International Journal of Business and Management Invention (IJBMI)
ISSN (Online): 2319 – 8028, ISSN (Print): 2319 – 801X
www.ijbmi.org || Volume 11 Issue 3 || March, 2022 || PP—74-78

Navigating the Frontier: Patent and Copyright Challenges in the Age of AI

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Abstract
Artificial intelligence (AI) has posed significant threats to the established system of intellectual property (IP). The ability of AI to invent new things and create content with minimal involvement from humans has led to serious concerns about attribution, authorship, invention, and liability. This paper examines the threats associated with AI technology to the existing IP system, discusses literature on the issue, and provides a methodology to address the problems identified in IP laws.
In this research paper, the focus is on the limitations in IP law that mainly cater to the recognition of human inventors with respect to AI-generated works. There are several factors including the lack of legal status of an inventor created by AI, the uncertainty with regard to ownership of AI-created inventions, and the difficulty in assessing the originality and non-obviousness of AI-generated inventions that will be considered here.
This study employs a doctrinal and analytical methodological approach. First, the study examines the national and international regimes governing the issue, with emphasis on the law in the United States, European Union, and India. Additionally, the study evaluates judicial trends, policy discourse, and academic arguments to determine possible shortcomings in the present regime. Based on the analysis, it emerges that even though most regimes take a human-centered approach to the regulation of IP rights, this approach can negatively affect innovation and address new challenges.
Finally, the paper suggests that IP laws need to be reviewed, taking into account the emerging reality, in light of the rise of new technologies. To that end, there is a need to have AI-specific rules governing IP rights, embrace the concept of joint human and AI authorship, and provide for data use in AI creation processes.

I. Introduction

Rapid developments in the field of artificial intelligence (AI) have resulted in a revolutionary period in which machines are not only able to accomplish repetitive and mechanized activities but also are capable of producing innovative and creative results. Music composition, literary writing, engineering design, discovery of new drugs, and many other innovations are now produced using AI algorithms. Such technological development poses challenges to intellectual property (IP) laws because they have always presupposed that people are the only source of inventions and creations.

In fact, traditional patent law demands the existence of a human individual who is the inventor. Moreover, copyright legislation highlights that the author of any copyrighted work is a person. Nevertheless, with advances in machine learning technology, such assumptions have become irrelevant. In this regard, it should be noted that modern AI algorithms may independently create products regardless of the direct participation of humans in this process. Thus, it raises the issues of intellectual property rights to the outcomes generated by artificial intelligence programs.One of the key problems is to determine whether AI should be considered a legal inventor/author of its works. The majority of jurisdictions, including the United States, the European Union, and India, do not consider AI a legal entity, thus precluding it from obtaining any form of IP. This view creates uncertainty when discussing the possibility of granting IP to those inventions that were developed with the use of some sort of AI technology. Moreover, there are also certain questions that concern copyright ownership since the developer/user/organization that uses an AI program should obtain certain rights.

Finally, it is important to note that in most cases, AI programs require huge datasets for their proper functioning, and in many instances, these sets contain copyrighted material, which creates the need for a number of legal solutions to be found. Specifically, when using pre-existing material in the training process of an AI program, there might appear some problems associated with infringement and unauthorized use of such material.

The difficulties that come with artificial intelligence are more than just technical; they are also ethical and policy-related. Existing laws have a hard time trying to reconcile the necessity for growth with that of defending human creators. In light of this, the law must be amended in order for it to continue to hold significance within the context of AI.

II. Objectives of the Research

- ✓ To investigate the effect of AI technology on intellectual property regime
- ✓ To investigate legal issues surrounding invention and authorship rights
- ✓ To make some recommendations for the future

III. Research Questions

- ➢ Can AI be recognized as an inventor or author under existing IP laws?
- ➢ Who owns the rights to AI-generated inventions and creative works?
- ➢ How do current patent and copyright laws address AI-related challenges?
- ➢ What reforms are required to adapt IP frameworks to AI advancements?

