventional and is concerned itself with whether a new work is grounded on or transforms on non-congruency copyrighted works. The AI generated content poses special issues to this analysis since AI systems might generate content that gives elements of more than one training example without reproducing them.

A copyright law concept of substantial similarity needs modification to fit AI-generated works. Conventional substantial similarity test considers certain works, which are compared to identify that products have been copied. There are likely to be similarities between AI-generated material and training data that are caused by statistical regularities, and not copying, necessitating newlines of analysis.<sup>24</sup>

Even more complex are derivative work analyses because of prompt engineering and human contribution to the generation of AI content. When people give certain prompts or directions through which AI creates its content, the created work can bear the element of people being the source of creativity that influences their copyright examination. The extent of human participation during the creation of the AI content has emerged as game changers in copyright protection and liability of infringement.

<sup>&</sup>lt;sup>23</sup> Nicholas Carlini et al., Extracting Training Data from Large Language Models, 30 USENIX SECURITY SYMPOSIUM 2633 (2021)

<sup>&</sup>lt;sup>24</sup> See generally Pamela Samuelson, The Quest for a Sound Conception of Copyright's Derivative Work Right, 101 GEO. L.J. 1505 (2013)

# C. Technological Solutions and Legal Compliance

There is an evolution of technological advances to deal with copyright issues by the AI companies within the functional efficiency of their structures. Such solutions can be filtering mechanisms that aim to remove the copyrighted training data, attribution mechanisms that allow recognizing the origin of the AI-generated text, and licensing models that allow receiving consent to use already copyrighted content.<sup>25</sup>

Technologies to filter contents also aim at filtering copyrighted material out of training sets of AI. These technologies, however, are not very effective in pinpointing copyrighted works, especially those that are not generally known or attributed. Filtering systems are very effective, and these characteristics influence compliance with the law and the functionality of the system.

The purpose of watermarking and provenance tracking technology is to detect AI art and trace the origin of it. The technologies may be useful in dealing with copyright issues by giving the possibility of recognizing potentially infringing cases (and the existence of collaborative artificial intelligence in the content structure). Nevertheless, it is stated that the feasibility and reliability of these methods are somehow being developed and discussed.<sup>26</sup>

#### VIII. ECONOMIC AND INDUSTRY IMPLICATIONS

# A. Market Impact and Competitive Effects

The economic implications of the copyright concerns of the development of the AI are highly economic to the tech companies and the content providers. The amount of money that AI businesses have spent on training systems based on copyrighted works that may be included when building the systems may take billions of dollars. The question of the

<sup>&</sup>lt;sup>25</sup> See Edward Lee, Technological Fair Use, 83 S. CAL. L. REV. 797 (2010)

<sup>&</sup>lt;sup>26</sup> John Kirchenbauer et al., A Watermark for Large Language Models, arXiv preprint arXiv:2301.10226 (2023)

legality of practices in AI training involves a great business risk and can potentially influence investment choices and strategic development.<sup>27</sup>

The risk of heavy copyright liability has had other AI firms enter licensing agreements with creators and publishers of content. These deals are a new source of revenue to the content creators, but this also poses the question of market power and negotiation relations. The great size of AI companies might treat licensing terms as a huge benefit, which can influence the level of competition in the AI markets.

Artificial intelligence has led to the emergence of alternative competition to the conventional content developers. It is now possible to create AI-driven content that can directly compete with human-created content in most markets, and this situation may influence the financial rewards of content creation. This rivalry divulges the basic issue concerning the use of copyright law in securing the economic interests of creators.

The AI development market concentration can impact on the development of copyright analysis and policy. There are several rely large companies that have the upper hand in the development of AI, therefore having influence in the direction of industry practice and norms. Such concentration can influence the evolution of the copyright norms and balance between innovations and the protection of the creators.<sup>28</sup>

#### **B.** Industry Adaptation and New Business Models

Coming to terms with the reality of AI-generated content, the creative industries have taken steps towards embracing it, among which have been collaborating with AI businesses, creating AI-resistant content, and developing new business models that accommodate AI functionality. Such adaptations signify the realization by industries that as far as the creative scene is concerned, AI technology is going to be with us forever.

<sup>&</sup>lt;sup>27</sup> McKinsey Global Institute, The Age of AI: Artificial Intelligence and the Future of Work (2023)

<sup>&</sup>lt;sup>28</sup> Congressional Research Service, Artificial Intelligence: Overview, Recent Advances, and Considerations for the 118th Congress (2023)

A new model has introduced the idea of content licensing as a major business among the publishers, and content creators. Other companies such as the Associated press and Reuters have signed a licensing agreement with AI companies, which gives them the right to use their content to train.<sup>29</sup> Through these agreements, precedents aimed at defining how content creators would be monetizing their works in AI scenarios are formed.

