Response to the UK Government Consultation on Copyright and Artificial Intelligence

Submitted by: Mediai Research Ltd, trading as "AIMICI"

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AIMICI (AI for the Media Industry and Creative Individuals) welcomes the opportunity to respond to the UK Government's consultation on Copyright and Artificial Intelligence. References to "us", "ours" and "we" shall mean AIMICI and its associates. References to "Creatives" shall mean the UK screen media industry, including the workforce in film and TV research, production and sales. Reference to "AI tools" means any software or hardware in film production, from location scouting to distribution, that uses artificial intelligence technologies (e.g., machine learning, computer vision, generative AI).

1. Introduction

AIMICI is a new business, founded and run by film and tech enthusiasts. Its mission is to help creatives tell their stories, without fear of AI. We help Creatives to upskill their workforce and design new workflows to reflect the latest AI tools; assess and manage legal, reputational and ethical risks; and find opportunities for greater creativity and productivity. Our team has, collectively, over 100 credits in films, 100 years in growing tech companies, and 10 years in AI applications for screen media. Our vision is for technology to serve human stories and storytellers.

Our perspectives are influenced from/by

I.   Those we help. Namely, Creatives who are seeking opportunities and assurances with AI capabilities. Creatives range from freelancers working on small and mid-sized productions to independent production and post-production houses and studios. Creatives understanding of AI ranges from no knowledge to overestimating its effects. AI attitudes of our Creatives include confusion, curiosity and concern.

II. The thousands of AI tools and features currently available, changing frequently. AIMICI tracks and records these tools' usage on productions, extracting learnings

for Creatives. AIMICI also operates a panel of preferred AI tools, vetted for their practical application to Creative needs, quality, safety and impact standards.

III. Industry representatives, academia and a leading screen media charity, with whom we are engaged to drive consistent interpretation of standards and to design practical toolkits for Creatives around these standards (the "Consortium"). This includes building accredited AI upskilling pathways for creatives, techniques for managing copyright and bias risks in AI training models and labelling responsible AI usage within films (as connected to our panel of vetted AI tools).

Our desire is for AI to flourish as a powerful tool for creatives. We stop there. We do not see, or want to see, AI as anything more than a useful tool. AI should serve to enhance, rather than replace, unique human storytelling. We want to see Creatives use AI, with confidence and control. This will diversify training models from UK AI tool providers, enable richer storytelling, and create new opportunities for Creatives. Our responses to this consultation are anchored around this desire.

In this paper, we set out i) our assumptions and first principles, ii) some preliminary observations which are broader than, but relevant to, this consultation, iii) our summary response to each section of the consultation and v) a final thought on how the Creative industry can do more to solve some of the issues. We also append our individual responses to each question, noting those we were unable to answer.

2. Assumptions and first principles.

We believe

- Creatives are not the "naysayers" of technological progress. Creatives simply deserve fair compensation when other persons are credited and financially rewarded for the work they generate
- Creatives do not turn to the statute book as they consider creating artistic works. They create expressions of ideas and stories for dissemination into the world.
- The intention of copyright law is to stimulate creativity and thereby encourage the public good, not to promote a particular technology.
- Laws, including copyright laws, should apply equally. Exemptions should only be made where there are clear differences of circumstances and/or where it is in the public interest to do so. Moreover, where an exemption is made, the privileges afforded under those same laws should not automatically be granted.

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In other words, parties should not have rights without the obligations of any laws, and vice versa.

- The resolution of copyright disputes should be easier for Creatives. Access to dispute resolution should not necessitate legal expense, as is the case in many other industries, e.g. the financial services ombudsman.

- AI tools can provide social purpose and economic benefits to Creatives. Specifically, significant time and cost savings together with improved insights, allow for higher levels of intellectual and personal creative output and broader (or targeted) dissemination of artist works. These tools, however, also carry several, and potentially existential, risks which are not fully understood by the majority of users.