IV. Literature Review

- ✓ **Lemley (2015)** discusses the implications of machine learning on patent law, particularly concerning the standard of non-obviousness. AI's ability to process vast datasets may lower the threshold for innovation, complicating patent examination
- ✓ **Ginsburg and Budiardjo (2019)** highlight that copyright law is fundamentally based on human creativity, thereby excluding AI-generated works from protection unless significant human input is involved. This creates a gap in protection for machine-generated content.
- ✓ **Scholars such as Abbott (2020)** argue that AI systems should be recognized as inventors to promote innovation, particularly in cases like the DABUS AI system. However, legal authorities in multiple jurisdictions have rejected this view, emphasizing the necessity of human inventorship.
- ✓ Scholars such as **Abbott (2020)** advocate for recognizing AI systems as inventors to encourage technological innovation and align legal frameworks with modern realities. However, judicial decisions across jurisdictions have largely rejected this perspective, emphasizing that inventorship must be limited to natural persons. This divergence highlights a fundamental tension between legal tradition and technological advancement.
- ✓ **Virendra Kumar Ahuja (2020)** highlights that copyright law globally is grounded in the idea of **human creativity**, making it difficult to recognize AI as an author.
- ✓ **Ahuja (2020)** discusses multiple theoretical models of ownership but finds none fully satisfactory, Attribution difficulties in collaborative human-AI outputs , Liability for infringement caused by AI systems.
- ✓ **Samuelson (2021)** examines the use of copyrighted data in training AI systems, raising concerns about infringement and fair use. The study suggests that current legal doctrines are insufficient to handle large-scale data-driven AI training processes.

V. Research Methodology

5.1 Research Design

The current research utilizes the approach of qualitative research which will be used to study legal provisions, judgments, and policies regarding AI and intellectual property.

5.2 Nature of the Study

Descriptive: To understand current legal frameworks for patents and copyrights
Analytical: To analyze the issues involved in AI technology

5.3 Sources of Data

The sources of data include:

- ✓ Statutory laws (patent and copyright act)
- ✓ Judgments and case laws
- ✓ Scholarly journals and books
- ✓ International organization reports (WIPO, OECD, etc.)
- ✓ Government publications and documents

5.4 Methods of Data Collection

Data is collected from:

- o Google Scholar
- o JSTOR
- o SSRN database

- Government and legal websites
- Report and working papers

VI. Copyright Challenges in the Age of AI

The advent of Artificial Intelligence (AI), especially generative AI, has caused major disturbances in the conventional copyright laws. These technologies produce text, images, audio, music, and computer code based on large amounts of data input to them. The ensuing discussion provides an analysis of the major copyright concerns in the era of AI.

1. Authorship and Ownership of AI-Generated Works

The first major challenge lies in deciding who should be considered the "author" of an AI-generated work. Traditionally, copyright laws have protected works created using human intellectual endeavor, as stated in international treaties such as the Berne Convention.

In AI, works can be generated autonomously by the computer without requiring any human intervention at all. In such instances:

- AI alone does not qualify as a legal author
- Human contribution (programmer, user, or data provider) cannot be determined clearly
- AI-generated works may be ineligible for copyright protection

Hence, a majority of nations do not grant copyright protection to AI-generated works due to a lack of human creativity.

2. Use of Copyrighted Works in Training Datasets

The process involves massive datasets that contain copyrighted works such as books, pictures, songs, and codes collected from the internet. The main legal problem here is:

- Usage of copyrighted work without permission may amount to copyright infringement
- The question remains whether it falls under the category of fair use (U.S.) or text and data mining exception (E.U.)
- The determination of legality can be challenging considering the size and complexity of datasets
- This problem has been noted by courts and commentators who assert that the crucial aspect is whether training is transformative or involves copying protected works.

3. Copyright Infringement of AI Outputs

Another important issue is whether outputs created using AI technology violate any existing copyright protections. The infringement happens when the output is:

- Very similar to copyrighted materials
- Accidentally reproduces copyrighted materials
- Creates derivative or similar material
- Experts classify infringement into two main categories:
- Infringement by inputs (using copyrighted training data)
- Infringement by outputs (using AI output that copies protected content)

Proving infringement in these cases is challenging because:

- AI outputs are stochastic and cannot be replicated accurately
- It's hard to trace a single output back to its source.

4. Liability and Accountability Problems

Ascertaining liability in cases where copyright infringements involve AI systems is quite complicated. Those that can be liable may include:

- AI software creators
- Providers of platforms

The distributed character of AI systems has made the process of identifying liability even more challenging for courts which are currently considering liability based on:

- Infringement
- Contributory liability
- Negligence

5. Originality and Creativity Criteria

For copyright protection to be available, originality must be present, which is historically understood to mean human creativity. This becomes problematic due to the nature of AI, since:

- Produced works are based on data patterns already in existence

- Human involvement does not necessarily have to occur

In many instances, AI-produced works cannot be considered original.