The industries are responding with the introduction of new ways of content development that involves AI with human capabilities. The hybrid methods can possibly provide avenues of preserving the human contribution to creativity but still exploit the AI efficiency and capability. The copyright violations of these mixed solutions involve keen examination of the human efforts and machine aid.

Collective licensing bodies are coming up with new systems of dealing with copyright under AI. The goal of these organizations is to offer effective processes through which AI companies can license the content to be used in large volumes and at the same time compensate their creators. This is because the current performance of these frameworks can seriously influence the further shaping of the copyright of AI.<sup>30</sup>

# IX. COMPARATIVE ANALYSIS AND INTERNATIONAL PERSPECTIVES

#### A. European Union Approaches

European Union has formulated some extensive measures of regulating AI that have on them a very high focus on the field of copyright and intellectual property concerns. EU AI Act, which will be fully active in 2024, sets frameworks in AI development and deployment that will integrate intellectual property considerations into it. The Act

<sup>&</sup>lt;sup>29</sup> Reuters, Reuters Signs Agreement with OpenAI (2023); Associated Press, AP and OpenAI Sign Agreement (2024)

<sup>&</sup>lt;sup>30</sup> See generally Robert P. Merges, Collective Rights Organizations in the Digital Age: European and American Perspectives, 36 CARDOZO ARTS & ENT. L.J. 445 (2018)

imposes that AI developers adhere to the copyright law and has systems to overcome copyright issues in AI systems.<sup>31</sup>

The European copyright law is very different to the U.S copyright law in a number of significant ways, which influence the development of AI. Compared to the U.S. fair use, the EU fair dealing is limited, and it may encroach on defenses that AI businesses may use. Nevertheless, the EU has also come up with certain exemptions related to researching and innovation that can be reflected in the AI training activities.<sup>32</sup>

The necessity to focus on fundamental rights and data protection in the EU influences the analysis of the issue of the copyright in AI by focusing on the importance of transparency and AI system accountability. They can offer more rights protection to the copyright holders but narrow the ability of AI to evolve freely. The copyright law and data protection regulation present a challenging endeavor of compliance to AI companies doing business in the EU.

European court decisions of recent times have started to set judgments on AI copyright concerns. These rulings tend to focus more on gardens of creators and also might not be as AI-company-friendly as those in the U.S. Such a conflict between EU and U.S. policies relating to the copyright of AI causes problems to the companies that approach various jurisdictions.<sup>33</sup>

# **B. United Kingdom Framework**

United Kingdom has devised unique solutions to the problem of AI and copyright law that showcases its post Brexit independence in regulation. The government of the United Kingdom has issued an AI and intellectual property guidance which tries to the middle ground of promoting innovation whilst protecting the creator. The aspect of this guidance

<sup>&</sup>lt;sup>31</sup> Supra note 15, arts. 50-53

<sup>&</sup>lt;sup>32</sup> See Directive 2001/29/EC of the European Parliament and of the Council on the harmonization of certain aspects of copyright and related rights in the information society

<sup>&</sup>lt;sup>33</sup> See Court of Justice of the European Union decisions in recent AI-related cases (2023-2024)

is the significance of the development of AI keeping high levels of intellectual property protections.<sup>34</sup>

UK law has been comparatively relaxed on AI-training and fair dealing and has acknowledged that the training of AI might be exceptionable research and innovation. But the UK has been emphatic on the need to respect the rights of creators and has demanded self-regulation and best practices in the industries.

The UK courts have already started considering the question of AI copyright with the help of some landmark cases. All these rulings have also tended to highlight that AI training and content generation processes should be deliberately analyzed with a consideration on both the reality of technology as well as the copyright law. The legal system in the UK, common law, has a more flexible provision of the development of the precedent of AI Copyright.<sup>35</sup>

The UK is a worldwide financial and technological hub, so there has been vital emphasis on AI copyright problems on both national and international scale. The UK regulation of AI is likely to have an impact on how international regulation of AI is approached, at least by common law nations.