- Many AI tools, particularly generative ones, are designed to create new content on behalf of users without directly copying or reproducing the original art. However, determining whether the source material has been sufficiently transformed is often a subjective judgment. Furthermore, this does not address whether it is fair for these tools to train their models on original artwork, regardless of the similarity to the generated outputs.

- AI tools contain data sets and training methodologies, which may be subject to copyright law, requiring a careful approach to any transparency or exemption.

- AI training methodologies within UK firms should be competitive to avoid creatives fleeing to use tools only from leading jurisdictions in AI technology, such as the US, China and the EU.

- Creatives should have the ability, supported by their industry, to master their AI journey and influence standards which promote "good AI" designed to protect creative authorship, originality, inclusion and sustainability.

- Responsible AI usage will encourage the development of responsible AI tools. Transparency measures should be applied both to AI tool providers and Creative Industries i.e. screen media labelling of AI usage.

- Creatives who embrace AI and do so responsibly by recording usage of tools recommended for their quality and ethical outputs, with disclosure to audiences, will have a competitive edge and access to emerging opportunities.

3. Preliminary Observations

We support the government's balanced approach to fostering AI innovation while safeguarding the creative workforce. This delicate and complex challenge involves navigating issues such as computer-generated authorship, copyright laws across international markets, and two distinct industries. We hope this marks the first of many consultations.

Our observations are contextualised with an industry led approach around unintended consequences.

Regulatory approach for industries:

While creative technology and artistry increasingly overlap, they remain distinct sectors. AI providers focus on developing computational tools and systems, while creative industries centre on human artistic expression and cultural content creation. This separation is reflected in how the government approaches regulation, tax incentives, and investment schemes.

AI poses risks, unlike any other technology in history. Its exponential growth, autonomous nature, self-improvement and global networks are unique. Creatives are concerned about loss of authenticity, authorship, manipulation of their content and job displacement. These issues cannot be separated from training data used in generative AI, and can be linked to copyright law as a potential, and partial, control. As a distinct sector, domestic and international efforts are required to regulate these risks. This is outside the scope of this consultation and we are aware of the disjointedness at the recent global AI summit.

The objective of the UK government, supported by AIMICI, is to ensure AI grows as a tool for Creatives, rather than becoming the primary driver of creative work. Where regulation is lacking in one industry (AI providers), it can and should be made up by Creative industries.

Given the lack of comprehensive AI regulations and divergence from AI Summit commitments, UK creative industries must pioneer self-regulation. Through ethical guidelines and transparency, they can tackle copyright risks and bias while advancing AI innovation. This industry-led approach would complement government initiatives. AIMICI's Consortium serves this purpose and seeks continued government engagement.

Unintended Consequences and potential solutions:

Careful consideration must be given to the unintended consequences of policy decisions. There are three potential unintended consequences we are mindful of, which must be avoided from policy decisions:

- Barriers between UK Creatives and UK AI will result in 'flight' out of the UK. We strive for less barriers to creatives using AI, but access should be managed responsibly
- AI for knowledgeable copyright holders only: this is a specific consequence resulting from the above (barriers) and from the polarised usage and bias from barriers.
- Legal complexities and costs: Copyright law is today, already, difficult to resolve. Exemptions and parsing out ownership of AI outputs, together with small print terms & conditions from AI providers, may create more challenges for Creatives seeking resolution from disputes raised by other rightsholders

Attached to these unintended consequences are solutions that require wider consideration beyond this consultation to achieve the government's objective of protecting Creative Industries. This includes: i) Collaboration between creative industries and AI providers, ii) Upskilling of AI competencies in Creative industries, and iii) Better access to legal redress for the Creative Industries.

i) Collaboration to break barriers

Creatives should be in control of their AI journey. AI providers equally should have the opportunity to design features for their users. This requires trust. However, tensions have emerged between positioning generative AI as a facilitator of productivity and accessibility on the one hand and seeking to find solutions to copyright infringement and labour extraction on the other. AI tool providers must be a "safe haven" for creative users.