VII. Patent Challenges in the Age of AI

7.1 AI as an Inventor

The critical question that arises in patent law concerns whether AI qualifies as an inventor. The prevailing position in most jurisdictions is that AI does not qualify as an inventor because only humans have legal personalities.

7.2 Patentability Criteria

AI-created inventions struggle to satisfy standard patent criteria:

- Novelty: AI can create output from pre-existing data.
- Non-obviousness: AI can create output that might seem obvious through computational optimization.
- Industrial applicability: Certain AI output is impractical for industrial use

7.3 Disclosures and Transparency

The patent system mandates full disclosures of the invention. However, artificial intelligence operates as a "black box" technology, meaning it is not easy to provide an account of how the invention came about.
This makes compliance with the patent's disclosure requirement challenging.

7.4 Effect on Innovation Incentives

There is an issue with regards to patenting AI-created inventions due to the potential of doing the following:

- Dissuading human invention
- Patenting too much
- Creating monopoly rights over the ideas of the algorithms

VIII. Discussion

The convergence of AI and IP laws offers both advantages and disadvantages. Although AI boosts creativity and innovation, it poses disruptions to legal principles and doctrines. Uncertainties arising from the lack of legal frameworks can result in legal disputes and less motivation on the part of innovators and creators. A balanced strategy is necessary to ensure protection of the IP rights of innovators and creators while promoting the growth of AI technologies. The combination of AI technology and copyright law is one of the most challenging and dynamic fields in legal research today. Issues mentioned previously include the ambiguity of authorship, the use of copyrighted training data, the risk of infringing on copyrights, and the potential for legal liability. All these problems suggest that there is an inherent contradiction between the principles of the existing copyright framework and current technologies.

First, copyright law relies on the concept of human originality. Nevertheless, the AI system creates content autonomously or semi-autonomously, which causes a crucial problem because, although AI increases efficiency and accessibility of content production, it contradicts the underlying humanistic concept of copyright. Therefore, many countries choose not to provide copyright protection to AI-generated content, which leads to legal uncertainty and free access to such information.

Another issue that comes out of this discussion is the massive use of copyrighted data for training. The AI models learn from huge sets of data, which often consist of copyrighted works without any proper authorizations being received for that. Although there are attempts to justify this by means of legal concepts, such as fair use or text and data mining exception, but the large-scale character of commercial AI applications makes this difficult. As a result, lawsuits have started between creators and operators of these technologies. From this conversation, we can conclude that copyright violation with AI-generated content is not necessarily intentional or even evident. When a person copies somebody else's work, then it is a clear infringement since the creator does it intentionally. But when using the data for creating an AI model, one is not able to identify the substantial similarities or the copying itself, because the algorithm creates something on its own from the data that has been fed to it.

Another aspect of the issue is that of liability and accountability. Given the decentralized architecture of AI, it becomes difficult to identify the party responsible for any copyright violation, be it the developer, user, or the provider of the platform. There are legal implications arising from such an uncertainty, which might hamper innovation because of the unpredictability of risks involved.

IX. Conclusion

The fast progress made in Artificial Intelligence (AI) field has significantly impacted the scope of copyright law, showing that there is a need for its urgent development in response to emerging challenges. As

AI technology starts creating creative products with a minimum input from humans, several key elements of copyright law, namely authorship, originality, ownership, and liability, become questionable and problematic.

It is important to understand that current copyright legislation, which is primarily based on human factors, cannot cope with new challenges posed by AI. Uncertainty associated with the notions of authorship and ownership is the major problem; however, copyright violations caused by the use of copyrighted materials in training datasets should be considered as well.

On the other hand, there are numerous advantages that AI can bring to the table in terms of innovation, efficiency, and democratization. Nevertheless, such advancements have to be balanced out by the rights and interests of human authors who are often the source of information for AI algorithms. Without proper legal mechanisms, the rights of the latter can be jeopardized, thereby reducing any incentives to create new works in the future.

That is why adaptive measures are needed. They should include the following elements:

- Creation of guidelines for AI-assisted and generated content
- Development of a licensing mechanism for training databases
- Establishment of liability and accountability mechanisms
- Ensuring transparency and explainability of AI
- International copyright harmonization

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