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## THE IMPACT OF ARTIFICIAL INTELLIGENCE ON INTELLECTUAL PROPERTY RIGHTS IN THE LEGAL PERSPECTIVE

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### I. **Abstract:**

The impact of artificial intelligence (AI) on intellectual property rights (IPRs) has emerged as a significant concern in the legal landscape. This abstract explores the legal perspective on the interplay between AI and IPRs, specifically focusing on patents, copyrights, trademarks, and trade secrets. AI's ability to create innovations, generate artistic works, assist in branding, and enforce IPRs raises complex questions of ownership, infringement, and protection. The abstract highlights the challenges in determining patent eligibility and inventorship for AI-generated inventions, the implications of AI in copyright ownership and infringement, and the adaptation of trademark law to AI-driven branding. Moreover, it delves into the dual role of AI in exploiting and protecting trade secrets, along with the AI-powered tools used for IPR enforcement. Finding the right balance between incentivizing AI innovation and safeguarding creators' rights will be crucial for building a robust framework to address the ever-evolving relationship between AI and IPRs. This article explores the legal approach to Intellectual Property Rights (IPRs) and their profound impact on innovation, creativity, and economic growth. IPRs, including patents, copyrights, trademarks, and trade secrets, play a pivotal role in encouraging individuals and businesses to invest in research and development, resulting in technological advancements and a competitive market. By providing temporary monopolies to innovators, IPRs create incentives for the generation of new ideas and protect the rights of creators, fostering a vibrant ecosystem for creativity and invention. Moreover, strong IPR protection attracts foreign investment, enhances technology transfer, and stimulates economic growth. However, the article also addresses the challenges of striking a balance between the interests of innovators and broader society, ensuring accessibility to knowledge and promoting fair competition. Through a comprehensive examination of the economic aspect of IPRs, this article sheds light on their critical role in shaping modern economies and promoting a culture of innovation.

**Keywords** – artificial intelligence, intellectual property right, innovation, patents, copyright, creativity.

### II. **Introduction**

The rapid evolution of artificial intelligence (AI) has revolutionized various industries, presenting new opportunities and challenges in the realm of intellectual property rights (IPRs). In this context, the legal perspective on the impact of AI on IPRs has become a critical area of study. AI's capabilities to generate innovative inventions, create artistic works, assist in branding, and enforce IPRs have raised complex legal questions about ownership, infringement, and protection. As AI-generated content and

innovations proliferate, it becomes essential to address fundamental issues concerning patents, copyrights, trademarks, and trade secrets. This introduction sets the stage for exploring the intricate relationship between AI and IPRs from a legal standpoint, with a focus on the implications, challenges, and potential solutions arising from this transformative technological landscape. As AI continues to shape the future of creative expression and innovation, understanding its impact on IPRs becomes indispensable for policymakers, legal

practitioners, and businesses seeking to navigate this rapidly evolving domain.<sup>626</sup>

### III. AI and Copyright Infringement: Addressing Challenges in the Age of AI-Generated Content

The transformative impact of artificial intelligence (AI) on various industries, particularly the creative sector, has been both remarkable and disruptive. As AI technologies continue to advance, they have become increasingly proficient at producing creative works, blurring the lines between human and machine creations. However, this rise of AI-generated content has also given rise to a critical challenge - copyright infringement. Determining ownership of AI-generated works becomes more complex as machines generate material that closely resembles human-produced creations. This article delves into the rise of AI-generated content across different domains such as music, visual arts, and news articles, highlighting notable examples. It examines the implications of AI-generated material on copyright law and the evolving role of human creativity in safeguarding intellectual property rights. In navigating the landscape of AI and copyright infringement, this article aims to shed light on the challenges and potential solutions at the intersection of AI and creative content ownership.<sup>627</sup>

Understanding copyright law in the age of AI is becoming increasingly crucial as AI-generated content continues to proliferate in various creative industries. Copyright law exists to protect the legal rights of creators, granting them sole control over their original works. However, the rise of AI has introduced complexities when it comes to determining ownership of AI-generated works.

Identifying the copyright owner of AI-generated content presents a significant challenge.

Although the AI algorithm may have been programmed by a human, the actual creative output is produced by the machine. This ambiguity has led to legal uncertainties and disputes surrounding the ownership of AI-generated works.

In general, copyright law tends to treat AI-generated content as machine-created works, attributing copyright ownership to the person who owns the computer or software responsible for producing the work. However, there are exceptions to this rule. If a human significantly contributed to the creative direction of the AI-generated work, they might be able to claim copyright ownership. Additionally, issues arise when AI algorithms are trained using copyrighted content, leading to questions about derivative works and fair use.