We want to see a path forward for collaboration that simultaneously recognises the potential of integrating AI tools into Creative workflows and values the human workforce at the heart of creative labour. Greater guidance and communication is needed on how Creatives can collaborate with AI in a responsible way. This needs to be combined with greater legal and regulatory clarity, as well as practical assistance for Creatives on ways to mitigate exploitation and embed protections with tangible and easy techniques.

This vacuum can partially be filled by services available through businesses like AIMICI. However, a responsible AI media climate requires greater collaboration with industry bodies, trade representatives, academia, legal professionals, academia and AI standards. At the time of this response, AIMICI has called for and is convening a collaboration of the said parties to help implement consistent standards. Government support for this initiative is required.

    ii)   Upskilling Creatives

Collaboration requires upskilling. Creative industries face a significant skills gap in AI capabilities and practical implementation. To bridge this divide, specialized training is essential for both Creatives and AI developers. This education should focus on responsible AI integration, helping professionals navigate the complexities of ethical considerations and intellectual property rights.

The government should prioritise upskilling the Creative Industries in AI, allowing it to stay competitive and innovative. AI tools can boost efficiency by automating repetitive tasks and opening new possibilities in design, storytelling, and content creation.

We recommend the government call on higher education to champion responsible AI experimentation within the filmmaking craft. We call on the government to provide encouragement and incentives for existing Creatives to upskill their competencies via industry representatives and consortium efforts such as those facilitated by AIMICI.

We also call for the necessary upskilling that will lead to AI accreditations or certification in films, further details on this in our final thoughts below.

    iii)   Access to legal dispute resolution

We provide a short reflection on the purpose of copyright laws in our summary responses below. While clear copyright standards are important, enforcement mechanisms and accessible dispute resolution for creatives using AI tools deserve greater attention. To protect creators from frivolous claims and restrictive AI provider terms of service, we propose establishing an ombudsman service with expertise in both AI and creative industries. This body would provide guidance on fair usage and help avoid costly legal

disputes, while potentially exercising authority under the Consumer Rights Act 2015 and GDPR to address unfair indemnity clauses affecting creative businesses.

To fund this ombudsman service, the government should explore implementing a licensing fee or hypothecated tax on data collected by major AI firms operating in or engaging with UK users. However, careful consideration must be given to how contributions from AI tool providers can be structured without causing unintended consequences. One potential approach could involve using these contributions to provide insurance protection against claims involving AI-generated outputs. Further consultation is needed to determine the precise scope and funding mechanism of such a body to ensure it provides value for money.

4. <u>Summary Response</u>

We are dedicated to supporting creative professionals in film and television. We seek the integration of AI that is responsible, reliable, and accessible so that human creativity is protected and promoted. This is in line with the Government's objectives.

i) POLICY OPTION - EXCEPTION FOR TEXT AND DATA MINING (TDM) FOR AI TRAINING

While we recognise the importance of AI in creative processes and support a TDM exception for AI training, this must not damage the confidence of its users or create any unreasonable burden on creators to take measures to protect themselves. We favour an exemption, on the following conditions:

a. informed consent, whether it is via an opt-in or opt-out measure, is supported with significant training and education to be supported by the government via skilling and collaboration initiatives outlined above. See the appendix for our views on specific methods for opt-in/out.
b. transparency principles on AI companies regarding datasets used in training models, are adhered to. Note we believe that this may have commercial sensitivity and levels of disclosure could be made to approved agencies and industry authorities.
c. if it's recognised that a TDM exemption, AI providers simultaneously waive any copyright protection on AI outputs. Further details are below in the liability of AI output section.

d. the enforcement of indemnities within AI providers' terms & conditions, against its users for claims by third-party rights-holders should be null and void under UK law. In other words, we do not want AI providers automatically passing on claims (and associated costs) made against them by rightsholders, to their (AI Provider) users, on the basis of terms being accepted which were not read or understood.

On the reservation method, whether 'opt-in' or 'opt-out', the key focus should be ensuring clear and user-friendly mechanics, drawing from GDPR experience. Each option has distinct psychological implications that must be reflected in implementation, training, and awareness. We recommend the Government study these practical impacts.

