CoSTAR Network response to the Copyright and Artificial Intelligence Consultation
A Foresight Lab policy briefing

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The CoSTAR Foresight Lab

Driven by the UK's leading Creative Industries experts, the CoSTAR Foresight Lab is researching the adoption, use and impact of new, emergent and convergent technologies in gaming, TV, film, performance and digital entertainment.

Our findings will inform research, development and innovation across the Creative Industries, including the R&D taking place through the convergent screen technologies and performance in real time (CoSTAR) programme, the UK R&D network for creative technology.

CoSTAR is a £75.6 million national R&D network of laboratories that are developing new technology to maintain the UK's world-leading position in gaming, TV, film, performance, and digital entertainment. Delivered by the UKRI Arts and Humanities Research Council, the programme is supporting new innovations and experiences that will enrich the UK's creative industries, economy, and culture. The network comprises the National Lab, the Realtime Lab, the Live Lab, the Screen Lab and the Foresight Lab. CoSTAR is funded through UK Research and Innovation's Infrastructure Fund, which supports the facilities, equipment and resources that are essential for researchers, businesses, and innovators to do groundbreaking work. You can find out more by visiting www.costarnetwork.co.uk.

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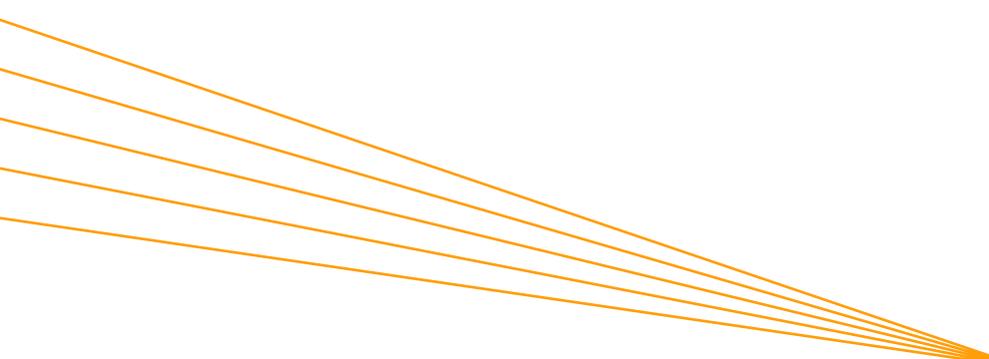
Executive summary

This policy briefing sets out the CoSTAR Network's joint response to the UK Government's Copyright and Artificial Intelligence Consultation, outlining the Network's approach and recommendations.

The contributors and consultees across the CoSTAR Network were:

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To become a competitive global AI maker, the UK needs to maintain its global leadership as an IP maker

- Balancing innovation prioritisation and recognising the role of the Creative Industries in driving innovation in AI.
- Boost innovation opportunity and partnerships across the UK, via the proposed AI Growth Zones, alongside innovation challenge opportunities to develop new rights management and royalty systems.
- Adoption and diffusion are critical, developing mechanisms to boost AI adoption across the Creative Industries through robust and trusted systems that reward rights holders and AI developers alike.

The UK should establish a leadership ambition in creative technology, underpinned by creative-led, equitable and sustainable technology innovation that incentivises creators and technologists alike

- International competitiveness, trade and inward investment can be stimulated by harnessing the UK's longstanding strengths across both the Creative Industries and Digital and Technologies.
- Recognising technological convergence will enable AI innovation in action, amongst an array of tools and application areas.
- Scan-pilot-scale approach for creative technology innovation to drive partnership and develop high-impact pilots to develop new prototypes.

As the UK's R&D Network for Creative Technologies, and thus a network operating in the interests of both the Creative Industries and Digital and Technologies, and those working across both identified Government growth sectors (Industrial Strategy Green paper, 2024[1]), our response to this consultation is underpinned by a shared commitment to spur growth and collaboration across these areas, in partnership.

The Network is committed to informing and supporting the Government's ongoing efforts to reward human creativity, incentivise innovation and provide legal certainty in the context of a highly dynamic technology environment. We do not believe, however, that the implementation of a TDM exception is the most likely way to meet the Government's objectives. We do, however, recognise the critical importance of trust and transparency, as outlined under this option in the consultation.

We believe that if the UK gets its approach to AI and copyright right, we could become a world leader in innovative and creative-led approaches to technology innovation – incentivising inward investment into UK creative content from the largest AI players and fostering collaboration to grow small UK AI players that are developing responsible and equitable models.

Incentivising innovation, providing certainty and rewarding human creativity will come from an approach that endeavours to create new innovation opportunities centred upon novel licensing and standardisation models, underpinned by a robust approach to licensing and remuneration. The CoSTAR Network is well-positioned to assist in identifying these opportunities, mapping the evidence base to underpin new interventions, developing pilots and establishing partnerships.