One crucial aspect to consider in copyright law is the role of human creativity. While AI-generated content may be impressive, it lacks the same level of genuine creativity and emotional understanding that human creators possess. Human innovation and appreciation of the emotional and cultural significance of art and music play an integral role in the realm of copyright law. By valuing human creativity and safeguarding creators' rights, we can ensure that the creative industries continue to thrive in the era of AI.<sup>628</sup>

In navigating the complexities of AI-generated content, it is essential to understand the boundaries and implications of AI-generated works to uphold copyright laws effectively. As AI continues to evolve, striking a balance between technological advancements and preserving human creativity and intellectual property rights will be essential for fostering a sustainable and innovative creative landscape.

Patenting AI inventions has become an increasingly sought-after process as artificial intelligence (AI) continues to transform

<sup>626</sup> Ray Kurzweil, "The Coming Merging of Mind and Machine", Scientific American (23 March 2009), <https://www.scientificamerican.com/article/merging-of-mind-and-machine> (25TH JUNE,2023).

<sup>627</sup> Artificial Intelligence & Intellectual Property Rights, available at <https://clairvolex.com/PDFs/October-2016-Mailer-1.pdf> (25th JUNE ,2023).

<sup>628</sup> Lauren Goode, "Google CEO Sundar Pichai compares impact of AI to electricity and fire", The Verge (19 January 2018), available at <https://www.theverge.com/2018/1/19/16911354/google-ceo-sundar-pichai-ai-artificial-intelligence-fire-electricityjobs-cancer>, 25th JUNE,2023.

numerous industries. However, the distinctive nature of AI technology poses significant challenges in meeting the patentability requirements, presenting hurdles for innovators seeking patent protection.

Defining the AI Invention proves to be a primary obstacle in patenting AI innovations. AI systems are complex, comprising multiple interacting components that contribute to the final outcome. Identifying the specific elements that constitute the invention, particularly the unique and non-obvious aspects, can be challenging.

Meeting the Patentability Criteria poses another significant challenge. To be granted a patent, an AI invention must satisfy essential criteria such as novelty, non-obviousness, and utility. The extensive body of prior art and the reliance on algorithms and mathematical models, which might not be considered patentable subject matter in certain jurisdictions, add complexity to the patentability assessment.<sup>629</sup>

The Lack of Legal Frameworks specifically designed for AI inventions further complicates the patenting process. The existing patent laws and regulations were not formulated with AI in mind, making it challenging to fit these cutting-edge inventions within the traditional legal structures.

### 1. Current Patenting Trends in the AI Industry

Despite these obstacles, the AI industry is witnessing an Increase in AI Patent Applications. The number of AI patents has risen significantly, with over 18,753 AI-related patents recorded as of 2021. The year 2022 saw a remarkable surge, with a 28% average annual growth rate (AAGR) in AI patent filings.

The Dominance of Big Tech Companies is evident in the AI patent landscape, where industry giants like Google, Microsoft, and IBM hold a substantial share of patent applications. This dominance might pose challenges for

smaller businesses and startups, limiting their competitiveness in the AI market.<sup>630</sup>

Machine Learning and Natural Language Processing are currently the focal points of AI patenting. These technologies are in high demand due to their wide-ranging applications across various sectors, leading to a surge in patent filings in these specific areas. While patenting AI inventions presents unique challenges, the increasing number of AI-related patent applications and the focus on cutting-edge technologies like machine learning and natural language processing indicate the growing significance of AI in the intellectual property landscape. As AI continues to advance, adapting patent frameworks and addressing the distinctive features of AI inventions will be vital in fostering innovation and safeguarding the rights of inventors in this transformative era.

### 2. AI as an Inventor: The Debate

AI's impact on branding and marketing is transforming the landscape, offering new possibilities for personalization, automation, and data analysis. With AI-powered tools, marketers can tailor messaging and campaigns for individual customers by leveraging vast amounts of data. Automation streamlines repetitive tasks, while AI-driven data analysis provides valuable insights into customer behaviour, enhancing campaign effectiveness.<sup>631</sup>

### 3. Legal Challenges and Ethical Considerations

The rise of AI-generated trademarks raises potential legal issues that necessitate careful consideration. Ownership of trademarks created by AI is uncertain, as AI algorithms produce these marks. This ambiguity may lead to disputes over ownership and usage rights, requiring novel legal frameworks to resolve.

<sup>629</sup> Swapnil Tripathi, Artificial Intelligence and Intellectual Property Law, 7 Christ University Law Journal, 83-97 (2017), ISSN 2278-4332X | <https://doi.org/10.12728/culj.12.5>.

<sup>630</sup> Niti Ayog, Task Force Discussion Paper, available at <http://niti.gov.in/content/nationalstrategy-ai-discussion-paper> (25th JUNE, 2023).