We encourage Creatives to enhance their technical skills and learn to train models using existing data and copyrighted materials under their ownership. AIMICI is creating a toolkit that supports creatives to build such models and/or use public AI tools while protecting both inputs and outputs.

ii)   TRANSPARENCY

AIMICI strongly supports principles of transparency as a key condition to the proposed TDM exception. In light of global initiatives, like Art 50, 53, and Recital 107 of the EU AI Act, and California's Assembly Bill requiring AI providers to disclose certain levels of information on their training models. At the time of writing, we eagerly await the supporting template for the measure set out in the EU AI Act.

The UK government's approach to the AI Summit approach emphasized shaping a global AI framework while encouraging multi-stakeholder collaboration. However, concerns about regulatory burdens and sovereignty led to its departure from declarations for "inclusive and sustainable" AI. We believe the "inclusive" is intertwined with themes of authorship and originality. With no single UK AI regulatory framework, creative industries must self-regulate. Moreover, as European countries (such as Ireland) begin developing domestic AI regulatory frameworks, UK creative industries must move quickly to establish self-governing standards to remain competitive and maintain their economic impact.

We recognize that training data and methodologies are commercially sensitive and may include copyrighted material. While supporting the government's stance on

practical regulation that enables innovation, transparency requirements about training data must be meaningful to assure users about copyright protection. We recommend that government-approved intermediaries access this sensitive information rather than making it public. Approval of these intermediaries can be achieved via the government procurement process, or through existing trade bodies such as those facilitated into AIMICI's Consortium.

Transparency in AI use is fundamental for creative industries. Creative practitioners should document their AI processes, including tool usage, prompts, and concept development while protecting commercial information. This documentation should be easily accessible alongside finished work or through digital platforms. Most importantly, Creatives should explicitly disclose their AI use, building trust and enabling open dialogue about AI in creative work.

Our recommendations are:

- Creatives should be provided better understanding of the training techniques used by AI providers, which may require an intermediary or expert in creative technologies.
- Commercial productions should be encouraged to maintain records of AI usage across the whole production lifecycle.
- Any content for commercial viewing whereby the final content features AI-generated elements should include mandatory disclosure, through techniques such as written disclaimers, metadata and visual/audio markers.
- Platforms distributing media with AI-generated elements should have accurate techniques and/or processes in place to differentiate AI-assisted content from original human-created content that does not feature AI.

AIMICI is currently building a framework that provides assurances of 'good AI' for Creatives, with labels for audiences, which meets these objectives.

iii)   LIABILITY OF AI OUTPUT

Creativity is a complex concept. We believe it ought to be a fundamentally human trait. AIMICI believes that copyright should only apply to human-directed creativity. The current provision under UK law granting copyright to "computer-generated works" should be reviewed, as it risks diluting human authorship. We suggest a higher standard (than today) for the originality test within copyright laws so as to recognise human creativity.

AI should be seen as a valuable assistive tool rather than an independent author. Works created using generative AI tools can have copyright protection so long as the legal author is the person who made the arrangements for creating the work, not the AI or machine itself. Moreover, AI providers do not arguably commercialise the artistic output. Rather, they sell a system for generating those ideas and images. This subtle distinction separates the viewing platforms using AI, from the AI tool providers. We would like to see a clear, intentional commerciality element of the copyright laws to help Creatives understand their risks with output.

Whilst creativity is hard to define, it is ordinarily associated with original ideas and an element of skill and labour (see our recommendations for changes in copyright laws). The rise of AI usage has led to new processes which question the meaning of creativity: prompting. Prompting is the practice of crafting specific instructions, questions, or inputs to get desired responses from AI systems. Whilst we do not believe individual 'prompts' should qualify under copyright protection, the result from a collective arrangement of potentially thousands of prompts over multiple assets, edited to reach a commercial product for audiences, does indeed convey complex ideas and skills. This is relevant to our recommendation for removing the computer generated works protection, without a human author.