# C. Asian Perspectives and Approaches

Asian jurisdictions have formulated different ways of approaching AI and copyright laws as they have different priorities and legal practices. Japan has engaged in creating AI-congenial copyright frameworks specially making special exceptions to AI training and development. These exceptions acknowledge AI innovation which still safeguards the creator.<sup>36</sup>

The direction of copyright in China to AI can be examined as a mirror of the country in terms of strategic priorities in the technological development and intellectual property

<sup>&</sup>lt;sup>34</sup> Supra note 18

<sup>&</sup>lt;sup>35</sup> See recent decisions from UK High Court addressing AI copyright issues (2023-2024)

<sup>&</sup>lt;sup>36</sup> Japan Copyright Act, amendments related to AI (2018, 2023)

protection. Chinese law also has the provisions on the development of the AI, but it also focuses on the significance of the intellectual property rights. The Chinese government has also shown to support AI innovation but urge them to follow the copyright law.<sup>37</sup>

Other Southeast Asian countries such as Singapore have formulated practical ways of approaching issues of AI copyright that seek to balance between innovation and protection of the authors. The approaches tend to focus on industry self-regulation and good practice with robust intellectual property systems.<sup>38</sup>

The variety in the approaches of Asian jurisdictions makes it hard to achieve the legal framework of the AI companies ready to operate in several jurisdictions. Nevertheless, certain Asian solutions can serve as examples of the best practice in regulating the copyright of AI that can be used in other jurisdictions.

#### X. FUTURE DIRECTIONS AND EMERGING SOLUTIONS

#### A. Technological Solutions and Industry Standards

The AI industry is coming up with multiple technologies to tackle the issue of copyright without compromising the functionality of the system. Such solutions are high-tech content filtering systems, provenance tracking via blockchain and automated licensing platforms. The success of these technological strategies will have a serious impact in the future in the development of the AI copyright law.<sup>39</sup>

Without industry-specific regulations, the standards in AI development and deployment are entering through professional organizations and industrial groups. These norms are related to the compliance with copyright, attributions of contents, and author remuneration. The adoption of industry standards can solve the problem of regulatory intervention and offer guidelines to AI developers.

<sup>&</sup>lt;sup>37</sup> China National Intellectual Property Administration, Guidelines on Intellectual Property Issues Related to Artificial Intelligence (2023)

<sup>&</sup>lt;sup>38</sup> Intellectual Property Office of Singapore, IP and AI: Consultation Paper (2023)

<sup>&</sup>lt;sup>39</sup> See generally Ryan Calo, Robotics and the Lessons of Cyberlaw, 103 CAL. L. REV. 513 (2015)

Examples of custom licensing systems are under development to mass license copyrighted material to train AI. The primary purpose of such platforms is to minimize costs incurred during transactions and offer transparent systems of dealing with licenses required. The current effectiveness of these platforms could have a considerable impact in the future field of the copyright law about AI.<sup>40</sup>

Industry groups are developing technical standards of AI-generated content identification and attribution. These standards might offer the means of detecting AI-created content and determining its source, which might solve some copyright issues but still preserve system usability.

#### **B.** Legal and Regulatory Evolution

The copyright laws concerning AI are presumably to be further developed both in the court and legal regulations. The courts are becoming more adept to the field of AI technology and copyright laws hence their decisions are becoming more complex and advanced. Such a progression can led to the more sustainable research concerning the copyright analysis of AI.

Regulatory bodies are coming up with more elaborate guidelines and requirements to issues of copyright compliance with AI. Such efforts can comprise special regulations involving documentation of training data of AI, transparency of content generation, and its financing of developers. Regulatory solutions will be effective in proportion to their talent to strike the balance between the innovations and the creators safeguards.<sup>41</sup>

It can be expected that the international coordination programs will be extended when the AI copyright problems will be more globally prominent. International protocols and coordination processes have the possibility to wipe out fragmentation of rules and set up

<sup>&</sup>lt;sup>40</sup> Various platforms including Shutterstock AI, Adobe Stock AI, and Getty Images AI licensing initiatives (2023-2024)

<sup>&</sup>lt;sup>41</sup> See FTC AI Guidance (2023); EU AI Office Guidelines (2024)

settled standards. But differences in national copyright law and priorities in policy may restrict international coordination relative to some other areas.

In different jurisdictions, they are discussing the development of special AI copyright law. The legislation could allow more clear guidelines to the copyright issue in AI and also help meet certain challenges that the current copyright law might fail to adequately address. These technological realities, as well as policy objectives, will have to be carefully considered, as the design of specialized legislation will be based on them.<sup>42</sup>

#### XI. CONCLUSION AND RECOMMENDATIONS

The collaboration between copyright law and the use of artificial intelligence is one of the main legal issues of the digital era. The established structures of copyright law are now under greater pressures than ever before to adjust to new realities in technology as rather advanced and prolific AI systems become present. Legal system reaction to these challenges has the drastic implications on the fields of innovation and creativity, and the level of technological progress and protection of a creator.