<sup>631</sup> Raquel Acosta, Artificial Intelligence and Authorship Rights (17/2/2012), available at <https://jolt.law.harvard.edu/digest/artificial-intelligence-and-authorship-rights> 25th june, 2023

Furthermore, AI-generated trademarks must meet the requirement of originality, distinct from existing marks. Since AI algorithms learn from vast data sources, inadvertent infringement of registered marks is a concern. Vigilant control and monitoring of AI-generated trademarks are essential to ensure adherence to legal requirements.

Enforcing trademark rights also poses challenges with AI-generated marks, as identifying infringing parties can be difficult due to the algorithmic nature of their creation. Addressing these enforcement issues requires innovative strategies and legal frameworks.

While AI brings tremendous opportunities for branding and marketing, companies must navigate potential legal complexities. By staying vigilant, adopting best practices, and developing tailored legal approaches as AI technology evolves, businesses can harness the power of AI while safeguarding their AI's impact on branding and marketing is transforming the landscape, offering new possibilities for personalization, automation, and data analysis. With AI-powered tools, marketers can tailor messaging and campaigns for individual customers by leveraging vast amounts of data. Automation streamlines repetitive tasks, while AI-driven data analysis provides valuable insights into customer behavior, enhancing campaign effectiveness.

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#### IV. Conclusion

As artificial intelligence (AI) continues to shape the world, its integration with intellectual property (IP) law raises intricate ethical and legal questions. The impact of AI on copyright, patent, trademark, and trade secret protection has become a subject of intense debate. Critical issues such as ownership of AI-generated content, liability for AI-driven actions, and the implications for existing IP regulations demand careful consideration.

Balancing the Rights of Creators and the Advancement of Innovation:

The future of AI and IP law lies in finding a delicate balance between safeguarding the rights of creators and promoting innovation for the common good. As AI-generated content becomes more indistinguishable from human creations, determining ownership and attribution becomes challenging. IP law must address copyright, trademark, and patent infringement issues, ensuring that the rights of artists and innovators are protected while fostering a climate of creativity and progress.

Defining Liability and Accountability:

<sup>632</sup> Frank Chen, "AI, Deep Learning, and Machine Learning: A Primer", Andreesen Horowitz (10 June 2016), <https://a16z.com/2016/06/10/ai-deep-learning-machines> 25th june,2023

<sup>633</sup> Future of AI, available at <https://www.congress.gov/bill/115th-congress/house-bill/4625/text> 25th june,2023

As AI technology evolves, it is essential to address questions of responsibility when AI systems cause harm or commit errors. Developing legal frameworks to attribute accountability and provide compensation in the event of AI-generated mishaps becomes imperative. Clear guidelines and standards must be established to regulate AI's actions and ensure that potential risks are addressed.

Navigating Challenges in Copyright and Trademark Law:

The convergence of AI and IP law raises unique challenges in the realm of copyright and trademark protection. As AI generates vast amounts of content, distinguishing between original and AI-generated works becomes complex. IP law must offer clear guidance on issues like fair use, attribution, and identifying ownership when AI produces content similar to human creations.

The Role of AI in Patent Law:

In the realm of patents, AI innovations pose distinct challenges. Defining the boundaries of patentable subject matter in AI-generated inventions can be complex. Addressing issues of inventorship when AI systems contribute to the creation of novel inventions requires thoughtful consideration.

Safeguarding Trade Secrets in the Age of AI:

Trade secret protection gains significance as AI technology can be leveraged to analyze vast data sets and potentially steal sensitive information. Implementing robust security measures, controlling employee access to AI technology, and training personnel to identify and report suspicious behavior are vital for safeguarding trade secrets.

Collaborative Efforts for a Brighter Future:

The future of AI and IP law will be influenced by a multitude of factors, including technological advancements, legal developments, and societal trends. Constant communication and cooperation between stakeholders - from

policymakers to industry leaders to legal experts - will be crucial as we navigate this rapidly changing landscape. Establishing a framework that fosters innovation, preserves intellectual property rights, and benefits society at large will require collective efforts and a proactive approach.

The convergence of AI and intellectual property law holds immense potential for shaping the future of innovation and creativity. However, it also brings forth a plethora of ethical and legal challenges that demand careful consideration. As AI continues to advance, IP law must adapt to provide clear guidance on issues like copyright and trademark infringement, inventorship, and liability for AI-driven actions. Striking a balance between protecting the rights of creators and promoting technological progress will be instrumental in fostering a harmonious coexistence between AI and IP law. By fostering collaboration and understanding, society can harness the power of AI to unlock new possibilities while ensuring that intellectual property remains a safeguarded cornerstone of innovation and progress in the digital age.

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