



# CONTENT & TECHNOLOGY POLICY REPORT MAY 26, 2023

# I. Congressional Updates:

 Next Thursday, June 1<sup>st</sup>, at 1:00pm ET, the House Committee on Oversight and Accountability's Cybersecurity, Information Technology, and Government Innovation Subcommittee is scheduled to hold a hearing titled "Advances in AI: Views from Silicon Valley." There are no witnesses listed for the hearing yet, which will be held off site in San Francisco. Find more info. here.

# **II. Administration Updates**

- On Tuesday, the White House announced that it will hold a listening session with workers to understand their experience with employers' use of automated technologies for surveillance, monitoring, and evaluation. The call will include gig work experts, researchers, and policymakers. According to *Reuters*, the administration will also announce new steps, including an updated roadmap for federal investments in AI research, a request for public input on AI risks and with a new report from the Department of Education on how AI affects teaching, learning and research. Read more <a href="here">here</a>. Read the White House Fact Sheet <a href="here">here</a>.
- This week, the Office of Science and Technology Policy (OSTP) requested public comments to help update U.S. national priorities and future actions on AI. "Through this RFI, OSTP and its National AI Initiative Office seeks information about AI and associated actions related to AI that could inform the development of a National AI Strategy." Interested individuals and organizations are

#### **Headlines and Highlights:**

- House Committee on Oversight and Accountability to Hold an AI Hearing Next Week
- White House Takes New Steps to Study AI Risks
- OSTP Publishes a Request for Information on National Priorities for Artificial Intelligence
- G7 Calls for Developing Global Technical Standards for AI
- Maria Schneider's YouTube Lawsuit Denied Class-Action Status
- Copyright Royalty Board Confirms Songwriter Mechanical Royalty Rates for 2018-2022

#### In the Blogs:

- Hugh Stephens Blog:
   <u>Implementing Canada's Online</u>

  <u>Streaming Act: The CRTC is Fast</u>
  Out of the Gate
- Fox Business: <u>AI complicates</u> copyright law

invited to submit comments by 5:00 p.m. ET on July 7, 2023. Read the full notice and list of potential discussion questions <u>here</u>.

On Wednesday, Reuters reported that earlier this week, the Biden administration's solicitor general said that the Supreme Court should not review a ruling won by Google against songlyric website Genius over Google's alleged copying of Genius' lyric transcriptions. "Solicitor General Elizabeth Prelogar said in a court brief that the justices should let stand the 2nd U.S. Circuit Court of Appeals decision that Genius' case was preempted by federal copyright law." Read more here.

# **III. USCO Updates:**

• The U.S. Copyright Office published a statement of policy to clarify its practices for examining and registering works that contain material generated by the use of AI technology. "In the case of works containing AI-generated material, the Office will consider whether the AI contributions are the result of 'mechanical reproduction' or instead of an author's 'own original mental conception, to which [the author] gave visible form.' The answer will depend on the circumstances, particularly how the AI tool operates and how it was used to create the final work. This is necessarily a case-by-case inquiry." The Office did state, however, that this policy does not mean that technological tools cannot be part of the creative process, rather what matters is the extent to which the human had creative control over the work's expression. The document also addressed certain questions such as, "How to submit applications for works containing AI-generated material." Read more <a href="here">here</a>.

In a press release, the Office stated that they will host public listening sessions this spring with artists, creative industries, AI developers and researchers, and lawyers working on these issues. "These roundtable-format listening sessions will provide an opportunity for participants to discuss their goals and concerns related to the use and impact of generative AI in creative fields." Also, later this year, the Office plans to publish a notice of inquiry soliciting public comments on a wide range of copyright issues arising from the use of AI. In support of this initiative, the Office has also launched a new <a href="webpage">webpage</a> for announcements, events, and resources related to AI and copyright at <a href="copyright.gov/ai">copyright.gov/ai</a>. Interested parties can register for the public listening sessions using the links below:

Music and Sound Recordings on Wednesday, May 31, from 1:00 p.m. to 4:00 p.m. eastern time

#### IV. International Updates:

• On Saturday, leaders of the Group of Seven (G7) nations called for technical standards to be developed and adopted in order to keep AI "trustworthy". While they recognized that there are multiple approaches to achieving "the common vision and goal of trustworthy AI may vary", they said in a statement the rules for digital technologies like AI should be "in line with our shared democratic values". The EU and U.S. are also expected to exchange views on the emerging technologies at the Trade and Technology Council in Sweden on May 30-31. Read more here.

On Monday, CNBC reported that European privacy regulators have fined Meta \$1.3 billion over the transfer of EU user data to the U.S. The punishment for Meta is the highest any company has ever been fined for breaching the General Data Protection Regulation (GDPR) when it continued to send the personal data of European citizens to the U.S despite a 2020 European court ruling. Meta said it would appeal the decision and the fine. Read more here.

# V. Judicial Updates:

- On Wednesday, *Music Ally and Billboard* reported that Maria Schneider's lawsuit against YouTube's Content ID tool has denied class-action status. The trial will continue, starting June 12, but it will only focus on the works of Schneider and two other rightsholders. Read more <a href="https://example.com/here/beta/here/be
- On Wednesday, *Digital Music News* reported that the Copyright Royalty Board issued a determination earlier this week over Phonorecords III which increases royalties yearly from 2018-2022 from 11.4 percent to 15.1 percent. The full document is restricted from public view, but an <u>appendix</u> to the ruling containing the regulations covered in the document was released to the public on Wednesday. Read more <u>here</u>.

#### **VI. Industry Updates:**

- On Monday, Bill Simmons, founder of Spotify-owned podcast network The Ringer, said the streaming platform is developing AI tools trained on its hosts' voices to create targeted ads, as first reported by *Semafor*. "There is going to be a way to use my voice for the ads. You have to obviously give the approval for the voice, but it opens up, from an advertising standpoint, all these different great possibilities." Read more from *Insider* here.
- This week, former Copyright Office General Counsel, Jon Baumgarten, submitted a letter to the House Judiciary IP Subcommittee expressing his concerns with Sy Damle's testimony at last week's AI and copyright hearing. Baumgarten highlighted his disagreement with Damle's contention during the hearing that "outside of some unspecified cases of machine memorization or close reproduction that might occasionally 'go too far,' the input side of ingestion and processing by generative AI is almost *categorically* privileged as 'fair use'." Baumgarten said that he "could not disagree more" with Damle's characterization of the process and that his "blanket assertion that input for generative AI 'is fair use' may well be simply wrong." The Copyright Alliance also issued a statement following the hearing in which its CEO, Keith Kupferschmid, said that "[1]icensing models for AI ingestion already exist for many types of copyrighted works, including literary works and works of visual art, which AI developers recognize as valuable training material for large language models (LLMs) and image generators. While some AI companies are transparent that they only use licensed material to train their systems, others have used works scraped from the internet without authorization and have ignored available licenses." Read more from IP Watchdog here.