

## GENERATIVE AI ON COPYRIGHT – POLITY

NEWS: Three significant U.S. court rulings in 2025 — Thomson Reuters vs Ross Intelligence, Bartz vs Anthropic, and Kadrey vs Meta — have offered legal clarity on the applicability of copyright laws to generative AI models and their training datasets.

### WHAT'S IN THE NEWS:

#### Nature of Generative AI and Copyright Relevance

- **What is Generative AI?**

Generative Artificial Intelligence (AI) refers to systems that can autonomously create new content — such as **text, images, music, code, or video** — by learning from vast datasets composed of human-created content.

- **Training on Mixed Datasets:**

These models are trained on massive datasets comprising a mix of **public domain content, licensed works, and often, copyrighted materials** scraped from the internet.

- **Output Similarity with Original Works:**

The AI-generated content may closely **resemble or mimic** existing copyrighted works, either intentionally or as a by-product of the training process, raising concerns over **reproduction and originality**.

## II. Copyright Implications of Generative AI

- **Reproduction Risks:**

Generative AI may inadvertently or systematically **replicate protected expressions** (e.g., passages from books, illustrations), which could infringe the copyright owner's exclusive rights.

- **Ownership and Authorship Ambiguities:**

There is **uncertainty about who owns the AI-generated output** — whether it is the user, the developer, or no one, given the lack of human authorship in some cases.

- **Economic Impact on Copyright Holders:**

As AI-generated content substitutes for original works, creators may suffer **economic losses**, especially in creative industries such as journalism, illustration, and publishing.

## III. Key Legal Doctrines and Principles

- **U.S. Jurisdiction – Fair Use Doctrine:**

- U.S. copyright law allows limited, **transformative use** of copyrighted works under the **Fair Use** doctrine.
- Courts have increasingly considered whether AI “learning” from copyrighted material is **similar to a human learning process**, thus **qualifying as fair use**.
- However, **use of pirated or illegally obtained content** is not protected and may attract legal liability.

- **EU and UK – Text and Data Mining (TDM) Exceptions:**
  - The **EU Copyright Directive (2019)** and UK laws permit **Text and Data Mining** under specific conditions, especially for **non-commercial research** and **archival purposes**.
  - Commercial uses often require **opt-out mechanisms** or licensing from rights holders.
- **Indian Legal Framework:**
  - Governed by the **Copyright Act, 1957**, especially:
    - **Section 14:** Grants **economic rights** to the copyright owner (reproduction, distribution, communication to public).
    - **Section 52:** Provides for “**fair dealing**” exceptions (e.g., for private use, reporting, research).
  - India also follows international copyright conventions, including **Berne Convention** and **TRIPS Agreement**.

#### IV. Key U.S. Court Rulings (2025)

- **Anthropic Case – Judge William Alsup:**
  - Ruled that AI training using **lawfully obtained copyrighted material** could be considered **transformative**, comparable to how humans learn.
  - However, made it clear that training on **pirated data** is not exempt under fair use and must face trial.
- **Meta Case – Judge Vince Chhabria:**
  - Held that Meta’s AI training did **not harm the market value** of the original works.
  - Supported the idea of **equitable compensation** for creators but upheld fair use as a valid defense in the current framework.

#### V. Indian Context and Legal Developments

- **ANI vs OpenAI Case:**
  - This high-profile ongoing litigation may **clarify how Indian copyright law applies** to AI-generated outputs.
  - The central question is whether an AI’s generation of content that draws from copyrighted works **violates the economic rights** of the original content creators.
- **Absence of AI-Specific Provisions:**
  - Indian copyright law **does not yet define or regulate AI-generated works**, leaving a vacuum in enforcement, ownership, and liability.
- **Unresolved Issues:**

- Lack of clear standards on **authorship, digital piracy, and circumvention of technical protection measures** in the AI context.
- Ambiguity around whether AI-generated content qualifies as **original work** under Indian law.

## VI. Key Policy and Legal Challenges

- **1. Lack of Global Harmonisation:**
  - There is **no international consensus** on how to treat AI-generated works under copyright law.
  - Differences between jurisdictions (U.S., EU, India, China) complicate cross-border content regulation and enforcement.
- **2. Human Authorship Requirement:**
  - Most legal systems, including India's, currently recognize **only human authors** for copyright purposes, making **machine-generated works ineligible** for protection or ownership.
- **3. Pirated Content in Training Datasets:**
  - Widespread scraping of the web includes **unauthorized use of copyrighted material**, creating both ethical and legal concerns.
  - This may amount to **systematic copyright infringement**, especially where creators are not informed or compensated.
- **4. Risk of Market Harm:**
  - If AI-generated substitutes flood the market, they may **undermine demand** for original works, particularly in **freelance, design, and publishing sectors**.
- **5. Legal Uncertainty for Developers and Users:**
  - Without clear regulatory frameworks, developers of AI tools and users who rely on AI for content creation face **legal uncertainty and risk of litigation**.

## VII. Way Forward

- **1. Clear Legislative Reforms:**
  - Countries including India need to consider **amending existing copyright laws** or drafting **new AI-specific legislation** to address training data, ownership, and liability.
- **2. Ethical Data Use Standards:**
  - Encourage the use of **licensed, public domain, or ethically sourced datasets** for AI model training.
- **3. Creator Compensation Mechanisms:**

- Develop frameworks that allow **remuneration to original creators**, such as collective licensing models or opt-out databases.
- **4. International Dialogue and Standards:**
  - Support **multilateral forums (e.g., WIPO)** to promote **global coherence** on AI and copyright issues.
- **5. Judicial Clarification and Precedents:**
  - Await key **court rulings (like ANI vs OpenAI)** to offer interpretive guidance, pending legislative updates.

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