To become a competitive global AI maker, the UK needs to maintain its global leadership as an IP maker

We believe that in order for the UK to be a world-leading AI-maker, it needs to maintain its global leadership as an IP-maker – both of new products and services, as well as creative content and software IP. A proposed "opt-out" TDM exception is likely to stifle this. Companies need incentives in order to want to provide their IP for technology innovation that does not immediately involve or benefit them (e.g. "Why should I agree to this?", "What is the benefit for me and my company?", "How is my work being used, and what is it being used for?").

The AI Opportunities Action Plan published in January proposes a central question in its approach: "does this benefit the people and organisations trying to do new and ambitious things in the UK?"

The Creative Industries sector plays a significant role in R&D and innovation, particularly technological innovation. The Creative Industries make up 6% of the UK economy (more than AI at present), contributing £124bn in GVA[2] – with many companies already working with AI. We work with many of these organisations across the UK's creative technology ecosystem, where creative and technology innovators work together to build creative-led, equitable and sustainable products and services that incentivise creators and technologists alike. To most benefit the UK, current copyright law could be expanded to both better reflect

1   https://www.gov.uk/government/consultations/invest-2035-the-uks-modern-industrial-strategy

2   https://www.thecreativeindustries.co.uk/facts-figures/creative-industries-add-ps124bn-of-value-to-uk

the digital turn (copyright based on print model is now outdated) and drive broader-reaching innovation across multiple sectors; this should be underpinned by benefits to UK growth sectors, including the creative industries.

The impact of the proposed opt-out approach should consider the potentially negative impact it is likely to have on the long-term growth of the Creative Industries and innovation in the sector (which is underpinned by the production of IP and content). Any approach to innovation should foster mutual growth and benefit (not just on the side of those building large-scale AI platforms, many of which are not based in the UK), and should consider long-term impact and be future-facing.

A public innovation tool or solution should be designed for copyright holders to be easily identified and easily able to protect their IP, consent to use of their work and outline all benefits/terms for use of work, in order to make well-informed decisions and foster innovation-led collaboration. The CoSTAR Network, as the UK's R&D Network for Creative Technology, can support the development of roadmaps and piloting activity that can then be scaled up. It is developing guidance for businesses to engage with technology innovation across multiple technology areas (AI, XR, future networks, virtual production and realtime). This work is already embedded across Network activities, including enterprise and commercialisation programmes focussed on technical and business support, with particular emphasis on AI (1:2:1 mentorship to work with and adopt tools such as GenerativeAI, mentorship and support for navigating current and proposed changes to legislation, AI ethics etc.)[3] in addition to work that is mapping international approaches to AI legislation and trends in AI tool adoption and use across the UK[4].

The UK should establish a leadership ambition in creative technology, underpinned by creative-led, equitable and sustainable technology innovation that incentivises creators and technologists alike

We believe that any approach, including an approach more akin to 'opt-in', should be built robustly with technical roadmaps and pilots that foster collaborative and mutually beneficial approaches for AI and creative companies alike. The government should consider mechanisms through which to incentivise creators to produce IP, with the option of contributing to publicly-owned datasets including the proposed National Data Library. This could be through the funding and delivery of new pilots where promising AI start- and scale-ups work directly with creators to collaboratively develop new AI products and services powered by leading UK creative IP, working together to solve critical challenges and support government mission objectives.

This could be an area of growth and international leadership for the UK – and whilst differing from the approach taken by other territories, could lead to new mechanisms for inward investment into UK AI, creative and technology companies (the UK's base of which are largely scale-ups and SMEs) that are developed collaboratively, responsibly and ethically. For example, large US companies could purchase publicly owned datasets that are made up of the UK's world-leading IP and new innovative approaches to licensing and standardisation could see the development of competitive global markets. This would also

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3   https://www.costarnetwork.co.uk/accessprogrammes

4   https://www.costarnetwork.co.uk/latest/foregrounding-a-creative-led-approach-to-technology-and-ai-innovation

align with the Government's objectives of driving the adoption of technologies; more sectors, including the Creative Industries, are likely to invest in and adopt technologies that they trust and that benefit them – this leads to an additional area of opportunity in driving the adoption and diffusion of AI.

The UK's long-established strengths across both the Creative Industries and digital and technologies mean that these sectors in unison can be leveraged to stimulate international trade, fostering inward investment and solving shared challenges.

This could be enhanced through the development of new international incentives to drive global competitiveness, for example, embedding AI innovation readily in existing tax credits that cater for the unique contribution of the Creative industries via IP and content. The UK could pioneer new partnerships focussed on this particular area of Creative Industries and AI innovation, working with other international Creative Industries leaders to develop, trial and test new transparency and licensing solutions. These efforts could be supported by the development of a new collecting body for Generative AI training licenses that would be specialised in this particular area and work alongside existing licensing bodies to remunerate rights holders.

The CoSTAR Network's full response can be shared upon request. For further information, please email v.r.williams@lboro.ac.uk

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