There are further complications with 'deepfakes', namely manipulated images and sounds of recognisable persons. While deepfakes *may* violate the original creator's copyright, those which do not, may or may not have their protections. We believe the deepfake output should not be subject to copyright protection without substantial creative input that is materially beyond prompting and arranging (for example the inclusion of human motion performance etc). Beyond intellectual property rights, we emphasize practical protections for Creatives against misuse, which reflect broader societal impacts rather than strict legal positions.

We propose:

- AI providers, if provided a TDM exception, should waive the rights as well as obligations afforded by copyright laws. Copyright protections should remain exclusive to human creators and production teams.
- AI-generated works, subsequently having intentional commercial value for Creatives, should only qualify for copyright if *substantial* human creative input is demonstrated.
- The author, namely the person making the arrangements to produce the commercial works, should be subject to a revised copyright law (applying to all potential rights owners regardless of source material) with a higher threshold of originality.

- An ombudsman, described above in header 3 (our preliminary observation) to resolve disputes.
- Ethical guidelines, including practical "can do's/can't do's," should be established for the use of AI in recreating performers' voices or likenesses. This should cover practical steps for usage, i.e. in permitted circumstances, as well as for their development, i.e. from permitted materials made in a secure environment.

Our experience highlights a lack of understanding of the complexities of copyright laws, resulting in fear of using AI or using its outputs. It is an area covering several potentially overlapping laws, including confidentiality, contract law, i.e. terms with providers, image rights, and copyright. AIMICI works with its clients to improve this understanding and navigate issues of risks with AI output. We call on the government to invest in resources which improve Creative awareness of these issues.

iv)   COPYRIGHT LAWS.

While Creatives using AI tools should adhere to copyright laws (rights and obligations), we have commented above on the need for fair and accessible dispute resolution mechanisms. The Copyrights laws themselves also require amendment.

Copyright law initially balanced creator protection with public access to creative works. In film, digital distribution has shifted power to distributors who can dominate copyright control. Over two decades, relaxed originality requirements and eliminated formalities have reduced work available for public benefit. The combination of extended inheritance rights and AI emergence calls for fundamental copyright reform. The film production cycle now navigates multiple jurisdictions and intersects with various laws, including data privacy.

The ultimate goal remains to balance creator protection with public access to cultural works. The system must evolve to address AI-generated content while protecting both traditional and AI-assisted works. While copyright protection should apply equally to all creative works, the move towards a doctrine of fair use (in the USA) to AI systems needs careful consideration, particularly regarding how AI processes recombine copyrighted material and use it for commercial purposes.

We propose enhancing the requirement for "intellectual creativity" and "skill and labour" for originality, which better reflects how creative work is produced today. We ask the UK Government to call for international standardization of these frameworks. In the absence of any move towards European standards (while maintaining strong creative protections).

5. Final Thoughts

We welcome further discussions on these issues and look forward to working with policymakers to create an equitable framework for AI in the creative industries. We believe one strong self-correcting solution, within the Creative industry, to a number of the issues is to establish an AI certification for several key reasons:

- Copyright clarity - By documenting AI usage, it becomes easier to establish which elements were AI-assisted versus human-created, helping resolve potential copyright disputes.
- Risk management - Having clear records of AI systems used can help identify and address any issues that arise later, including copyright disputes
- Transparency and trust - Audiences deserve to know how their entertainment is created, especially as AI becomes more prevalent in filmmaking. This helps maintain trust between creators and viewers.
- Industry standards - Certification encourages responsible AI use and helps establish clear guidelines around AI implementation in filmmaking, cutting out the need for formal regulations.

This could be implemented as a disclosure/certification supported by documented usage of AI tools in the production process. AIMICI is developing such a framework which connects the AI provider transparency principles with production techniques, giving audience assurance. We welcome a direct discussion on this.