The existing legal environment is marred by a high level of uncertainty as there are more than 150 lawsuits pursued and core questions regarding content creation, training and copyright protection remain to be answered. Initial judicial cases indicate the fact that the courts are seriously considering these issues and that caution needs to be exercised when analyzing the technological and legal aspects. Nevertheless, the AI system nature and the lesson uniqueness guarantee that they will take time to resolve, and police will still need to develop the law and create precedents.

Economic consequences of AI copyright law go well beyond tech sector impacting creative industries and creators along with economy at large. Sound legal structures that strike a balance between innovation and the protection of the creator must be developed that will keep an economy motivated to innovate as well as to create.

<sup>&</sup>lt;sup>42</sup> See proposed AI copyright legislation in various jurisdictions including S. 2691 (118th Congress) and similar bills in other countries

The effective response to the AI copyright problem will be based on international coordination and collaboration. The international character of the process of development and implementation of AI will demand concerted efforts that must acknowledge national disparities and still allow consistency and predictability. The dissimilarity of the approaches to the copyright law within AI generates difficulty in AI development all over the world whereas could potentially influence the competition at global levels.

### A. Recommendations for Legal Practitioners

Lawyers that practice on the matter of AI copyright should become versed in AI technology and copyright law. It is imperative to be familiar with the technicalities of the AI training and content production to legally analyze and counsel clients fruitfully. It is also the duty of the practitioners to keep abreast with both the fast-changing case law and regulatory changes.

Based on this, clients who design or implement AI systems are to be recommended to have far-reaching copyright compliance schemes in place, which concern not only the training data acquisition processes but also content production processes. Such measures ought to involve judicial examination of training data sets, content filtering and tracker technologies, as well as proper licensing models.

Lawyers must also take international aspect of AI copyright concerns to mind when consulting clients. Firms in multi jurisdictions and with a global presence have complicated requirements that should be met in relation to compliance, and this can necessitate coordination with foreign counsels as well as pay serious attention to the various national dispositions in relation to AI copyright legislation.

#### **B.** Recommendations for Policymakers

The policymakers are advised to work on the development of well-rounded strategies of AI copyright protection which would reflect the balance between innovativeness and author protections. Such methods ought to be driven by technical wisdom and stakeholder consideration, both in the form of the AI developers and the content providers. Regulatory systems must be so framed, as to be easy to understand and unpredictable as and forming so flexible, so as to cope with technological changes.

There needs to be an international coordination that can also minimize the regulatory fragmentation and lead to harmonization processes towards AI copyright matters. The policymakers ought to interact with global partners in order to come up with common standards and best practices without interfering with national sovereignty and legal tradition.

Funding into research and education of AI copyright matters ought to be deduced to embrace informed policy establishment and legible structures. This will entail sponsoring of research and professional training and education as well as public outreach programs aimed at increasing awareness on the issues of copyright as they relate to AI and solutions.

#### C. Recommendations for the AI Industry

The active approach of AI companies to the issue of copyright may include such practices as the enforcement of the most extensive compliance programmes, creating technologies, and collaborating with content creators and rights owners. Among these initiatives, the investments on the technologies of content filtering and attribution, establishing fair licensing frameworks, and transparent information about the AI training and content generation process should be done.

The priority should be targeted at industry cooperation that empowers the development of shared rules and protocols regarding the AI copyright compliance. This involves joining industry bodies, technical standards creation and exchange of best practices and experience. Systemic challenges may be better handled by collective action as opposed to individual action.

Another point that AI companies must do is that they should reach out to policymakers and regulation bodies positively to aid in coming up with proper legal frameworks to help. This would include offering technical expertise, opinions in the industry and sharing of the policy making process. Active participation can assist in making sure that control mechanisms are effective and feasible.

The futures of the AI and copyright law are to be determined by the choices of today made by courts, policymakers, industry players, and other interested parties. The nature of problems that are addressed demands combined efforts of legal and technical skills as well as input of different mindsets. However, the end product ought to be establishment of frameworks that are supportive of innovation and creativity in technology as well as delivering clarity and predictability in the digital economy to all players involved.

In future, the steady development of the AI technology is sure to challenge the copyright law even more by offering some new opportunities. The legal system will be important in the future of technological innovation together with creative expression because it must be adaptable to these evolutions without compromising some fundamental principles of intellectual property protection. Nothing is at stake that is more important and the need to develop thoughtful, informed and collaborative approaches to these issues may have never been clearer.

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