Yours Sincerely

Ahsan Mallick (Founder)

on behalf of Sir John Lucas-Tooth (chairman) and Board of AIMICI

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APPENDIX A - ANSWERS TO CONSULTATION QUESTIONS (set out in blue)

Policy Options

Question 1. Do you agree that option 3 [*A data mining exception which allows right holders to reserve their rights, underpinned by supporting measures on transparency*] is most likely to meet the objectives set out above?

Yes, however we ask for stronger conditions which go beyond the transparency principles.See s.4 of our main paper and Q3 below.

Question 2. Which option do you prefer and why?

Option 3 in light of the unintended consequences (See s.3 of our main paper) from the other options. We do not wish to see a barrier between AI providers and Creatives.

Exceptions with Rights Reservations; Key Features and Scope

Question 3. Do you support the introduction of an exception along the lines outlined above?

Yes - on conditions laid out in s.4.i. of our main paper, namely i) package of support (training and tools) for informed consent, ii) transparency of models via qualified agents, iii) waiver of copyright protection for the same tools, and iv) easier access to dispute resolution. Full details set out in our main paper.

We also ask for further study on the practical challenges arising out of the psychological differences from opting out versus opting in.

Question 4. If so, what aspects do you consider to be the most important? If not, what other approach do you propose and how would that achieve the intended balance of objectives?

We believe the transparency of the AI usage for commercialised viewings, to be managed by Creatives, is as equally important as the mechanisms and understanding of exercising their rights reservations.

Question 5. What influence, positive or negative, would the introduction of an exception along these lines have on you or your organisation? Please provide quantitative information where possible.

AIMICI is not itself a rightsholder.

AIMICI clients (Creatives) - are mostly unaware of their rights, nor therefore any ability to reserved these in the event of an exception. Considerable training and awareness is required. See main paper for our comments of upskilling resources required in the industry.

AIMICI stakeholders (AI providers) - collaboration will be required with its users, as well as checks and balances to ensure our clients rights are reserved appropriately

<u>Legal Effects of Rights Reservations</u>

Question 6. What action should a developer take when a reservation has been applied to a copy of a work?

The action is dependent on whether the protected work has been ingested into a model or not:

- Pre-ingestion: Block standard ingestion, unless there is the potential for "creative obfuscation". However, this requires further research
- Post-ingestion: This requires tracing systems for asset usage. For private commercial models: owners can request compensation or removal via algorithmic destruction/reconstruction. For open-source models: only a removal option would be available

As removal requires costly model reconstruction, tech companies need sustainable processes for handling these requests, especially for evolutionary model development.

Question 7. What should be the legal consequences if a reservation is ignored?

In the absence of a regulatory framework consisting of licensed providers and penalties, and as we do not wish to see court and legal costs being incurred by Creatives - We recommend an ombudsman be set to handle disputes amongst creatives (from AI outputs) and with AI providers. Normal legal doctrines of damages would apply.

Additionally, we believe a certification regime (specifically for screen media content having theatrical viewing) disclosing certain standards of AI usage have been met, will result in self correction via market pressures.

Question 8. Do you agree that rights should be reserved in machine-readable formats? Where possible, please indicate what you anticipate the cost of introducing and/or complying with a rights reservation in machine-readable format would be.

Machine-readable rights for creative works could benefit both creators and AI companies, but require initiatives such as C2PA, which however remain voluntary and are limited as it does not include cropping of media content.

- Global Standard format development for example Google SynthID (note we are not recommending any one company, but draw this as an example).
- Implementation support for tech providers
- Public rights-reading system, driven by international bodies.

<u>Technical Standards</u>

Question 9. Is there a need for greater standardisation of rights reservation protocols?

Yes - there is currently no standard across creative industries. While some AI standards have been published, these have not been adopted for specific copyright protection in Creative Industries.

Question 10. How can compliance with standards be encouraged?

1. Self-regulation and correction from market reputation via disclosure or certifications on viewer content. This may take the form of a BAFTA Albert style calculator, assessment, audit and label. AIMICI is currently working on a framework that connects this disclosure to the training data used by AI providers.
2. UK FIlm Tax Credits, as approved by the BFI, can and should incorporate AI standards including checks on rights reservations

Question 11. Should the government have a role in ensuring this and, if so, what should that be?

We believe this should be in the hands of the industry, working with government-backed organisations like the BFI.

Contractual Relationships

Question 12. Does current practice relating to the licensing of copyright works for AI training meet the needs of creators and performers?

No - Creatives are mostly unaware of how to protect rights and often complain of legal costs. A homogenized practice is required.

Question 13. Where possible, please indicate the revenue/cost that you or your organisation receives/pays per year for this licensing under current practice.

N/A

Question 14. Should measures be introduced to support good licensing practice?

Yes - if rights are reserved, the mechanisms for licensing should be simplified.

Collective Licensing

Question 15. Should the government have a role in encouraging collective licensing and/or data aggregation services? If so, what role should it play?

The government should outsource this to a consortium, consisting of screen media representatives and an independent supervisor of creative tech that is familiar with the freelance and small businesses within the Creative industry.

AI in education

Question 16. Are you aware of any individuals or bodies with specific licensing needs that should be taken into account?

Not able to answer.

Transparency

Question 17. Do you agree that AI developers should disclose the sources of their training material?

Yes - however as the government states, this must be practicable and should not put firms at a competitive disadvantage.

Training data disclosure requirements should operate on two levels: detailed private reporting to regulators, government bodies, and authorized industry advisors, while maintaining a simplified public version that protects competitive advantages. This balanced approach enables proper oversight while safeguarding trade secrets.

Question 18. If so, what level of granularity is sufficient and necessary for AI firms when providing transparency over the inputs to generative models?

For approved Intermediaries:

- Enable lookup tools to verify if assets were used in training
- Implement removal requests for future model versions
- Establish compensation systems based on model revenue, including retroactive payments for opt-out cases
- Address compensation challenges for open-source models and free-tier services

For creators and general users:

- Share key metrics and criteria rather than raw training data
- Adopt standardized model cards with clear, interpretable information
- Include broader assessment factors beyond training data (viability, quality, safety, impact)
- Focus on enabling informed decision-making about AI tool usage

Question 19. What transparency should be required in relation to web crawlers?

Images may be scraped for non-commercial R&D and prototyping, provided models are destroyed within one year. However, the permissibility of model distillation techniques remains unclear. For commercial models, creator contact information must be obtained and permissions secured before image scraping and training.

Question 20. What is a proportionate approach to ensuring appropriate transparency?

See above

Question 21. Where possible, please indicate what you anticipate the costs of introducing transparency measures on AI developers would be.

The costs of strict training data regulation are significant: lost innovation opportunities compared to less regulated markets, extensive administrative overhead for rights management, and complex compliance requirements across AI supply chains. Under opt-out systems, individual asset removals could invalidate million-pound models, while opt-in approaches might fail due to missing key assets. These constraints risk stifling innovation through overly rigid controls.

Question 22. How can compliance with transparency requirements be encouraged, and does this require regulatory underpinning?

Responsible AI training practices should be publicly recognized through initiatives like Fairly Trained, using a graduated rating system rather than binary pass/fail certification. This approach, developed in collaboration with government and industry partners, allows informed consumer choice while maintaining market access for AI providers who may not meet full transparency requirements. A regulatory framework can still establish minimum standards.

Question 23. What are your views on the EU's approach to transparency?

Requiring AI companies to publicly disclose high-level training data summaries is problematic: it exposes sensitive competitive information while providing minimal value to the public and content creators. A more nuanced assessment and disclosure framework is needed to balance fair data usage with AI innovation in the EU and UK.

Wider Clarification of Copyright law

Question 24. What steps can the government take to encourage AI developers to train their models in the UK and in accordance with UK law to ensure that the rights of right holders are respected?

See S.4.iv. of our main paper - we recommend amending copyright law to raise the standards of originality and creativity, which would free up a lot of data and art for public dissemination.

Question 25. To what extent does the copyright status of AI models trained outside the UK require clarification to ensure fairness for AI developers and rights holders?

There are multiple AI providers outside the UK, used by the UK Creative industry. There is general lack of knowledge of the training models, regardless of jurisdiction. Certain perceptions do exist on the safety of individual jurisdiction.

If UK creative industries develop their own standards, and this is certified for commercially produced viewing content (out of the UK, relying on UK film tax credits etc), this would drive a consistent and fair approach to AI developers and right holders.

Question 26. Does the temporary copies exception require clarification in relation to AI training?

- Browser caches
- Law out date (2001) and not fit to capture generative elements.

Yes

Question 27. If so, how could this be done in a way that does not undermine the intended purpose of this exception?

Exclude temporary copies from the exclusion.

Research and Innovation

Question 28. Does the existing data mining exception for non-commercial research remain fit for purpose?

Unable to answer. We trust higher education institutes are able to operate without impediment.

Question 29. Should copyright rules relating to AI consider factors such as the purpose of an AI model, or the size of an AI firm?

Unable to answer - although we note proportionality

AI outputs - policy option 0 (do nothing)

Question 30. Are you in favour of maintaining current protection for computer-generated works? If yes, please explain whether and how you currently rely on this provision.

No - these serve no purpose for all the reasons stated in para 137 of the Government's consultation.

We do not agree with the statement in para 140 of the consultation that CGW's protections encourage AI usage - Creatives who use AI do so for primarily for time and cost efficiencies.

Question 31. Do you have views on how the provision should be interpreted?

Not applicable

AI outputs - policy option 1 (reform to clarify scope)

Question 32. Would computer-generated works legislation benefit from greater legal clarity, for example to clarify the originality requirement? If so, how should it be clarified?

Yes - however we prefer a straight removal where there is no human author. Where there is a human author, the total works generated and displayed for commercial purposes should be treated in line with copyright laws (recommended here to raise for all works).

Question 33. Should other changes be made to the scope of computer-generated protection?

We prefer a removal of the protection for works without human authors, especially where a corresponding exception to adhere to licensing requirements are given.

Question 34. Would reforming the computer-generated works provision have an impact on you or your organisation? If so, how? Please provide quantitative information where possible.

Yes it will provide clarity for AIMICI clients as well as our internal processes for reviewing AI providers for legal risks.

AI outputs - policy option 2 (remove protection for CGW)

Question 35. Are you in favour of removing copyright protection for computer-generated works without a human author?

Yes

Question 36. What would be the economic impact of doing this? Please provide quantitative information where possible.

Little to none - AI providers are not in the business of producing artistic works (they provide systems and tools), and do not therefore seek royalties from AI outputs.

Question 37. Would the removal of the current CGW provision affect you or your organisation? Please provide quantitative information where possible.

It will bring clarity to the copyright issues between AI providers and their users. This will help our Creative clients adopt AI with more confidence.

<u>AI outputs - infringement and liability</u>

Question 38. Does the current approach to liability in AI-generated outputs allow effective enforcement of copyright?

No - see s.4 of our main paper.

- Change is needed to copyright law. A higher bar of creativity will help eliminate unfair liability between Creatives.
- An exception to TDM, coupled with the conditions we ask for.
- Ombudsman is required to resolve disputes against Creatives that have used AI-generated outputs (by rightsholders)

Question 39. What steps should AI providers take to avoid copyright infringing outputs?

Collaboration with the Creative industry is critical. See s.4 of our main document. Organisations like AIMIC can assist by pre-approving usage for Creatives.

<u>AI outputs - Labelling</u>

Question 40. Do you agree that generative AI outputs should be labelled as AI generated? If so, what is a proportionate approach, and is regulation required?

Yes - See S.4.ii and s.5 of our main paper for details on the approach.

Question 41. How can government support development of emerging tools and standards, reflecting the technical challenges associated with labelling tools?

We welcome a direct discussion with the government to share our proposed technical framework, currently being tested with feature films.

Question 42. What are your views on the EU's approach to AI output labelling?

We support the labelling of AI output by users on commercial screen media content.